

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 3656**

**(SENATE AUTHORS: ROSEN)**

DATE	D-PG	OFFICIAL STATUS
03/21/2018	6863	Introduction and first reading Referred to Finance
04/25/2018	7895a	Comm report: To pass as amended
	8372	Second reading
04/26/2018	8386a	Special Order: Amended
	8459	Third reading Passed
05/07/2018	8732	Returned from House with amendment
	8736	Senate not concur, conference committee of 5 requested
	8740	Senate conferees Rosen; Benson; Kiffmeyer; Limmer; Newman
	8772	House conferees Knoblach; Loon; Torkelson; Garofalo; Pelowski
05/19/2018	9387c	Conference committee report, delete everything
	10191	Motion to reject CC report, did not prevail Senate adopted CC report and repassed bill
	10192	Third reading
05/20/2018	10196	House adopted SCC report and repassed bill Presentment date 05/21/18
	10619	Governor's action Veto 05/23/18 Secretary of State Chapter 201 05/23/18 See also SF4075, Sec. 10 (revisor's bill)

1.1 A bill for an act

1.2 relating to state government; appropriating money and modifying provisions for

1.3 agriculture, housing, state government, public safety, corrections, courts,

1.4 transportation, environment, natural resources, energy, jobs, economic development,

1.5 higher education, prekindergarten through grade 12 education, health, and human

1.6 services; establishing and modifying state regulations and programs; creating

1.7 accounts; providing for disposition of certain receipts; making clarifying and

1.8 technical changes; making forecast adjustments; requiring rulemaking; requiring

1.9 reports; providing criminal penalties; creating work groups, task forces, and

1.10 advisory groups; modifying fees; amending Minnesota Statutes 2016, sections

1.11 3.3005, subdivision 8; 3.855, by adding a subdivision; 10A.01, subdivision 35;

1.12 13.072, subdivision 1; 13.461, by adding a subdivision; 13.64, by adding a

1.13 subdivision; 13.6905, subdivision 3; 13.72, subdivision 10; 13.851, by adding a

1.14 subdivision; 16A.013, by adding a subdivision; 16A.103, subdivisions 1, 1b, by

1.15 adding a subdivision; 16A.11, subdivision 1, by adding a subdivision; 16A.99,

1.16 subdivisions 2, 4; 16E.03, subdivision 7; 17.117, subdivisions 1, 4, 11; 17.494;

1.17 17.4982, by adding subdivisions; 18C.425, subdivision 6; 18C.80, subdivision 2;

1.18 21.89, subdivision 2; 28A.16; 41A.15, subdivision 10, by adding a subdivision;

1.19 41A.16, subdivisions 1, 2; 41A.17, subdivision 1; 41A.18, subdivision 1; 41B.056,

1.20 subdivision 2; 62A.30, by adding a subdivision; 62V.05, subdivisions 5, 10; 80E.13;

1.21 84.0895, subdivision 2; 84.775, subdivision 1; 84.86, subdivision 1; 84.928,

1.22 subdivision 2; 88.10, by adding a subdivision; 88.75, subdivision 1; 89.551;

1.23 97A.051, subdivision 2; 97A.433, subdivisions 4, 5; 97B.015, subdivision 6;

1.24 97B.081, subdivision 3; 97B.1055; 97C.345, subdivision 3a; 103B.3369,

1.25 subdivisions 5, 9; 103B.801, subdivisions 2, 5; 103E.021, subdivision 6; 103E.071;

1.26 103E.351, subdivision 1; 103F.361, subdivision 2; 103F.363, subdivision 1;

1.27 103F.365, by adding a subdivision; 103F.371; 103F.373, subdivisions 1, 3, 4;

1.28 103G.2242, subdivision 14; 103I.205, subdivision 9; 103I.301, subdivision 6;

1.29 114D.15, subdivisions 7, 11, 13, by adding subdivisions; 114D.20, subdivisions

1.30 2, 3, 5, 7, by adding subdivisions; 114D.26; 114D.35, subdivisions 1, 3; 115.03,

1.31 subdivision 5, by adding a subdivision; 115.035; 115A.51; 115A.94, subdivisions

1.32 2, 4a, 4b, 4c, 4d, 5, by adding subdivisions; 116.155, subdivision 1, by adding

1.33 subdivisions; 116.993, subdivisions 2, 6; 119B.011, subdivision 19, by adding a

1.34 subdivision; 119B.02, subdivision 7; 119B.03, subdivision 9; 119B.06, by adding

1.35 a subdivision; 120A.20, subdivision 2; 120A.22, subdivisions 7, 12; 120B.024,

1.36 subdivision 1; 120B.11, subdivisions 1, 1a, 2, 5, 9; 120B.12, as amended; 120B.299,

1.37 subdivision 10; 120B.36, subdivision 2; 121A.22, subdivision 1, by adding a

1.38 subdivision; 121A.39; 121A.41, by adding a subdivision; 121A.45; 121A.46,

1.39 subdivisions 2, 3, by adding subdivisions; 121A.47, subdivisions 2, 14; 121A.55;

2.1 121A.61; 121A.67, by adding a subdivision; 122A.42; 122A.71, subdivision 2;  
 2.2 123B.14, subdivision 7; 123B.41, subdivision 5; 123B.42, subdivision 3; 123B.52,  
 2.3 subdivision 6; 123B.595, as amended; 123B.61; 124D.09, subdivision 4; 124D.111;  
 2.4 124D.151, subdivision 2; 124D.78, subdivision 2; 124D.98; 124E.20, subdivision  
 2.5 1; 125B.07, subdivision 6; 125B.26, subdivision 4; 126C.10, subdivisions 2e, 24;  
 2.6 126C.15, subdivision 5, by adding a subdivision; 126C.17, subdivisions 1, 2, 5,  
 2.7 6, 7, 7a; 126C.44; 127A.45, subdivisions 11, 16; 127A.70, subdivision 2; 128C.03;  
 2.8 128C.20; 129D.17, by adding a subdivision; 134.355, subdivision 10; 135A.15,  
 2.9 subdivisions 2, 6; 136A.15, subdivision 8; 136A.16, subdivisions 1, 2, 5, 8, 9;  
 2.10 136A.162; 136A.1701, subdivision 7; 136A.1702; 136A.1791, subdivision 8;  
 2.11 136A.1795, subdivision 2; 136A.64, subdivision 1; 136A.822, subdivision 10;  
 2.12 136A.901, subdivision 1; 137.0245, subdivisions 1, 2, 4, 5; 144.121, subdivision  
 2.13 1a, by adding a subdivision; 144.1506, subdivision 2; 144.225, subdivisions 2, 2a,  
 2.14 7; 144.6501, subdivision 3, by adding a subdivision; 144.651, subdivisions 1, 2,  
 2.15 4, 6, 14, 16, 17, 20, 21, by adding subdivisions; 144.652, by adding a subdivision;  
 2.16 144A.10, subdivision 1; 144A.26; 144A.43, subdivisions 11, 27, 30, by adding a  
 2.17 subdivision; 144A.44, subdivision 1; 144A.441; 144A.442; 144A.45, subdivisions  
 2.18 1, 2; 144A.472, subdivision 5; 144A.473; 144A.474, subdivisions 2, 8, 9; 144A.475,  
 2.19 subdivisions 1, 2, 5; 144A.476, subdivision 1; 144A.479, subdivision 7, by adding  
 2.20 a subdivision; 144A.4791, subdivisions 1, 3, 6, 7, 8, 9, 10; 144A.4792, subdivisions  
 2.21 1, 2, 5, 10; 144A.4793, subdivision 6; 144A.4797, subdivision 3; 144A.4798;  
 2.22 144A.4799, subdivision 1; 144A.484, subdivision 1; 144A.53, subdivisions 1, 4,  
 2.23 by adding subdivisions; 144D.01, subdivision 1; 144D.02; 144D.04, by adding a  
 2.24 subdivision; 144D.09; 144G.01, subdivision 1; 145.56, subdivision 2; 146B.03,  
 2.25 by adding a subdivision; 147.012; 147.02, by adding a subdivision; 147A.06;  
 2.26 147A.07; 147B.02, subdivision 9, by adding a subdivision; 147C.15, subdivision  
 2.27 7, by adding a subdivision; 147D.17, subdivision 6, by adding a subdivision;  
 2.28 147D.27, by adding a subdivision; 147E.15, subdivision 5, by adding a subdivision;  
 2.29 147E.40, subdivision 1; 147F.07, subdivision 5, by adding subdivisions; 147F.17,  
 2.30 subdivision 1; 148.59; 148.7815, subdivision 1; 148E.180; 149A.40, subdivision  
 2.31 11; 149A.95, subdivision 3; 150A.06, subdivision 1a, by adding subdivisions;  
 2.32 150A.091, by adding subdivisions; 151.15, by adding subdivisions; 151.19,  
 2.33 subdivision 1; 151.214, subdivision 2; 151.46; 151.71, by adding a subdivision;  
 2.34 152.11, subdivision 2, by adding a subdivision; 152.126, subdivisions 2, 6, 10;  
 2.35 155A.25, subdivision 1a; 155A.28, by adding a subdivision; 160.263, subdivision  
 2.36 2; 160.295, subdivision 5; 161.115, subdivision 111; 161.14, by adding  
 2.37 subdivisions; 161.32, subdivision 2; 168.013, subdivision 6; 168.10, subdivision  
 2.38 1h; 168.101, subdivision 2a; 168.127, subdivisions 4, 6; 168.27, by adding  
 2.39 subdivisions; 168.301, subdivision 3; 168.326; 168.33, subdivision 8a, by adding  
 2.40 a subdivision; 168.345, subdivision 2; 168.346, subdivision 1; 168A.02, subdivision  
 2.41 1; 168A.12, subdivision 2; 168A.151, subdivision 1; 168A.17, by adding a  
 2.42 subdivision; 168A.29, subdivision 1; 169.011, subdivisions 5, 9, 60; 169.14,  
 2.43 subdivision 5; 169.18, subdivisions 3, 10, 11, 12; 169.20, by adding a subdivision;  
 2.44 169.222, subdivisions 1, 4; 169.26, subdivision 1; 169.28; 169.29; 169.442, by  
 2.45 adding a subdivision; 169.448, subdivision 1; 169.4503, subdivisions 5, 13, by  
 2.46 adding a subdivision; 169.475, subdivision 2; 169.55, subdivision 1; 169.57,  
 2.47 subdivision 3; 169.64, subdivision 3, by adding a subdivision; 169.81, subdivision  
 2.48 5, by adding a subdivision; 169.8261, subdivision 2; 169.829, by adding a  
 2.49 subdivision; 169.87, subdivision 6; 169.92, subdivision 4; 169A.24, subdivision  
 2.50 1; 169A.55, subdivision 4; 171.041; 171.07, subdivision 1a; 171.16, subdivisions  
 2.51 2, 3; 171.18, subdivision 1; 171.24; 174.12, subdivision 8; 174.66; 175A.05;  
 2.52 176.011, subdivision 15; 176.101, subdivisions 2, 2a, 4; 176.102, subdivision 11;  
 2.53 176.136, subdivision 1b; 176.231, subdivision 9; 176.83, subdivision 5; 180.03,  
 2.54 subdivisions 2, 3, 4; 180.10; 201.022, by adding subdivisions; 205A.07, subdivision  
 2.55 2; 214.075, subdivisions 1, 4, 5, 6; 214.077; 214.10, subdivision 8; 214.12, by  
 2.56 adding a subdivision; 216B.16, by adding subdivisions; 216B.1641; 216B.2422,  
 2.57 subdivision 1, by adding a subdivision; 216D.04, by adding a subdivision; 216G.01,  
 2.58 subdivision 3; 221.031, subdivision 2d, by adding a subdivision; 221.0314,

3.1 subdivision 9; 221.036, subdivisions 1, 3; 221.122, subdivision 1; 221.161,  
 3.2 subdivision 1, by adding a subdivision; 221.171, subdivision 1; 240.01, by adding  
 3.3 a subdivision; 240.02, subdivision 6; 240.08, subdivision 5; 240.131, subdivision  
 3.4 7; 240.22; 242.192; 243.166, subdivisions 1b, 2, 4, 4b, 4c, 5, 6, 7, 7a; 245.4889,  
 3.5 by adding a subdivision; 245A.04, subdivision 7, by adding a subdivision;  
 3.6 245A.175; 245C.02, by adding a subdivision; 245C.12; 245C.22, subdivision 4;  
 3.7 245D.071, subdivision 5; 245D.091, subdivisions 2, 3, 4; 254A.035, subdivision  
 3.8 2; 254B.02, subdivision 1; 254B.06, subdivision 1; 256.01, subdivision 14b;  
 3.9 256B.04, subdivisions 14, 21; 256B.0625, subdivisions 13, 13e, 13f, by adding  
 3.10 subdivisions; 256B.0659, subdivisions 3a, 11, 21, 24, 28, by adding a subdivision;  
 3.11 256B.0915, subdivision 6; 256B.092, subdivisions 1b, 1g; 256B.4914, subdivision  
 3.12 4; 256B.5012, by adding a subdivision; 256I.04, by adding subdivisions; 256K.45,  
 3.13 subdivision 2; 256R.53, subdivision 2; 257.57, subdivisions 1, 2, by adding a  
 3.14 subdivision; 257.75, subdivision 4; 260.012; 260.835, subdivision 2; 268.035,  
 3.15 subdivisions 4, 12; 268.044, subdivisions 2, 3; 268.047, subdivision 3; 268.051,  
 3.16 subdivisions 2a, 3; 268.053, subdivision 1; 268.057, subdivision 5; 268.059;  
 3.17 268.066; 268.067; 268.069, subdivision 1; 268.085, subdivisions 3, 3a; 268.095,  
 3.18 subdivision 6a; 268.105, subdivision 6; 268.145, subdivision 1; 270C.13,  
 3.19 subdivision 1; 298.28, subdivision 9a; 299A.01, by adding a subdivision; 299A.705;  
 3.20 299A.707, by adding a subdivision; 299C.093; 299C.17; 299D.085, by adding a  
 3.21 subdivision; 299F.30, subdivisions 1, 2; 325F.71; 326B.106, subdivision 9;  
 3.22 326B.815, subdivision 1; 327.31, by adding a subdivision; 327B.041; 327C.095,  
 3.23 subdivisions 4, 6, 12, 13, by adding a subdivision; 349A.06, subdivision 11;  
 3.24 357.021, subdivision 2b; 360.013, by adding a subdivision; 360.017, subdivision  
 3.25 1; 360.021, subdivision 1; 360.024; 360.062; 360.063, subdivisions 1, 3; 360.064,  
 3.26 subdivision 1; 360.065, subdivision 1; 360.066, subdivision 1; 360.067, by adding  
 3.27 a subdivision; 360.071, subdivision 2; 360.305, subdivision 6; 394.22, by adding  
 3.28 a subdivision; 394.23; 394.231; 394.25, subdivision 3; 462.352, by adding a  
 3.29 subdivision; 462.355, subdivision 1; 462.357, subdivision 9, by adding a  
 3.30 subdivision; 462A.33, subdivisions 1, 2; 462A.37, subdivisions 1, 2; 465.73;  
 3.31 471.59, subdivision 1; 473.13, by adding subdivisions; 473.386, subdivision 3, by  
 3.32 adding a subdivision; 473.4051, subdivision 3; 473.606, subdivision 5; 474A.02,  
 3.33 by adding subdivisions; 474A.03, subdivision 1; 474A.04, subdivision 1a;  
 3.34 474A.047, subdivisions 1, 2; 474A.061; 474A.062; 474A.091; 474A.131; 474A.14;  
 3.35 474A.21; 475.58, subdivision 4; 507.18, subdivision 2, by adding subdivisions;  
 3.36 518.145, subdivision 2; 518A.32, subdivision 3; 518A.685; 574.26, subdivision  
 3.37 1a; 590.11, subdivisions 1, 2, 5, 7; 609.015, subdivision 1; 609.095; 609.2231,  
 3.38 subdivision 8; 609.341, subdivision 10; 609.342, subdivision 1; 609.343,  
 3.39 subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.3451,  
 3.40 subdivision 1; 609.746, subdivision 1; 611.365, subdivisions 2, 3; 611.367; 611.368;  
 3.41 617.246, subdivisions 2, 3, 4, 7; 617.247, subdivisions 3, 4, 9; 626.556, subdivision  
 3.42 10; 626.557, subdivisions 3, 4, 9a, 9b, 9c, 12b, 14, 17; 626.8452, by adding a  
 3.43 subdivision; 626A.08, subdivision 2; 626A.37, subdivision 4; 631.40, subdivision  
 3.44 1a; 641.15, subdivision 3a; Minnesota Statutes 2017 Supplement, sections 3.8853,  
 3.45 subdivisions 1, 2, by adding subdivisions; 3.972, subdivision 4; 3.98, subdivision  
 3.46 1; 6.481, subdivision 3; 13.69, subdivision 1; 15A.083, subdivision 7; 16A.152,  
 3.47 subdivision 2; 18C.70, subdivision 5; 18C.71, subdivision 4; 84.01, subdivision  
 3.48 6; 84.91, subdivision 1; 84.925, subdivision 1; 84.9256, subdivision 1; 84D.03,  
 3.49 subdivisions 3, 4; 84D.108, subdivisions 2b, 2c; 85.0146, subdivision 1; 86B.331,  
 3.50 subdivision 1; 97A.075, subdivision 1; 103G.2242, subdivision 1; 103I.005,  
 3.51 subdivisions 2, 8a, 17a; 103I.205, subdivisions 1, 4; 103I.208, subdivision 1;  
 3.52 103I.235, subdivision 3; 103I.601, subdivision 4; 116.0714; 116C.779, subdivision  
 3.53 1; 116C.7792; 119B.011, subdivision 20; 119B.025, subdivision 1; 119B.06,  
 3.54 subdivision 1; 119B.09, subdivision 1; 119B.095, subdivision 2, by adding a  
 3.55 subdivision; 119B.13, subdivision 1; 120B.021, subdivision 1; 120B.122,  
 3.56 subdivision 1; 120B.125; 120B.30, subdivision 1; 120B.35, subdivision 3; 120B.36,  
 3.57 subdivision 1; 121A.335, subdivisions 3, 5; 122A.07, by adding a subdivision;  
 3.58 122A.09, subdivision 2, by adding a subdivision; 122A.18, subdivision 8;

4.1 122A.187, subdivision 3, by adding a subdivision; 122A.20, subdivisions 1, 2;  
 4.2 122A.40, subdivision 13; 122A.41, subdivision 6; 123B.03, subdivisions 1, 2;  
 4.3 123B.41, subdivision 2; 123B.52, subdivision 7; 124D.09, subdivision 3; 124D.151,  
 4.4 subdivisions 5, 6; 124D.165, subdivisions 2, 3, 4; 124D.549; 124D.68, subdivision  
 4.5 2; 124D.99, subdivisions 3, 5; 136A.1275, subdivisions 2, 3; 136A.1789,  
 4.6 subdivision 2; 136A.246, subdivision 4; 136A.646; 136A.672, by adding a  
 4.7 subdivision; 136A.822, subdivision 6; 136A.8295, by adding a subdivision;  
 4.8 144A.472, subdivision 7; 144A.474, subdivision 11; 144A.4796, subdivision 2;  
 4.9 144A.4799, subdivision 3; 144D.04, subdivision 2; 147.01, subdivision 7; 147A.28;  
 4.10 147B.08; 147C.40; 152.105, subdivision 2; 155A.30, subdivision 12; 160.02,  
 4.11 subdivision 1a; 168.013, subdivision 1a; 169.18, subdivision 7; 169.442, subdivision  
 4.12 5; 169.64, subdivision 8; 169.829, subdivision 4; 171.06, subdivision 2; 171.30,  
 4.13 subdivisions 1, 2a; 171.306, subdivisions 1, 2; 171.3215, subdivisions 2, 3; 175.46,  
 4.14 subdivision 13; 216B.1691, subdivision 2f; 216B.241, subdivision 1d; 216B.62,  
 4.15 subdivision 3b; 216C.417, subdivision 2; 245.4889, subdivision 1; 245A.03,  
 4.16 subdivision 7; 245A.06, subdivision 8; 245A.11, subdivision 2a; 245A.50,  
 4.17 subdivision 7; 245C.22, subdivision 5; 245D.03, subdivision 1; 245G.05,  
 4.18 subdivision 1; 254A.03, subdivision 3; 254B.03, subdivision 2; 254B.12,  
 4.19 subdivision 3; 256.045, subdivision 3; 256.969, subdivision 9; 256B.0625,  
 4.20 subdivisions 3b, 56a; 256B.0911, subdivisions 1a, 3a, 3f, 5; 256B.0915, subdivision  
 4.21 3a; 256B.0921; 256B.0941, subdivision 3; 256B.49, subdivision 13; 256B.4914,  
 4.22 subdivisions 2, 3, 5, 6, 7, 8, 9, 10, 10a; 256I.03, subdivision 8; 256I.04, subdivision  
 4.23 2b; 256I.05, subdivision 3; 268.035, subdivisions 15, 20; 268.046, subdivision 1;  
 4.24 268.07, subdivision 1; 268.085, subdivision 13a; 268.095, subdivision 6; 268.18,  
 4.25 subdivisions 2b, 5; 298.2215; 298.227; 364.09; 462A.2035, subdivisions 1, 1b;  
 4.26 473.4051, subdivision 2; 473.4485, subdivision 2; 475.59, subdivision 1; 609A.03,  
 4.27 subdivision 7a; 626.556, subdivisions 2, 3, 10e; Laws 2007, chapter 45, article 1,  
 4.28 section 4; Laws 2010, chapter 361, article 4, section 78; Laws 2014, chapter 312,  
 4.29 article 2, section 14, as amended; article 11, section 38, subdivisions 5, 6; article  
 4.30 27, section 76; Laws 2016, chapter 189, article 3, sections 3, subdivision 5; 4; 48;  
 4.31 article 25, sections 61; 62, subdivision 15; Laws 2017, chapter 88, article 1, section  
 4.32 2, subdivisions 2, 4, 5; Laws 2017, chapter 89, article 1, section 2, subdivisions  
 4.33 18, 20, 29, 31, 32, 33, 34, 40; Laws 2017, chapter 93, article 1, sections 3,  
 4.34 subdivision 6; 4; article 2, sections 155, subdivision 5; 163; Laws 2017, chapter  
 4.35 94, article 1, sections 2, subdivisions 2, as amended, 3; 4, subdivision 5; 6; 7,  
 4.36 subdivision 7; 9; article 10, sections 28; 29; Laws 2017, First Special Session  
 4.37 chapter 1, article 4, section 31; Laws 2017, First Special Session chapter 3, article  
 4.38 1, sections 2, subdivision 2; 4, subdivisions 1, 2, 4; Laws 2017, First Special  
 4.39 Session chapter 4, article 2, sections 1; 3; 9; 58; Laws 2017, First Special Session  
 4.40 chapter 5, article 1, section 19, subdivisions 2, 3, 4, 5, 6, 7, 9; article 2, sections  
 4.41 56; 57, subdivisions 2, 3, 4, 5, 6, 12, 14, 21, 23, 26, 34; article 3, sections 3; 4; 5;  
 4.42 6; 7; 8; 9; 10; 11; 12; 13; 14; 15; 16; 36; article 4, sections 11; 12, subdivisions 2,  
 4.43 as amended, 3, 4, 5; article 5, section 14, subdivisions 2, 3, 4; article 6, section 3,  
 4.44 subdivisions 2, 3, 4; article 7, section 2, subdivision 5; article 8, section 10,  
 4.45 subdivisions 3, 5a, 6, 12; article 9, section 2, subdivisions 2, 7; article 10, section  
 4.46 6, subdivision 2; article 11, sections 9, subdivision 2; 10; 12; 13; Laws 2017, First  
 4.47 Special Session chapter 6, article 3, section 49; article 8, sections 71; 72; 74; article  
 4.48 10, section 144; article 12, section 2, subdivision 4; article 18, sections 3,  
 4.49 subdivisions 2, 3; 16, subdivision 2; proposing coding for new law in Minnesota  
 4.50 Statutes, chapters 3; 5; 11A; 16E; 17; 62J; 62Q; 97A; 103B; 115; 115B; 116C;  
 4.51 120B; 121A; 122A; 136A; 137; 144; 144D; 144G; 147A; 147B; 147C; 147D;  
 4.52 147E; 147F; 151; 168A; 174; 176; 219; 245A; 245C; 256; 256B; 256K; 260C;  
 4.53 299A; 299C; 327; 360; 383A; repealing Minnesota Statutes 2016, sections 16A.97;  
 4.54 16A.98; 120B.299, subdivisions 7, 8, 9, 11; 123A.26, subdivision 3; 125A.75,  
 4.55 subdivision 9; 126C.16, subdivisions 1, 3; 126C.17, subdivision 9a; 128C.02,  
 4.56 subdivision 6; 136A.15, subdivisions 2, 7; 136A.1701, subdivision 12; 144A.45,  
 4.57 subdivision 6; 144A.479, subdivision 2; 144A.481; 151.55; 155A.28, subdivisions  
 4.58 1, 3, 4; 168.013, subdivision 21; 169A.33, subdivision 1; 214.075, subdivision 8;

5.1 216B.2423; 221.161, subdivisions 2, 3, 4; 256B.0705; 268.053, subdivisions 4, 5;  
 5.2 360.063, subdivision 4; 360.065, subdivision 2; 360.066, subdivisions 1a, 1b;  
 5.3 401.13; 471.9996, subdivision 2; 609.349; Minnesota Statutes 2017 Supplement,  
 5.4 sections 3.98, subdivision 4; 122A.09, subdivision 1; 146B.02, subdivision 7a;  
 5.5 169A.07; 256B.0625, subdivision 31c; Laws 2016, chapter 189, article 25, section  
 5.6 62, subdivision 16; Laws 2017, First Special Session chapter 4, article 2, section  
 5.7 59; Minnesota Rules, parts 5600.0605, subparts 5, 8; 8700.7620; 8710.0300,  
 5.8 subparts 1, 1a, 2, 2a, 2b, 3, 5, 6, 7, 8, 9, 10, 11; 8710.1000; 8710.1050; 8710.1250;  
 5.9 8710.1400; 8710.1410; 8710.2100, subparts 1, 2; 9530.6800; 9530.6810.

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

5.11 **ARTICLE 1**

5.12 **STATE GOVERNMENT APPROPRIATIONS**

5.13 Section 1. **APPROPRIATIONS.**

5.14 The sums shown in the columns marked "Appropriations" are added to or, if shown in  
 5.15 parentheses, subtracted from the appropriations in Laws 2017, First Special Session chapter  
 5.16 4, article 1, to the agencies and for the purposes specified in this article. The appropriations  
 5.17 are from the general fund, or another named fund, and are available for the fiscal years  
 5.18 indicated for each purpose. The figures "2018" and "2019" used in this article mean that  
 5.19 the appropriations listed under them are available for the fiscal year ending June 30, 2018,  
 5.20 or June 30, 2019, respectively.

		<b><u>APPROPRIATIONS</u></b>		
		<b><u>Available for the Year</u></b>		
		<b><u>Ending June 30</u></b>		
		<b><u>2018</u></b>		<b><u>2019</u></b>
5.25	Sec. 2. <b><u>LEGISLATURE</u></b>	<b><u>\$</u></b>	<b><u>.....</u></b>	<b><u>\$ 90,000</u></b>
5.26	<u>\$90,000 is from the general fund to the</u>			
5.27	<u>Legislative Coordinating Commission for rent</u>			
5.28	<u>payments for the Office of the Revisor of</u>			
5.29	<u>Statutes. This is a onetime appropriation.</u>			
5.30	Sec. 3. <b><u>STATE AUDITOR</u></b>	<b><u>\$</u></b>	<b><u>.....</u></b>	<b><u>\$ (269,094)</u></b>
5.31	<u>This is a general reduction to office operations.</u>			
5.32	<u>The auditor may not reduce operations or</u>			
5.33	<u>services related to public pensions. This is a</u>			
5.34	<u>onetime reduction.</u>			
5.35	Sec. 4. <b><u>SECRETARY OF STATE</u></b>	<b><u>\$</u></b>	<b><u>.....</u></b>	<b><u>\$ 1,534,000</u></b>

6.1 (a) \$1,534,000 is appropriated in fiscal year  
 6.2 2019 from the account established in  
 6.3 Minnesota Statutes, section 5.30, pursuant to  
 6.4 the Help America Vote Act, to the secretary  
 6.5 of state for the purposes of modernizing,  
 6.6 securing, and updating the statewide voter  
 6.7 registration system and for cyber security  
 6.8 upgrades as authorized by federal law. This is  
 6.9 a onetime appropriation and is available until  
 6.10 June 30, 2022.

6.11 (b) \$110,000 expended by the secretary of  
 6.12 state in fiscal year 2018 for increasing secure  
 6.13 access to the statewide voter registration  
 6.14 system was money appropriated for carrying  
 6.15 out the purposes authorized under the  
 6.16 Omnibus Appropriations Act of 2018, Public  
 6.17 Law 115-1410, and the Help America Vote  
 6.18 Act of 2002, Public Law 107-252, section 101,  
 6.19 and is deemed to be credited towards any  
 6.20 match required by those laws.

6.21 **Sec. 5. MINNESOTA MANAGEMENT AND**  
 6.22 **BUDGET**

\$

129,094

\$

140,000

6.23 (a) \$140,000 in fiscal year 2019 is from the  
 6.24 general fund for grants to reimburse the  
 6.25 documented litigation costs incurred by  
 6.26 counties in defending the constitutionality of  
 6.27 Minnesota Statutes, section 6.481, as enacted  
 6.28 in Laws 2015, chapter 77, article 2, section 3,  
 6.29 in *Otto v. Wright County, et. al.* (A16-1634).  
 6.30 The grants must be apportioned as follows:  
 6.31 (1) up to \$70,000 is for a grant to Wright  
 6.32 County; and  
 6.33 (2) up to \$70,000 is for a grant to Becker  
 6.34 County.

7.1 This is a onetime appropriation. The  
7.2 commissioner must provide each grant upon  
7.3 certification of the final litigation costs  
7.4 incurred by the affected county, provided that  
7.5 the total grant must not exceed the amounts  
7.6 specified in this paragraph.

7.7 (b) Notwithstanding any provision of law to  
7.8 the contrary, \$129,094 in fiscal year 2018 is  
7.9 from the general fund for a payment to the city  
7.10 of Austin, for both its 2016 fire state aid  
7.11 payment under Minnesota Statutes, section  
7.12 69.021, subdivision 7, and its 2016  
7.13 supplemental state aid payment under  
7.14 Minnesota Statutes, section 423A.022, upon  
7.15 certification by the city that the sum of the fire  
7.16 state aid and the supplemental state aid that  
7.17 the city transmitted to the Austin Parttime  
7.18 Firefighters Relief Association in calendar  
7.19 year 2015 to fund the volunteers firefighters'  
7.20 service pensions met or exceeded the amount  
7.21 required under the bylaws of that association.

7.22 Of these amounts:

7.23 (1) \$103,892 is for the fire state aid; and

7.24 (2) \$25,202 is for the supplemental state aid.

7.25 This is a onetime appropriation. The payment  
7.26 required by this paragraph must be provided  
7.27 no later than June 30, 2018.

7.28 **Sec. 6. EFFECTIVE DATE.**

7.29 This article is effective the day following final enactment.

8.1

**ARTICLE 2**

8.2

**STATE GOVERNMENT OPERATIONS**

8.3

Section 1. Minnesota Statutes 2016, section 3.855, is amended by adding a subdivision to read:

8.4

8.5

Subd. 5. **Information required.** The commissioner of management and budget must submit to the Legislative Coordinating Commission the following information with the submission of a collective bargaining agreement or compensation plan under subdivisions 2 and 3:

8.6

8.7

8.8

8.9

(1) for each agency and for each proposed agreement, a comparison of biennial compensation costs under the current agreement or plan to the projected biennial compensation costs under the proposed agreement or plan, paid with funds appropriated from the general fund;

8.10

8.11

8.12

8.13

(2) for each agency and for each proposed agreement and plan, a comparison of biennial compensation costs under the current agreement or plan to the projected compensation costs under the proposed agreement or plan, paid with funds appropriated from each fund other than the general fund;

8.14

8.15

8.16

8.17

(3) for each agency and for each proposed agreement and plan, an identification of the amount of the additional biennial compensation costs that are attributable to salary and wages and to the cost of nonsalary and nonwage benefits; and

8.18

8.19

8.20

(4) for each agency, for each of clauses (1) to (3), the impact of the aggregate of all agreements and plans being submitted to the commission.

8.21

8.22

**Sec. 2. [5.42] DISPLAY OF BUSINESS ADDRESS ON WEB SITE.**

8.23

(a) A business entity may request in writing that all addresses submitted by the business entity to the secretary of state be omitted from display on the secretary of state's Web site. A business entity may only request that all addresses be omitted from display if the entity certifies that:

8.24

8.25

8.26

8.27

(1) there is only one shareholder, member, manager, or owner of the business entity;

8.28

(2) the shareholder, manager, member, or owner is a natural person; and

8.29

(3) at least one of the addresses provided is the residential address of the sole shareholder, manager, member, or owner.

8.30

9.1 The secretary of state shall post a notice that this option is available and a link to the form  
9.2 needed to make a request on the secretary's Web site. The secretary of state shall also attach  
9.3 a copy of the request form to all business filing forms provided in a paper format that require  
9.4 a business entity to submit an address.

9.5 (b) This section does not change the classification of data under chapter 13 and addresses  
9.6 shall be made available to the public in response to requests made by telephone, mail,  
9.7 electronic mail, and facsimile transmission.

9.8 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to business  
9.9 entity filings filed with the secretary of state on or after that date.

9.10 Sec. 3. Minnesota Statutes 2017 Supplement, section 6.481, subdivision 3, is amended to  
9.11 read:

9.12 Subd. 3. **CPA firm audit.** (a) A county audit performed by a CPA firm must meet the  
9.13 standards and be in a form meeting recognized industry auditing standards. The state auditor  
9.14 may require additional information from the CPA firm if the state auditor determines that  
9.15 is in the public interest, but the state auditor must accept the audit unless the state auditor  
9.16 determines the audit or its form does not meet recognized industry auditing standards. The  
9.17 state auditor may make additional examinations as the auditor determines to be in the public  
9.18 interest.

9.19 (b) When the state auditor requires additional information from the CPA firm or makes  
9.20 additional examinations that the state auditor determines to be in the public interest, the  
9.21 state auditor must afford counties and CPA firms an opportunity to respond to potential  
9.22 findings, conclusions, or questions, as follows:

9.23 (1) at least 30 days before beginning a review for work performed by a certified public  
9.24 accountant firm licensed in chapter 326A, the state auditor must notify the county and CPA  
9.25 firm that the state auditor will be conducting a review and must identify the type and scope  
9.26 of review the state auditor will perform;

9.27 (2) throughout the state auditor's review, the auditor shall allow the county and the CPA  
9.28 firm at least 30 days to respond to any request by the auditor for documents or other  
9.29 information;

9.30 (3) the state auditor must provide the CPA firm with a draft report of the state auditor's  
9.31 findings at least 30 days before issuing a final report;

9.32 (4) at least 20 days before issuing a final report, the state auditor must hold a formal exit  
9.33 conference with the CPA firm to discuss the findings in the state auditor's draft report;

10.1 (5) the state auditor shall make changes to the draft report that are warranted as a result  
 10.2 of information provided by the CPA firm during the state auditor's review; and

10.3 (6) the state auditor's final report must include any written responses provided by the  
 10.4 CPA firm.

10.5 Sec. 4. Minnesota Statutes 2016, section 13.072, subdivision 1, is amended to read:

10.6 Subdivision 1. **Opinion; when required.** (a) Upon request of a government entity or a  
 10.7 member of the legislature, the commissioner ~~may~~ must give a written opinion on any question  
 10.8 relating to ~~public~~ the requirements of this chapter, including questions about access to  
 10.9 government data by a member of the public or another government entity, the rights of  
 10.10 subjects of data, or the classification of data under this chapter or other Minnesota statutes  
 10.11 governing government data practices. Upon request of any person who disagrees with a  
 10.12 determination regarding data practices made by a government entity, the commissioner ~~may~~  
 10.13 must give a written opinion regarding the person's rights as a subject of government data  
 10.14 or right to have access to government data.

10.15 (b) Upon request of a body subject to chapter 13D or a member of the legislature, the  
 10.16 commissioner ~~may~~ must give a written opinion on any question relating to the ~~body's duties~~  
 10.17 ~~under requirements of chapter 13D~~. Upon request of a person who disagrees with the manner  
 10.18 in which members of a governing body perform their duties under chapter 13D, the  
 10.19 commissioner ~~may~~ must give a written opinion on compliance with chapter 13D. A governing  
 10.20 body or person requesting an opinion under this paragraph must pay the commissioner a  
 10.21 fee of \$200. Money received by the commissioner under this paragraph is appropriated to  
 10.22 the commissioner for the purposes of this section.

10.23 ~~(e) If the commissioner determines that no opinion will be issued, the commissioner~~  
 10.24 ~~shall give the government entity or body subject to chapter 13D or person requesting the~~  
 10.25 ~~opinion notice of the decision not to issue the opinion within five business days of receipt~~  
 10.26 ~~of the request. If this notice is not given, the commissioner shall issue an opinion within 20~~  
 10.27 ~~days of receipt of the request.~~

10.28 ~~(d)~~ (c) The commissioner shall issue an opinion under this subdivision within 20 days  
 10.29 of receipt of the request. For good cause and upon written notice to the person requesting  
 10.30 the opinion, the commissioner may extend this deadline for one additional 30-day period.  
 10.31 The notice must state the reason for extending the deadline. The government entity or the  
 10.32 members of a body subject to this chapter or chapter 13D must be provided a reasonable  
 10.33 opportunity to explain the reasons for its decision regarding the data or how they perform  
 10.34 their duties ~~under chapter 13D~~. The commissioner or the government entity or body subject

11.1 to chapter 13D may choose to give notice to the subject of the data concerning the dispute  
 11.2 regarding the data or compliance with this chapter or chapter 13D.

11.3 ~~(e)~~ (d) This section does not apply to a determination made by the commissioner of  
 11.4 health under section 13.3805, subdivision 1, paragraph (b), or 144.6581.

11.5 ~~(f)~~ (e) A written, numbered, and published opinion issued by the attorney general shall  
 11.6 take precedence over an opinion issued by the commissioner under this section.

11.7 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 11.8 applies to requests for opinions submitted on or after that date.

11.9 Sec. 5. Minnesota Statutes 2016, section 16A.013, is amended by adding a subdivision to  
 11.10 read:

11.11 **Subd. 1a. Opportunity to make gifts via Web site.** The commissioner of management  
 11.12 and budget must maintain a secure Web site which permits any person to make a gift of  
 11.13 money electronically for any purpose authorized by subdivision 1. Gifts made using the  
 11.14 Web site are subject to all other requirements of this section, sections 16A.014 to 16A.016,  
 11.15 and any other applicable law governing the receipt of gifts by the state and the purposes for  
 11.16 which a gift may be used. The Web site must include historical data on the total amount of  
 11.17 gifts received using the site, itemized by month.

11.18 Sec. 6. Minnesota Statutes 2017 Supplement, section 16A.152, subdivision 2, is amended  
 11.19 to read:

11.20 **Subd. 2. Additional revenues; priority.** (a) If on the basis of a forecast of general fund  
 11.21 revenues and expenditures, the commissioner of management and budget determines that  
 11.22 there will be a positive unrestricted budgetary general fund balance at the close of the  
 11.23 biennium, the commissioner of management and budget must allocate money to the following  
 11.24 accounts and purposes in priority order:

11.25 (1) the cash flow account established in subdivision 1 until that account reaches  
 11.26 \$350,000,000;

11.27 (2) the budget reserve account established in subdivision 1a until that account reaches  
 11.28 \$1,596,522,000;

11.29 (3) the amount necessary to increase the aid payment schedule for school district aids  
 11.30 and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest  
 11.31 tenth of a percent without exceeding the amount available and with any remaining funds  
 11.32 deposited in the budget reserve; and

12.1 (4) the amount necessary to restore all or a portion of the net aid reductions under section  
 12.2 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75,  
 12.3 subdivision 5, by the same amount; ~~and.~~

12.4 ~~(5) the clean water fund established in section 114D.50 until \$22,000,000 has been~~  
 12.5 ~~transferred into the fund.~~

12.6 (b) The amounts necessary to meet the requirements of this section are appropriated  
 12.7 from the general fund within two weeks after the forecast is released or, in the case of  
 12.8 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations  
 12.9 schedules otherwise established in statute.

12.10 (c) The commissioner of management and budget shall certify the total dollar amount  
 12.11 of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education.  
 12.12 The commissioner of education shall increase the aid payment percentage and reduce the  
 12.13 property tax shift percentage by these amounts and apply those reductions to the current  
 12.14 fiscal year and thereafter.

12.15 ~~(d) Paragraph (a), clause (5), expires after the entire amount of the transfer has been~~  
 12.16 ~~made.~~

12.17 **Sec. 7. [16E.031] STATE AND LOCAL GOVERNMENT USER ACCEPTANCE**  
 12.18 **TESTING.**

12.19 (a) Any state agency implementing a new information technology business software  
 12.20 application or new business software application functionality that significantly impacts  
 12.21 the operations of local units of government must provide opportunities for local government  
 12.22 representative involvement in user acceptance testing, unless the testing is deemed not  
 12.23 feasible or necessary by the relevant agency commissioner, in consultation with  
 12.24 representatives of local units of government and the chief information officer.

12.25 (b) The requirements in paragraph (a) only apply to new software applications and new  
 12.26 software application functionality where local units of government will be primary users,  
 12.27 as determined by the relevant agency head in consultation with representatives of local units  
 12.28 of government and the chief information officer. The requirements in paragraph (a) do not  
 12.29 apply to routine software upgrades or application changes that are primarily intended to  
 12.30 comply with federal law, rules, or regulations.

12.31 (c) School districts are not local units of government for the purposes of this section.

12.32 **EFFECTIVE DATE.** This section is effective July 1, 2018, and applies to business  
 12.33 software application projects initiated on or after that date.

13.1 Sec. 8. Minnesota Statutes 2016, section 155A.25, subdivision 1a, is amended to read:

13.2 Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this  
13.3 subdivision.

13.4 (b) Three-year license fees are as follows:

13.5 (1) \$195 initial practitioner, manager, or instructor license, divided as follows:

13.6 (i) \$155 for each initial license; and

13.7 (ii) \$40 for each initial license application fee;

13.8 (2) \$115 renewal of practitioner license, divided as follows:

13.9 (i) \$100 for each renewal license; and

13.10 (ii) \$15 for each renewal application fee;

13.11 (3) \$145 renewal of manager or instructor license, divided as follows:

13.12 (i) \$130 for each renewal license; and

13.13 (ii) \$15 for each renewal application fee;

13.14 (4) \$350 initial salon license, divided as follows:

13.15 (i) \$250 for each initial license; and

13.16 (ii) \$100 for each initial license application fee;

13.17 (5) \$225 renewal of salon license, divided as follows:

13.18 (i) \$175 for each renewal; and

13.19 (ii) \$50 for each renewal application fee;

13.20 (6) \$4,000 initial school license, divided as follows:

13.21 (i) \$3,000 for each initial license; and

13.22 (ii) \$1,000 for each initial license application fee; and

13.23 (7) \$2,500 renewal of school license, divided as follows:

13.24 (i) \$2,000 for each renewal; and

13.25 (ii) \$500 for each renewal application fee.

13.26 (c) Penalties may be assessed in amounts up to the following:

13.27 (1) reinspection fee, \$150;

- 14.1 (2) manager and owner with expired practitioner found on inspection, \$150 each;
- 14.2 (3) expired practitioner or instructor found on inspection, \$200;
- 14.3 (4) expired salon found on inspection, \$500;
- 14.4 (5) expired school found on inspection, \$1,000;
- 14.5 (6) failure to display current license, \$100;
- 14.6 (7) failure to dispose of single-use equipment, implements, or materials as provided
- 14.7 under section 155A.355, subdivision 1, \$500;
- 14.8 (8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355,
- 14.9 subdivision 2, \$500;
- 14.10 (9) performing nail or cosmetology services in esthetician salon, or performing esthetician
- 14.11 or cosmetology services in a nail salon, \$500;
- 14.12 (10) owner and manager allowing an operator to work as an independent contractor,
- 14.13 \$200;
- 14.14 (11) operator working as an independent contractor, \$100;
- 14.15 (12) refusal or failure to cooperate with an inspection, \$500;
- 14.16 (13) practitioner late renewal fee, \$45; and
- 14.17 (14) salon or school late renewal fee, \$50.
- 14.18 (d) Administrative fees are as follows:
- 14.19 (1) homebound service permit, \$50 three-year fee;
- 14.20 (2) name change, \$20;
- 14.21 (3) certification of licensure, \$30 each;
- 14.22 (4) duplicate license, \$20;
- 14.23 (5) special event permit, \$75 per year;
- 14.24 ~~(6) registration of hair braiders, \$20 per year;~~
- 14.25 ~~(7)~~ (6) \$100 for each temporary military license for a cosmetologist, nail technician,
- 14.26 esthetician, or advanced practice esthetician one-year fee;
- 14.27 ~~(8)~~ (7) expedited initial individual license, \$150;
- 14.28 ~~(9)~~ (8) expedited initial salon license, \$300;

15.1 ~~(10)~~ (9) instructor continuing education provider approval, \$150 each year; and

15.2 ~~(11)~~ (10) practitioner continuing education provider approval, \$150 each year.

15.3 Sec. 9. Minnesota Statutes 2016, section 155A.28, is amended by adding a subdivision to  
15.4 read:

15.5 Subd. 5. **Hair braiders exempt.** The practice of hair braiding is exempt from the  
15.6 requirements of this chapter.

15.7 Sec. 10. Minnesota Statutes 2016, section 201.022, is amended by adding a subdivision  
15.8 to read:

15.9 Subd. 4. **Voter records updated due to voting report.** No later than eight weeks after  
15.10 the election, the county auditor must use the statewide voter registration system to produce  
15.11 a report that identifies each voter whose record indicates that it was updated due to voting.  
15.12 The county auditor must investigate each record that is challenged for a reason related to  
15.13 eligibility to determine if the voter appears to have been ineligible to vote. If the county  
15.14 auditor determines that a voter appears to have been ineligible to vote and either registered  
15.15 to vote or voted in the previous election, the county auditor must notify the law enforcement  
15.16 agency or the county attorney as provided in section 201.275.

15.17 Sec. 11. Minnesota Statutes 2016, section 201.022, is amended by adding a subdivision  
15.18 to read:

15.19 Subd. 5. **Inactive voter report.** By November 6, 2018, the secretary of state must develop  
15.20 a report within the statewide voter registration system that provides information on inactive  
15.21 voters who registered on election day and were possibly ineligible. For elections on or after  
15.22 November 6, 2018, no later than eight weeks after the election, the county auditor must use  
15.23 the statewide voter registration system to produce the report. The county auditor must  
15.24 investigate each record to determine if the voter appears to have been ineligible to vote. If  
15.25 the county auditor determines that a voter appears to have been ineligible to vote and  
15.26 registered to vote in the previous election, the county auditor must notify the law enforcement  
15.27 agency or the county attorney as provided in section 201.275.

15.28 Sec. 12. Minnesota Statutes 2016, section 240.01, is amended by adding a subdivision to  
15.29 read:

15.30 Subd. 18a. **Racing or gaming-related vendor.** "Racing or gaming-related vendor"  
15.31 means any person or entity that manufactures, sells, provides, distributes, repairs, or maintains

16.1 equipment or supplies used at a Class A facility or provides services to a Class A facility  
 16.2 or Class B license holder that are directly related to the running of a horse race, simulcasting,  
 16.3 pari-mutuel betting, or card playing.

16.4 Sec. 13. Minnesota Statutes 2016, section 240.02, subdivision 6, is amended to read:

16.5 Subd. 6. **Annual report.** The commission shall on February 15 of each odd-numbered  
 16.6 year submit a report to the governor and legislature on its activities, organizational structure,  
 16.7 receipts and disbursements, and recommendations for changes in the laws relating to racing  
 16.8 and pari-mutuel betting.

16.9 Sec. 14. Minnesota Statutes 2016, section 240.08, subdivision 5, is amended to read:

16.10 Subd. 5. **Revocation and suspension.** (a) The commission may revoke a class C license  
 16.11 for a violation of law or rule which in the commission's opinion adversely affects the integrity  
 16.12 of horse racing in Minnesota, the public health, welfare, or safety, or for an intentional false  
 16.13 statement made in a license application.

16.14 The commission may suspend a class C license for up to one year for a violation of law,  
 16.15 order or rule.

16.16 The commission may delegate to its designated agents the authority to impose suspensions  
 16.17 of class C licenses, and the revocation or suspension of a class C license may be appealed  
 16.18 to the commission according to its rules.

16.19 (b) ~~A license revocation or suspension~~ If the commission revokes or suspends a license  
 16.20 for more than 90 180 days is, in lieu of appealing to the commission under paragraph (a),  
 16.21 the license holder has the right to request a contested case hearing under sections 14.57 to  
 16.22 14.69 of the Administrative Procedure Act and is in addition to criminal penalties imposed  
 16.23 for a violation of law or rule: chapter 14. The request must be made in writing to the  
 16.24 commission by certified mail or personal service. A request sent by certified mail must be  
 16.25 postmarked within ten days after the license holder receives the revocation or suspension  
 16.26 order from the commission. A request sent by personal service must be received by the  
 16.27 commission within ten days after the license holder receives the revocation or suspension  
 16.28 order from the commission. The commission may summarily suspend a license for more  
 16.29 than up to 90 days prior to a contested case hearing where it is necessary to ensure the  
 16.30 integrity of racing or to protect the public health, welfare, or safety. The license holder may  
 16.31 appeal a summary suspension by making a written request to the commission within five  
 16.32 calendar days after the license holder receives notice of the summary suspension. A contested  
 16.33 case hearing must be held within 30 ten days of the commission's receipt of the request for

17.1 appeal of a summary suspension and the administrative law judge's report must be issued  
 17.2 within 30 days from the close of the hearing record. In all cases involving summary  
 17.3 suspension the commission must issue its final decision within 30 days from receipt of the  
 17.4 report of the administrative law judge and subsequent exceptions and argument under section  
 17.5 14.61. to determine whether the license should remain suspended pending a final disciplinary  
 17.6 action.

17.7 Sec. 15. Minnesota Statutes 2016, section 240.131, subdivision 7, is amended to read:

17.8 Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of one percent  
 17.9 of all amounts wagered by Minnesota residents with an authorized advance deposit wagering  
 17.10 provider. The fee shall be declared on a form prescribed by the commission. The ADW  
 17.11 provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of  
 17.12 the month in which the wager was made. Fees collected under this paragraph must be  
 17.13 deposited in the state treasury and credited to a racing and card-playing regulation account  
 17.14 in the special revenue fund and are appropriated to the commission to offset the costs  
 17.15 associated with regulating horse racing and pari-mutuel wagering in Minnesota.

17.16 (b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all  
 17.17 amounts wagered by Minnesota residents with an authorized advance deposit wagering  
 17.18 provider. The fee shall be declared on a form prescribed by the commission. The ADW  
 17.19 provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of  
 17.20 the month in which the wager was made. Fees collected under this paragraph must be  
 17.21 deposited in the state treasury and credited to a racing and card-playing regulation account  
 17.22 in the special revenue fund and are appropriated to the commission to offset the cost of  
 17.23 administering the breeders fund and promote horse breeding in Minnesota.

17.24 Sec. 16. Minnesota Statutes 2016, section 240.22, is amended to read:

17.25 **240.22 FINES.**

17.26 (a) The commission shall by rule establish a schedule of civil fines for violations of laws  
 17.27 related to horse racing or of the commission's rules. The schedule must be based on and  
 17.28 reflect the culpability, frequency and severity of the violator's actions. The commission may  
 17.29 impose a fine from this schedule on a licensee for a violation of those rules or laws relating  
 17.30 to horse racing. The fine is in addition to any criminal penalty imposed for the same violation.  
 17.31 Fines imposed by the commission must be paid to the commission and except as provided  
 17.32 in paragraph (c), forwarded to the commissioner of management and budget for deposit in  
 17.33 the state treasury and credited to a racing and card-playing regulation account in the special

18.1 revenue fund and appropriated to the commission to distribute in the form of grants, contracts,  
 18.2 or expenditures to support racehorse adoption, retirement, and repurposing.

18.3 (b) If the commission issues a fine in excess of \$5,000, the license holder has the right  
 18.4 to request a contested case hearing under chapter 14, to be held as set forth in Minnesota  
 18.5 Rules, chapter 1400. The appeal of a fine must be made in writing to the commission by  
 18.6 certified mail or personal service. An appeal sent by certified mail must be postmarked  
 18.7 within ten days after the license holder receives the fine order from the commission. An  
 18.8 appeal sent by personal service must be received by the commission within ten days after  
 18.9 the license holder receives the fine order from the commission.

18.10 (c) If the commission is the prevailing party in a contested case proceeding, the  
 18.11 commission may recover, from amounts to be forwarded under paragraph (a), reasonable  
 18.12 attorney fees and costs associated with the contested case.

18.13 Sec. 17. Minnesota Statutes 2016, section 270C.13, subdivision 1, is amended to read:

18.14 Subdivision 1. **Biennial report.** The commissioner shall report to the legislature by  
 18.15 March 1 of each odd-numbered year on the overall incidence of the income tax, sales and  
 18.16 excise taxes, and property tax. The report shall present information on the distribution of  
 18.17 the tax burden as follows: (1) for the overall income distribution, using a systemwide  
 18.18 incidence measure such as the Suits index or other appropriate measures of equality and  
 18.19 inequality; (2) by income classes, including at a minimum deciles of the income distribution;  
 18.20 and (3) by other appropriate taxpayer characteristics. The report must also include information  
 18.21 on the distribution of the burden of federal taxes borne by Minnesota residents.

18.22 Sec. 18. Minnesota Statutes 2016, section 349A.06, subdivision 11, is amended to read:

18.23 Subd. 11. **Cancellation, suspension, and refusal to renew contracts or locations.** (a)  
 18.24 The director shall cancel the contract of any lottery retailer or prohibit a lottery retailer from  
 18.25 selling lottery tickets at a business location who:

18.26 (1) has been convicted of a felony or gross misdemeanor;

18.27 (2) has committed fraud, misrepresentation, or deceit;

18.28 (3) has provided false or misleading information to the lottery; or

18.29 (4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

18.30 (b) The director may cancel, suspend, or refuse to renew the contract of any lottery  
 18.31 retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

- 19.1 (1) changes business location;
- 19.2 (2) fails to account for lottery tickets received or the proceeds from tickets sold;
- 19.3 (3) fails to remit funds to the director in accordance with the director's rules;
- 19.4 (4) violates a law or a rule or order of the director;
- 19.5 (5) fails to comply with any of the terms in the lottery retailer's contract;
- 19.6 (6) fails to file a bond, securities, or a letter of credit as required under subdivision 3;
- 19.7 (7) in the opinion of the director fails to maintain a sufficient sales volume to justify  
19.8 continuation as a lottery retailer; ~~or~~
- 19.9 (8) has violated section 340A.503, subdivision 2, clause (1), two or more times within  
19.10 a two-year period; or
- 19.11 (9) has violated the rules adopted pursuant to subdivision 6, clause (1), requiring a lottery  
19.12 retailer to retain appropriate amounts from gross receipts from the sale of lottery tickets in  
19.13 order to pay prizes to holders of winning tickets, three or more times within a one-year  
19.14 period.
- 19.15 (c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract  
19.16 or prohibit a lottery retailer from selling lottery tickets at a business location if there is a  
19.17 material change in any of the factors considered by the director under subdivision 2.
- 19.18 (d) A contract cancellation, suspension, refusal to renew, or prohibiting a lottery retailer  
19.19 from selling lottery tickets at a business location under this subdivision is a contested case  
19.20 under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a  
19.21 violation of law or rule.
- 19.22 (e) The director may temporarily suspend a contract or temporarily prohibit a lottery  
19.23 retailer from selling lottery tickets at a business location without notice for any of the reasons  
19.24 specified in this subdivision provided that a hearing is conducted within seven days after a  
19.25 request for a hearing is made by a lottery retailer. Within 20 days after receiving the  
19.26 administrative law judge's report, the director shall issue an order vacating the temporary  
19.27 suspension or prohibition or making any other appropriate order. If no hearing is requested  
19.28 within 30 days of the temporary suspension or prohibition taking effect, the suspension or  
19.29 prohibition becomes permanent unless the director vacates or modifies the order.
- 19.30 (f) A lottery retailer whose contract was solely canceled, suspended, or not renewed  
19.31 pursuant to paragraph (b), clause (9), may petition the director to reinstate a canceled or

20.1 suspended contract, or enter into a new contract, after two years have passed since the order  
20.2 took effect.

20.3 **Sec. 19. VALUATION OF PIPELINE OPERATING PROPERTY;**  
20.4 **ADMINISTRATIVE RULES.**

20.5 (a) No later than January 1, 2019, the commissioner of revenue must adopt amendments  
20.6 to applicable administrative rules, including Minnesota Rules, part 8100.0300, related to  
20.7 the valuation of pipeline operating property in Minnesota. The amendments must be designed  
20.8 to improve the valuation methodology so that it produces a more accurate estimate of market  
20.9 value. The commissioner must consider recent agreements, settlements, and judgments  
20.10 related to state-assessed pipeline operating property valuations that resulted in an increase  
20.11 or decrease in assessed market value in developing the amendments required by this section.

20.12 (b) The commissioner may use the expedited rulemaking process under Minnesota  
20.13 Statutes, section 14.389, to adopt the rules required by this section.

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

20.15 **Sec. 20. VALUATION METHOD OF PUBLIC UTILITY OPERATING PROPERTY;**  
20.16 **REPORT.**

20.17 (a) The commissioner of revenue shall prepare a report on the valuation of the operating  
20.18 property of public utilities, as defined in Minnesota Statutes, section 216B.02, subdivision  
20.19 4, in the state of Minnesota.

20.20 (b) The report must compile and explain, in detail, the number of state-assessed public  
20.21 utility valuations that have been appealed in the last 20 years, the basis for the appeals, and  
20.22 the extent to which the market value was increased or reduced, by agreement, settlement,  
20.23 or judgment, and list and provide detail on the taxing jurisdictions that have been issued a  
20.24 refund order in the last 20 years as a result of agreement, settlement, or judgment, including  
20.25 the year and amount paid.

20.26 (c) The commissioner shall submit the report to the committees of the house of  
20.27 representatives and senate having jurisdiction over taxes by December 1, 2018, and file the  
20.28 report as required by Minnesota Statutes, section 3.195.

20.29 **EFFECTIVE DATE.** This section is effective July 1, 2018.

21.1 **Sec. 21. NORDIC WORLD CUP SKI CHAMPIONSHIP.**

21.2 (a) Upon request of U.S. Ski and Snowboard, The Loppet Foundation, or other affiliated  
 21.3 organization, the Minnesota Amateur Sports Commission must support the preparation and  
 21.4 submission of a competitive bid to host an International Ski Federation Nordic World Cup  
 21.5 Ski Championship event in Minnesota. If the event is awarded, the commission must partner  
 21.6 with the organizing committee as an event host. Commission activities may include but are  
 21.7 not limited to assisting in the development of public-private partnerships to support the  
 21.8 event; soliciting sponsors; participating in public outreach activities; permitting the  
 21.9 commission's facilities to be developed and used as event venues; and providing other  
 21.10 administrative, technical, logistical, or financial support, within available resources.

21.11 (b) Within 30 days after a bid is submitted and, if an event is awarded to Minnesota as  
 21.12 a host, within 30 days after receiving notice of the award, the commission must notify the  
 21.13 chairs and ranking minority members of the legislative committees with jurisdiction over  
 21.14 the commission. The notification must describe the commission's work in support of the  
 21.15 event and indicate whether the commission anticipates seeking supplemental state or local  
 21.16 funds or other public resources to continue that work.

21.17 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 21.18 expires upon conclusion of a Nordic World Cup Ski Championship event hosted in  
 21.19 Minnesota.

21.20 **Sec. 22. REPEALER.**

21.21 Minnesota Statutes 2016, section 155A.28, subdivisions 1, 3, and 4, are repealed effective  
 21.22 July 1, 2018.

21.23 **ARTICLE 3**

21.24 **LEGISLATIVE BUDGET OFFICE**

21.25 Section 1. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended  
 21.26 to read:

21.27 Subdivision 1. **Establishment; duties.** The Legislative Budget Office is established  
 21.28 ~~under control of the Legislative Coordinating Commission~~ to provide the house of  
 21.29 representatives and senate with nonpartisan, accurate, and timely information on the fiscal  
 21.30 impact of proposed legislation, without regard to political factors.

21.31 **EFFECTIVE DATE.** This section is effective July 1, 2018.

22.1 Sec. 2. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 2, is amended  
22.2 to read:

22.3 Subd. 2. **Director; staff.** ~~The Legislative Coordinating Commission~~ Legislative Budget  
22.4 Office Oversight Commission must appoint a director ~~who~~ and establish the director's duties.  
22.5 The director may hire staff necessary to do the work of the office. The director serves in  
22.6 the unclassified service for a term of six years and may not be removed during a term except  
22.7 for cause after a public hearing.

22.8 **EFFECTIVE DATE.** This section is effective July 1, 2018.

22.9 Sec. 3. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a  
22.10 subdivision to read:

22.11 Subd. 3. **Uniform standards and procedures.** The director of the Legislative Budget  
22.12 Office must adopt uniform standards and procedures governing the timely preparation of  
22.13 fiscal notes as required by this section and section 3.98. The standards and procedures are  
22.14 not effective until they are approved by the Legislative Budget Office Oversight Commission.  
22.15 Upon approval, the standards and procedures must be published in the State Register and  
22.16 on the office's Web site.

22.17 **EFFECTIVE DATE.** This section is effective September 1, 2019, except that the  
22.18 uniform standards and procedures to be used may be developed and adopted by the oversight  
22.19 commission prior to the effective date of this section.

22.20 Sec. 4. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a  
22.21 subdivision to read:

22.22 Subd. 4. **Access to data; treatment.** Upon request of the director of the Legislative  
22.23 Budget Office, the head or chief administrative officer of each department or agency of  
22.24 state government, including the Supreme Court, must promptly supply data that are used  
22.25 to prepare a fiscal note, including data that are not public data under section 13.64 or other  
22.26 applicable law, unless there are federal laws or regulations that prohibit the provision of the  
22.27 not public data for this purpose. Not public data supplied under this subdivision may only  
22.28 be used by the Legislative Budget Office to review a department or agency's work in  
22.29 preparing a fiscal note and may not be used or disseminated for any other purpose, including  
22.30 use by or dissemination to a legislator or to any officer, department, agency, or committee  
22.31 within the legislative branch. Violation of this subdivision by the director or other staff of  
22.32 the Legislative Budget Office is cause for removal, suspension without pay, or immediate  
22.33 dismissal at the direction of the oversight commission.

23.1 **EFFECTIVE DATE.** This section is effective September 1, 2019.

23.2 Sec. 5. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a  
23.3 subdivision to read:

23.4 Subd. 5. **Fiscal note delivery and posting.** The director of the Legislative Budget Office  
23.5 must deliver a completed fiscal note to the legislative committee chair who made the request,  
23.6 and to the chief author of the legislation to which it relates. Within 24 hours of completion  
23.7 of a fiscal note, the director of the Legislative Budget Office must post a completed fiscal  
23.8 note on the office's public Web site. This subdivision does not apply to an unofficial fiscal  
23.9 note that is not public data under section 13.64, subdivision 3.

23.10 **EFFECTIVE DATE.** This section is effective September 1, 2019.

23.11 Sec. 6. **[3.8854] LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION.**

23.12 (a) The Legislative Budget Office Oversight Commission consists of:

23.13 (1) two members of the senate appointed by the senate majority leader;

23.14 (2) two members of the senate appointed by the senate minority leader;

23.15 (3) two members of the house of representatives appointed by the speaker of the house;

23.16 and

23.17 (4) two members of the house of representatives appointed by the minority leader.

23.18 The director of the Legislative Budget Office is the executive secretary of the commission.

23.19 The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan  
23.20 fiscal analyst of the senate, the commissioner of management and budget or a designee, and  
23.21 the legislative auditor are ex officio, nonvoting members of the commission.

23.22 (b) Members serve at the pleasure of the appointing authority, or until they are not  
23.23 members of the legislative body from which they were appointed. Appointing authorities  
23.24 shall fill vacancies on the commission within 30 days of a vacancy being created.

23.25 (c) The commission shall meet in January of each odd-numbered year to elect its chair  
23.26 and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall  
23.27 alternate biennially between the senate and the house of representatives. The commission  
23.28 shall meet at the call of the chair. The members shall serve without compensation but may  
23.29 be reimbursed for their reasonable expenses consistent with the rules of the legislature  
23.30 governing expense reimbursement.

24.1 (d) The commission shall review the work of the Legislative Budget Office and make  
 24.2 recommendations, as the commission determines necessary, to improve the office's ability  
 24.3 to fulfill its duties, and shall perform other functions as directed by this section, and sections  
 24.4 3.8853 and 3.98.

24.5 Sec. 7. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, is amended to  
 24.6 read:

24.7 Subdivision 1. **Preparation; duties.** (a) The head or chief administrative officer of each  
 24.8 department or agency of the state government, including the Supreme Court, shall ~~cooperate~~  
 24.9 ~~with the Legislative Budget Office and the Legislative Budget Office must~~ prepare a fiscal  
 24.10 note consistent with the standards and procedures adopted under section 3.8853, at the  
 24.11 request of the chair of the standing committee to which a bill has been referred, or the chair  
 24.12 of the house of representatives Ways and Means Committee, or the chair of the senate  
 24.13 Committee on Finance.

24.14 ~~(b) Upon request of the Legislative Budget Office, the head or chief administrative~~  
 24.15 ~~officer of each department or agency of state government, including the Supreme Court,~~  
 24.16 ~~must promptly supply all information necessary for the Legislative Budget Office to prepare~~  
 24.17 ~~an accurate and timely fiscal note.~~

24.18 ~~(c) The Legislative Budget Office may adopt standards and guidelines governing timing~~  
 24.19 ~~of responses to requests for information and governing access to data, consistent with laws~~  
 24.20 ~~governing access to data. Agencies must comply with these standards and guidelines and~~  
 24.21 ~~the Legislative Budget Office must publish them on the office's Web site.~~

24.22 ~~(d)~~ (b) For purposes of this subdivision, "Supreme Court" includes all agencies,  
 24.23 committees, and commissions supervised or appointed by the state Supreme Court or the  
 24.24 state court administrator.

24.25 **EFFECTIVE DATE.** This section is effective September 1, 2019.

24.26 Sec. 8. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

24.27 Subd. 35. **Public official.** "Public official" means any:

24.28 (1) member of the legislature;

24.29 (2) individual employed by the legislature as secretary of the senate, legislative auditor,  
 24.30 director of the Legislative Budget Office, chief clerk of the house of representatives, revisor  
 24.31 of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of

- 25.1 Senate Counsel, Research, and Fiscal Analysis, House Research, or the House Fiscal Analysis  
25.2 Department;
- 25.3 (3) constitutional officer in the executive branch and the officer's chief administrative  
25.4 deputy;
- 25.5 (4) solicitor general or deputy, assistant, or special assistant attorney general;
- 25.6 (5) commissioner, deputy commissioner, or assistant commissioner of any state  
25.7 department or agency as listed in section 15.01 or 15.06, or the state chief information  
25.8 officer;
- 25.9 (6) member, chief administrative officer, or deputy chief administrative officer of a state  
25.10 board or commission that has either the power to adopt, amend, or repeal rules under chapter  
25.11 14, or the power to adjudicate contested cases or appeals under chapter 14;
- 25.12 (7) individual employed in the executive branch who is authorized to adopt, amend, or  
25.13 repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- 25.14 (8) executive director of the State Board of Investment;
- 25.15 (9) deputy of any official listed in clauses (7) and (8);
- 25.16 (10) judge of the Workers' Compensation Court of Appeals;
- 25.17 (11) administrative law judge or compensation judge in the State Office of Administrative  
25.18 Hearings or unemployment law judge in the Department of Employment and Economic  
25.19 Development;
- 25.20 (12) member, regional administrator, division director, general counsel, or operations  
25.21 manager of the Metropolitan Council;
- 25.22 (13) member or chief administrator of a metropolitan agency;
- 25.23 (14) director of the Division of Alcohol and Gambling Enforcement in the Department  
25.24 of Public Safety;
- 25.25 (15) member or executive director of the Higher Education Facilities Authority;
- 25.26 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- 25.27 (17) member of the board of directors or executive director of the Minnesota State High  
25.28 School League;
- 25.29 (18) member of the Minnesota Ballpark Authority established in section 473.755;
- 25.30 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

26.1 (20) manager of a watershed district, or member of a watershed management organization  
 26.2 as defined under section 103B.205, subdivision 13;

26.3 (21) supervisor of a soil and water conservation district;

26.4 (22) director of Explore Minnesota Tourism;

26.5 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section  
 26.6 97A.056;

26.7 (24) citizen member of the Clean Water Council established in section 114D.30;

26.8 (25) member or chief executive of the Minnesota Sports Facilities Authority established  
 26.9 in section 473J.07;

26.10 (26) district court judge, appeals court judge, or Supreme Court justice;

26.11 (27) county commissioner;

26.12 (28) member of the Greater Minnesota Regional Parks and Trails Commission; or

26.13 (29) member of the Destination Medical Center Corporation established in section  
 26.14 469.41.

26.15 **EFFECTIVE DATE.** This section is effective July 1, 2018.

26.16 Sec. 9. Minnesota Statutes 2016, section 13.64, is amended by adding a subdivision to  
 26.17 read:

26.18 **Subd. 4. Fiscal note data must be shared with Legislative Budget Office.** A head or  
 26.19 chief administrative officer of a department or agency of the state government, including  
 26.20 the Supreme Court, must provide data that are used to prepare a fiscal note, including data  
 26.21 that are not public data under this section to the director of the Legislative Budget Office  
 26.22 upon the director's request and consistent with section 3.8853, subdivision 4, unless there  
 26.23 are federal laws or regulations that prohibit the provision of the not public data for this  
 26.24 purpose. The data must be supplied according to any standards and procedures adopted  
 26.25 under section 3.8853, subdivision 3, including any standards and procedures governing  
 26.26 timeliness. Notwithstanding section 13.05, subdivision 9, a responsible authority may not  
 26.27 require the Legislative Budget Office to pay a cost for supplying data requested under this  
 26.28 subdivision.

26.29 **EFFECTIVE DATE.** This section is effective September 1, 2019.

27.1 Sec. 10. Laws 2017, First Special Session chapter 4, article 2, section 1, the effective date,  
27.2 is amended to read:

27.3 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ July 1, 2018.

27.4 **EFFECTIVE DATE.** This section is effective July 1, 2018.

27.5 Sec. 11. Laws 2017, First Special Session chapter 4, article 2, section 3, the effective date,  
27.6 is amended to read:

27.7 **EFFECTIVE DATE.** Except where otherwise provided by law, this section is effective  
27.8 ~~January 8, 2019~~ July 1, 2018.

27.9 **EFFECTIVE DATE.** This section is effective July 1, 2018.

27.10 Sec. 12. Laws 2017, First Special Session chapter 4, article 2, section 9, the effective date,  
27.11 is amended to read:

27.12 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ September 1, 2019.

27.13 **EFFECTIVE DATE.** This section is effective July 1, 2018.

27.14 Sec. 13. Laws 2017, First Special Session chapter 4, article 2, section 58, the effective  
27.15 date, is amended to read:

27.16 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ September 1, 2019.

27.17 The contract required under this section must be approved by the Legislative Budget Office  
27.18 Oversight Commission and be executed no later than November 1, 2018, and must provide  
27.19 for transfer of operational control of the fiscal note tracking system to the Legislative Budget  
27.20 Office effective September 1, 2019.

27.21 **EFFECTIVE DATE.** This section is effective July 1, 2018.

27.22 Sec. 14. **LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION; FIRST**  
27.23 **APPOINTMENTS; FIRST CHAIR; FIRST MEETING.**

27.24 Appointments to the Legislative Budget Office Oversight Commission under Minnesota  
27.25 Statutes, section 3.8854, must be made by July 1, 2018. The chair of the Legislative  
27.26 Coordinating Commission must designate one appointee to convene the commission's first  
27.27 meeting and serve as its chair until a chair is elected by the commission as provided in  
27.28 Minnesota Statutes, section 3.8854. The designated appointee must convene the first meeting  
27.29 no later than July 15, 2018.

28.1 Sec. 15. **LEGISLATIVE BUDGET OFFICE DIRECTOR ORIENTATION AND**  
 28.2 **TRAINING.**

28.3 Before September 1, 2019, the commissioner of management and budget shall provide  
 28.4 orientation and training to the director of the Legislative Budget Office and any staff of the  
 28.5 Legislative Budget Office designated by the director on the use of the fiscal note system.  
 28.6 The commissioner of management and budget must provide opportunities to the director  
 28.7 of the Legislative Budget Office and staff designated by the director of the Legislative  
 28.8 Budget Office to learn from the Department of Management and Budget's work on fiscal  
 28.9 note requests during the 2019 regular legislative session to facilitate the transfer of duties  
 28.10 required by this act.

28.11 Sec. 16. **REPEALER.**

28.12 (a) Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4, is repealed effective  
 28.13 September 1, 2019.

28.14 (b) Laws 2017, First Special Session chapter 4, article 2, section 59, is repealed.

28.15 **EFFECTIVE DATE.** This section is effective the day following final enactment unless  
 28.16 a different date is specified.

28.17 **ARTICLE 4**

28.18 **INFORMATION TECHNOLOGY**

28.19 Section 1. **[3.9736] EVALUATION OF INFORMATION TECHNOLOGY**  
 28.20 **PROJECTS.**

28.21 Subdivision 1. **Definition.** For purposes of this section, "information technology project"  
 28.22 means a project managed or performed by the Office of MN.IT Services on behalf of a state  
 28.23 agency.

28.24 Subd. 2. **Selection of project for review; schedule for evaluation; report.** Annually,  
 28.25 the legislative auditor may submit to the Legislative Audit Commission a list of three to  
 28.26 five information technology projects proposed for review. In selecting projects to include  
 28.27 on the list, the legislative auditor may consider the cost of the project to the state, the impact  
 28.28 of the project on state agencies and public users, and the legislature's interest in ensuring  
 28.29 that state agencies meet the needs of the public. The legislative auditor may include  
 28.30 completed projects and ongoing projects and shall give particular consideration to forensic  
 28.31 review of high-profile problematic projects from which recommendations may be developed  
 28.32 to prevent problems on future projects. Annually, the Legislative Audit Commission may

29.1 select at least one information technology project for the legislative auditor's evaluation.  
 29.2 The legislative auditor may evaluate the selected information technology project according  
 29.3 to an evaluation plan established under subdivision 3 and submit a written report to the  
 29.4 Legislative Audit Commission.

29.5 Subd. 3. **Evaluation plan.** The Legislative Audit Commission may establish an evaluation  
 29.6 plan that identifies elements the legislative auditor must include in an evaluation of an  
 29.7 information technology project. The Legislative Audit Commission may modify the  
 29.8 evaluation plan as needed.

29.9 Sec. 2. Minnesota Statutes 2016, section 16A.11, subdivision 1, is amended to read:

29.10 Subdivision 1. **When.** The governor shall submit a three-part budget to the legislature.  
 29.11 Parts one and two, the budget message and detailed operating budget, must be submitted  
 29.12 by the fourth Tuesday in January in each odd-numbered year. However, in a year following  
 29.13 the election of a governor who had not been governor the previous year, parts one and two  
 29.14 must be submitted by the third Tuesday in February. Part three, the detailed recommendations  
 29.15 as to capital expenditure, must be submitted as follows: agency capital budget requests by  
 29.16 July 15 of each odd-numbered year, and governor's recommendations by January 15 of each  
 29.17 even-numbered year. ~~Detailed recommendations as to information technology expenditure~~  
 29.18 ~~must be submitted as part of the detailed operating budget. Information technology~~  
 29.19 ~~recommendations must include projects to be funded during the next biennium and planning~~  
 29.20 ~~estimates for an additional two bienniums. Information technology recommendations must~~  
 29.21 ~~specify purposes of the funding such as infrastructure, hardware, software, or training.~~

29.22 Sec. 3. Minnesota Statutes 2016, section 16A.11, is amended by adding a subdivision to  
 29.23 read:

29.24 Subd. 6a. **Information technology and cyber security.** (a) Detailed recommendations  
 29.25 as to information and telecommunications technology systems and services expenditures  
 29.26 must be submitted as part of the detailed operating budget. These recommendations must  
 29.27 include projects to be funded during the next biennium and planning estimates for an  
 29.28 additional two bienniums and must specify purposes of the funding, such as infrastructure,  
 29.29 hardware, software, or training. The detailed operating budget must also separately  
 29.30 recommend expenditures for the maintenance and enhancement of cyber security for the  
 29.31 state's information and telecommunications technology systems and services.

29.32 (b) The commissioner of management and budget, in consultation with the state chief  
 29.33 information officer, shall establish budget guidelines for the recommendations required by

30.1 this subdivision. Unless otherwise set by the commissioner at a higher amount, the amount  
 30.2 to be budgeted each fiscal year for maintenance and enhancement of cyber security must  
 30.3 be at least 3.5 percent of a department's or agency's total operating budget for information  
 30.4 and telecommunications technology systems and services in that year.

30.5 (c) As used in this subdivision:

30.6 (1) "cyber security" has the meaning given in section 16E.03, subdivision 1, paragraph  
 30.7 (d); and

30.8 (2) "information and telecommunications technology systems and services" has the  
 30.9 meaning given in section 16E.03, subdivision 1, paragraph (a).

30.10 Sec. 4. Minnesota Statutes 2016, section 16E.03, subdivision 7, is amended to read:

30.11 Subd. 7. **Cyber security systems.** In consultation with the attorney general and  
 30.12 appropriate agency heads, the chief information officer shall develop cyber security policies,  
 30.13 guidelines, and standards, and shall install and administer state data security systems on the  
 30.14 state's computer facilities consistent with these policies, guidelines, standards, and state law  
 30.15 to ensure the integrity of computer-based and other data and to ensure applicable limitations  
 30.16 on access to data, consistent with the public's right to know as defined in chapter 13. The  
 30.17 chief information officer is responsible for overall security of state agency networks  
 30.18 connected to the Internet. Each department or agency head is responsible for the security  
 30.19 of the department's or agency's data within the guidelines of established enterprise policy.  
 30.20 Unless otherwise expressly provided by law, at least 3.5 percent of each department's or  
 30.21 agency's expenditures in a fiscal year for information and telecommunications technology  
 30.22 systems and services must be directed to the maintenance and enhancement of cyber security.

30.23 **EFFECTIVE DATE.** This section is effective July 1, 2018, and applies to expenditures  
 30.24 in fiscal years beginning on or after that date.

## 30.25 **ARTICLE 5**

### 30.26 **ENERGY POLICY**

30.27 Section 1. Minnesota Statutes 2017 Supplement, section 116C.779, subdivision 1, is  
 30.28 amended to read:

30.29 Subdivision 1. **Renewable development account.** (a) The renewable development  
 30.30 account is established as a separate account in the special revenue fund in the state treasury.  
 30.31 Appropriations and transfers to the account shall be credited to the account. Earnings, such  
 30.32 as interest, dividends, and any other earnings arising from assets of the account, shall be

31.1 credited to the account. Funds remaining in the account at the end of a fiscal year are not  
 31.2 canceled to the general fund but remain in the account until expended. The account shall  
 31.3 be administered by the commissioner of management and budget as provided under this  
 31.4 section.

31.5 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating  
 31.6 plant must transfer all funds in the renewable development account previously established  
 31.7 under this subdivision and managed by the public utility to the renewable development  
 31.8 account established in paragraph (a). Funds awarded to grantees in previous grant cycles  
 31.9 that have not yet been expended and unencumbered funds required to be paid in calendar  
 31.10 year 2017 under paragraphs (e) and (f) and (g), and sections 116C.7792 and 216C.41, are  
 31.11 not subject to transfer under this paragraph.

31.12 (c) ~~Except as provided in subdivision 1a, Beginning January 15, 2018 2019, and~~  
 31.13 ~~continuing each January 15 thereafter, the public utility that owns the Prairie Island and~~  
 31.14 ~~Monticello nuclear generating plant plants~~ must transfer to the renewable development  
 31.15 account ~~\$500,000 each year for each dry cask containing spent fuel that is located at the~~  
 31.16 ~~Prairie Island power plant for the following amounts each year the either plant is in operation;~~  
 31.17 ~~and \$7,500,000 each year the plant is not in operation: (1) \$23,000,000 in 2019; (2)~~  
 31.18 ~~\$28,000,000 in 2020; (3) \$28,000,000 in 2021; and (4) \$20,000,000 beginning in 2022 and~~  
 31.19 ~~each year thereafter. If ordered by the commission pursuant to paragraph (i): (h), the public~~  
 31.20 ~~utility must transfer \$7,500,000 each year the Prairie Island plant is not in operation and~~  
 31.21 ~~\$5,250,000 each year the Monticello plant is not in operation. The fund transfer must be~~  
 31.22 ~~made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility~~  
 31.23 ~~at Prairie Island or Monticello for any part of a year.~~

31.24 (d) ~~Except as provided in subdivision 1a, beginning January 15, 2018, and continuing~~  
 31.25 ~~each January 15 thereafter, the public utility that owns the Monticello nuclear generating~~  
 31.26 ~~plant must transfer to the renewable development account \$350,000 each year for each dry~~  
 31.27 ~~cask containing spent fuel that is located at the Monticello nuclear power plant for each~~  
 31.28 ~~year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered~~  
 31.29 ~~by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear~~  
 31.30 ~~waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for~~  
 31.31 ~~any part of a year.~~

31.32 ~~(e)~~ (d) Each year, the public utility shall withhold from the funds transferred to the  
 31.33 renewable development account under ~~paragraphs~~ paragraph (c) and (d) the amount necessary  
 31.34 to pay its obligations for that calendar year under paragraphs (e), (f) and (g), (j), and (n),  
 31.35 and sections 116C.7792 and 216C.41, ~~for that calendar year.~~

32.1 ~~(f)~~ (e) If the commission approves a new or amended power purchase agreement, the  
 32.2 termination of a power purchase agreement, or the purchase and closure of a facility under  
 32.3 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,  
 32.4 the public utility subject to this section shall enter into a contract with the city in which the  
 32.5 poultry litter plant is located to provide grants to the city for the purposes of economic  
 32.6 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each  
 32.7 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid  
 32.8 by the public utility from funds withheld from the transfer to the renewable development  
 32.9 account, as provided in paragraphs (b) and ~~(e)~~ (d).

32.10 ~~(g)~~ (f) If the commission approves a new or amended power purchase agreement, or the  
 32.11 termination of a power purchase agreement under section 216B.2424, subdivision 9, with  
 32.12 an entity owned or controlled, directly or indirectly, by two municipal utilities located north  
 32.13 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in  
 32.14 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a  
 32.15 grant contract with such entity to provide \$6,800,000 per year for five years, commencing  
 32.16 30 days after the commission approves the new or amended power purchase agreement, or  
 32.17 the termination of the power purchase agreement, and on each June 1 thereafter through  
 32.18 2021, to assist the transition required by the new, amended, or terminated power purchase  
 32.19 agreement. The grant shall be paid by the public utility from funds withheld from the transfer  
 32.20 to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

32.21 ~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs  
 32.22 (e) and (f) ~~and (g)~~ is limited to the amount deposited into the renewable development account,  
 32.23 and its predecessor, the renewable development account, established under this section, that  
 32.24 was not required to be deposited into the account under Laws 1994, chapter 641, article 1,  
 32.25 section 10.

32.26 ~~(i)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the  
 32.27 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the  
 32.28 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for  
 32.29 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello  
 32.30 facility for any year in which the commission finds, by the preponderance of the evidence,  
 32.31 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored  
 32.32 at the facility to a permanent or interim storage site out of the state. This determination shall  
 32.33 be made at least every two years.

32.34 (i) The public utility must annually file with the commission a petition to recover through  
 32.35 a rider mechanism all funds it is required to transfer or withhold under paragraphs (c) to (f)

33.1 for the next year. The commission must approve a reasonable cost recovery schedule for  
 33.2 all funds under this paragraph.

33.3 (j) On or before January 15 of each year, the public utility must file a petition with the  
 33.4 commission identifying the amounts withheld by the public utility the prior year under  
 33.5 paragraph (d) and the amount actually paid the prior year for obligations identified in  
 33.6 paragraph (d). If the amount actually paid is less than the amount withheld, the public utility  
 33.7 must deduct the surplus from the amount withheld for the current year under paragraph (d).  
 33.8 If the amount actually paid is more than the amount withheld, the public utility must add  
 33.9 the deficiency amount to the amount withheld for the current year under paragraph (d). Any  
 33.10 surplus remaining in the account after all programs identified in paragraph (d) are terminated  
 33.11 must be returned to the public utility's customers.

33.12 ~~(j)~~ (k) Funds in the account may be expended only for any of the following purposes:

33.13 (1) to stimulate research and development of renewable electric energy technologies;

33.14 (2) to encourage grid modernization, including, but not limited to, projects that implement  
 33.15 electricity storage, load control, and smart meter technology; and

33.16 (3) to stimulate other innovative energy projects that reduce demand and increase system  
 33.17 efficiency and flexibility.

33.18 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service  
 33.19 from the utility that owns a nuclear-powered electric generating plant in this state or the  
 33.20 Prairie Island Indian community or its members.

33.21 The utility that owns a nuclear generating plant is eligible to apply for grants under this  
 33.22 subdivision.

33.23 ~~(k)~~ (l) For the purposes of paragraph ~~(j)~~ (k), the following terms have the meanings  
 33.24 given:

33.25 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph  
 33.26 (c), clauses (1), (2), (4), and (5); and

33.27 (2) "grid modernization" means:

33.28 (i) enhancing the reliability of the electrical grid;

33.29 (ii) improving the security of the electrical grid against cyberthreats and physical threats;  
 33.30 and

33.31 (iii) increasing energy conservation opportunities by facilitating communication between  
 33.32 the utility and its customers through the use of two-way meters, control technologies, energy

34.1 storage and microgrids, technologies to enable demand response, and other innovative  
34.2 technologies.

34.3 ~~(h)~~ (m) A renewable development account advisory group that includes, among others,  
34.4 representatives of the public utility and its ratepayers, and includes at least one representative  
34.5 of the Prairie Island Indian community appointed by that community's tribal council, shall  
34.6 develop recommendations on account expenditures. Members of the advisory group must  
34.7 be chosen by the public utility. The advisory group must design a request for proposal and  
34.8 evaluate projects submitted in response to a request for proposals. The advisory group must  
34.9 utilize an independent third-party expert to evaluate proposals submitted in response to a  
34.10 request for proposal, including all proposals made by the public utility. A request for proposal  
34.11 for research and development under paragraph ~~(j)~~ (k), clause (1), may be limited to or include  
34.12 a request to higher education institutions located in Minnesota for multiple projects authorized  
34.13 under paragraph ~~(j)~~ (k), clause (1). The request for multiple projects may include a provision  
34.14 that exempts the projects from the third-party expert review and instead provides for project  
34.15 evaluation and selection by a merit peer review grant system. In the process of determining  
34.16 request for proposal scope and subject and in evaluating responses to request for proposals,  
34.17 the advisory group must strongly consider, where reasonable, potential benefit to Minnesota  
34.18 citizens and businesses and the utility's ratepayers.

34.19 (n) The cost of acquiring the services of the independent third-party expert described in  
34.20 paragraph (m) and any other reasonable costs incurred to administer the advisory group and  
34.21 its actions required by this section must be paid from funds withheld by the public utility  
34.22 under paragraph (d). The total amount withheld under this paragraph must not exceed  
34.23 \$125,000 each year.

34.24 ~~(m)~~ (o) The advisory group shall submit funding recommendations to the public utility,  
34.25 which has full and sole authority to determine which expenditures shall be submitted by  
34.26 the advisory group to the ~~legislature~~ commission. The commission may approve proposed  
34.27 expenditures, may disapprove proposed expenditures that it finds not to be in compliance  
34.28 with this subdivision or otherwise not in the public interest, and may, if agreed to by the  
34.29 public utility, modify proposed expenditures. The commission shall, by order, submit its  
34.30 funding recommendations to the legislature as provided under paragraph ~~(n)~~ (p).

34.31 ~~(n)~~ (p) The commission shall present its recommended appropriations from the account  
34.32 to the senate and house of representatives committees with jurisdiction over energy policy  
34.33 and finance annually by February 15. Expenditures from the account must be appropriated  
34.34 by law. In enacting appropriations from the account, the legislature:

35.1 (1) may approve or disapprove, but may not modify, the amount of an appropriation for  
35.2 a project recommended by the commission; and

35.3 (2) may not appropriate money for a project the commission has not recommended  
35.4 funding.

35.5 ~~(p)~~ (q) A request for proposal for renewable energy generation projects must, when  
35.6 feasible and reasonable, give preference to projects that are most cost-effective for a particular  
35.7 energy source.

35.8 ~~(p)~~ (r) The advisory group must annually, by February 15, report to the chairs and ranking  
35.9 minority members of the legislative committees with jurisdiction over energy policy on  
35.10 projects funded by the account under paragraph (k) for the prior year and all previous years.  
35.11 The report must, to the extent possible and reasonable, itemize the actual and projected  
35.12 financial benefit to the public utility's ratepayers of each project.

35.13 (s) By June 1, 2018, and each June 1 thereafter, the public utility that owns the Prairie  
35.14 Island Nuclear Electric Generating Plant must submit to the commissioner of management  
35.15 and budget an estimate of the amount the public utility will deposit into the account the  
35.16 following January 15, based on the provisions of paragraphs (c) to (h) and any appropriations  
35.17 made from the fund during the most recent legislative session.

35.18 ~~(q)~~ (t) By ~~February 1~~ June 30, 2018, and each ~~February 1~~ June 30 thereafter, the  
35.19 commissioner of management and budget ~~shall~~ must estimate the balance in the account as  
35.20 of the following January 31, taking into account the balance in the account as of June 30  
35.21 and the information provided under paragraph (r). By July 15, 2018, and each July 15  
35.22 thereafter, the commissioner of management and budget must submit a written report  
35.23 regarding the availability of funds in and obligations of the account to the chairs and ranking  
35.24 minority members of the senate and house committees with jurisdiction over energy policy  
35.25 and finance, the public utility, and the advisory group. If more than \$15,000,000 is estimated  
35.26 to be available in the account as of January 31, the advisory group must, by January 31 the  
35.27 next year, issue a request for proposals to initiate a grant cycle for the purposes of paragraph  
35.28 (k).

35.29 ~~(r)~~ (u) A project receiving funds from the account must produce a written final report  
35.30 that includes sufficient detail for technical readers and a clearly written summary for  
35.31 nontechnical readers. The report must include an evaluation of the project's financial,  
35.32 environmental, and other benefits to the state and the public utility's ratepayers.

36.1 ~~(s)~~ (v) Final reports, any mid-project status reports, and renewable development account  
 36.2 financial reports must be posted online on a public Web site designated by the commissioner  
 36.3 of commerce.

36.4 ~~(t)~~ (w) All final reports must acknowledge that the project was made possible in whole  
 36.5 or part by the Minnesota renewable development account, noting that the account is financed  
 36.6 by the public utility's ratepayers.

36.7 ~~(u)~~ (x) Of the amount in the renewable development account, priority must be given to  
 36.8 making the payments required under section 216C.417.

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

36.10 Sec. 2. Minnesota Statutes 2017 Supplement, section 116C.7792, is amended to read:

36.11 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

36.12 (a) The utility subject to section 116C.779 shall must operate a program to provide solar  
 36.13 energy production incentives for solar energy systems of no more than a total aggregate  
 36.14 nameplate capacity of 20 40 kilowatts direct current per premises. The owner of a solar  
 36.15 energy system installed before June 1, 2018, is eligible to receive a production incentive  
 36.16 under this section for any additional solar energy systems constructed at the same customer  
 36.17 location, provided the aggregate capacity of all systems at the customer location does not  
 36.18 exceed 40 kilowatts.

36.19 (b) The program shall must be operated for eight consecutive calendar years commencing  
 36.20 in 2014. \$5,000,000 shall must be allocated in each of the first four years, \$15,000,000 in  
 36.21 the fifth year, \$10,000,000 in each of the sixth and seventh years, and \$5,000,000 in the  
 36.22 eighth year from funds withheld from transfer to the renewable development account under  
 36.23 section 116C.779, subdivision 1, ~~paragraphs (b) and (e)~~ paragraph (d), and placed in a  
 36.24 separate account for ~~the purpose of~~ the solar production incentive program operated by the  
 36.25 utility. Money in the separate account must not be used for any other program or purpose.  
 36.26 Any unspent amount allocated in the fifth year is available until December 31 of the sixth  
 36.27 year. Any unspent amount remaining at the end of an allocation year must be transferred  
 36.28 to the renewable development account or returned to customers.

36.29 (c) The solar energy system must be sized to less than 120 percent of the customer's  
 36.30 on-site annual energy consumption when combined with other distributed generation  
 36.31 resources and subscriptions provided under section 216B.1641 associated with the premise.  
 36.32 The production incentive must be paid for ten years commencing with the commissioning  
 36.33 of the system.

37.1 (d) The utility must file a plan to operate the program with the commissioner of  
 37.2 commerce. The utility may not operate the program until it is approved by the commissioner.  
 37.3 A change to the program to include projects up to a nameplate capacity of 40 kilowatts does  
 37.4 not require the utility to file an amended plan with the commissioner. Any plan approved  
 37.5 by the commissioner of commerce must not provide an increased incentive over prior years  
 37.6 unless the commissioner demonstrates that changes in the market for solar energy facilities  
 37.7 require an increase.

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

37.9 Sec. 3. **[116C.7793] PRAIRIE ISLAND NET ZERO PROJECT.**

37.10 Subdivision 1. **Program established.** The Prairie Island Net Zero Project is established  
 37.11 with the goal of the Prairie Island Indian Community developing an energy system that  
 37.12 results in net zero emissions.

37.13 Subd. 2. **Grant.** The commissioner of employment and economic development must  
 37.14 enter into a grant contract with the Prairie Island Indian Community to provide the amounts  
 37.15 appropriated each year under subdivision 4 to stimulate research, development, and  
 37.16 implementation of renewable energy projects benefiting the Prairie Island Indian Community  
 37.17 or its members. Any examination conducted by the commissioner of employment and  
 37.18 economic development to determine the sufficiency of the financial stability and capacity  
 37.19 of the Prairie Island Indian Community to carry out the purposes of this grant is limited to  
 37.20 the Community Services Department of the Prairie Island Indian Community.

37.21 Subd. 3. **Plan; report.** The Prairie Island Indian Community must file a plan with the  
 37.22 commissioner of employment and economic development no later than July 1, 2019,  
 37.23 describing the Prairie Island Net Zero Project elements and implementation strategy. The  
 37.24 Prairie Island Indian Community must file a report on July 1, 2020, and each July 1 thereafter  
 37.25 through 2025, describing the progress made in implementing the project and the uses of  
 37.26 expended funds.

37.27 Subd. 4. **Appropriation.** Notwithstanding section 116C.779, subdivision 1, paragraph  
 37.28 (k), \$3,000,000 in fiscal year 2019, \$7,000,000 in fiscal year 2020, \$4,500,000 in fiscal  
 37.29 year 2021, \$9,000,000 in fiscal year 2022, \$8,000,000 in fiscal year 2023, and \$8,500,000  
 37.30 in fiscal year 2024 are appropriated from the renewable development account under section  
 37.31 116C.779, subdivision 1, to the commissioner of employment and economic development  
 37.32 for a grant to the Prairie Island Indian Community for the purposes of this section. Any  
 37.33 funds remaining at the end of a fiscal year do not cancel to the renewable development

38.1 account but remain available until spent. This subdivision expires the day after the last  
 38.2 transfer of funds to the commissioner.

38.3 Subd. 5. **Transfer.** (a) Any funds appropriated under section 216C.417, subdivision 2,  
 38.4 that are unexpended at the end of a fiscal year are transferred to the commissioner of  
 38.5 employment and economic development for a grant to the Prairie Island Indian Community  
 38.6 for the purposes of this section.

38.7 (b) Beginning in fiscal year 2019 and continuing each year thereafter, on the day  
 38.8 following the public release of the February state budget forecast the commissioner of  
 38.9 management and budget must compare the obligation forecasted in each fiscal year for the  
 38.10 Made in Minnesota solar production incentive program under section 216C.417 with the  
 38.11 obligations forecasted under that program in the previous year's February state budget  
 38.12 forecast. If the amount in the most recent forecast in any one fiscal year is less than the  
 38.13 amount of the obligation forecasted for the same fiscal year in the previous February forecast,  
 38.14 the commissioner of management and budget must transfer the difference from the renewable  
 38.15 development account established in section 116C.779 to the commissioner of employment  
 38.16 and economic development for a grant to the Prairie Island Indian Community for the Prairie  
 38.17 Island Net Zero Project in section 116C.7793.

38.18 (c) The total amount appropriated and transferred from the renewable development  
 38.19 account under this subdivision and subdivision 4 must not exceed \$45,000,000.

38.20 (d) This subdivision expires the day following the day that the total amount appropriated  
 38.21 and transferred from the renewable development account under this subdivision and  
 38.22 subdivision 4 equals \$45,000,000.

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

38.24 Sec. 4. Minnesota Statutes 2016, section 216B.16, is amended by adding a subdivision to  
 38.25 read:

38.26 Subd. 7e. **Energy storage system pilot projects.** (a) A public utility may petition the  
 38.27 commission under this section to recover costs associated with the implementation of an  
 38.28 energy storage system pilot project. As part of the petition, the public utility must submit a  
 38.29 report to the commission containing, at a minimum, the following information regarding  
 38.30 the proposed energy storage system pilot project:

38.31 (1) the storage technology utilized;

38.32 (2) the energy storage capacity and the duration of output at that capacity;

39.1 (3) the proposed location;

39.2 (4) the purchase and installation costs;

39.3 (5) how the project will interact with existing distributed generation resources on the  
39.4 utility's grid; and

39.5 (6) the goals the project proposes to achieve, which may include controlling frequency  
39.6 or voltage, mitigating transmission congestion, providing emergency power supplies during  
39.7 outages, reducing curtailment of existing renewable energy generators, and reducing peak  
39.8 power costs.

39.9 (b) A utility may petition the commission to approve a rate schedule that provides for  
39.10 the automatic adjustment of charges to recover prudently incurred investments, expenses,  
39.11 or costs associated with energy storage system pilot projects approved by the commission  
39.12 under this subdivision. A petition filed under this subdivision must include the elements  
39.13 listed in section 216B.1645, subdivision 2a, paragraph (b), clauses (1) to (4), and must  
39.14 describe the benefits of the pilot project.

39.15 (c) The commission may approve, or approve as modified, a rate schedule filed under  
39.16 this subdivision if it determines the proposed energy storage system pilot project is in the  
39.17 public interest. A rate schedule filed under this subdivision may include the elements listed  
39.18 in section 216B.1645, subdivision 2a, paragraph (a), clauses (1) to (5).

39.19 (d) The commission must make its determination under paragraph (c) within 90 days of  
39.20 the filing under paragraph (a).

39.21 (e) Nothing in this subdivision prohibits or deters the deployment of energy storage  
39.22 systems.

39.23 (f) For the purposes of this subdivision:

39.24 (1) "energy storage system" has the meaning given in section 216B.2422, subdivision  
39.25 1; and

39.26 (2) "pilot project" means a project that is owned, operated, and controlled by a public  
39.27 utility to optimize safe and reliable system operations and is deployed at a limited number  
39.28 of locations in order to assess the technical and economic effectiveness of its operations.

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

40.1 Sec. 5. Minnesota Statutes 2016, section 216B.16, is amended by adding a subdivision to  
40.2 read:

40.3 Subd. 13a. **Pension and other benefits rate base.** The commission must allow a public  
40.4 utility to include in the rate base and recover from ratepayers combined pension and other  
40.5 postemployment benefit costs. Postemployment benefit costs include retiree medical,  
40.6 determined as the difference between accumulated contributions and accumulated expenses,  
40.7 offset by related accumulated deferred income tax. A public utility is authorized to track  
40.8 for future recovery any unrecovered return of pension and other postemployment rate base  
40.9 costs and investments at the return on investment level established in the public utility's last  
40.10 general rate case.

40.11 Sec. 6. Minnesota Statutes 2016, section 216B.1641, is amended to read:

40.12 **216B.1641 COMMUNITY SOLAR GARDEN.**

40.13 (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a  
40.14 plan with the commission to operate a community solar garden program which shall begin  
40.15 operations within 90 days after commission approval of the plan. Other public utilities may  
40.16 file an application at their election. The community solar garden program must be designed  
40.17 to offset the energy use of not less than five subscribers in each community solar garden  
40.18 facility of which no single subscriber has more than a 40 percent interest. The owner of the  
40.19 community solar garden may be a public utility or any other entity or organization that  
40.20 contracts to sell the output from the community solar garden to the utility under section  
40.21 216B.164. There shall be no limitation on the number or cumulative generating capacity of  
40.22 community solar garden facilities other than the limitations imposed under section 216B.164,  
40.23 subdivision 4c, or other limitations provided in law or regulations.

40.24 (b) A solar garden is a facility that generates electricity by means of a ground-mounted  
40.25 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the  
40.26 electricity generated in proportion to the size of their subscription. The solar garden must  
40.27 have a nameplate capacity of no more than one megawatt. Each subscription shall be sized  
40.28 to represent at least 200 watts of the community solar garden's generating capacity and to  
40.29 supply, when combined with other distributed generation resources serving the premises,  
40.30 no more than 120 percent of the average annual consumption of electricity by each subscriber  
40.31 at the premises to which the subscription is attributed.

40.32 (c) The solar generation facility must be located in the service territory of the public  
40.33 utility filing the plan. Subscribers must be retail customers of the public utility located in  
40.34 the same county or a county contiguous to where the facility is located.

41.1 (d) The public utility must purchase from the community solar garden all energy generated  
41.2 by the solar garden. The purchase shall be at the rate calculated under section 216B.164,  
41.3 subdivision 10, or, until that rate for the public utility has been approved by the commission,  
41.4 the applicable retail rate. A solar garden is eligible for any incentive programs offered under  
41.5 either section 116C.7792 or section 216C.415. A subscriber's portion of the purchase shall  
41.6 be provided by a credit on the subscriber's bill.

41.7 (e) The commission may approve, disapprove, or modify a community solar garden  
41.8 program. Any plan approved by the commission must:

41.9 (1) reasonably allow for the creation, ~~financing~~, and accessibility of community solar  
41.10 gardens;

41.11 (2) establish uniform standards, fees, and processes for the interconnection of community  
41.12 solar garden facilities that allow the utility to recover reasonable interconnection costs for  
41.13 each community solar garden;

41.14 (3) not apply different requirements to utility and nonutility community solar garden  
41.15 facilities;

41.16 (4) be consistent with the public interest;

41.17 (5) identify the information that must be provided to potential subscribers to ensure fair  
41.18 disclosure of future costs and benefits of subscriptions;

41.19 (6) include a program implementation schedule;

41.20 (7) identify all proposed rules, fees, and charges; and

41.21 (8) identify the means by which the program will be promoted.

41.22 (f) Notwithstanding any other law, neither the manager of nor the subscribers to a  
41.23 community solar garden facility shall be considered a utility solely as a result of their  
41.24 participation in the community solar garden facility.

41.25 (g) Within 180 days of commission approval of a plan under this section, a utility shall  
41.26 begin crediting subscriber accounts for each community solar garden facility in its service  
41.27 territory, and shall file with the commissioner of commerce a description of its crediting  
41.28 system.

41.29 (h) For the purposes of this section, the following terms have the meanings given:

41.30 (1) "subscriber" means a retail customer of a utility who owns one or more subscriptions  
41.31 of a community solar garden facility interconnected with that utility; and

42.1 (2) "subscription" means a contract between a subscriber and the owner of a solar garden.

42.2 Sec. 7. Minnesota Statutes 2017 Supplement, section 216B.1691, subdivision 2f, is amended  
42.3 to read:

42.4 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a  
42.5 and 2b, each public utility shall generate or procure sufficient electricity generated by solar  
42.6 energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at  
42.7 least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is  
42.8 generated by solar energy.

42.9 (b) For a public utility with more than 200,000 retail electric customers, at least ten  
42.10 percent of the 1.5 percent goal must be met by solar energy generated by or procured from  
42.11 solar photovoltaic devices with a nameplate capacity of ~~20~~ 40 kilowatts or less.

42.12 (c) A public utility with between 50,000 and 200,000 retail electric customers:

42.13 (1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by  
42.14 or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or  
42.15 less; and

42.16 (2) may apply toward the ten percent goal in clause (1) individual customer subscriptions  
42.17 of 40 kilowatts or less to a community solar garden program operated by the public utility  
42.18 that has been approved by the commission.

42.19 (d) The solar energy standard established in this subdivision is subject to all the provisions  
42.20 of this section governing a utility's standard obligation under subdivision 2a.

42.21 (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail  
42.22 electric sales in Minnesota be generated by solar energy.

42.23 (f) For the purposes of calculating the total retail electric sales of a public utility under  
42.24 this subdivision, there shall be excluded retail electric sales to customers that are:

42.25 (1) an iron mining extraction and processing facility, including a scam mining facility  
42.26 as defined in Minnesota Rules, part 6130.0100, subpart 16; or

42.27 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board  
42.28 manufacturer.

42.29 Those customers may not have included in the rates charged to them by the public utility  
42.30 any costs of satisfying the solar standard specified by this subdivision.

43.1 (g) A public utility may not use energy used to satisfy the solar energy standard under  
 43.2 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may  
 43.3 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the  
 43.4 solar standard under this subdivision.

43.5 (h) Notwithstanding any law to the contrary, a solar renewable energy credit associated  
 43.6 with a solar photovoltaic device installed and generating electricity in Minnesota after  
 43.7 August 1, 2013, but before 2020 may be used to meet the solar energy standard established  
 43.8 under this subdivision.

43.9 (i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file  
 43.10 a report with the commission reporting its progress in achieving the solar energy standard  
 43.11 established under this subdivision.

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

43.13 Sec. 8. Minnesota Statutes 2017 Supplement, section 216B.241, subdivision 1d, is amended  
 43.14 to read:

43.15 Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy conservation  
 43.16 improvement programs on the basis of cost-effectiveness and the reliability of the  
 43.17 technologies employed. The commissioner shall, by order, establish, maintain, and update  
 43.18 energy-savings assumptions that must be used when filing energy conservation improvement  
 43.19 programs. The commissioner shall establish an inventory of the most effective energy  
 43.20 conservation programs, techniques, and technologies, and encourage all Minnesota utilities  
 43.21 to implement them, where appropriate, in their service territories. The commissioner shall  
 43.22 describe these programs in sufficient detail to provide a utility reasonable guidance  
 43.23 concerning implementation. The commissioner shall prioritize the opportunities in order of  
 43.24 potential energy savings and in order of cost-effectiveness. The commissioner may contract  
 43.25 with a third party to carry out any of the commissioner's duties under this subdivision, and  
 43.26 to obtain technical assistance to evaluate the effectiveness of any conservation improvement  
 43.27 program. The commissioner may assess up to \$850,000 annually for the purposes of this  
 43.28 subdivision. The assessments must be deposited in the state treasury and credited to the  
 43.29 energy and conservation account created under subdivision 2a. An assessment made under  
 43.30 this subdivision is not subject to the cap on assessments provided by section 216B.62, or  
 43.31 any other law.

43.32 (b) Of the assessment authorized under paragraph (a), the commissioner may expend  
 43.33 ~~up to \$400,000 annually~~ \$800,000 for the purpose of developing, operating, maintaining,  
 43.34 and providing technical support for a uniform electronic data reporting and tracking system

44.1 available to all utilities subject to this section, in order to enable accurate measurement of  
44.2 the cost and energy savings of the energy conservation improvements required by this  
44.3 section. This paragraph expires June 30, ~~2018~~ 2019.

44.4 (c) The commissioner must establish a utility stakeholder group to direct development  
44.5 and maintenance of the tracking system available to all utilities. The utility stakeholder  
44.6 group will direct 50 percent of the biennium expenditures. The utility stakeholder group  
44.7 must include but is not limited to stakeholders representative of the Minnesota Rural Electric  
44.8 Association, the Minnesota Municipal Utility Association, investor-owned utilities, municipal  
44.9 power agencies, energy conservation organizations, and businesses that work in energy  
44.10 efficiency. One of the stakeholder members must serve as chair. The utility stakeholder  
44.11 group must develop and submit its work plan to the commissioner. The utility stakeholder  
44.12 group must study alternative tracking system options, which must be submitted to the  
44.13 commissioner with the work plan by January 15, 2020. The utility stakeholder group must  
44.14 meet regularly at the call of the chair. Meetings of the utility stakeholder group are subject  
44.15 to chapter 13D.

44.16 Sec. 9. Minnesota Statutes 2016, section 216B.2422, subdivision 1, is amended to read:

44.17 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this  
44.18 subdivision have the meanings given them.

44.19 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more  
44.20 of electric power and serving, either directly or indirectly, the needs of 10,000 retail  
44.21 customers in Minnesota. Utility does not include federal power agencies.

44.22 (c) "Renewable energy" means electricity generated through use of any of the following  
44.23 resources:

44.24 (1) wind;

44.25 (2) solar;

44.26 (3) geothermal;

44.27 (4) hydro;

44.28 (5) trees or other vegetation;

44.29 (6) landfill gas; or

44.30 (7) predominantly organic components of wastewater effluent, sludge, or related  
44.31 by-products from publicly owned treatment works, but not including incineration of  
44.32 wastewater sludge.

45.1 (d) "Resource plan" means a set of resource options that a utility could use to meet the  
45.2 service needs of its customers over a forecast period, including an explanation of the supply  
45.3 and demand circumstances under which, and the extent to which, each resource option  
45.4 would be used to meet those service needs. These resource options include using,  
45.5 refurbishing, and constructing utility plant and equipment, buying power generated by other  
45.6 entities, controlling customer loads, and implementing customer energy conservation.

45.7 (e) "Refurbish" means to rebuild or substantially modify an existing electricity generating  
45.8 resource of 30 megawatts or greater.

45.9 (f) "Energy storage system" means a commercially available technology that:

45.10 (1) uses mechanical, chemical, or thermal processes to:

45.11 (i) store energy, including energy generated from renewable resources and energy that  
45.12 would otherwise be wasted, and deliver the stored energy for use at a later time; or

45.13 (ii) store thermal energy for direct use for heating or cooling at a later time in a manner  
45.14 that reduces the demand for electricity at the later time;

45.15 (2) is composed of stationary equipment;

45.16 (3) if being used for electric grid benefits, is operationally visible and capable of being  
45.17 controlled by the distribution or transmission entity managing it, to enable and optimize the  
45.18 safe and reliable operation of the electric system; and

45.19 (4) achieves any of the following:

45.20 (i) reduces peak or electrical demand;

45.21 (ii) defers the need or substitutes for an investment in electric generation, transmission,  
45.22 or distribution assets;

45.23 (iii) improves the reliable operation of the electrical transmission or distribution systems,  
45.24 while ensuring transmission or distribution needs are not created; or

45.25 (iv) lowers customer costs by storing energy when the cost of generating or purchasing  
45.26 it is low and delivering it to customers when those costs are high.

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

46.1 Sec. 10. Minnesota Statutes 2016, section 216B.2422, is amended by adding a subdivision  
46.2 to read:

46.3 Subd. 7. **Energy storage systems assessment.** (a) Each public utility required to file a  
46.4 resource plan under subdivision 2 must include in the filing an assessment of energy storage  
46.5 systems that analyzes how the deployment of energy storage systems contributes to:

46.6 (1) meeting identified generation and capacity needs; and

46.7 (2) evaluating ancillary services.

46.8 (b) The assessment must employ appropriate modeling methods to enable the analysis  
46.9 required in paragraph (a).

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

46.11 Sec. 11. Minnesota Statutes 2017 Supplement, section 216B.62, subdivision 3b, is amended  
46.12 to read:

46.13 Subd. 3b. **Assessment for department regional and national duties.** In addition to  
46.14 other assessments in subdivision 3, the department may assess up to \$500,000 per fiscal  
46.15 year for performing its duties under section 216A.07, subdivision 3a. The amount in this  
46.16 subdivision shall be assessed to energy utilities in proportion to their respective gross  
46.17 operating revenues from retail sales of gas or electric service within the state during the last  
46.18 calendar year and shall be deposited into an account in the special revenue fund and is  
46.19 appropriated to the commissioner of commerce for the purposes of section 216A.07,  
46.20 subdivision 3a. An assessment made under this subdivision is not subject to the cap on  
46.21 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,  
46.22 an "energy utility" means public utilities, generation and transmission cooperative electric  
46.23 associations, and municipal power agencies providing natural gas or electric service in the  
46.24 state. This subdivision expires June 30, ~~2018~~ 2019.

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

46.26 Sec. 12. Minnesota Statutes 2017 Supplement, section 216C.417, subdivision 2, is amended  
46.27 to read:

46.28 Subd. 2. **Appropriation.** (a) Unspent money remaining in the account established under  
46.29 Minnesota Statutes 2016, section 216C.412, on July 1, 2017, must be transferred to the  
46.30 renewable development account in the special revenue fund established under Minnesota  
46.31 Statutes, section 116C.779, subdivision 1.

47.1 (b) There is annually appropriated from the renewable development account in the special  
47.2 revenue fund established in Minnesota Statutes, section 116C.779, to the commissioner of  
47.3 commerce money sufficient to make the incentive payments required under Minnesota  
47.4 Statutes 2016, section 216C.415. Any funds appropriated under this paragraph that are  
47.5 unexpended at the end of a fiscal year must be transferred to the commissioner of employment  
47.6 and economic development as provided under section 116C.7793, subdivision 5. Any funds  
47.7 remaining after the transfer under this paragraph cancel to the renewable development  
47.8 account.

47.9 (c) Notwithstanding Minnesota Statutes 2016, section 216C.412, subdivision 1, none of  
47.10 this appropriation may be used for administrative costs.

47.11 Sec. 13. Minnesota Statutes 2016, section 216D.04, is amended by adding a subdivision  
47.12 to read:

47.13 Subd. 5. Contact information required. (a) An operator must furnish accurate contact  
47.14 information necessary for underground facility damage prevention and damage response  
47.15 requested by the notification center.

47.16 (b) The contact information for each affected operator must be available to the excavator  
47.17 that provided notice under subdivision 1.

47.18 Sec. 14. Laws 2017, chapter 94, article 10, section 28, is amended to read:

47.19 Sec. 28. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR**  
47.20 **THERMAL REBATES.**

47.21 (a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner  
47.22 of a solar thermal system whose application was approved by the commissioner of commerce  
47.23 after the effective date of this act.

47.24 (b) Unspent money remaining in the account established under Minnesota Statutes 2014,  
47.25 section 216C.416, as of July 2, 2017, must be transferred to the ~~C-LEAF~~ renewable  
47.26 development account established under Minnesota Statutes 2016, section 116C.779,  
47.27 subdivision 1.

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

47.29 Sec. 15. Laws 2017, chapter 94, article 10, section 29, is amended to read:

47.30 Sec. 29. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF**  
47.31 **UNEXPENDED GRANT FUNDS.**

48.1 (a) No later than 30 days after the effective date of this section, the utility subject to  
48.2 Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person  
48.3 who received a grant funded from the renewable development account ~~previously~~ established  
48.4 under that subdivision:

48.5 (1) after January 1, 2012; and

48.6 (2) before January 1, 2012, if the funded project remains incomplete as of the effective  
48.7 date of this section.

48.8 The notice must contain the provisions of this section and instructions directing grant  
48.9 recipients how unexpended funds can be transferred to the ~~clean energy advancement fund~~  
48.10 renewable development account.

48.11 (b) A recipient of a grant from the renewable development account ~~previously~~ established  
48.12 under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after  
48.13 receiving the notice required under paragraph (a), transfer any grant funds that remain  
48.14 unexpended as of the effective date of this section to the ~~clean energy advancement fund~~  
48.15 renewable development account if, by that effective date, all of the following conditions  
48.16 are met:

48.17 (1) the grant was awarded more than five years before the effective date of this section;

48.18 (2) the grant recipient has failed to obtain control of the site on which the project is to  
48.19 be constructed;

48.20 (3) the grant recipient has failed to secure all necessary permits or approvals from any  
48.21 unit of government with respect to the project; and

48.22 (4) construction of the project has not begun.

48.23 (c) A recipient of a grant from the renewable development account ~~previously~~ established  
48.24 under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds  
48.25 that remain unexpended five years after the grant funds are received by the grant recipient  
48.26 if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant  
48.27 recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary  
48.28 of the receipt of the grant funds.

48.29 (d) A person who transfers funds to the ~~clean energy advancement fund~~ renewable  
48.30 development account under this section is eligible to apply for funding from the ~~clean energy~~  
48.31 ~~advancement fund~~ renewable development account.

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

49.1 Sec. 16. **BIOMASS BUSINESS COMPENSATION.**

49.2 Subdivision 1. Office of Administrative Hearings; claims process. The chief  
49.3 administrative law judge of the Office of Administrative Hearings must name an  
49.4 administrative law judge to administer a claims award process to compensate businesses  
49.5 negatively affected by the sale and closure of the biomass plant identified under Minnesota  
49.6 Statutes, section 116C.779, subdivision 1, paragraph (e). The administrative law judge may  
49.7 establish a process, including the development of application forms, to consider claims for  
49.8 affected businesses and issue awards to eligible businesses. An application form developed  
49.9 for the process must, at a minimum, require the name of the business, the business address  
49.10 and telephone number, and the name of a contact person.

49.11 Subd. 2. Eligibility. To be eligible for compensation, an affected business must verify  
49.12 that as of May 1, 2017, it was operating under the terms of a valid contract or provide other  
49.13 documentation demonstrating an ongoing business relationship of preparing, supplying, or  
49.14 transporting products, fuel, or by-products to or from either the company operating the  
49.15 biomass plant identified under Minnesota Statutes, section 116C.779, subdivision 1,  
49.16 paragraph (e), or a fertilizer plant integrated with the biomass plant identified under  
49.17 Minnesota Statutes, section 116C.779, subdivision 1, paragraph (e).

49.18 Subd. 3. Calculating award. (a) An eligible business may make a claim for compensation  
49.19 based on decreased net revenue and the loss of value of investments in real or personal  
49.20 property essential to business operations with the biomass plant identified under Minnesota  
49.21 Statutes, section 116C.779, subdivision 1, paragraph (e). All such losses must be attributable  
49.22 to the termination of the contract under Minnesota Statutes, section 216B.2424, subdivision  
49.23 9.

49.24 (b) When filing a claim of decreased net revenue, an eligible business must demonstrate  
49.25 the extent of its decreased business activity by providing copies of any contracts or other  
49.26 documentation under subdivision 2, including financial statements showing the eligible  
49.27 business's financial performance over the past five years for supplying or managing material  
49.28 for, or receiving material from, the biomass plant identified under Minnesota Statutes,  
49.29 section 116C.779, subdivision 1, paragraph (e). The business must also present evidence  
49.30 of any alternative business opportunities it has pursued or could pursue to mitigate the loss  
49.31 of revenue from the termination of the contract, as the value of alternative opportunities  
49.32 offsets compensation provided under this section.

49.33 (c) In filing a claim of loss of value of investments in real or personal property, an eligible  
49.34 business must provide:

50.1 (1) evidence that the property was essential to fulfilling the contract with the biomass  
50.2 plant identified under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (e);

50.3 (2) evidence that the eligible business is unable to fully repurpose the property to another  
50.4 productive use after the termination of the contract under Minnesota Statutes, section  
50.5 216B.2424, subdivision 9; and

50.6 (3) documentation of the eligible business's investment in the property, minus any  
50.7 economic depreciation.

50.8 An eligible business must also provide a valuation of the use, sales, salvage, or scrap value  
50.9 of the property for which the loss is claimed, as the value of the property offsets compensation  
50.10 provided under this section.

50.11 (d) A business seeking compensation under this section must report any payment received  
50.12 from business interruption insurance policies, settlements, or other forms of compensation  
50.13 related to the termination of the contract of the biomass plant identified under Minnesota  
50.14 Statutes, section 116C.779, subdivision 1, paragraph (e). All payments identified in this  
50.15 paragraph offset compensation provided under this section.

50.16 (e) A business seeking compensation under this section must provide any other  
50.17 documentation it deems appropriate, or as required by the administrative law judge, to  
50.18 support its claim, including a narrative of the facts of the business claim that gives rise to  
50.19 the request for compensation.

50.20 (f) Regardless of actual losses, an award of compensation must not exceed the average  
50.21 of the eligible business's annual net revenue generated from a contract or business relationship  
50.22 with the biomass plant identified under Minnesota Statutes, section 116C.779, subdivision  
50.23 1, paragraph (e), for the past five years, multiplied by two.

50.24 (g) Minnesota Statutes, section 13.591, applies to data submitted by a business requesting  
50.25 compensation under this section.

50.26 Subd. 4. **Priority.** (a) The administrative law judge may give priority to claims by eligible  
50.27 businesses that demonstrate a significant effort to:

50.28 (1) mitigate losses resulting from the closure of the biomass plant identified under  
50.29 Minnesota Statutes, section 116C.779, subdivision 1, paragraph (e); or

50.30 (2) repurpose the business for another use through retasking and retooling.

51.1 (b) The administrative law judge must consider whether a business requests compensation  
 51.2 for a total business loss without mitigation efforts when determining awards under this  
 51.3 section.

51.4 Subd. 5. **Amount of claim.** Any claim is limited by and proportional to the amount  
 51.5 provided for compensation in the biomass business compensation fund established in section  
 51.6 17, and the number of claimants.

51.7 Subd. 6. **Deadlines.** The administrative law judge must make an application process for  
 51.8 compensation available by August 1, 2018. A business seeking to submit a request for  
 51.9 compensation under this section must file claims with the administrative law judge within  
 51.10 60 days following closure of the biomass plant. The administrative law judge must issue  
 51.11 award determination orders within 180 days after the deadline for filing claims.

51.12 Subd. 7. **Appeals.** Orders issued by the administrative law judge under this section are  
 51.13 final. An order denying compensation claimed under this section is subject to the contested  
 51.14 case review procedures under Minnesota Statutes, chapter 14.

51.15 Subd. 8. **Expiration.** This section expires June 30, 2021.

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

51.17 Sec. 17. **BIOMASS BUSINESS COMPENSATION ACCOUNT.**

51.18 Subdivision 1. **Account established.** A biomass business compensation account is  
 51.19 established as a separate account in the special revenue fund in the state treasury.  
 51.20 Appropriations and transfers to the account must be credited to the account. Earnings, such  
 51.21 as interest, and any other earnings arising from the assets of the account are credited to the  
 51.22 account. Funds remaining in the account as of December 31, 2020, must be transferred to  
 51.23 the renewable development account established under Minnesota Statutes, section 116C.779.

51.24 Subd. 2. **Funding for the special account.** Notwithstanding Minnesota Statutes, section  
 51.25 116C.779, subdivision 1, paragraph (k), on July 1, 2018, \$40,000,000 must be transferred  
 51.26 from the renewable development account under Minnesota Statutes, section 116C.779, to  
 51.27 the biomass business compensation account established under subdivision 1. The transferred  
 51.28 funds are appropriated to pay eligible obligations under the biomass business compensation  
 51.29 program established under section 16.

51.30 Subd. 3. **Payment of expenses.** Beginning on July 1, 2019, the chief administrative law  
 51.31 judge must certify to the commissioner of management and budget the total costs incurred  
 51.32 to administer the biomass business compensation claims process. The commissioner of

52.1 management and budget must transfer an amount equal to the certified costs incurred for  
 52.2 biomass business compensation claim activities from the renewable development account  
 52.3 under Minnesota Statutes, section 116C.779, and deposit it to the administrative hearings  
 52.4 account under Minnesota Statutes, section 14.54. Transfers may occur quarterly, based on  
 52.5 quarterly cost and revenue reports, throughout the fiscal year, with final certification and  
 52.6 reconciliation after each fiscal year. The total amount transferred under this subdivision  
 52.7 must not exceed \$200,000.

52.8 Subd. 4. **Expiration.** This section expires June 30, 2021.

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

52.10 **Sec. 18. REPORT; COST-BENEFIT ANALYSIS OF ENERGY STORAGE**  
 52.11 **SYSTEMS.**

52.12 (a) The commissioner of commerce must contract with an independent consultant selected  
 52.13 through a request for proposal process to produce a report analyzing the potential costs and  
 52.14 benefits of energy storage systems, as defined in Minnesota Statutes, section 216B.2422,  
 52.15 subdivision 1, in Minnesota. The study may also include scenarios examining energy storage  
 52.16 systems that are not capable of being controlled by a utility. The commissioner must engage  
 52.17 a broad group of Minnesota stakeholders, including electric utilities and others, to develop  
 52.18 and provide information for the report. The study must:

52.19 (1) identify and measure the different potential costs and savings produced by energy  
 52.20 storage system deployment, including but not limited to:

52.21 (i) generation, transmission, and distribution facilities asset deferral or substitution;

52.22 (ii) impacts on ancillary services costs;

52.23 (iii) impacts on transmission and distribution congestion;

52.24 (iv) impacts on peak power costs;

52.25 (v) impacts on emergency power supplies during outages;

52.26 (vi) impacts on curtailment of renewable energy generators; and

52.27 (vii) reduced greenhouse gas emissions;

52.28 (2) analyze and estimate the:

52.29 (i) costs and savings to customers that deploy energy storage systems;

52.30 (ii) impact on the utility's ability to integrate renewable resources;



54.1	<u>Appropriations by Fund</u>			
54.2		<u>2018</u>	<u>2019</u>	
54.3	<u>General</u>	<u>-0-</u>	<u>16,500,000</u>	
54.4	<u>Workforce</u>			
54.5	<u>Development</u>	<u>-0-</u>	<u>50,000</u>	
54.6	<u>The amounts that may be spent for each</u>			
54.7	<u>purpose are specified in the following</u>			
54.8	<u>subdivisions.</u>			
54.9	<b><u>Subd. 2. Business and Community Development</u></b>	<u>-0-</u>	<u>1,500,000</u>	
54.10	<u>\$1,500,000 in fiscal year 2019 is for a grant</u>			
54.11	<u>to the city of Cambridge for costs associated</u>			
54.12	<u>with relocating and constructing a propane</u>			
54.13	<u>distribution facility and for costs associated</u>			
54.14	<u>with demolition, cleanup and restoration of</u>			
54.15	<u>the existing propane facility. Eligible costs</u>			
54.16	<u>include: land acquisition, site preparation and</u>			
54.17	<u>improvements, moving expenses, building</u>			
54.18	<u>construction, rail construction, rail switch</u>			
54.19	<u>construction, demolition, environmental</u>			
54.20	<u>remediation, engineering, and other necessary</u>			
54.21	<u>site improvements. This is a onetime</u>			
54.22	<u>appropriation and is available until the project</u>			
54.23	<u>is completed or abandoned subject to</u>			
54.24	<u>Minnesota Statutes, section 16A.642.</u>			
54.25	<b><u>Subd. 3. Broadband Development</u></b>	<u>-0-</u>	<u>15,000,000</u>	
54.26	<u>\$15,000,000 in fiscal year 2019 is for transfer</u>			
54.27	<u>to the border-to-border broadband fund</u>			
54.28	<u>account in the special revenue fund established</u>			
54.29	<u>under Minnesota Statutes, section 116J.396</u>			
54.30	<u>and may be used for purposes provided in</u>			
54.31	<u>Minnesota Statutes, section 116J.395. This</u>			
54.32	<u>appropriation is onetime and is available until</u>			
54.33	<u>spent. Of this appropriation, up to three</u>			
54.34	<u>percent is for costs incurred by the</u>			
54.35	<u>commissioner to administer Minnesota</u>			

55.1 Statutes, section 116J.395. Administrative  
 55.2 costs may include the following activities  
 55.3 related to measuring progress toward the  
 55.4 state's broadband goals established in  
 55.5 Minnesota Statutes, section 237.012:

55.6 (1) collecting broadband deployment data from  
 55.7 Minnesota providers, verifying its accuracy  
 55.8 through on-the-ground testing, and creating  
 55.9 state and county maps available to the public  
 55.10 showing the availability of broadband service  
 55.11 at various upload and download speeds  
 55.12 throughout Minnesota;

55.13 (2) analyzing the deployment data collected  
 55.14 to help inform future investments in broadband  
 55.15 infrastructure; and

55.16 (3) conducting business and residential surveys  
 55.17 that measure broadband adoption and use in  
 55.18 the state.

55.19 Data provided by a broadband provider under  
 55.20 this subdivision is nonpublic data under  
 55.21 Minnesota Statutes, section 13.02, subdivision  
 55.22 9. Maps produced under this subdivision are  
 55.23 public data under Minnesota Statutes, section  
 55.24 13.03.

55.25 Subd. 4. **Workforce Development**

-0-

50,000

55.26 \$50,000 in fiscal year 2019 is from the  
 55.27 workforce development fund for a grant to the  
 55.28 Cook County Higher Education Board to  
 55.29 provide educational programming and  
 55.30 academic support services to remote regions  
 55.31 in northeastern Minnesota. This is a onetime  
 55.32 appropriation and is in addition to other funds  
 55.33 previously appropriated to the board.

56.1 **Sec. 3. DEPARTMENT OF COMMERCE**56.2 **Subdivision 1. Total Appropriation** \$ **-0-** \$ **150,000**56.3 Appropriations by Fund56.4 2018 201956.5 Special Revenue -0- 150,00056.6 **Subd. 2. Energy Resources** \$ **-0-** \$ **150,000**56.7 Appropriations by Fund56.8 2018 201956.9 Special Revenue -0- 150,000

56.10 \$150,000 the second year is from the  
 56.11 renewable development account in the special  
 56.12 revenue fund established in Minnesota  
 56.13 Statutes, section 116C.779, subdivision 1, to  
 56.14 conduct an energy storage systems cost-benefit  
 56.15 analysis. This is a onetime appropriation.

56.16 Sec. 4. Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended by Laws  
 56.17 2017, First Special Session chapter 7, section 2, is amended to read:

56.18 40,935,000  
 56.19 **Subd. 2. Business and Community Development** \$ 46,074,000 \$ 39,435,000

56.20 Appropriations by Fund56.21 \$38,424,00056.22 **General** \$43,363,000 \$36,924,00056.23 **Remediation** \$700,000 \$700,00056.24 **Workforce**  
56.25 **Development** \$1,861,000 \$1,811,00056.26 **Special Revenue** \$150,000 -0-

56.27 (a) \$4,195,000 each year is for the Minnesota  
 56.28 job skills partnership program under  
 56.29 Minnesota Statutes, sections 116L.01 to  
 56.30 116L.17. If the appropriation for either year  
 56.31 is insufficient, the appropriation for the other  
 56.32 year is available. This appropriation is  
 56.33 available until spent.

57.1 (b) \$750,000 each year is for grants to the  
57.2 Neighborhood Development Center for small  
57.3 business programs:  
57.4 (1) training, lending, and business services;  
57.5 (2) model outreach and training in greater  
57.6 Minnesota; and  
57.7 (3) development of new business incubators.  
57.8 This is a onetime appropriation.

57.9 (c) \$1,175,000 each year is for a grant to the  
57.10 Metropolitan Economic Development  
57.11 Association (MEDA) for statewide business  
57.12 development and assistance services, including  
57.13 services to entrepreneurs with businesses that  
57.14 have the potential to create job opportunities  
57.15 for unemployed and underemployed people,  
57.16 with an emphasis on minority-owned  
57.17 businesses. This is a onetime appropriation.

57.18 (d) \$125,000 each year is for a grant to the  
57.19 White Earth Nation for the White Earth Nation  
57.20 Integrated Business Development System to  
57.21 provide business assistance with workforce  
57.22 development, outreach, technical assistance,  
57.23 infrastructure and operational support,  
57.24 financing, and other business development  
57.25 activities. This is a onetime appropriation.

57.26 (e)(1) \$12,500,000 each year is for the  
57.27 Minnesota investment fund under Minnesota  
57.28 Statutes, section 116J.8731. Of this amount,  
57.29 the commissioner of employment and  
57.30 economic development may use up to three  
57.31 percent for administration and monitoring of  
57.32 the program. This appropriation is available  
57.33 until spent.

58.1 (2) Of the amount appropriated in fiscal year  
58.2 2018, \$4,000,000 is for a loan to construct and  
58.3 equip a wholesale electronic component  
58.4 distribution center investing a minimum of  
58.5 \$200,000,000 and constructing a facility at  
58.6 least 700,000 square feet in size. Loan funds  
58.7 may be used for purchases of materials,  
58.8 supplies, and equipment for the construction  
58.9 of the facility and are available from July 1,  
58.10 2017, to June 30, 2021. The commissioner of  
58.11 employment and economic development shall  
58.12 forgive the loan after verification that the  
58.13 project has satisfied performance goals and  
58.14 contractual obligations as required under  
58.15 Minnesota Statutes, section 116J.8731.

58.16 (3) Of the amount appropriated in fiscal year  
58.17 2018, \$700,000 is for a loan to extend an  
58.18 effluent pipe that will deliver reclaimed water  
58.19 to an innovative waste-to-biofuel project  
58.20 investing a minimum of \$150,000,000 and  
58.21 constructing a facility that is designed to  
58.22 process approximately 400,000 tons of waste  
58.23 annually. Loan funds are available until June  
58.24 30, 2021.

58.25 (4) Of the amount appropriated in fiscal year  
58.26 2019, \$1,000,000 is for a grant to the city of  
58.27 Minnetonka for a forgivable loan to a  
58.28 high-risk, high-return jobs retention and  
58.29 creation initiative to be conducted by a local  
58.30 business that produces lactic acid/lactate, to  
58.31 help grow and expand the bioeconomy in  
58.32 Minnesota. The grant under this section is not  
58.33 subject to the limitations under Minnesota  
58.34 Statutes, section 116J.8731, subdivision 5, or  
58.35 the performance goals, contractual obligations,

59.1 and other requirements under Minnesota  
59.2 Statutes, sections 116J.8731, subdivision 7;  
59.3 116J.993; and 116J.994. Grant funds are  
59.4 available until June 30, 2021.

59.5 (5) Of the amount appropriated in fiscal year  
59.6 2019, \$1,000,000 is for a loan to a paper mill  
59.7 in Duluth to support the operation and  
59.8 manufacture of packaging paper grades. The  
59.9 company that owns the paper mill must spend  
59.10 \$15,000,000 on expansion activities by  
59.11 December 31, 2019, in order to be eligible to  
59.12 receive funds in this appropriation. This  
59.13 appropriation is onetime and may be used for  
59.14 the mill's equipment, materials, supplies, and  
59.15 other operating expenses. The commissioner  
59.16 of employment and economic development  
59.17 shall forgive a portion of the loan each year  
59.18 after verification that the mill has retained 195  
59.19 full-time jobs over a period of five years and  
59.20 has satisfied other performance goals and  
59.21 contractual obligations as required under  
59.22 Minnesota Statutes, section 116J.8731.

59.23 (f) \$8,500,000 ~~each year is~~ in fiscal year 2018  
59.24 and \$7,000,000 in fiscal year 2019 are for the  
59.25 Minnesota job creation fund under Minnesota  
59.26 Statutes, section 116J.8748. Of this amount,  
59.27 the commissioner of employment and  
59.28 economic development may use up to three  
59.29 percent for administrative expenses. This  
59.30 appropriation is available until expended. In  
59.31 fiscal year 2020 and beyond, the base amount  
59.32 is \$8,000,000.

59.33 (g) \$1,647,000 each year is for contaminated  
59.34 site cleanup and development grants under  
59.35 Minnesota Statutes, sections 116J.551 to

60.1 116J.558. This appropriation is available until  
60.2 spent. In fiscal year 2020 and beyond, the base  
60.3 amount is \$1,772,000.

60.4 (h) \$12,000 each year is for a grant to the  
60.5 Upper Minnesota Film Office.

60.6 (i) \$163,000 each year is for the Minnesota  
60.7 Film and TV Board. The appropriation in each  
60.8 year is available only upon receipt by the  
60.9 board of \$1 in matching contributions of  
60.10 money or in-kind contributions from nonstate  
60.11 sources for every \$3 provided by this  
60.12 appropriation, except that each year up to  
60.13 \$50,000 is available on July 1 even if the  
60.14 required matching contribution has not been  
60.15 received by that date.

60.16 (j) \$500,000 each year is from the general fund  
60.17 for a grant to the Minnesota Film and TV  
60.18 Board for the film production jobs program  
60.19 under Minnesota Statutes, section 116U.26.  
60.20 This appropriation is available until June 30,  
60.21 2021.

60.22 (k) \$139,000 each year is for a grant to the  
60.23 Rural Policy and Development Center under  
60.24 Minnesota Statutes, section 116J.421.

60.25 (l)(1) \$1,300,000 each year is for the greater  
60.26 Minnesota business development public  
60.27 infrastructure grant program under Minnesota  
60.28 Statutes, section 116J.431. This appropriation  
60.29 is available until spent. If the appropriation  
60.30 for either year is insufficient, the appropriation  
60.31 for the other year is available. In fiscal year  
60.32 2020 and beyond, the base amount is  
60.33 \$1,787,000. Funds available under this  
60.34 paragraph may be used for site preparation of

61.1 property owned and to be used by private  
61.2 entities.

61.3 (2) Of the amounts appropriated, \$1,600,000  
61.4 in fiscal year 2018 is for a grant to the city of  
61.5 Thief River Falls to support utility extensions,  
61.6 roads, and other public improvements related  
61.7 to the construction of a wholesale electronic  
61.8 component distribution center at least 700,000  
61.9 square feet in size and investing a minimum  
61.10 of \$200,000,000. Notwithstanding Minnesota  
61.11 Statutes, section 116J.431, a local match is  
61.12 not required. Grant funds are available from  
61.13 July 1, 2017, to June 30, 2021.

61.14 (m) \$876,000 the first year and \$500,000 the  
61.15 second year are for the Minnesota emerging  
61.16 entrepreneur loan program under Minnesota  
61.17 Statutes, section 116M.18. Funds available  
61.18 under this paragraph are for transfer into the  
61.19 emerging entrepreneur program special  
61.20 revenue fund account created under Minnesota  
61.21 Statutes, chapter 116M, and are available until  
61.22 spent. Of this amount, up to four percent is for  
61.23 administration and monitoring of the program.  
61.24 In fiscal year 2020 and beyond, the base  
61.25 amount is \$1,000,000.

61.26 (n) \$875,000 each year is for a grant to  
61.27 Enterprise Minnesota, Inc. for the small  
61.28 business growth acceleration program under  
61.29 Minnesota Statutes, section 116O.115. This  
61.30 is a onetime appropriation.

61.31 (o) \$250,000 in fiscal year 2018 is for a grant  
61.32 to the Minnesota Design Center at the  
61.33 University of Minnesota for the greater  
61.34 Minnesota community design pilot project.

62.1 (p) \$275,000 in fiscal year 2018 is from the  
62.2 general fund to the commissioner of  
62.3 employment and economic development for  
62.4 a grant to Community and Economic  
62.5 Development Associates (CEDA) for an  
62.6 economic development study and analysis of  
62.7 the effects of current and projected economic  
62.8 growth in southeast Minnesota. CEDA shall  
62.9 report on the findings and recommendations  
62.10 of the study to the committees of the house of  
62.11 representatives and senate with jurisdiction  
62.12 over economic development and workforce  
62.13 issues by February 15, 2019. All results and  
62.14 information gathered from the study shall be  
62.15 made available for use by cities in southeast  
62.16 Minnesota by March 15, 2019. This  
62.17 appropriation is available until June 30, 2020.

62.18 (q) \$2,000,000 in fiscal year 2018 is for a  
62.19 grant to Pillsbury United Communities for  
62.20 construction and renovation of a building in  
62.21 north Minneapolis for use as the "North  
62.22 Market" grocery store and wellness center,  
62.23 focused on offering healthy food, increasing  
62.24 health care access, and providing job creation  
62.25 and economic opportunities in one place for  
62.26 children and families living in the area. To the  
62.27 extent possible, Pillsbury United Communities  
62.28 shall employ individuals who reside within a  
62.29 five mile radius of the grocery store and  
62.30 wellness center. This appropriation is not  
62.31 available until at least an equal amount of  
62.32 money is committed from nonstate sources.  
62.33 This appropriation is available until the project  
62.34 is completed or abandoned, subject to  
62.35 Minnesota Statutes, section 16A.642.

- 63.1 (r) \$1,425,000 each year is for the business  
63.2 development competitive grant program. Of  
63.3 this amount, up to five percent is for  
63.4 administration and monitoring of the business  
63.5 development competitive grant program. All  
63.6 grant awards shall be for two consecutive  
63.7 years. Grants shall be awarded in the first year.
- 63.8 (s) \$875,000 each year is for the host  
63.9 community economic development grant  
63.10 program established in Minnesota Statutes,  
63.11 section 116J.548.
- 63.12 (t) \$700,000 each year is from the remediation  
63.13 fund for contaminated site cleanup and  
63.14 development grants under Minnesota Statutes,  
63.15 sections 116J.551 to 116J.558. This  
63.16 appropriation is available until spent.
- 63.17 (u) \$161,000 each year is from the workforce  
63.18 development fund for a grant to the Rural  
63.19 Policy and Development Center. This is a  
63.20 onetime appropriation.
- 63.21 (v) \$300,000 each year is from the workforce  
63.22 development fund for a grant to Enterprise  
63.23 Minnesota, Inc. This is a onetime  
63.24 appropriation.
- 63.25 (w) \$50,000 in fiscal year 2018 is from the  
63.26 workforce development fund for a grant to  
63.27 Fighting Chance for behavioral intervention  
63.28 programs for at-risk youth.
- 63.29 (x) \$1,350,000 each year is from the  
63.30 workforce development fund for job training  
63.31 grants under Minnesota Statutes, section  
63.32 116L.42.
- 63.33 (y)(1) \$519,000 in fiscal year 2018 is for  
63.34 grants to local communities to increase the

64.1 supply of quality child care providers in order  
64.2 to support economic development. At least 60  
64.3 percent of grant funds must go to communities  
64.4 located outside of the seven-county  
64.5 metropolitan area, as defined under Minnesota  
64.6 Statutes, section 473.121, subdivision 2. Grant  
64.7 recipients must obtain a 50 percent nonstate  
64.8 match to grant funds in either cash or in-kind  
64.9 contributions. Grant funds available under this  
64.10 paragraph must be used to implement solutions  
64.11 to reduce the child care shortage in the state  
64.12 including but not limited to funding for child  
64.13 care business start-ups or expansions, training,  
64.14 facility modifications or improvements  
64.15 required for licensing, and assistance with  
64.16 licensing and other regulatory requirements.  
64.17 In awarding grants, the commissioner must  
64.18 give priority to communities that have  
64.19 documented a shortage of child care providers  
64.20 in the area.

64.21 (2) Within one year of receiving grant funds,  
64.22 grant recipients must report to the  
64.23 commissioner on the outcomes of the grant  
64.24 program including but not limited to the  
64.25 number of new providers, the number of  
64.26 additional child care provider jobs created, the  
64.27 number of additional child care slots, and the  
64.28 amount of local funds invested.

64.29 (3) By January 1 of each year, starting in 2019,  
64.30 the commissioner must report to the standing  
64.31 committees of the legislature having  
64.32 jurisdiction over child care and economic  
64.33 development on the outcomes of the program  
64.34 to date.

65.1 (z) \$319,000 in fiscal year 2018 is from the  
65.2 general fund for a grant to the East Phillips  
65.3 Improvement Coalition to create the East  
65.4 Phillips Neighborhood Institute (EPNI) to  
65.5 expand culturally tailored resources that  
65.6 address small business growth and create  
65.7 green jobs. The grant shall fund the  
65.8 collaborative work of Tamales y Bicicletas,  
65.9 Little Earth of the United Tribes, a nonprofit  
65.10 serving East Africans, and other coalition  
65.11 members towards developing EPNI as a  
65.12 community space to host activities including,  
65.13 but not limited to, creation and expansion of  
65.14 small businesses, culturally specific  
65.15 entrepreneurial activities, indoor urban  
65.16 farming, job training, education, and skills  
65.17 development for residents of this low-income,  
65.18 environmental justice designated  
65.19 neighborhood. Eligible uses for grant funds  
65.20 include, but are not limited to, planning and  
65.21 start-up costs, staff and consultant costs,  
65.22 building improvements, rent, supplies, utilities,  
65.23 vehicles, marketing, and program activities.  
65.24 The commissioner shall submit a report on  
65.25 grant activities and quantifiable outcomes to  
65.26 the committees of the house of representatives  
65.27 and the senate with jurisdiction over economic  
65.28 development by December 15, 2020. This  
65.29 appropriation is available until June 30, 2020.

65.30 (aa) \$150,000 the first year is from the  
65.31 renewable development account in the special  
65.32 revenue fund established in Minnesota  
65.33 Statutes, section 116C.779, subdivision 1, to  
65.34 conduct the biomass facility closure economic  
65.35 impact study.

66.1 (bb)(1) \$300,000 in fiscal year 2018 is for a  
66.2 grant to East Side Enterprise Center (ESEC)  
66.3 to expand culturally tailored resources that  
66.4 address small business growth and job  
66.5 creation. This appropriation is available until  
66.6 June 30, 2020. The appropriation shall fund  
66.7 the work of African Economic Development  
66.8 Solutions, the Asian Economic Development  
66.9 Association, the Dayton's Bluff Community  
66.10 Council, and the Latino Economic  
66.11 Development Center in a collaborative  
66.12 approach to economic development that is  
66.13 effective with smaller, culturally diverse  
66.14 communities that seek to increase the  
66.15 productivity and success of new immigrant  
66.16 and minority populations living and working  
66.17 in the community. Programs shall provide  
66.18 minority business growth and capacity  
66.19 building that generate wealth and jobs creation  
66.20 for local residents and business owners on the  
66.21 East Side of St. Paul.

66.22 (2) In fiscal year 2019 ESEC shall use funds  
66.23 to share its integrated service model and  
66.24 evolving collaboration principles with civic  
66.25 and economic development leaders in greater  
66.26 Minnesota communities which have diverse  
66.27 populations similar to the East Side of St. Paul.  
66.28 ESEC shall submit a report of activities and  
66.29 program outcomes, including quantifiable  
66.30 measures of success annually to the house of  
66.31 representatives and senate committees with  
66.32 jurisdiction over economic development.

66.33 (cc) \$150,000 in fiscal year 2018 is for a grant  
66.34 to Mille Lacs County for the purpose of  
66.35 reimbursement grants to small resort

67.1 businesses located in the city of Isle with less  
67.2 than \$350,000 in annual revenue, at least four  
67.3 rental units, which are open during both  
67.4 summer and winter months, and whose  
67.5 business was adversely impacted by a decline  
67.6 in walleye fishing on Lake Mille Lacs.

67.7 (dd)(1) \$250,000 in fiscal year 2018 is for a  
67.8 grant to the Small Business Development  
67.9 Center hosted at Minnesota State University,  
67.10 Mankato, for a collaborative initiative with  
67.11 the Regional Center for Entrepreneurial  
67.12 Facilitation. Funds available under this section  
67.13 must be used to provide entrepreneur and  
67.14 small business development direct professional  
67.15 business assistance services in the following  
67.16 counties in Minnesota: Blue Earth, Brown,  
67.17 Faribault, Le Sueur, Martin, Nicollet, Sibley,  
67.18 Watonwan, and Waseca. For the purposes of  
67.19 this section, "direct professional business  
67.20 assistance services" must include, but is not  
67.21 limited to, pre-venture assistance for  
67.22 individuals considering starting a business.  
67.23 This appropriation is not available until the  
67.24 commissioner determines that an equal amount  
67.25 is committed from nonstate sources. Any  
67.26 balance in the first year does not cancel and  
67.27 is available for expenditure in the second year.

67.28 (2) Grant recipients shall report to the  
67.29 commissioner by February 1 of each year and  
67.30 include information on the number of  
67.31 customers served in each county; the number  
67.32 of businesses started, stabilized, or expanded;  
67.33 the number of jobs created and retained; and  
67.34 business success rates in each county. By April  
67.35 1 of each year, the commissioner shall report

68.1 the information submitted by grant recipients  
 68.2 to the chairs of the standing committees of the  
 68.3 house of representatives and the senate having  
 68.4 jurisdiction over economic development  
 68.5 issues.

68.6 (ee) \$500,000 in fiscal year 2018 is for the  
 68.7 central Minnesota opportunity grant program  
 68.8 established under Minnesota Statutes, section  
 68.9 116J.9922. This appropriation is available until  
 68.10 June 30, 2022.

68.11 (ff) \$25,000 each year is for the administration  
 68.12 of state aid for the Destination Medical Center  
 68.13 under Minnesota Statutes, sections 469.40 to  
 68.14 469.47.

68.15 Sec. 5. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:

68.16 Subd. 3. **Workforce Development** \$ 31,498,000 \$ 30,231,000

68.17	Appropriations by Fund		
68.18	General	\$6,239,000	\$5,889,000
68.19	Workforce		
68.20	Development	\$25,259,000	\$24,342,000

68.21 (a) \$500,000 each year is for the  
 68.22 youth-at-work competitive grant program  
 68.23 under Minnesota Statutes, section 116L.562.  
 68.24 Of this amount, up to five percent is for  
 68.25 administration and monitoring of the youth  
 68.26 workforce development competitive grant  
 68.27 program. All grant awards shall be for two  
 68.28 consecutive years. Grants shall be awarded in  
 68.29 the first year. In fiscal year 2020 and beyond,  
 68.30 the base amount is \$750,000.

68.31 (b) \$250,000 each year is for pilot programs  
 68.32 in the workforce service areas to combine  
 68.33 career and higher education advising.

69.1 (c) \$500,000 each year is for rural career  
69.2 counseling coordinator positions in the  
69.3 workforce service areas and for the purposes  
69.4 specified in Minnesota Statutes, section  
69.5 116L.667. The commissioner of employment  
69.6 and economic development, in consultation  
69.7 with local workforce investment boards and  
69.8 local elected officials in each of the service  
69.9 areas receiving funds, shall develop a method  
69.10 of distributing funds to provide equitable  
69.11 services across workforce service areas.

69.12 (d) \$1,000,000 each year is for a grant to the  
69.13 Construction Careers Foundation for the  
69.14 construction career pathway initiative to  
69.15 provide year-round educational and  
69.16 experiential learning opportunities for teens  
69.17 and young adults under the age of 21 that lead  
69.18 to careers in the construction industry. This is  
69.19 a onetime appropriation. Grant funds must be  
69.20 used to:

69.21 (1) increase construction industry exposure  
69.22 activities for middle school and high school  
69.23 youth, parents, and counselors to reach a more  
69.24 diverse demographic and broader statewide  
69.25 audience. This requirement includes, but is  
69.26 not limited to, an expansion of programs to  
69.27 provide experience in different crafts to youth  
69.28 and young adults throughout the state;

69.29 (2) increase the number of high schools in  
69.30 Minnesota offering construction classes during  
69.31 the academic year that utilize a multicraft  
69.32 curriculum;

69.33 (3) increase the number of summer internship  
69.34 opportunities;

70.1 (4) enhance activities to support graduating  
70.2 seniors in their efforts to obtain employment  
70.3 in the construction industry;

70.4 (5) increase the number of young adults  
70.5 employed in the construction industry and  
70.6 ensure that they reflect Minnesota's diverse  
70.7 workforce; and

70.8 (6) enhance an industrywide marketing  
70.9 campaign targeted to youth and young adults  
70.10 about the depth and breadth of careers within  
70.11 the construction industry.

70.12 Programs and services supported by grant  
70.13 funds must give priority to individuals and  
70.14 groups that are economically disadvantaged  
70.15 or historically underrepresented in the  
70.16 construction industry, including but not limited  
70.17 to women, veterans, and members of minority  
70.18 and immigrant groups.

70.19 (e) \$1,539,000 each year from the general fund  
70.20 and \$4,604,000 each year from the workforce  
70.21 development fund are for the Pathways to  
70.22 Prosperity adult workforce development  
70.23 competitive grant program. Of this amount,  
70.24 up to four percent is for administration and  
70.25 monitoring of the program. When awarding  
70.26 grants under this paragraph, the commissioner  
70.27 of employment and economic development  
70.28 may give preference to any previous grantee  
70.29 with demonstrated success in job training and  
70.30 placement for hard-to-train individuals. In  
70.31 fiscal year 2020 and beyond, the general fund  
70.32 base amount for this program is \$4,039,000.

70.33 (f) \$750,000 each year is for a competitive  
70.34 grant program to provide grants to

71.1 organizations that provide support services for  
71.2 individuals, such as job training, employment  
71.3 preparation, internships, job assistance to  
71.4 fathers, financial literacy, academic and  
71.5 behavioral interventions for low-performing  
71.6 students, and youth intervention. Grants made  
71.7 under this section must focus on low-income  
71.8 communities, young adults from families with  
71.9 a history of intergenerational poverty, and  
71.10 communities of color. Of this amount, up to  
71.11 four percent is for administration and  
71.12 monitoring of the program. In fiscal year 2020  
71.13 and beyond, the base amount is \$1,000,000.

71.14 (g) \$500,000 each year is for the women and  
71.15 high-wage, high-demand, nontraditional jobs  
71.16 grant program under Minnesota Statutes,  
71.17 section 116L.99. Of this amount, up to five  
71.18 percent is for administration and monitoring  
71.19 of the program. In fiscal year 2020 and  
71.20 beyond, the base amount is \$750,000.

71.21 (h) \$500,000 each year is for a competitive  
71.22 grant program for grants to organizations  
71.23 providing services to relieve economic  
71.24 disparities in the Southeast Asian community  
71.25 through workforce recruitment, development,  
71.26 job creation, assistance of smaller  
71.27 organizations to increase capacity, and  
71.28 outreach. Of this amount, up to five percent  
71.29 is for administration and monitoring of the  
71.30 program. In fiscal year 2020 and beyond, the  
71.31 base amount is \$1,000,000.

71.32 (i) \$250,000 each year is for a grant to the  
71.33 American Indian Opportunities and  
71.34 Industrialization Center, in collaboration with  
71.35 the Northwest Indian Community

72.1 Development Center, to reduce academic  
72.2 disparities for American Indian students and  
72.3 adults. This is a onetime appropriation. The  
72.4 grant funds may be used to provide:

72.5 (1) student tutoring and testing support  
72.6 services;

72.7 (2) training in information technology;

72.8 (3) assistance in obtaining a GED;

72.9 (4) remedial training leading to enrollment in  
72.10 a postsecondary higher education institution;

72.11 (5) real-time work experience in information  
72.12 technology fields; and

72.13 (6) contextualized adult basic education.

72.14 After notification to the legislature, the  
72.15 commissioner may transfer this appropriation  
72.16 to the commissioner of education.

72.17 (j) \$100,000 each year is for the getting to  
72.18 work grant program. This is a onetime  
72.19 appropriation and is available until June 30,  
72.20 2021.

72.21 (k) \$525,000 each year is from the workforce  
72.22 development fund for a grant to the YWCA  
72.23 of Minneapolis to provide economically  
72.24 challenged individuals the job skills training,  
72.25 career counseling, and job placement  
72.26 assistance necessary to secure a child  
72.27 development associate credential and to have  
72.28 a career path in early childhood education.  
72.29 This is a onetime appropriation.

72.30 (l) \$1,350,000 each year is from the workforce  
72.31 development fund for a grant to the Minnesota  
72.32 High Tech Association to support  
72.33 SciTechsperience, a program that supports

73.1 science, technology, engineering, and math  
73.2 (STEM) internship opportunities for two- and  
73.3 four-year college students and graduate  
73.4 students in their field of study. The internship  
73.5 opportunities must match students with paid  
73.6 internships within STEM disciplines at small,  
73.7 for-profit companies located in Minnesota,  
73.8 having fewer than 250 employees worldwide.  
73.9 At least 300 students must be matched in the  
73.10 first year and at least 350 students must be  
73.11 matched in the second year. No more than 15  
73.12 percent of the hires may be graduate students.  
73.13 Selected hiring companies shall receive from  
73.14 the grant 50 percent of the wages paid to the  
73.15 intern, capped at \$2,500 per intern. The  
73.16 program must work toward increasing the  
73.17 participation of women or other underserved  
73.18 populations. This is a onetime appropriation.

73.19 (m) \$450,000 each year is from the workforce  
73.20 development fund for grants to Minnesota  
73.21 Diversified Industries, Inc. to provide  
73.22 progressive development and employment  
73.23 opportunities for people with disabilities. This  
73.24 is a onetime appropriation.

73.25 (n) \$500,000 each year is from the workforce  
73.26 development fund for a grant to Resource, Inc.  
73.27 to provide low-income individuals career  
73.28 education and job skills training that are fully  
73.29 integrated with chemical and mental health  
73.30 services. This is a onetime appropriation.

73.31 (o) \$750,000 each year is from the workforce  
73.32 development fund for a grant to the Minnesota  
73.33 Alliance of Boys and Girls Clubs to administer  
73.34 a statewide project of youth job skills and  
73.35 career development. This project, which may

74.1 have career guidance components including  
74.2 health and life skills, is designed to encourage,  
74.3 train, and assist youth in early access to  
74.4 education and job-seeking skills, work-based  
74.5 learning experience including career pathways  
74.6 in STEM learning, career exploration and  
74.7 matching, and first job placement through  
74.8 local community partnerships and on-site job  
74.9 opportunities. This grant requires a 25 percent  
74.10 match from nonstate resources. This is a  
74.11 onetime appropriation.

74.12 (p) \$215,000 each year is from the workforce  
74.13 development fund for grants to Big Brothers,  
74.14 Big Sisters of the Greater Twin Cities for  
74.15 workforce readiness, employment exploration,  
74.16 and skills development for youth ages 12 to  
74.17 21. The grant must serve youth in the Twin  
74.18 Cities, Central Minnesota, and Southern  
74.19 Minnesota Big Brothers, Big Sisters chapters.  
74.20 This is a onetime appropriation.

74.21 (q) \$250,000 each year is from the workforce  
74.22 development fund for a grant to YWCA St.  
74.23 Paul to provide job training services and  
74.24 workforce development programs and  
74.25 services, including job skills training and  
74.26 counseling. This is a onetime appropriation.

74.27 (r) \$1,000,000 each year is from the workforce  
74.28 development fund for a grant to EMERGE  
74.29 Community Development, in collaboration  
74.30 with community partners, for services  
74.31 targeting Minnesota communities with the  
74.32 highest concentrations of African and  
74.33 African-American joblessness, based on the  
74.34 most recent census tract data, to provide  
74.35 employment readiness training, credentialed

75.1 training placement, job placement and  
75.2 retention services, supportive services for  
75.3 hard-to-employ individuals, and a general  
75.4 education development fast track and adult  
75.5 diploma program. This is a onetime  
75.6 appropriation.

75.7 (s) \$1,000,000 each year is from the workforce  
75.8 development fund for a grant to the  
75.9 Minneapolis Foundation for a strategic  
75.10 intervention program designed to target and  
75.11 connect program participants to meaningful,  
75.12 sustainable living-wage employment. This is  
75.13 a onetime appropriation.

75.14 (t) \$750,000 each year is from the workforce  
75.15 development fund for a grant to Latino  
75.16 Communities United in Service (CLUES) to  
75.17 expand culturally tailored programs that  
75.18 address employment and education skill gaps  
75.19 for working parents and underserved youth by  
75.20 providing new job skills training to stimulate  
75.21 higher wages for low-income people, family  
75.22 support systems designed to reduce  
75.23 intergenerational poverty, and youth  
75.24 programming to promote educational  
75.25 advancement and career pathways. At least  
75.26 50 percent of this amount must be used for  
75.27 programming targeted at greater Minnesota.  
75.28 This is a onetime appropriation.

75.29 (u) \$600,000 each year is from the workforce  
75.30 development fund for a grant to Ujamaa Place  
75.31 for job training, employment preparation,  
75.32 internships, education, training in the  
75.33 construction trades, housing, and  
75.34 organizational capacity building. This is a  
75.35 onetime appropriation.

76.1 (v) \$1,297,000 in the first year and \$800,000  
76.2 in the second year are from the workforce  
76.3 development fund for performance grants  
76.4 under Minnesota Statutes, section 116J.8747,  
76.5 to Twin Cities R!SE to provide training to  
76.6 hard-to-train individuals. Of the amounts  
76.7 appropriated, \$497,000 in fiscal year 2018 is  
76.8 for a grant to Twin Cities R!SE, in  
76.9 collaboration with Metro Transit and Hennepin  
76.10 Technical College for the Metro Transit  
76.11 technician training program. This is a onetime  
76.12 appropriation and funds are available until  
76.13 June 30, 2020.

76.14 (w) \$230,000 in fiscal year 2018 is from the  
76.15 workforce development fund for a grant to the  
76.16 Bois Forte Tribal Employment Rights Office  
76.17 (TERO) for an American Indian workforce  
76.18 development training pilot project. This is a  
76.19 onetime appropriation and is available until  
76.20 June 30, 2019. Funds appropriated the first  
76.21 year are available for use in the second year  
76.22 of the biennium.

76.23 (x) \$40,000 in fiscal year 2018 is from the  
76.24 workforce development fund for a grant to the  
76.25 Cook County Higher Education Board to  
76.26 provide educational programming and  
76.27 academic support services to remote regions  
76.28 in northeastern Minnesota. This appropriation  
76.29 is in addition to other funds previously  
76.30 appropriated to the board.

76.31 (y) \$250,000 each year is from the workforce  
76.32 development fund for a grant to Bridges to  
76.33 Healthcare to provide career education,  
76.34 wraparound support services, and job skills  
76.35 training in high-demand health care fields to

77.1 low-income parents, nonnative speakers of  
77.2 English, and other hard-to-train individuals,  
77.3 helping families build secure pathways out of  
77.4 poverty while also addressing worker  
77.5 shortages in one of Minnesota's most  
77.6 innovative industries. Funds may be used for  
77.7 program expenses, including, but not limited  
77.8 to, hiring instructors and navigators; space  
77.9 rental; and supportive services to help  
77.10 participants attend classes, including assistance  
77.11 with course fees, child care, transportation,  
77.12 and safe and stable housing. In addition, up to  
77.13 five percent of grant funds may be used for  
77.14 Bridges to Healthcare's administrative costs.  
77.15 This is a onetime appropriation and is  
77.16 available until June 30, 2020.

77.17 (z) \$500,000 each year is from the workforce  
77.18 development fund for a grant to the Nonprofits  
77.19 Assistance Fund to provide capacity-building  
77.20 grants to small, culturally specific  
77.21 organizations that primarily serve historically  
77.22 underserved cultural communities. Grants may  
77.23 only be awarded to nonprofit organizations  
77.24 that have an annual organizational budget of  
77.25 less than \$500,000 and are culturally specific  
77.26 organizations that primarily serve historically  
77.27 underserved cultural communities. Grant funds  
77.28 awarded must be used for:

77.29 (1) organizational infrastructure improvement,  
77.30 including developing database management  
77.31 systems and financial systems, or other  
77.32 administrative needs that increase the  
77.33 organization's ability to access new funding  
77.34 sources;

78.1 (2) organizational workforce development,  
78.2 including hiring culturally competent staff,  
78.3 training and skills development, and other  
78.4 methods of increasing staff capacity; or

78.5 (3) creation or expansion of partnerships with  
78.6 existing organizations that have specialized  
78.7 expertise in order to increase the capacity of  
78.8 the grantee organization to improve services  
78.9 for the community. Of this amount, up to five  
78.10 percent may be used by the Nonprofits  
78.11 Assistance Fund for administration costs and  
78.12 providing technical assistance to potential  
78.13 grantees. This is a onetime appropriation.

78.14 (aa) \$4,050,000 each year is from the  
78.15 workforce development fund for the  
78.16 Minnesota youth program under Minnesota  
78.17 Statutes, sections 116L.56 and 116L.561.

78.18 (bb) \$1,000,000 each year is from the  
78.19 workforce development fund for the  
78.20 youthbuild program under Minnesota Statutes,  
78.21 sections 116L.361 to 116L.366.

78.22 (cc) \$3,348,000 each year is from the  
78.23 workforce development fund for the "Youth  
78.24 at Work" youth workforce development  
78.25 competitive grant program. Of this amount,  
78.26 up to five percent is for administration and  
78.27 monitoring of the youth workforce  
78.28 development competitive grant program. All  
78.29 grant awards shall be for two consecutive  
78.30 years. Grants shall be awarded in the first year.

78.31 (dd) \$500,000 each year is from the workforce  
78.32 development fund for the Opportunities  
78.33 Industrialization Center programs.

79.1 (ee) \$750,000 each year is from the workforce  
79.2 development fund for a grant to Summit  
79.3 Academy OIC to expand its contextualized  
79.4 GED and employment placement program.  
79.5 This is a onetime appropriation.

79.6 (ff) \$500,000 each year is from the workforce  
79.7 development fund for a grant to  
79.8 Goodwill-Easter Seals Minnesota and its  
79.9 partners. The grant shall be used to continue  
79.10 the FATHER Project in Rochester, Park  
79.11 Rapids, St. Cloud, Minneapolis, and the  
79.12 surrounding areas to assist fathers in  
79.13 overcoming barriers that prevent fathers from  
79.14 supporting their children economically and  
79.15 emotionally. This is a onetime appropriation.

79.16 (gg) \$150,000 each year is from the workforce  
79.17 development fund for displaced homemaker  
79.18 programs under Minnesota Statutes, section  
79.19 116L.96. The commissioner shall distribute  
79.20 the funds to existing nonprofit and state  
79.21 displaced homemaker programs. This is a  
79.22 onetime appropriation.

79.23 (hh)(1) \$150,000 in fiscal year 2018 is from  
79.24 the workforce development fund for a grant  
79.25 to Anoka County to develop and implement  
79.26 a pilot program to increase competitive  
79.27 employment opportunities for transition-age  
79.28 youth ages 18 to 21.

79.29 (2) The competitive employment for  
79.30 transition-age youth pilot program shall  
79.31 include career guidance components, including  
79.32 health and life skills, to encourage, train, and  
79.33 assist transition-age youth in job-seeking  
79.34 skills, workplace orientation, and job site  
79.35 knowledge.

80.1 (3) In operating the pilot program, Anoka  
80.2 County shall collaborate with schools,  
80.3 disability providers, jobs and training  
80.4 organizations, vocational rehabilitation  
80.5 providers, and employers to build upon  
80.6 opportunities and services, to prepare  
80.7 transition-age youth for competitive  
80.8 employment, and to enhance employer  
80.9 connections that lead to employment for the  
80.10 individuals served.

80.11 (4) Grant funds may be used to create an  
80.12 on-the-job training incentive to encourage  
80.13 employers to hire and train qualifying  
80.14 individuals. A participating employer may  
80.15 receive up to 50 percent of the wages paid to  
80.16 the employee as a cost reimbursement for  
80.17 on-the-job training provided.

80.18 (ii) \$500,000 each year is from the workforce  
80.19 development fund for rural career counseling  
80.20 coordinator positions in the workforce service  
80.21 areas and for the purposes specified in  
80.22 Minnesota Statutes, section 116L.667. The  
80.23 commissioner of employment and economic  
80.24 development, in consultation with local  
80.25 workforce investment boards and local elected  
80.26 officials in each of the service areas receiving  
80.27 funds, shall develop a method of distributing  
80.28 funds to provide equitable services across  
80.29 workforce service areas.

80.30 (jj) In calendar year 2017, the public utility  
80.31 subject to Minnesota Statutes, section  
80.32 116C.779, must withhold \$1,000,000 from the  
80.33 funds required to fulfill its financial  
80.34 commitments under Minnesota Statutes,  
80.35 section 116C.779, subdivision 1, and pay such

81.1 amounts to the commissioner of employment  
81.2 and economic development for deposit in the  
81.3 Minnesota 21st century fund under Minnesota  
81.4 Statutes, section 116J.423.

81.5 (kk) \$350,000 in fiscal year 2018 is for a grant  
81.6 to AccessAbility Incorporated to provide job  
81.7 skills training to individuals who have been  
81.8 released from incarceration for a felony-level  
81.9 offense and are no more than 12 months from  
81.10 the date of release. AccessAbility Incorporated  
81.11 shall annually report to the commissioner on  
81.12 how the money was spent and the results  
81.13 achieved. The report must include, at a  
81.14 minimum, information and data about the  
81.15 number of participants; participant  
81.16 homelessness, employment, recidivism, and  
81.17 child support compliance; and training  
81.18 provided to program participants.

81.19 Sec. 6. Laws 2017, chapter 94, article 1, section 4, subdivision 5, is amended to read:

81.20	<b>Subd. 5. General Support</b>	6,239,000	6,539,000
-------	---------------------------------	-----------	-----------

81.21	Appropriations by Fund		
-------	------------------------	--	--

81.22	Workforce		
81.23	Development Fund	200,000	500,000
81.24	Workers'		
81.25	Compensation	6,039,000	6,039,000

81.26 (a) Except as provided in paragraphs (b) and  
81.27 (c), this appropriation is from the workers'  
81.28 compensation fund.

81.29 (b) \$200,000 in fiscal year 2018 is from the  
81.30 workforce development fund for the  
81.31 commissioner of labor and industry to convene  
81.32 and collaborate with stakeholders as provided  
81.33 under Minnesota Statutes, section 175.46,  
81.34 subdivision 3, and to develop youth skills

82.1 training competencies for approved  
 82.2 occupations. This is a onetime appropriation.  
 82.3 (c) \$500,000 in fiscal year 2019 is from the  
 82.4 workforce development fund to administer the  
 82.5 youth skills training program under Minnesota  
 82.6 Statutes, section 175.46. The commissioner  
 82.7 shall award up to five grants each year to local  
 82.8 partnerships located throughout the state, not  
 82.9 to exceed \$100,000 per local partnership grant.  
 82.10 The commissioner may use ~~a portion~~ up to  
 82.11 five percent of this appropriation for  
 82.12 administration of the grant program. The base  
 82.13 amount for this program is ~~\$500,000~~.  
 82.14 \$1,000,000 each year beginning in fiscal year  
 82.15 2020.

82.16 Sec. 7. Laws 2017, chapter 94, article 1, section 6, is amended to read:

82.17	Sec. 6. <b>WORKERS' COMPENSATION COURT</b>		<b><u>1,913,000</u></b>
82.18	<b>OF APPEALS</b>	\$ 1,913,000	\$ <b><u>1,946,000</u></b>

82.19 This appropriation is from the workers'  
 82.20 compensation fund.

82.21 Sec. 8. Laws 2017, chapter 94, article 1, section 7, subdivision 7, is amended to read:

82.22	Subd. 7. <b>Energy Resources</b>	4,847,000	4,847,000
-------	----------------------------------	-----------	-----------

82.23 Appropriations by Fund

82.24	General	4,247,000	4,247,000
82.25	Special Revenue	600,000	600,000

82.26 (a) \$150,000 each year is to remediate  
 82.27 vermiculate insulation from households that  
 82.28 are eligible for weatherization assistance under  
 82.29 Minnesota's weatherization assistance program  
 82.30 state plan under Minnesota Statutes, section  
 82.31 216C.264. Remediation must be done in  
 82.32 conjunction with federal weatherization  
 82.33 assistance program services.

83.1 (b) \$832,000 each year is for energy regulation  
83.2 and planning unit staff.

83.3 (c) \$100,000 each year is from the renewable  
83.4 development account in the special revenue  
83.5 fund established in Minnesota Statutes, section  
83.6 116C.779, subdivision 1, to administer the  
83.7 "Made in Minnesota" solar energy production  
83.8 incentive program in Minnesota Statutes,  
83.9 section 216C.417. Any remaining unspent  
83.10 funds cancel back to the renewable  
83.11 development account at the end of the  
83.12 biennium.

83.13 ~~(d) \$500,000 each year is from the renewable~~  
83.14 ~~development account in the special revenue~~  
83.15 ~~fund established in Minnesota Statutes, section~~  
83.16 ~~116C.779, subdivision 1, for costs associated~~  
83.17 ~~with any third-party expert evaluation of a~~  
83.18 ~~proposal submitted in response to a request~~  
83.19 ~~for proposal to the renewable development~~  
83.20 ~~advisory group under Minnesota Statutes,~~  
83.21 ~~section 116C.779, subdivision 1, paragraph~~  
83.22 ~~(1). No portion of this appropriation may be~~  
83.23 ~~expended or retained by the commissioner of~~  
83.24 ~~commerce. Any funds appropriated under this~~  
83.25 ~~paragraph that are unexpended at the end of a~~  
83.26 ~~fiscal year cancel to the renewable~~  
83.27 ~~development account.~~

83.28 Sec. 9. Laws 2017, chapter 94, article 1, section 9, is amended to read:

83.29 **Sec. 9. PUBLIC FACILITIES AUTHORITY   \$           1,800,000 \$                   -0-**

83.30 (a) \$300,000 in fiscal year 2018 is for a grant  
83.31 to the city of New Trier to replace water  
83.32 infrastructure under Hogan Avenue, including  
83.33 related road reconstruction, and to acquire land  
83.34 for predesign, design, and construction of a

84.1 storm water pond that will be colocated with  
84.2 the pond of the new subdivision. This  
84.3 appropriation does not require a nonstate  
84.4 contribution.

84.5 (b) \$600,000 in fiscal year 2018 is for a grant  
84.6 to the Ramsey/Washington Recycling and  
84.7 Energy Board to design, construct, and equip  
84.8 capital improvements to the  
84.9 Ramsey/Washington Recycling and Energy  
84.10 Center in Newport.

84.11 (c) \$900,000 in fiscal year 2018 is for a grant  
84.12 to the Clear Lake-Clearwater Sewer Authority  
84.13 to remove and replace the existing wastewater  
84.14 treatment facility. This project is intended to  
84.15 prevent the discharge of phosphorus into the  
84.16 Mississippi River. This appropriation is not  
84.17 available until the commissioner of  
84.18 management and budget determines that at  
84.19 least \$200,000 is committed to the project  
84.20 from nonstate sources and the authority has  
84.21 applied for at least two grants to offset the  
84.22 cost. An amount equal to any grant money  
84.23 received by the authority must be returned to  
84.24 the general fund. This appropriation is  
84.25 available until June 30, 2019.

## 84.26 ARTICLE 7

### 84.27 ECONOMIC DEVELOPMENT

84.28 Section 1. Minnesota Statutes 2017 Supplement, section 298.227, is amended to read:

#### 84.29 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

84.30 An amount equal to that distributed pursuant to each taconite producer's taxable  
84.31 production and qualifying sales under section 298.28, subdivision 9a, shall be held by the  
84.32 commissioner of Iron Range resources and rehabilitation in a separate taconite economic  
84.33 development fund for each taconite and direct reduced ore producer. Money from the fund

85.1 for each producer shall be released by the commissioner after review by a joint committee  
 85.2 consisting of an equal number of representatives of the salaried employees and the  
 85.3 nonsalaried production and maintenance employees of that producer. The District 11 director  
 85.4 of the United States Steelworkers of America, on advice of each local employee president,  
 85.5 shall select the employee members. In nonorganized operations, the employee committee  
 85.6 shall be elected by the nonsalaried production and maintenance employees. The review  
 85.7 must be completed no later than six months after the producer presents a proposal for  
 85.8 expenditure of the funds to the committee. The funds held pursuant to this section may be  
 85.9 released only for workforce development and associated public facility improvement,  
 85.10 concurrent reclamation, or for acquisition of plant and stationary mining equipment and  
 85.11 facilities for the producer or for research and development in Minnesota on new mining, or  
 85.12 taconite, iron, or steel production technology, but only if the producer provides a matching  
 85.13 expenditure equal to the amount of the distribution to be used for the same purpose beginning  
 85.14 with distributions in 2014. Effective for proposals for expenditures of money from the fund  
 85.15 beginning May 26, 2007, the commissioner may not release the funds before the next  
 85.16 scheduled meeting of the board. If a proposed expenditure is not approved by the  
 85.17 commissioner, after consultation with the advisory board, the funds must be deposited in  
 85.18 the Taconite Environmental Protection Fund under sections 298.222 to 298.225. If a taconite  
 85.19 production facility is sold after operations at the facility had ceased, any money remaining  
 85.20 in the fund for the former producer may be released to the purchaser of the facility on the  
 85.21 terms otherwise applicable to the former producer under this section. If a producer fails to  
 85.22 provide matching funds for a proposed expenditure within six months after the commissioner  
 85.23 approves release of the funds, the funds are available for release to another producer in  
 85.24 proportion to the distribution provided and under the conditions of this section may be  
 85.25 released by the commissioner for deposit in the taconite area environmental protection fund  
 85.26 created in section 298.223. Any portion of the fund which is not released by the commissioner  
 85.27 within one year of its deposit in the fund shall be ~~divided between~~ distributed to the taconite  
 85.28 environmental protection fund ~~created in section 298.223~~ and the Douglas J. Johnson  
 85.29 economic protection trust fund ~~created in section 298.292~~ for placement in their respective  
 85.30 special accounts. ~~Two-thirds of the unreleased funds shall be distributed to the taconite~~  
 85.31 ~~environmental protection fund and one-third to the Douglas J. Johnson economic protection~~  
 85.32 ~~trust fund.~~

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

86.1 Sec. 2. Minnesota Statutes 2016, section 298.28, subdivision 9a, is amended to read:

86.2 Subd. 9a. **Taconite economic development fund.** (a) 25.1 cents per ton for distributions  
 86.3 in 2002 and thereafter must be paid to the taconite economic development fund. No  
 86.4 distribution shall be made under this paragraph in 2004 or any subsequent year in which  
 86.5 total industry production falls below 30 million tons. Distribution shall only be made to a  
 86.6 Minnesota taconite pellet producer's fund under section 298.227 if the producer timely pays  
 86.7 its tax under section 298.24 by the dates provided under section 298.27, or pursuant to the  
 86.8 due dates provided by an administrative agreement with the commissioner.

86.9 (b) An amount equal to 50 percent of the tax under section 298.24 for concentrate sold  
 86.10 in the form of pellet chips and fines not exceeding 5/16 inch in size and not including crushed  
 86.11 pellets shall be paid to the taconite economic development fund. The amount paid shall not  
 86.12 exceed \$700,000 annually for all ~~companies~~ Minnesota taconite pellet producers. If the  
 86.13 initial amount to be paid to the fund exceeds this amount, each ~~company's~~ Minnesota taconite  
 86.14 pellet producer's payment shall be prorated so the total does not exceed \$700,000.

86.15 **EFFECTIVE DATE.** This section is effective retroactively from December 31, 2016.

86.16 Sec. 3. Minnesota Statutes 2016, section 465.73, is amended to read:

86.17 **465.73 LOAN FROM, SECURED BY U.S. AGRICULTURE DEPARTMENT**  
 86.18 **AGENCY.**

86.19 For purposes of constructing, repairing, or acquiring city halls, town halls, fire halls or  
 86.20 fire or rescue equipment, or libraries or child care facilities if otherwise authorized by law,  
 86.21 a statutory city, home rule charter city, county, or town may borrow not to exceed ~~\$450,000~~  
 86.22 \$750,000 from (i) funds granted to a rural electric cooperative organized under chapter  
 86.23 308A by the United States Department of Agriculture Rural Business-Cooperative Service  
 86.24 or (ii) directly from or in the form of funds guaranteed by the Rural Housing Service or  
 86.25 other agency of the United States Department of Agriculture by a note secured by a mortgage  
 86.26 or other security agreement on the property purchased with the borrowed funds. The city,  
 86.27 county, or town may pledge its full faith and credit and assign or pledge the revenues, if  
 86.28 any, from the facilities or equipment so financed together with any other properly available  
 86.29 funds to secure the loan. The obligation of the note is not to be included when computing  
 86.30 the net debt of the city, county, or town, nor is the approval of the voters required for the  
 86.31 issuance of the note.

87.1 Sec. 4. **TRANSFER 2018 DISTRIBUTION ONLY.**

87.2 For the 2018 distribution, the fund established under Minnesota Statutes, section 298.28,  
 87.3 subdivision 7, shall receive ten cents per ton of any excess of the balance remaining after  
 87.4 distribution of amounts required under Minnesota Statutes, section 298.28, subdivision 6.

87.5 **EFFECTIVE DATE.** This section is effective for the 2018 distribution, and the transfer  
 87.6 must be made within ten days of the August 2018 payment.

87.7 Sec. 5. **DISLOCATED WORKER RAPID RESPONSE ACTIVITY.**

87.8 Notwithstanding anything to the contrary, of the money appropriated to the Job Skills  
 87.9 Partnership Board for the purposes of Minnesota Statutes, section 116L.17, under Minnesota  
 87.10 Statutes, section 116L.20, subdivision 2, at least \$650,000 in fiscal year 2019 is for a grant  
 87.11 to Career Solutions in St. Cloud to address the substantial anticipated job losses at the  
 87.12 Electrolux plant in St. Cloud. These services shall be provided by Career Solutions. Grant  
 87.13 funds may be used according to Minnesota Statutes, section 116L.17, subdivision 4,  
 87.14 including, but not limited to, GED programs, English language courses, computer literacy  
 87.15 efforts, and training in the manufacturing and construction trades. In addition, the  
 87.16 commissioner of employment and economic development is directed to take all necessary  
 87.17 steps, including application for any required federal waivers, to begin providing services  
 87.18 to affected workers before December 31, 2018.

87.19 Sec. 6. **REVISOR'S INSTRUCTION; PROGRAM NAME CLARIFICATION.**

87.20 In Minnesota Statutes, the revisor of statutes shall change the term "Minnesota investment  
 87.21 fund" to "North Star Disaster Contingency Account" wherever it is apparent from context  
 87.22 that the term "Minnesota investment fund" refers to the program under Minnesota Statutes,  
 87.23 section 116J.8731, subdivisions 8 and 9.

87.24 **ARTICLE 8**

87.25 **LABOR AND INDUSTRY**

87.26 Section 1. Minnesota Statutes 2017 Supplement, section 175.46, subdivision 13, is amended  
 87.27 to read:

87.28 Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships  
 87.29 located throughout the state, not to exceed \$100,000 per local partnership grant. The  
 87.30 commissioner may use up to five percent of this amount for administration of the grant  
 87.31 program.

88.1 (b) A local partnership awarded a grant under this section must use the grant award for  
88.2 any of the following implementation and coordination activities:

88.3 (1) recruiting additional employers to provide on-the-job training and supervision for  
88.4 student learners and providing technical assistance to those employers;

88.5 (2) recruiting students to participate in the local youth skills training program, monitoring  
88.6 the progress of student learners participating in the program, and monitoring program  
88.7 outcomes;

88.8 (3) coordinating youth skills training activities within participating school districts and  
88.9 among participating school districts, postsecondary institutions, and employers;

88.10 (4) coordinating academic, vocational and occupational learning, school-based and  
88.11 work-based learning, and secondary and postsecondary education for participants in the  
88.12 local youth skills training program;

88.13 (5) coordinating transportation for student learners participating in the local youth skills  
88.14 training program; and

88.15 (6) any other implementation or coordination activity that the commissioner may direct  
88.16 or permit the local partnership to perform.

88.17 ~~(b)~~ (c) Grant awards may not be used to directly or indirectly pay the wages of a student  
88.18 learner.

88.19 Sec. 2. Minnesota Statutes 2016, section 326B.106, subdivision 9, is amended to read:

88.20 Subd. 9. **Accessibility.** (a) **Public buildings.** The code must ~~provide for making~~ require  
88.21 new public buildings constructed or remodeled after July 1, 1963, and existing public  
88.22 buildings when remodeled, to be accessible to and usable by persons with disabilities;  
88.23 ~~although this does not require the remodeling of public buildings solely to provide~~  
88.24 ~~accessibility and usability to persons with disabilities when remodeling would not otherwise~~  
88.25 ~~be undertaken.~~

88.26 (b) **Leased space.** No agency of the state may lease space for agency operations in a  
88.27 non-state-owned building unless the building satisfies the requirements of the State Building  
88.28 Code for accessibility by persons with disabilities, or is eligible to display the state symbol  
88.29 of accessibility. This limitation applies to leases of 30 days or more for space of at least  
88.30 1,000 square feet.

88.31 (c) **Meetings or conferences.** Meetings or conferences for the public or for state  
88.32 employees which are sponsored in whole or in part by a state agency must be held in

89.1 buildings that meet the State Building Code requirements relating to accessibility for persons  
89.2 with disabilities. This subdivision does not apply to any classes, seminars, or training  
89.3 programs offered by the Minnesota State Colleges and Universities or the University of  
89.4 Minnesota. Meetings or conferences intended for specific individuals none of whom need  
89.5 the accessibility features for persons with disabilities specified in the State Building Code  
89.6 need not comply with this subdivision unless a person with a disability gives reasonable  
89.7 advance notice of an intent to attend the meeting or conference. When sign language  
89.8 interpreters will be provided, meetings or conference sites must be chosen which allow  
89.9 participants who are deaf or hard-of-hearing to see the sign language interpreters clearly.

89.10 (d) **Exemptions.** The commissioner may grant an exemption from the requirements of  
89.11 paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts  
89.12 were made to secure facilities which complied with those requirements and if the selected  
89.13 facilities are the best available for access for persons with disabilities. Exemptions shall be  
89.14 granted using criteria developed by the commissioner in consultation with the Council on  
89.15 Disability.

89.16 (e) **Symbol indicating access.** The wheelchair symbol adopted by Rehabilitation  
89.17 International's Eleventh World Congress is the state symbol indicating buildings, facilities,  
89.18 and grounds which are accessible to and usable by persons with disabilities. In the interests  
89.19 of uniformity, this symbol is the sole symbol for display in or on all public or private  
89.20 buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain  
89.21 the symbol and keep it on file. No building, facility, or grounds may display the symbol  
89.22 unless it is in compliance with the rules adopted by the commissioner under subdivision 1.  
89.23 Before any rules are proposed for adoption under this paragraph, the commissioner shall  
89.24 consult with the Council on Disability. Rules adopted under this paragraph must be enforced  
89.25 in the same way as other accessibility rules of the State Building Code.

89.26 Sec. 3. Minnesota Statutes 2016, section 326B.815, subdivision 1, is amended to read:

89.27 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,  
89.28 an initial or renewed residential contractor, residential remodeler, or residential roofer license  
89.29 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured  
89.30 home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

89.31 (b) All initial and renewal licenses, except for manufactured home installer licenses,  
89.32 shall be effective for two years and shall expire on March 31 of the year after the year in  
89.33 which the application is made.

90.1 (c) The commissioner shall in a manner determined by the commissioner, without the  
 90.2 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,  
 90.3 residential remodeler, and residential roofer licenses from one year to two years. By June  
 90.4 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer  
 90.5 licenses shall be two-year licenses.

90.6 Sec. 4. Minnesota Statutes 2016, section 327B.041, is amended to read:

90.7 **327B.041 MANUFACTURED HOME INSTALLERS.**

90.8 (a) Manufactured home installers are subject to all of the fees in section 326B.092 and  
 90.9 the requirements of sections 326B.802 to 326B.885, except for the following:

90.10 (1) manufactured home installers are not subject to the continuing education requirements  
 90.11 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education  
 90.12 requirements established in rules adopted under section 327B.10;

90.13 (2) the examination requirement of section 326B.83, subdivision 3, for manufactured  
 90.14 home installers shall be satisfied by successful completion of a written examination  
 90.15 administered and developed specifically for the examination of manufactured home installers.  
 90.16 The examination must be administered and developed by the commissioner. The  
 90.17 commissioner and the state building official shall seek advice on the grading, monitoring,  
 90.18 and updating of examinations from the Minnesota Manufactured Housing Association;

90.19 (3) a local government unit may not place a surcharge on a license fee, and may not  
 90.20 charge a separate fee to installers;

90.21 (4) a dealer or distributor who does not install or repair manufactured homes is exempt  
 90.22 from licensure under sections 326B.802 to 326B.885;

90.23 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;  
 90.24 and

90.25 (6) manufactured home installers are not subject to the contractor recovery fund in  
 90.26 section 326B.89.

90.27 (b) The commissioner may waive all or part of the requirements for licensure as a  
 90.28 manufactured home installer for any individual who holds an unexpired license or certificate  
 90.29 issued by any other state or other United States jurisdiction if the licensing requirements of  
 90.30 that jurisdiction meet or exceed the corresponding licensing requirements of the department  
 90.31 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~

91.1 ~~purposes of calculating fees under section 326B.092, licensure as a manufactured home~~  
 91.2 ~~installer is a business license.~~

91.3 **ARTICLE 9**

91.4 **WORKERS' COMPENSATION GENERAL**

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

91.7 **Subd. 7. Workers' Compensation Court of Appeals and compensation judges.**

91.8 Salaries of judges of the Workers' Compensation Court of Appeals are ~~98.52~~ 105 percent  
 91.9 of the salary for ~~district court~~ workers' compensation judges of the Office of Administrative  
 91.10 Hearings. The salary of the chief judge of the Workers' Compensation Court of Appeals is  
 91.11 ~~98.52~~ 107 percent of the salary for a ~~chief district court judge~~ workers' compensation judges  
 91.12 of the Office of Administrative Hearings. Salaries of compensation judges are 98.52 percent  
 91.13 of the salary of district court judges.

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

91.15 Sec. 2. Minnesota Statutes 2016, section 175A.05, is amended to read:

91.16 **175A.05 QUORUM.**

91.17 **Subdivision 1. Judges' quorum.** A majority of the judges of the Workers' Compensation  
 91.18 Court of Appeals shall constitute a quorum for the exercise of the powers conferred and the  
 91.19 duties imposed on the Workers' Compensation Court of Appeals except that all appeals  
 91.20 shall be heard by no more than a panel of three of the five judges unless the case appealed  
 91.21 is determined to be of exceptional importance by the chief judge prior to assignment of the  
 91.22 case to a panel, or by a three-fifths vote of the judges prior to assignment of the case to a  
 91.23 panel or after the case has been considered by the panel but prior to the service and filing  
 91.24 of the decision.

91.25 **Subd. 2. Vacancy.** A vacancy shall not impair the ability of the remaining judges of the  
 91.26 Workers' Compensation Court of Appeals to exercise all the powers and perform all of the  
 91.27 duties of the Workers' Compensation Court of Appeals.

91.28 **Subd. 3. Retired judges.** Where the number of Workers' Compensation Court of Appeals  
 91.29 judges available to hear a case is insufficient to constitute a quorum, the chief judge of the  
 91.30 Workers' Compensation Court of Appeals may, with the retired judge's consent, assign a  
 91.31 judge who is retired from the Workers' Compensation Court of Appeals or the Office of  
 91.32 Administrative Hearings to hear any case properly assigned to a judge of the Workers'

92.1 Compensation Court of Appeals. The retired judge assigned to the case may act on it with  
 92.2 the full powers of the judge of the Workers' Compensation Court of Appeals. A retired  
 92.3 judge performing this service shall receive pay and expenses in the amount and manner  
 92.4 provided by law for judges serving on the court, less the amount of retirement pay the judge  
 92.5 is receiving under chapter 352 or 490.

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

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

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

92.13 (b) The division or Office of Administrative Hearings or Workers' Compensation Court  
 92.14 of Appeals may permit the examination of its file by the employer, insurer, employee, or  
 92.15 dependent of a deceased employee or any person who furnishes ~~written~~ signed authorization  
 92.16 to do so from the employer, insurer, employee, or dependent of a deceased employee.  
 92.17 Reports filed under this section and other information the commissioner has regarding  
 92.18 injuries or deaths shall be made available to the Workers' Compensation Reinsurance  
 92.19 Association for use by the association in carrying out its responsibilities under chapter 79.

92.20 (c) The division may provide the worker identification number assigned under section  
 92.21 176.275, subdivision 1, without a signed authorization required under paragraph (b) to an:

92.22 (1) attorney who represents one of the persons described in paragraph (b);

92.23 (2) attorney who represents an intervenor or potential intervenor under section 176.361;

92.24 (3) intervenor; or

92.25 (4) employee's assigned qualified rehabilitation consultant under section 176.102.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

94.20 (5) audit trail information.

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

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

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

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

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

95.4 (1) notices of discontinuance;

95.5 (2) decisions issued by the department; and

95.6 (3) mediated agreements.

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

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

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

95.17 (1) the office;

95.18 (2) the department;

95.19 (3) the employer;

95.20 (4) the insurer;

95.21 (5) the employee;

95.22 (6) the dependent of a deceased employee;

95.23 (7) an intervenor in the dispute;

95.24 (8) the attorney to a party in the dispute;

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

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

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

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

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

96.10 Sec. 5. Laws 2017, chapter 94, article 1, section 6, is amended to read:

96.11	Sec. 6. <b>WORKERS' COMPENSATION COURT</b>			<b>1,913,000</b>
96.12	<b>OF APPEALS</b>	\$	<b>1,913,000</b>	\$ <b>1,946,000</b>

96.13 This appropriation is from the workers'  
 96.14 compensation fund.

96.15 **ARTICLE 10**

96.16 **HOSPITAL OUTPATIENT FEE SCHEDULE**

96.17 Section 1. **[176.1364] WORKERS' COMPENSATION HOSPITAL OUTPATIENT**  
 96.18 **FEE SCHEDULE.**

96.19 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this  
 96.20 subdivision have the meanings given them.

96.21 (b) "Addendum A" means the addendum entitled "OPPS APCs for CY 2018," or its  
 96.22 successor, developed by the Centers for Medicare and Medicaid Services (Medicare) for  
 96.23 use in the Medicare Hospital Outpatient Prospective Payment System (OPPS) system under  
 96.24 Code of Federal Regulations, title 42, part 419, as may be amended from time to time.

96.25 (c) "Addendum B" means the addendum entitled "OPPS Payment by HCPCS Codes for  
 96.26 CY 2018," or its successor, developed by the Centers for Medicare and Medicaid Services  
 96.27 (Medicare) for use in the Medicare Hospital Outpatient Prospective Payment System (OPPS)  
 96.28 system under Code of Federal Regulations, title 42, part 419, as may be amended from time  
 96.29 to time.

96.30 (d) "HCPCS code" means a numeric or alphanumeric code included in the Centers for  
 96.31 Medicare and Medicaid Services' Healthcare Common Procedure Coding System. A HCPCS  
 96.32 code is used to identify a specific medical service.

97.1 (e) "Hospital" means a facility that is licensed by the Department of Health under section  
 97.2 144.50.

97.3 (f) "HOFS" means the workers' compensation hospital outpatient fee schedule established  
 97.4 under subdivision 3.

97.5 (g) "Insurer" includes workers' compensation insurers and self-insured employers.

97.6 (h) "Services" includes articles, supplies, procedures, and implantable devices provided  
 97.7 by the hospital with the service. Services are identified by a code described in subdivision  
 97.8 3.

97.9 Subd. 2. **Applicability.** (a) This section only applies to payment of charges for hospital  
 97.10 outpatient services if the charges include a service listed in the workers' compensation  
 97.11 hospital outpatient fee schedule established by the commissioner under subdivision 3. If  
 97.12 the charges do not include a service listed in the HOFS, payment shall be:

97.13 (1) the liability for each service that is included in the workers' compensation relative  
 97.14 value fee schedule as provided in section 176.136, subdivision 1a, and corresponding rules  
 97.15 adopted by the commissioner to implement the relative value fee schedule; or

97.16 (2) the liability as provided in section 176.136, subdivision 1b, paragraphs (b) and (c),  
 97.17 for each service that is not included in the workers' compensation relative value fee schedule.

97.18 (b) This section does not apply to outpatient services provided at a hospital that is certified  
 97.19 by Medicare as a critical access hospital. Outpatient services provided by these hospitals  
 97.20 shall be paid as provided in section 176.136, subdivision 1b, paragraph (a).

97.21 Subd. 3. **Hospital outpatient fee schedule (HOFS).** (a) Effective for hospital outpatient  
 97.22 services on or after October 1, 2018, the commissioner shall establish a workers'  
 97.23 compensation hospital outpatient fee schedule (HOFS) to establish the payment for hospital  
 97.24 bills with charges for services with a J1 or J2 status indicator as listed in the status indicator  
 97.25 (SI) column of Addendum B and the comprehensive observation services Ambulatory  
 97.26 Payment Classification (APC) 8011 with a J2 status indicator in Addendum A. The  
 97.27 commissioner shall publish a link to the HOFS in the State Register before October 1, 2018,  
 97.28 and shall maintain the current HOFS on the department's Web site.

97.29 (b) The amount listed for each of the procedures in the HOFS as described in paragraph  
 97.30 (a) shall be the relative weight for the procedure multiplied by a HOFS conversion factor  
 97.31 that results in the same overall payment for hospital outpatient services under this section  
 97.32 as the actual payments made in the most recent 12-month period available before the effective  
 97.33 date of this section. The commissioner must establish separate conversion factors to achieve

98.1 the same overall payment for noncritical access hospitals of 100 or fewer licensed beds and  
98.2 hospitals with more than 100 licensed beds. The commissioner shall establish the two  
98.3 conversion factors according to the requirements in clauses (1) to (4) in consultation with  
98.4 insurer and hospital representatives.

98.5 (1) The commissioner shall obtain a suitable sample of de-identified data for Minnesota  
98.6 workers' compensation outpatient cases at Minnesota hospitals for the most recently available  
98.7 12-month period. The commissioner may obtain de-identified data from any reliable source,  
98.8 including Minnesota hospitals and insurers, or their representatives. Any data provided to  
98.9 the commissioner by a hospital, insurer, or their representative under this subdivision is  
98.10 nonpublic data under section 13.02, subdivision 9.

98.11 (2) The sample must be divided into a data set for hospitals over 100 licensed beds, and  
98.12 100 or fewer licensed beds, excluding critical access hospitals.

98.13 (3) For each data set the commissioner shall:

98.14 (i) calculate the total amount of the actual payments made in the most recent 12-month  
98.15 period available before the effective date of this section, adjusted for inflation to July 2018;  
98.16 and

98.17 (ii) apply all of the payment provisions in this section to each claim including, as  
98.18 applicable, payment under the relative value fee schedule or 85 percent of the hospital's  
98.19 usual and customary charge under section 176.136, subdivisions 1a and 1b, to determine  
98.20 the total payment amount using the Medicare conversion factor in effect for the OPPS in  
98.21 effect on July 1, 2018.

98.22 (4) The commissioner shall calculate the Minnesota conversion factor to equal the  
98.23 Medicare conversion factor multiplied by the ratio of total payments under clause (3), item  
98.24 (i), divided by the total payments under clause (3), item (ii).

98.25 (c) For purposes of this section:

98.26 (1) the relative weight is the amount in the "relative weight" column in Addendum B  
98.27 and Addendum A for comprehensive observation services.

98.28 (2) references to J1, J2, and H status indicators; Addenda A and B; APC 8011; and  
98.29 HCPCS code G0378 includes any successor status indicators, addenda, APC, or HCPCS  
98.30 code established by the Centers for Medicare and Medicaid Services.

98.31 (d) On October 1 of each year, the commissioner shall adjust the HOFS conversion  
98.32 factors based on the market basket index for inpatient hospital services calculated by  
98.33 Medicare and published on its Web site. The adjustment on each October 1 shall be a

99.1 percentage equal to the value of that index averaged over the four quarters of the most recent  
99.2 calendar year divided by the value of that index over the four quarters of the prior calendar  
99.3 year.

99.4 (e) No later than October 1, 2021, and at least once every three years thereafter, the  
99.5 commissioner shall update the HOFS established under this subdivision by incorporating  
99.6 services with a J1 or J2 status indicator, and the corresponding relative weights, listed in  
99.7 the Addenda A and B most recently available on Medicare's Web site as of the preceding  
99.8 July 1. If Addenda A and B are not available on Medicare's Web site on the preceding July  
99.9 1, the HOFS most recently published on the department's Web site remains in effect.

99.10 (1) Each time the HOFS is updated under this paragraph, the commissioner shall adjust  
99.11 the conversion factors so that there is no difference between the overall payment under the  
99.12 new HOFS and the overall payment under the HOFS most recently in effect, for services  
99.13 in both HOFSs.

99.14 (2) The conversion factor adjustments under this paragraph shall be made separately for  
99.15 each hospital category in paragraph (b).

99.16 (3) The conversion factor adjustments under this paragraph must be made before making  
99.17 any additional adjustment under paragraph (d).

99.18 (f) The commissioner shall give notice in the State Register of the adjusted conversion  
99.19 factor in paragraph (d) no later than October 1 annually. The commissioner shall give notice  
99.20 in the State Register of an updated HOFS under paragraph (e) no later than October 1 of  
99.21 the year in which the HOFS becomes effective. The notice must include a link to the HOFS  
99.22 published on the department's Web site. The notices, the updated fee schedules, and the  
99.23 adjusted conversion factors are not rules subject to chapter 14, but have the force and effect  
99.24 of law as of the effective date published in the State Register.

99.25 **Subd. 4. Payment under the hospital outpatient fee schedule.** (a) Services in the  
99.26 HOFS, and other hospital outpatient services provided with or as part of service in the  
99.27 HOFS, are paid according to paragraphs (b) and (c).

99.28 (b) If a hospital bill includes a charge for one or more services with a J1 status indicator,  
99.29 payment shall be as provided in this paragraph.

99.30 (1) If the bill includes a charge for only one service with only a J1 status indicator,  
99.31 payment shall be the amount listed in the HOFS for that service, regardless of the amount  
99.32 charged by the hospital.

100.1 (2) If the bill includes charges for more than one service with a J1 status indicator, the  
100.2 service with the highest listed fee in the HOFS shall be paid at 100 percent of the listed fee.  
100.3 Each additional service listed in the hospital outpatient fee shall be paid at 50 percent of  
100.4 the listed fee. Payment under this clause shall be based on the applicable percentage of the  
100.5 listed fee, regardless of the amount charged by the hospital.

100.6 (3) If the bill includes an additional charge for a service that does not have a J1 status  
100.7 indicator listed in the HOFS, no separate payment is made for the additional service. Payment  
100.8 for the additional service, including any service with a J2 status indicator, is packaged into  
100.9 and is not paid separately from the payment amount listed in the HOFS for the service with  
100.10 the J1 status indicator. Implantable devices are paid separately only as provided in subdivision  
100.11 5.

100.12 (4) The insurer must not deny payment for any additional service packaged into payment  
100.13 for a service listed in the HOFS on the basis that the additional service was not reasonably  
100.14 required or causally related to an admitted work injury.

100.15 (c) If a hospital bill includes one or more charges for services with a J2 status indicator,  
100.16 and does not include any charges for services with a J1 status indicator, payment shall be  
100.17 as provided in this paragraph.

100.18 (1) Except for services packaged into an observation service as provided in clause (4),  
100.19 payment for each service with a J2 status indicator shall be the amount listed in the HOFS,  
100.20 regardless of the amount charged by the hospital.

100.21 (2) If a service without a HCPCS code is billed with a service with a J2 status indicator,  
100.22 payment is packaged into the payment for the J2 service.

100.23 (3) Payment for drugs with a HCPCS code is separate from payment for the service with  
100.24 the J2 code as provided in this clause.

100.25 (i) If the drug is delivered by injection or infusion, payment for the drug is packaged  
100.26 into payment for the injection or infusion service.

100.27 (ii) If the drug is not delivered by injection or infusion, payment for the drug is paid at  
100.28 the Medicare Average Sales Price (ASP) of the drug on the day the drug is dispensed. No  
100.29 later than October 1, 2018, and October 1 of each subsequent year, the commissioner must  
100.30 publish on the department's Web site a link to the ASP most recently available as of the  
100.31 preceding July 1. If no ASP is available, the most recently posted ASP linked on the  
100.32 department's Web site remains in effect.

101.1 (4) If a bill includes eight or more units of service with the HCPCS code G0378  
101.2 (observation services, per hour), and there is a physician's or dentist's order for observation,  
101.3 payment shall be the amount listed in the HOFS for the comprehensive observation services  
101.4 Ambulatory Payment Classification 8011, regardless of the amount charged by the hospital.  
101.5 All other services billed by the hospital, including other services with a J2 status indicator,  
101.6 are packaged into the payment amount and are not paid separately from the payment amount  
101.7 listed in the fee schedule for HCPCS code G0378.

101.8 (5) For any other service on the same bill as the service with a J2 status indicator, payment  
101.9 shall be as provided in subdivision 2, paragraph (a).

101.10 Subd. 5. **Implantable devices.** The maximum fee for any service in the HOFS includes  
101.11 payment for all implantable devices, even if the Medicare OPPS would otherwise allow  
101.12 separate payment for the implantable device. However, separate payment in the amount of  
101.13 85 percent of the hospital's usual and customary charge for an implantable device is allowed  
101.14 if the implantable device:

101.15 (1) has an H status indicator in Addendum B;

101.16 (2) is properly charged on a bill with a service with a J1 status indicator in the HOFS;

101.17 and

101.18 (3) is properly billed with another HCPCS code, if required by Medicare's OPPS system.

101.19 The commissioner shall update the HOFS each October 1 to include any HCPCS codes that  
101.20 are payable under this section according to the Addendum B most recently available on the  
101.21 preceding July 1.

101.22 Subd. 6. **Study.** (a) The commissioner shall conduct a study analyzing the percentage  
101.23 of claims with a service in the HOFS that were paid timely and the percentage of claims  
101.24 paid accurately. The commissioner must report the results of the study and recommendations  
101.25 to the Workers' Compensation Advisory Council and chairs and ranking minority members  
101.26 of the house of representatives and senate committees with jurisdiction over workers'  
101.27 compensation by January 15, 2021.

101.28 (b) Based on the results of the study, the WCAC shall consider whether there is a  
101.29 minimum 80 percent compliance in timeliness and accuracy of payments, and additional  
101.30 statutory amendments, including but not limited to:

101.31 (1) a maximum ten percent reduction in payments under the HOFS; and

101.32 (2) an increase in indemnity benefits to injured workers.

102.1 Subd. 7. **Rulemaking.** The commissioner may adopt or amend rules, using the authority  
 102.2 in section 14.386, paragraph (a), to implement this section. The rules are not subject to  
 102.3 expiration under section 14.386, paragraph (b).

102.4 **EFFECTIVE DATE.** This section is effective for hospital outpatient services provided  
 102.5 on or after October 1, 2018.

## 102.6 **ARTICLE 11**

### 102.7 **OUTPATIENT BILLING, PAYMENT, AND DISPUTE RESOLUTION**

102.8 Section 1. Minnesota Statutes 2016, section 176.136, subdivision 1b, is amended to read:

102.9 **Subd. 1b. **Limitation of liability.**** (a) The liability of the employer for treatment, articles,  
 102.10 and supplies provided to an employee while an inpatient or outpatient at a Critical Access  
 102.11 Hospital certified by the Centers for Medicare and Medicaid Services, ~~or while an outpatient~~  
 102.12 ~~at a hospital with 100 or fewer licensed beds,~~ shall be the hospital's usual and customary  
 102.13 charge, unless the charge is determined by the commissioner or a compensation judge to  
 102.14 be unreasonably excessive.

102.15 (b) The liability of the employer for the treatment, articles, and supplies that are not  
 102.16 limited by paragraph (a), subdivision 1a, ~~or 1c,~~ ~~or~~ section 176.1362, 176.1363, or 176.1364,  
 102.17 shall be limited to 85 percent of the provider's usual and customary charge, or 85 percent  
 102.18 of the prevailing charges for similar treatment, articles, and supplies furnished to an injured  
 102.19 person when paid for by the injured person, whichever is lower, except as provided in  
 102.20 paragraph (e). On this basis, the commissioner or compensation judge may determine the  
 102.21 reasonable value of all treatment, services, and supplies, and the liability of the employer  
 102.22 is limited to that amount. The commissioner may by rule establish the reasonable value of  
 102.23 a service, article, or supply in lieu of the 85 percent limitation in this paragraph. A prevailing  
 102.24 charge established under Minnesota Rules, part 5221.0500, subpart 2, must be based on no  
 102.25 more than two years of billing data immediately preceding the date of the service.

102.26 (c) The limitation of liability for charges provided by paragraph (b) does not apply to a  
 102.27 nursing home that participates in the medical assistance program and whose rates are  
 102.28 established by the commissioner of human services.

102.29 (d) An employer's liability for treatment, articles, and supplies provided under this chapter  
 102.30 by a health care provider located outside of Minnesota is limited to the payment that the  
 102.31 health care provider would receive if the treatment, article, or supply were paid under the  
 102.32 workers' compensation law of the jurisdiction in which the treatment was provided.

103.1 (e) The limitation of the employer's liability based on 85 percent of prevailing charge  
 103.2 does not apply to charges by an ambulatory surgical center as defined in section 176.1363,  
 103.3 subdivision 1, paragraph (b), or a hospital as defined in section 176.1364, subdivision 1,  
 103.4 paragraph (e).

103.5 (f) For purposes of this chapter, "inpatient" means a patient that has been admitted to a  
 103.6 hospital by an order from a physician or dentist. If there is no inpatient admission order,  
 103.7 the patient is deemed an outpatient. The hospital must provide documentation of an inpatient  
 103.8 order upon the request of the employer.

103.9 **EFFECTIVE DATE.** This section is effective for treatment, articles, and supplies  
 103.10 provided on or after October 1, 2018.

103.11 **Sec. 2. [176.1365] OUTPATIENT BILLING, PAYMENT, AND DISPUTE**  
 103.12 **RESOLUTION.**

103.13 Subdivision 1. **Scope.** This section applies to billing, payment, and dispute resolution  
 103.14 for services provided by an ambulatory surgical center (ASC) under section 176.1363 and  
 103.15 hospital outpatient services under section 176.1364. For purposes of this section, "insurer"  
 103.16 includes self-insured employer and "services" is as defined in section 176.1364.

103.17 Subd. 2. **Outpatient billing, coding, and prior notification.** (a) Ambulatory surgical  
 103.18 centers and hospitals must bill workers' compensation insurers for services governed by  
 103.19 sections 176.1363 and 176.1364 using the same codes, formats, and details that are required  
 103.20 for billing the Medicare program, including coding consistent with the American Medical  
 103.21 Association Current Procedural Terminology coding system and Medicare's Ambulatory  
 103.22 Surgical Center Payment System, Outpatient Prospective Payment System, Outpatient Code  
 103.23 Editor, Healthcare Current Procedural Terminology Coding System, and the National Correct  
 103.24 Coding Initiative Policy Manual for Medicare Services and associated Web page and tables.

103.25 (b) All charges for ASC or hospital outpatient fee schedule services governed by sections  
 103.26 176.1363 and 176.1364 must be submitted to the insurer on the appropriate electronic  
 103.27 transaction required by section 176.135, subdivisions 7 and 7a. ASCs must submit charges  
 103.28 on the electronic 837P form. ASCs must not separately bill for the services and items  
 103.29 included in the ASC facility fee under Code of Federal Regulations, title 42, section  
 103.30 416.164(a). Minnesota Rules, part 5221.4033, subpart 1a, does not apply to ASCs under  
 103.31 this section, but does apply to hospital outpatient facility fees to the extent they are not  
 103.32 covered by the hospital outpatient fee schedule under section 176.1364.

104.1 (c) Hospitals, ASCs, and insurers must comply with the prior notification and approval  
 104.2 or authorization requirements specified in Minnesota Rules, part 5221.6050, subpart 9. Prior  
 104.3 notification may be provided by either the hospital, ASC, or the surgeon. For purposes of  
 104.4 prior notification under Minnesota Rules, part 5221.6050, subpart 9, "inpatient" has the  
 104.5 meaning as provided under section 176.136, subdivision 1b, paragraph (d).

104.6 (d) ASC or hospital bills must be submitted to insurers as required by section 176.135,  
 104.7 subdivisions 7 and 7a, and within the time period required by section 62Q.75, subdivision  
 104.8 3. Insurers must respond to the initial bill as provided in section 176.135, subdivisions 6  
 104.9 and 7a. Copies of any records or reports relating to the items for which payment is sought  
 104.10 are separately payable as provided in section 176.135, subdivision 7, paragraph (a).

104.11 **Subd. 3. ASC or hospital request for reconsideration; insurer response; time frames.**

104.12 (a) Following receipt of the insurer's explanation of review (EOR) or explanation of benefits  
 104.13 (EOB), the ASC or hospital may request reconsideration of a payment denial or reduction.  
 104.14 The ASC or hospital must submit its request for reconsideration in writing to the insurer  
 104.15 within one year of the date of the EOR or EOB.

104.16 (b) The insurer must issue a written response to the ASC or hospital's request for  
 104.17 reconsideration within 30 days, as provided in section 176.135, subdivision 6. The written  
 104.18 response must address the issues raised by the request for reconsideration and not simply  
 104.19 reiterate the information on the EOR or EOB.

104.20 **Subd. 4. Insurer request for reimbursement of overpayment; time frame.** If the  
 104.21 payer determines it has overpaid an ASC or hospital's charges based on workers'  
 104.22 compensation statutes and rules, the payer must submit its request for reimbursement in  
 104.23 writing to the ASC or hospital within one year of the date of the payment.

104.24 **Subd. 5. Medical requests for administrative conference; time frame to file.** (a) An  
 104.25 ASC, hospital, or insurer must notify the provider or payer, as applicable, of its intent to  
 104.26 file a medical request for an administrative conference under section 176.106 at least 20  
 104.27 days before filing one with the department. The insurer, or the ASC or hospital if permitted  
 104.28 by section 176.136, subdivision 2, must file the medical request for an administrative  
 104.29 conference no later than the latest of:

104.30 (1) one year after the date of the initial EOR or EOB if the ASC or hospital does not  
 104.31 request a reconsideration of a payment denial or reduction under subdivision 3;

104.32 (2) one year after the date of the insurer's response to the ASC or hospital's request for  
 104.33 reconsideration under subdivision 3; or

105.1 (3) one year after the insurer's request for reimbursement of an overpayment from an  
105.2 ASC or hospital under subdivision 4.

105.3 (b) Paragraph (a) does not prohibit an employee from filing a medical request for  
105.4 assistance or claim petition for the payment denied or reduced by the insurer. However, the  
105.5 ASC or hospital may not bill the employee for the denied or reduced payment when  
105.6 prohibited by this chapter.

105.7 Subd. 6. **Interest.** (a) An insurer must pay the ASC or hospital interest at an annual rate  
105.8 of four percent if it is determined that the insurer is liable for additional ASC or hospital  
105.9 charges following a denial of payment. Interest is payable by the insurer on the additional  
105.10 amount owed from the date payment was due.

105.11 (b) An ASC or hospital must pay the insurer interest at an annual rate of four percent if  
105.12 it is determined that the hospital owes the insurer reimbursement following the insurer's  
105.13 request for reimbursement of an overpayment. Interest is payable by the ASC or hospital  
105.14 on the amount of the overpayment from the date the overpayment was made.

105.15 **EFFECTIVE DATE.** This section is effective for services provided on or after October  
105.16 1, 2018.

## 105.17 **ARTICLE 12**

### 105.18 **AMBULATORY SURGICAL CENTERS**

105.19 **Section 1. [176.1363] AMBULATORY SURGICAL CENTER PAYMENT.**

105.20 Subdivision 1. **Definitions.** (a) For the purpose of this section, the terms defined in this  
105.21 subdivision have the meanings given them.

105.22 (b) "Ambulatory surgical center" or "ASC" means a facility that is: (1) certified as an  
105.23 ASC by the Centers for Medicare and Medicaid Services; or (2) licensed by the Department  
105.24 of Health as a freestanding outpatient surgical center and not owned by a hospital.

105.25 (c) "Conversion factor" means the Medicare ambulatory surgical center payment system  
105.26 (ASCPS) conversion factor used for ASCs that meet the Medicare quality reporting  
105.27 requirements, whether or not the ASC submitting the bill has met the quality reporting  
105.28 requirements.

105.29 (d) "Covered surgical procedures and ancillary services" means the procedures listed in  
105.30 ASCPS, addendum AA, and the ancillary services integral to covered surgical procedures  
105.31 listed in ASCPS, addendum BB.

105.32 (e) "Insurer" includes workers' compensation insurers and self-insured employers.

106.1 (f) "Ambulatory surgical center payment system" or "ASCPS" means the system  
 106.2 developed by the Centers for Medicare and Medicaid Services for payment of surgical  
 106.3 services provided by federally certified ASCs as specified in:

106.4 (1) Code of Federal Regulations, title 42, part 416, including without limitation the  
 106.5 geographic adjustment for the ASC and the multiple surgical procedure reduction rule;

106.6 (2) annual revisions to Code of Federal Regulations, title 42, part 416, as published in  
 106.7 the Federal Register;

106.8 (3) the corresponding addendum AA (final ASC covered surgical procedures), addendum  
 106.9 BB (final covered ancillary services integral to covered surgical procedures), addendum  
 106.10 DD1 (final ASC payment indicators), and any successor or replacement addenda; and

106.11 (4) the Medicare claims processing manual.

106.12 (g) "Medicare ASCPS payment" means the Medicare ASCPS payment used for ASCs  
 106.13 that meet the Medicare quality reporting requirements, whether or not the ASC submitting  
 106.14 the bill has met the Medicare quality reporting requirements.

106.15 **Subd. 2. Payment for covered surgical procedures and ancillary services based on**  
 106.16 **Medicare ASCPS.** (a) Except as provided in subdivisions 3 and 4, the payment to the ASC  
 106.17 for covered surgical procedures and ancillary services shall be the lesser of:

106.18 (1) the ASC's usual and customary charge for all services, supplies, and implantable  
 106.19 devices provided; or

106.20 (2) the Medicare ASCPS payment, times a multiplier of 320 percent.

106.21 (i) The amount payable under this clause includes payment for all implantable devices,  
 106.22 even if the Medicare ASCPS would otherwise allow separate payment for the implantable  
 106.23 device.

106.24 (ii) The 320 percent described in this clause must be adjusted if, on July 1, 2019, or any  
 106.25 subsequent July 1, the conversion factor is less than 98 percent of the conversion factor in  
 106.26 effect on the previous July 1. When this occurs, the multiplier must be 320 percent times  
 106.27 98 percent divided by the percentage that the current Medicare conversion factor bears to  
 106.28 the Medicare conversion factor in effect on the prior July 1. In subsequent years, the  
 106.29 multiplier is 320 percent, unless the Medicare ASCPS conversion factor declines by more  
 106.30 than two percent.

106.31 (b) Payment under this section is effective for covered surgical procedures and ancillary  
 106.32 services provided by an ASC on or after October 1, 2018, through September 30, 2019, and

107.1 shall be based on the addenda AA, BB, and DD1 most recently available on the Centers for  
107.2 Medicare and Medicaid Services Web site as of July 1, 2018, and the corresponding rules  
107.3 and Medicare claims processing manual described in subdivision 1, paragraph (f).

107.4 (1) Payment for covered surgical procedures and ancillary services provided by an ASC  
107.5 on or after each subsequent October 1 shall be based on the addenda AA, BB, and DD1  
107.6 most recently available on the Centers for Medicare and Medicaid Services Web site as of  
107.7 the preceding July 1 and the corresponding rules and Medicare claims processing manual.

107.8 (2) If the Centers for Medicare and Medicaid Services has not updated addendum AA,  
107.9 BB, or DD1 on its Web site since the commissioner's previous notice under paragraph (c),  
107.10 the addenda identified in the notice published by the commissioner in paragraph (c) and the  
107.11 corresponding rules and Medicare claims processing manual shall remain in effect.

107.12 (3) Addenda AA, BB, and DD1 under this subdivision includes successor or replacement  
107.13 addenda.

107.14 (c) The commissioner shall annually give notice in the State Register of any adjustment  
107.15 to the multiplier under paragraph (a), clause (2), and of the applicable addenda in paragraph  
107.16 (b) no later than October 1. The notice must identify and include a link to the applicable  
107.17 addenda. The notices and any adjustment to the multiplier are not rules subject to chapter  
107.18 14, but have the force and effect of law as of the effective date published in the State Register.

107.19 **Subd. 3. Payment for compensable surgical services not covered under ASCPS. (a)**  
107.20 If a surgical procedure provided by an ASC is compensable under this chapter but is not  
107.21 listed in addendum AA or BB of the Medicare ASCPS, payment must be 75 percent of the  
107.22 ASC's usual and customary charge for the procedure with the highest charge. Payment for  
107.23 each subsequent surgical procedure not listed in addendum AA or BB must be paid at 50  
107.24 percent of the ASC's usual and customary charge.

107.25 (b) Payment must be 75 percent of the ASC's usual and customary charge for a surgical  
107.26 procedure or ancillary service if the procedure or service is listed in Medicare ASCPS  
107.27 addendum AA or BB and: (1) the payment indicator provides it is paid at a reasonable cost;  
107.28 (2) the payment indicator provides it is contractor priced; or (3) a payment rate is not  
107.29 otherwise provided.

107.30 **Subd. 4. Study.** The commissioner shall conduct a study analyzing the impact of the  
107.31 reforms, including timeliness and accuracy of payment under this section, and recommend  
107.32 further changes if needed. The commissioner must report the results of the study to the  
107.33 Workers' Compensation Advisory Council and the chairs and ranking minority members

108.1 of the legislative committees with jurisdiction over workers' compensation by January 15,  
 108.2 2021.

108.3 Subd. 5. **Rulemaking.** The commissioner may adopt or amend rules using the authority  
 108.4 in section 14.386, paragraph (a), to implement this section and the Medicare ASCPS for  
 108.5 workers' compensation. The rules are not subject to expiration under section 14.386,  
 108.6 paragraph (b).

108.7 **EFFECTIVE DATE.** This section is effective for procedures and services provided by  
 108.8 an ASC on or after October 1, 2018, except subdivision 5 is effective the day following  
 108.9 final enactment.

### 108.10 **ARTICLE 13**

#### 108.11 **WORKERS' COMPENSATION BENEFITS**

108.12 Section 1. Minnesota Statutes 2016, section 176.011, subdivision 15, is amended to read:

108.13 **Subd. 15. Occupational disease.** (a) "Occupational disease" means a mental impairment  
 108.14 as defined in paragraph (d) or physical disease arising out of and in the course of employment  
 108.15 peculiar to the occupation in which the employee is engaged and due to causes in excess of  
 108.16 the hazards ordinary of employment and shall include undulant fever. Physical stimulus  
 108.17 resulting in mental injury and mental stimulus resulting in physical injury shall remain  
 108.18 compensable. Mental impairment is not considered a disease if it results from a disciplinary  
 108.19 action, work evaluation, job transfer, layoff, demotion, promotion, termination, retirement,  
 108.20 or similar action taken in good faith by the employer. Ordinary diseases of life to which the  
 108.21 general public is equally exposed outside of employment are not compensable, except where  
 108.22 the diseases follow as an incident of an occupational disease, or where the exposure peculiar  
 108.23 to the occupation makes the disease an occupational disease hazard. A disease arises out of  
 108.24 the employment only if there be a direct causal connection between the conditions under  
 108.25 which the work is performed and if the occupational disease follows as a natural incident  
 108.26 of the work as a result of the exposure occasioned by the nature of the employment. An  
 108.27 employer is not liable for compensation for any occupational disease which cannot be traced  
 108.28 to the employment as a direct and proximate cause and is not recognized as a hazard  
 108.29 characteristic of and peculiar to the trade, occupation, process, or employment or which  
 108.30 results from a hazard to which the worker would have been equally exposed outside of the  
 108.31 employment.

108.32 (b) If immediately preceding the date of disablement or death, an employee was employed  
 108.33 on active duty with an organized fire or police department of any municipality, as a member

109.1 of the Minnesota State Patrol, conservation officer service, state crime bureau, as a forest  
109.2 officer by the Department of Natural Resources, state correctional officer, or sheriff or  
109.3 full-time deputy sheriff of any county, and the disease is that of myocarditis, coronary  
109.4 sclerosis, pneumonia or its sequel, and at the time of employment such employee was given  
109.5 a thorough physical examination by a licensed doctor of medicine, and a written report  
109.6 thereof has been made and filed with such organized fire or police department, with the  
109.7 Minnesota State Patrol, conservation officer service, state crime bureau, Department of  
109.8 Natural Resources, Department of Corrections, or sheriff's department of any county, which  
109.9 examination and report negated any evidence of myocarditis, coronary sclerosis, pneumonia  
109.10 or its sequel, the disease is presumptively an occupational disease and shall be presumed  
109.11 to have been due to the nature of employment. If immediately preceding the date of  
109.12 disablement or death, any individual who by nature of their position provides emergency  
109.13 medical care, or an employee who was employed as a licensed police officer under section  
109.14 626.84, subdivision 1; firefighter; paramedic; state correctional officer; emergency medical  
109.15 technician; or licensed nurse providing emergency medical care; and who contracts an  
109.16 infectious or communicable disease to which the employee was exposed in the course of  
109.17 employment outside of a hospital, then the disease is presumptively an occupational disease  
109.18 and shall be presumed to have been due to the nature of employment and the presumption  
109.19 may be rebutted by substantial factors brought by the employer or insurer. Any substantial  
109.20 factors which shall be used to rebut this presumption and which are known to the employer  
109.21 or insurer at the time of the denial of liability shall be communicated to the employee on  
109.22 the denial of liability.

109.23 (c) A firefighter on active duty with an organized fire department who is unable to  
109.24 perform duties in the department by reason of a disabling cancer of a type caused by exposure  
109.25 to heat, radiation, or a known or suspected carcinogen, as defined by the International  
109.26 Agency for Research on Cancer, and the carcinogen is reasonably linked to the disabling  
109.27 cancer, is presumed to have an occupational disease under paragraph (a). If a firefighter  
109.28 who enters the service after August 1, 1988, is examined by a physician prior to being hired  
109.29 and the examination discloses the existence of a cancer of a type described in this paragraph,  
109.30 the firefighter is not entitled to the presumption unless a subsequent medical determination  
109.31 is made that the firefighter no longer has the cancer.

109.32 (d) For the purposes of this chapter, "mental impairment" means a diagnosis of  
109.33 post-traumatic stress disorder by a licensed psychiatrist or psychologist. For the purposes  
109.34 of this chapter, "post-traumatic stress disorder" means the condition as described in the most  
109.35 recently published edition of the Diagnostic and Statistical Manual of Mental Disorders by

110.1 the American Psychiatric Association. For purposes of section 79.34, subdivision 2, one or  
 110.2 more compensable mental impairment claims arising out of a single event or occurrence  
 110.3 shall constitute a single loss occurrence.

110.4 (e) If, preceding the date of disablement or death, an employee who was employed on  
 110.5 active duty as: a licensed police officer; a firefighter; a paramedic; an emergency medical  
 110.6 technician; a licensed nurse employed to provide emergency medical services outside of a  
 110.7 medical facility; a public safety dispatcher; an officer employed by the state or a political  
 110.8 subdivision at a corrections, detention, or secure treatment facility; a sheriff or full-time  
 110.9 deputy sheriff of any county; or a member of the Minnesota State Patrol is diagnosed with  
 110.10 a mental impairment as defined in paragraph (d), and had not been diagnosed with the mental  
 110.11 impairment previously, then the mental impairment is presumptively an occupational disease  
 110.12 and shall be presumed to have been due to the nature of employment. This presumption  
 110.13 may be rebutted by substantial factors brought by the employer or insurer. Any substantial  
 110.14 factors that are used to rebut this presumption and that are known to the employer or insurer  
 110.15 at the time of the denial of liability shall be communicated to the employee on the denial  
 110.16 of liability. The mental impairment is not considered an occupational disease if it results  
 110.17 from a disciplinary action, work evaluation, job transfer, layoff, demotion, promotion,  
 110.18 termination, retirement, or similar action taken in good faith by the employer.

110.19 **EFFECTIVE DATE.** This section is effective for employees with dates of injury on  
 110.20 or after January 1, 2019.

110.21 Sec. 2. Minnesota Statutes 2016, section 176.101, subdivision 2, is amended to read:

110.22 Subd. 2. **Temporary partial disability.** (a) In all cases of temporary partial disability  
 110.23 the compensation shall be 66-2/3 percent of the difference between the weekly wage of the  
 110.24 employee at the time of injury and the wage the employee is able to earn in the employee's  
 110.25 partially disabled condition. This compensation shall be paid during the period of disability  
 110.26 except as provided in this section, payment to be made at the intervals when the wage was  
 110.27 payable, as nearly as may be, and subject to the maximum rate for temporary total  
 110.28 compensation.

110.29 (b) Temporary partial compensation may be paid only while the employee is employed,  
 110.30 earning less than the employee's weekly wage at the time of the injury, and the reduced  
 110.31 wage the employee is able to earn in the employee's partially disabled condition is due to  
 110.32 the injury. Except as provided in section 176.102, subdivision 11, paragraphs (b) and (c),  
 110.33 temporary partial compensation may not be paid for more than ~~225~~ 275 weeks, or after 450  
 110.34 weeks after the date of injury, whichever occurs first.

111.1 (c) Temporary partial compensation must be reduced to the extent that the wage the  
 111.2 employee is able to earn in the employee's partially disabled condition plus the temporary  
 111.3 partial disability payment otherwise payable under this subdivision exceeds 500 percent of  
 111.4 the statewide average weekly wage.

111.5 Sec. 3. Minnesota Statutes 2016, section 176.101, subdivision 2a, is amended to read:

111.6 Subd. 2a. **Permanent partial disability.** (a) Compensation for permanent partial disability  
 111.7 is as provided in this subdivision. Permanent partial disability must be rated as a percentage  
 111.8 of the whole body in accordance with rules adopted by the commissioner under section  
 111.9 176.105. The percentage determined pursuant to the rules must be multiplied by the  
 111.10 corresponding amount in the following table:

111.11	Impairment Rating	Amount
111.12	(percent)	
111.13		<del>75,000</del>
111.14	less than 5.5	\$ <u>78,800</u>
111.15		<del>80,000</del>
111.16	5.5 to less than 10.5	<u>84,000</u>
111.17		<del>85,000</del>
111.18	10.5 to less than 15.5	<u>89,300</u>
111.19		<del>90,000</del>
111.20	15.5 to less than 20.5	<u>94,500</u>
111.21		<del>95,000</del>
111.22	20.5 to less than 25.5	<u>99,800</u>
111.23		<del>100,000</del>
111.24	25.5 to less than 30.5	<u>105,000</u>
111.25		<del>110,000</del>
111.26	30.5 to less than 35.5	<u>115,500</u>
111.27		<del>120,000</del>
111.28	35.5 to less than 40.5	<u>126,000</u>
111.29		<del>130,000</del>
111.30	40.5 to less than 45.5	<u>136,500</u>
111.31		<del>140,000</del>
111.32	45.5 to less than 50.5	<u>147,000</u>
111.33		<del>165,000</del>
111.34	50.5 to less than 55.5	<u>173,300</u>
111.35		<del>190,000</del>
111.36	55.5 to less than 60.5	<u>199,500</u>
111.37		<del>215,000</del>
111.38	60.5 to less than 65.5	<u>225,800</u>
111.39		<del>240,000</del>
111.40	65.5 to less than 70.5	<u>252,000</u>

112.1		<del>265,000</del>
112.2	70.5 to less than 75.5	<u>278,300</u>
112.3		<del>315,000</del>
112.4	75.5 to less than 80.5	<u>330,800</u>
112.5		<del>365,000</del>
112.6	80.5 to less than 85.5	<u>383,300</u>
112.7		<del>415,000</del>
112.8	85.5 to less than 90.5	<u>435,800</u>
112.9		<del>465,000</del>
112.10	90.5 to less than 95.5	<u>488,300</u>
112.11		<del>515,000</del>
112.12	95.5 up to and including 100	<u>540,800</u>

112.13 An employee may not receive compensation for more than a 100 percent disability of  
112.14 the whole body, even if the employee sustains disability to two or more body parts.

112.15 (b) Permanent partial disability is payable upon cessation of temporary total disability  
112.16 under subdivision 1. If the employee requests payment in a lump sum, then the compensation  
112.17 must be paid within 30 days. This lump-sum payment may be discounted to the present  
112.18 value calculated up to a maximum five percent basis. If the employee does not choose to  
112.19 receive the compensation in a lump sum, then the compensation is payable in installments  
112.20 at the same intervals and in the same amount as the employee's temporary total disability  
112.21 rate on the date of injury. Permanent partial disability is not payable while temporary total  
112.22 compensation is being paid.

112.23 Sec. 4. Minnesota Statutes 2016, section 176.101, subdivision 4, is amended to read:

112.24 Subd. 4. **Permanent total disability.** For permanent total disability, as defined in  
112.25 subdivision 5, the compensation shall be 66-2/3 percent of the daily wage at the time of the  
112.26 injury, subject to a maximum weekly compensation equal to the maximum weekly  
112.27 compensation for a temporary total disability and a minimum weekly compensation equal  
112.28 to 65 percent of the statewide average weekly wage. This compensation shall be paid during  
112.29 the permanent total disability of the injured employee but after a total of \$25,000 of weekly  
112.30 compensation has been paid, the amount of the weekly compensation benefits being paid  
112.31 by the employer shall be reduced by the amount of any disability benefits being paid by  
112.32 any government disability benefit program if the disability benefits are occasioned by the  
112.33 same injury or injuries which give rise to payments under this subdivision. This reduction  
112.34 shall also apply to any old age and survivor insurance benefits. Payments shall be made at  
112.35 the intervals when the wage was payable, as nearly as may be. In case an employee who is  
112.36 permanently and totally disabled becomes an inmate of a public institution, no compensation  
112.37 shall be payable during the period of confinement in the institution, unless there is wholly

113.1 dependent on the employee for support some person named in section 176.111, subdivision  
 113.2 1, 2 or 3, in which case the compensation provided for in section 176.111, during the period  
 113.3 of confinement, shall be paid for the benefit of the dependent person during dependency.  
 113.4 The dependency of this person shall be determined as though the employee were deceased.  
 113.5 Permanent total disability shall cease at age ~~67 because the employee is presumed retired~~  
 113.6 ~~from the labor market~~ 72, except that if an employee is injured after age 67, permanent total  
 113.7 disability benefits shall cease after five years of those benefits have been paid. This  
 113.8 ~~presumption is rebuttable by the employee. The subjective statement the employee is not~~  
 113.9 ~~retired is not sufficient in itself to rebut the presumptive evidence of retirement but may be~~  
 113.10 ~~considered along with other evidence.~~

113.11 Sec. 5. Minnesota Statutes 2016, section 176.102, subdivision 11, is amended to read:

113.12 Subd. 11. **Retraining; compensation.** (a) Retraining is limited to 156 weeks. An  
 113.13 employee who has been approved for retraining may petition the commissioner or  
 113.14 compensation judge for additional compensation not to exceed 25 percent of the  
 113.15 compensation otherwise payable. If the commissioner or compensation judge determines  
 113.16 that this additional compensation is warranted due to unusual or unique circumstances of  
 113.17 the employee's retraining plan, the commissioner may award additional compensation in  
 113.18 an amount not to exceed the employee's request. This additional compensation shall cease  
 113.19 at any time the commissioner or compensation judge determines the special circumstances  
 113.20 are no longer present.

113.21 (b) If the employee is not employed during a retraining plan that has been specifically  
 113.22 approved under this section, temporary total compensation is payable for up to 90 days after  
 113.23 the end of the retraining plan; except that, payment during the 90-day period is subject to  
 113.24 cessation in accordance with section 176.101. If the employee is employed during the  
 113.25 retraining plan but earning less than at the time of injury, temporary partial compensation  
 113.26 is payable at the rate of  $66\frac{2}{3}$  percent of the difference between the employee's weekly  
 113.27 wage at the time of injury and the weekly wage the employee is able to earn in the employee's  
 113.28 partially disabled condition, subject to the maximum rate for temporary total compensation.  
 113.29 Temporary partial compensation is not subject to the ~~225-week~~ 275-week or 450-week  
 113.30 limitations provided by section 176.101, subdivision 2, during the retraining plan, but is  
 113.31 subject to those limitations before and after the plan.

113.32 (c) Any request for retraining shall be filed with the commissioner before 208 weeks of  
 113.33 any combination of temporary total or temporary partial compensation have been paid.  
 113.34 Retraining shall not be available after 208 weeks of any combination of temporary total or

114.1 temporary partial compensation benefits have been paid unless the request for the retraining  
114.2 has been filed with the commissioner prior to the time the 208 weeks of compensation have  
114.3 been paid.

114.4 (d) The employer or insurer must notify the employee in writing of the 208-week  
114.5 limitation for filing a request for retraining with the commissioner. This notice must be  
114.6 given before 80 weeks of temporary total disability or temporary partial disability  
114.7 compensation have been paid, regardless of the number of weeks that have elapsed since  
114.8 the date of injury. If the notice is not given before the 80 weeks, the period of time within  
114.9 which to file a request for retraining is extended by the number of days the notice is late,  
114.10 but in no event may a request be filed later than 225 weeks after any combination of  
114.11 temporary total disability or temporary partial disability compensation have been paid. The  
114.12 commissioner may assess a penalty of \$25 per day that the notice is late, up to a maximum  
114.13 penalty of \$2,000, against an employer or insurer for failure to provide the notice. The  
114.14 penalty is payable to the commissioner for deposit in the assigned risk safety account.

114.15 Sec. 6. Minnesota Statutes 2016, section 176.83, subdivision 5, is amended to read:

114.16 Subd. 5. **Treatment standards for medical services.** (a) In consultation with the Medical  
114.17 Services Review Board or the rehabilitation review panel, the commissioner shall adopt  
114.18 rules establishing standards and procedures for health care provider treatment. The rules  
114.19 shall apply uniformly to all providers including those providing managed care under section  
114.20 176.1351. The rules shall be used to determine whether a provider of health care services  
114.21 and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical,  
114.22 hospital, or other services, is performing procedures or providing services at a level or with  
114.23 a frequency that is excessive, unnecessary, or inappropriate under section 176.135,  
114.24 subdivision 1, based upon accepted medical standards for quality health care and accepted  
114.25 rehabilitation standards.

114.26 (b) The rules shall include, but are not limited to, the following:

114.27 (1) criteria for diagnosis and treatment of the most common work-related injuries  
114.28 including, but not limited to, low back injuries and upper extremity repetitive trauma injuries;

114.29 (2) criteria for surgical procedures including, but not limited to, diagnosis, prior  
114.30 conservative treatment, supporting diagnostic imaging and testing, and anticipated outcome  
114.31 criteria;

114.32 (3) criteria for use of appliances, adaptive equipment, and use of health clubs or other  
114.33 exercise facilities;

115.1 (4) criteria for diagnostic imaging procedures;

115.2 (5) criteria for inpatient hospitalization;

115.3 (6) criteria for treatment of chronic pain; ~~and~~

115.4 (7) criteria for the long-term use of opioids or other scheduled medications to alleviate  
115.5 intractable pain and improve function, including the use of written contracts between the  
115.6 injured worker and the health care provider who prescribes the medication-; and

115.7 (8) criteria for treatment of post-traumatic stress disorder. In developing such treatment  
115.8 criteria, the commissioner and the Medical Services Review Board shall consider the  
115.9 guidance set forth in the American Psychological Association's most recently adopted  
115.10 Clinical Practice Guideline for the Treatment of Posttraumatic Stress Disorder (PTSD) in  
115.11 Adults. The commissioner shall adopt such rules using the expedited rulemaking process  
115.12 in section 14.389, including subdivision 5, to commence promptly upon final enactment of  
115.13 the legislation enacting this clause. Such rules shall apply to employees with all dates of  
115.14 injury who receive treatment after the commissioner adopts the rules. In consultation with  
115.15 the Medical Services Review Board, the commissioner shall review and update the rules  
115.16 governing criteria for treatment of post-traumatic stress disorder each time the American  
115.17 Psychological Association adopts a significant change to their Clinical Practice Guideline  
115.18 for the Treatment of PTSD in Adults, using the expedited rulemaking process in section  
115.19 14.389, including subdivision 5.

115.20 (c) If it is determined by the payer that the level, frequency, or cost of a procedure or  
115.21 service of a provider is excessive, unnecessary, or inappropriate according to the standards  
115.22 established by the rules, the provider shall not be paid for the procedure, service, or cost by  
115.23 an insurer, self-insurer, or group self-insurer, and the provider shall not be reimbursed or  
115.24 attempt to collect reimbursement for the procedure, service, or cost from any other source,  
115.25 including the employee, another insurer, the special compensation fund, or any government  
115.26 program unless the commissioner or compensation judge determines at a hearing or  
115.27 administrative conference that the level, frequency, or cost was not excessive under the  
115.28 rules in which case the insurer, self-insurer, or group self-insurer shall make the payment  
115.29 deemed reasonable.

115.30 (d) A rehabilitation provider who is determined by the rehabilitation review panel board,  
115.31 after hearing, to be consistently performing procedures or providing services at an excessive  
115.32 level or cost may be prohibited from receiving any further reimbursement for procedures  
115.33 or services provided under this chapter. A prohibition imposed on a provider under this  
115.34 subdivision may be grounds for revocation or suspension of the provider's license or

116.1 certificate of registration to provide health care or rehabilitation service in Minnesota by  
 116.2 the appropriate licensing or certifying body. The commissioner and Medical Services Review  
 116.3 Board shall review excessive, inappropriate, or unnecessary health care provider treatment  
 116.4 under section 176.103.

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

116.6 Sec. 7. **EFFECTIVE DATE.**

116.7 Unless otherwise specified, this article is effective for employees with dates of injury  
 116.8 on or after October 1, 2018.

## 116.9 **ARTICLE 14**

### 116.10 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY**

116.11 Section 1. Minnesota Statutes 2016, section 268.035, subdivision 12, is amended to read:

116.12 Subd. 12. **Covered employment.** (a) "Covered employment" means ~~the following unless~~  
 116.13 ~~excluded as "noncovered employment" under subdivision 20:~~

116.14 ~~(1) an employee's entire employment during the calendar quarter if:~~

116.15 ~~(i) (1) 50 percent or more of the employment during the quarter is performed primarily~~  
 116.16 ~~in Minnesota;~~

116.17 ~~(ii) (2) 50 percent or more of the employment during the quarter is not performed~~  
 116.18 ~~primarily in Minnesota or any other state, or Canada, but some of the employment is~~  
 116.19 ~~performed in Minnesota and the base of operations or the place from which the employment~~  
 116.20 ~~is directed or controlled is in Minnesota; or~~

116.21 ~~(iii) the employment during the quarter is not performed primarily in Minnesota or any~~  
 116.22 ~~other state and the base of operations or place from which the employment is directed or~~  
 116.23 ~~controlled is not in any state where part of the employment is performed, but the employee's~~  
 116.24 ~~residence is in Minnesota during 50 percent or more of the calendar quarter;~~

116.25 ~~(2) an employee's entire employment during the calendar quarter performed within the~~  
 116.26 ~~United States or Canada, if:~~

116.27 ~~(i) the employment is not covered employment under the unemployment insurance~~  
 116.28 ~~program of any other state, federal law, or the law of Canada; and~~

116.29 ~~(ii) the place from which the employment is directed or controlled is in Minnesota;~~

117.1 (3) the employment during the ~~calendar~~ quarter, is performed entirely outside the United  
 117.2 States and Canada, by an employee who is a United States citizen in the employ of an  
 117.3 American employer, if the employer's principal place of business in the United States is  
 117.4 located in Minnesota. For the purposes of this clause, an "American employer," for the  
 117.5 ~~purposes of this clause, means a corporation organized under the laws of any state, an~~  
 117.6 ~~individual who is a resident of the United States, or a partnership if two-thirds or more of~~  
 117.7 ~~the partners are residents of the United States, or a trust, if all of the trustees are residents~~  
 117.8 ~~of the United States~~ is as defined under the Federal Unemployment Tax Act, United States  
 117.9 Code title 26, chapter 23, section 3306, subsection (j)(3); and

117.10 (4) ~~all the~~ employment during the ~~calendar~~ quarter is performed by an officer or member  
 117.11 of the crew of an American vessel ~~on or in connection with the vessel, if the operating on~~  
 117.12 navigable waters within, or within and without, the United States, and the office from which  
 117.13 ~~the operations of the vessel operating on navigable waters within, or within and without,~~  
 117.14 ~~the United States are ordinarily and regularly supervised, managed, directed, and controlled~~  
 117.15 is in Minnesota.

117.16 (b) "Covered employment" includes covered agricultural employment under subdivision  
 117.17 11.

117.18 (c) For the purposes of section 268.095, "covered employment" includes employment  
 117.19 covered under an unemployment insurance program:

117.20 (1) of any other state; ~~or~~

117.21 (2) established by an act of Congress; or

117.22 (3) the law of Canada.

117.23 (d) The percentage of employment performed under paragraph (a) is determined by the  
 117.24 amount of hours worked.

117.25 (e) Covered employment does not include any employment defined as "noncovered  
 117.26 employment" under subdivision 20.

117.27 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.035, subdivision 20, is amended  
 117.28 to read:

117.29 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

117.30 (1) employment for the United States government or an instrumentality thereof, including  
 117.31 military service;

- 118.1 (2) employment for a state, other than Minnesota, or a political subdivision or  
118.2 instrumentality thereof;
- 118.3 (3) employment for a foreign government;
- 118.4 (4) employment covered under the federal Railroad Unemployment Insurance Act;
- 118.5 (5) employment for a church or convention or association of churches, or a nonprofit  
118.6 organization operated primarily for religious purposes that is operated, supervised, controlled,  
118.7 or principally supported by a church or convention or association of churches;
- 118.8 (6) employment for an elementary or secondary school with a curriculum that includes  
118.9 religious education that is operated by a church, a convention or association of churches,  
118.10 or a nonprofit organization that is operated, supervised, controlled, or principally supported  
118.11 by a church or convention or association of churches;
- 118.12 (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of  
118.13 a duly ordained or licensed minister of a church in the exercise of a ministry or by a member  
118.14 of a religious order in the exercise of duties required by the order;
- 118.15 (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of  
118.16 an individual receiving rehabilitation of "sheltered" work in a facility conducted for the  
118.17 purpose of carrying out a program of rehabilitation for individuals whose earning capacity  
118.18 is impaired by age or physical or mental deficiency or injury or a program providing  
118.19 "sheltered" work for individuals who because of an impaired physical or mental capacity  
118.20 cannot be readily absorbed in the competitive labor market. This clause applies only to  
118.21 services performed in a facility certified by the Rehabilitation Services Branch of the  
118.22 department or in a day training or habilitation program licensed by the Department of Human  
118.23 Services;
- 118.24 (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of  
118.25 an individual receiving work relief or work training as part of an unemployment work relief  
118.26 or work training program financed in whole or in part by any federal agency or an agency  
118.27 of a state or political subdivision thereof. This clause does not apply to programs that require  
118.28 unemployment benefit coverage for the participants;
- 118.29 (10) employment for Minnesota or a political subdivision, as an elected official, a member  
118.30 of a legislative body, or a member of the judiciary;
- 118.31 (11) employment as a member of the Minnesota National Guard or Air National Guard;

119.1 (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of  
119.2 an individual serving on a temporary basis in case of fire, flood, tornado, or similar  
119.3 emergency;

119.4 (13) employment as an election official or election worker for Minnesota or a political  
119.5 subdivision, if the compensation for that employment was less than \$1,000 in a calendar  
119.6 year;

119.7 (14) employment for Minnesota that is a major policy-making or advisory position in  
119.8 the unclassified service;

119.9 (15) employment for Minnesota in an unclassified position established under section  
119.10 43A.08, subdivision 1a;

119.11 (16) employment for a political subdivision of Minnesota that is a nontenured major  
119.12 policy making or advisory position;

119.13 (17) domestic employment in a private household, local college club, or local chapter  
119.14 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the  
119.15 current or prior calendar year to all individuals in domestic employment totaled less than  
119.16 \$1,000.

119.17 "Domestic employment" includes all service in the operation and maintenance of a  
119.18 private household, for a local college club, or local chapter of a college fraternity or sorority  
119.19 as distinguished from service as an employee in the pursuit of an employer's trade or business;

119.20 (18) employment of an individual by a son, daughter, or spouse, and employment of a  
119.21 child under the age of 18 by the child's father or mother;

119.22 (19) employment of an inmate of a custodial or penal institution;

119.23 (20) employment for a school, college, or university, by a student who is enrolled and  
119.24 whose primary relation to the school, college, or university is as a student. This does not  
119.25 include an individual whose primary relation to the school, college, or university is as an  
119.26 employee who also takes courses;

119.27 (21) employment of an individual who is enrolled as a student in a full-time program at  
119.28 a nonprofit or public educational institution that maintains a regular faculty and curriculum  
119.29 and has a regularly organized body of students in attendance at the place where its educational  
119.30 activities are carried on, taken for credit at the institution, that combines academic instruction  
119.31 with work experience, if the employment is an integral part of the program, and the institution  
119.32 has so certified to the employer, except that this clause does not apply to employment in a  
119.33 program established for or on behalf of an employer or group of employers;

120.1 (22) employment of a foreign college or university student who works on a seasonal or  
120.2 temporary basis under the J-1 visa summer work travel program described in Code of Federal  
120.3 Regulations, title 22, section 62.32;

120.4 ~~(22)~~ (23) employment of university, college, or professional school students in an  
120.5 internship or other training program with the city of St. Paul or the city of Minneapolis  
120.6 under Laws 1990, chapter 570, article 6, section 3;

120.7 ~~(23)~~ (24) employment for a hospital by a patient of the hospital. "Hospital" means an  
120.8 institution that has been licensed by the Department of Health as a hospital;

120.9 ~~(24)~~ (25) employment as a student nurse for a hospital or a nurses' training school by  
120.10 an individual who is enrolled and is regularly attending classes in an accredited nurses'  
120.11 training school;

120.12 ~~(25)~~ (26) employment as an intern for a hospital by an individual who has completed a  
120.13 four-year course in an accredited medical school;

120.14 ~~(26)~~ (27) employment as an insurance salesperson, by other than a corporate officer, if  
120.15 all the wages from the employment is solely by way of commission. The word "insurance"  
120.16 includes an annuity and an optional annuity;

120.17 ~~(27)~~ (28) employment as an officer of a township mutual insurance company or farmer's  
120.18 mutual insurance company under chapter 67A;

120.19 ~~(28)~~ (29) employment of a corporate officer, if the officer directly or indirectly, including  
120.20 through a subsidiary or holding company, owns 25 percent or more of the employer  
120.21 corporation, and employment of a member of a limited liability company, if the member  
120.22 directly or indirectly, including through a subsidiary or holding company, owns 25 percent  
120.23 or more of the employer limited liability company;

120.24 ~~(29)~~ (30) employment as a real estate salesperson, other than a corporate officer, if all  
120.25 the wages from the employment is solely by way of commission;

120.26 ~~(30)~~ (31) employment as a direct seller as defined in United States Code, title 26, section  
120.27 3508;

120.28 ~~(31)~~ (32) employment of an individual under the age of 18 in the delivery or distribution  
120.29 of newspapers or shopping news, not including delivery or distribution to any point for  
120.30 subsequent delivery or distribution;

121.1 ~~(32)~~ (33) casual employment performed for an individual, other than domestic  
 121.2 employment under clause (17), that does not promote or advance that employer's trade or  
 121.3 business;

121.4 ~~(33)~~ (34) employment in "agricultural employment" unless it is "covered agricultural  
 121.5 employment" under subdivision 11; or

121.6 ~~(34)~~ (35) if employment during one-half or more of any pay period was covered  
 121.7 employment, all the employment for the pay period is covered employment; but if during  
 121.8 more than one-half of any pay period the employment was noncovered employment, then  
 121.9 all of the employment for the pay period is noncovered employment. "Pay period" means  
 121.10 a period of not more than a calendar month for which a payment or compensation is ordinarily  
 121.11 made to the employee by the employer.

121.12 Sec. 3. Minnesota Statutes 2016, section 268.051, subdivision 2a, is amended to read:

121.13 Subd. 2a. **Unemployment insurance tax limits reduction.** (a) If the balance in the trust  
 121.14 fund on December 31 of any calendar year is four percent or more above the amount equal  
 121.15 to an average high cost multiple of 1.0, future unemployment taxes payable must be reduced  
 121.16 by all amounts above 1.0. The amount of tax reduction for any taxpaying employer is the  
 121.17 same percentage of the total amount above 1.0 as the percentage of taxes paid by the  
 121.18 employer during the calendar year is of the total amount of taxes that were paid by all  
 121.19 ~~nonmaximum experience rated~~ employers during the year except taxes paid by employers  
 121.20 assigned a tax rate equal to the maximum experience rating plus the applicable base tax  
 121.21 rate.

121.22 (b) For purposes of this subdivision, "average high cost multiple" has the meaning given  
 121.23 in Code of Federal Regulations, title 20, section 606.3, as amended through December 31,  
 121.24 2015. An amount equal to an average high cost multiple of 1.0 is a federal measure of  
 121.25 adequate reserves in relation to the state's current economy. The commissioner must calculate  
 121.26 and publish, as soon as possible following December 31 of any calendar year, the trust fund  
 121.27 balance on December 31 along with the amount an average high cost multiple of 1.0 equals.  
 121.28 Actual wages paid must be used in the calculation and estimates may not be used.

121.29 (c) The unemployment tax reduction under this subdivision does not apply to employers  
 121.30 that were at assigned a tax rate equal to the maximum experience rating plus the applicable  
 121.31 base tax rate for the year, nor to high experience rating industry employers under subdivision  
 121.32 5, paragraph (b). Computations under paragraph (a) are not subject to the rounding  
 121.33 requirement of section 268.034. The refund provisions of section 268.057, subdivision 7,  
 121.34 do not apply.

122.1 (d) The unemployment tax reduction under this subdivision applies to taxes ~~paid~~ payable  
 122.2 between March 1 and December 15 of the year following the December 31 computation  
 122.3 under paragraph (a).

122.4 (e) ~~The amount equal to the average high cost multiple of 1.0 on December 31, 2012,~~  
 122.5 ~~must be used for the calculation under paragraph (a) but only for the calculation made on~~  
 122.6 ~~December 31, 2015. Notwithstanding paragraph (d), the tax reduction resulting from the~~  
 122.7 ~~application of this paragraph applies to unemployment taxes paid between July 1, 2016,~~  
 122.8 ~~and June 30, 2017. If there was an experience rating history transfer under subdivision 4,~~  
 122.9 ~~the successor employer must receive that portion of the predecessor employer's tax reduction~~  
 122.10 ~~equal to that portion of the experience rating history transferred. The predecessor employer~~  
 122.11 ~~retains that portion of tax reduction not transferred to the successor. This paragraph applies~~  
 122.12 ~~to that portion of the tax reduction that remains unused at the time notice of acquisition is~~  
 122.13 ~~provided under subdivision 4, paragraph (e).~~

122.14 **EFFECTIVE DATE.** This section is effective July 1, 2018.

122.15 Sec. 4. **ADDITIONAL UNEMPLOYMENT BENEFITS PROGRAM FOR WORKERS**  
 122.16 **LAI D OFF FROM INTERNATIONAL BILDRITE, INC.**

122.17 **Subdivision 1. Availability of additional benefits.** Additional unemployment benefits  
 122.18 are available from the Minnesota unemployment insurance trust fund to an applicant who  
 122.19 was laid off due to lack of work between December 1, 2017, and June 30, 2018, at  
 122.20 International Bildrite, Inc. facilities in International Falls.

122.21 **Subd. 2. Eligibility requirements.** An applicant is eligible to receive additional  
 122.22 unemployment benefits under this section for any week beginning April 1, 2018, through  
 122.23 the week ending June 1, 2019, if:

122.24 (1) the applicant established a benefit account under Minnesota Statutes, section 268.07,  
 122.25 with a majority of the wage credits from International Bildrite, Inc., and has exhausted the  
 122.26 maximum amount of regular unemployment benefits available on that benefit account; and

122.27 (2) the applicant meets the same requirements that an applicant for regular unemployment  
 122.28 benefits must meet under Minnesota Statutes, section 268.069, subdivision 1.

122.29 **Subd. 3. Weekly and maximum amount of additional unemployment benefits.** (a)  
 122.30 The weekly benefit amount of additional unemployment benefits is the same as the weekly  
 122.31 benefit amount of regular unemployment benefits on the benefit account established in  
 122.32 subdivision 2, clause (1).

123.1 (b) The maximum amount of additional unemployment benefits available to an applicant  
123.2 under this section is an amount equal to 13 weeks of payment at the applicant's weekly  
123.3 additional unemployment benefit amount.

123.4 (c) If an applicant qualifies for a new regular benefit account that meets the requirements  
123.5 of subdivision 4, paragraph (b), before the applicant has been paid additional unemployment  
123.6 benefits, and that new regular benefit account meets the requirements of subdivision 2,  
123.7 clause (1), the applicant's weekly additional unemployment benefit amount is equal to the  
123.8 weekly unemployment benefit amount on the applicant's new regular benefit account.

123.9 Subd. 4. **Qualifying for a new regular benefit account.** (a) If after exhausting the  
123.10 maximum amount of regular unemployment benefits available as a result of the layoff under  
123.11 subdivision 1, an applicant qualifies for the new regular benefit account under Minnesota  
123.12 Statutes, section 268.07, the applicant must apply for and establish that new regular benefit  
123.13 account.

123.14 (b) If the applicant's weekly benefit amount under the new regular benefit account is  
123.15 equal to or higher than the applicant's weekly additional unemployment benefit amount, the  
123.16 applicant must request unemployment benefits under the new regular benefit account. An  
123.17 applicant is ineligible for additional unemployment benefits under this section until the  
123.18 applicant has exhausted the maximum amount of unemployment benefits available on the  
123.19 new regular benefit account.

123.20 (c) If the applicant's weekly unemployment benefit amount on the new regular benefit  
123.21 account is less than the applicant's weekly benefit amount of additional unemployment  
123.22 benefits, the applicant must request additional unemployment benefits. An applicant is  
123.23 ineligible for new regular unemployment benefits until the applicant has exhausted the  
123.24 maximum amount of additional unemployment benefits available under this section.

123.25 Subd. 5. **Charging of benefits.** Additional unemployment benefits paid under this section  
123.26 must be used to compute the future unemployment tax rate of a taxpaying employer or  
123.27 charged to the reimbursing account of government or nonprofit employers.

123.28 Subd. 6. **Eligibility for federal Trade Readjustment Allowance benefits.** An applicant  
123.29 who has applied and been determined eligible for federal Trade Readjustment Allowance  
123.30 benefits is not eligible for extended unemployment benefits under this section.

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

123.32 Sec. 5. **EFFECTIVE DATE.**

123.33 Unless otherwise specified, this article is effective September 16, 2018.

124.1

**ARTICLE 15**

124.2

**UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST**

124.3

Section 1. Minnesota Statutes 2016, section 268.057, subdivision 5, is amended to read:

124.4

Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under

124.5

this chapter or section 116L.20, except late fees under section 268.044, are not received on

124.6

the date due ~~the unpaid balance bears~~ the commissioner must assess interest on any amount

124.7

that remains unpaid. Interest is assessed at the rate of one percent per month or any part of

124.8

a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision

124.9

is credited to the contingent account.

124.10

**EFFECTIVE DATE.** This section is effective October 1, 2019.

124.11

Sec. 2. Minnesota Statutes 2017 Supplement, section 268.18, subdivision 2b, is amended

124.12

to read:

124.13

Subd. 2b. **Interest.** On any unemployment benefits obtained by misrepresentation, and

124.14

any penalty amounts assessed under subdivision 2, the commissioner must assess interest

124.15

~~at the rate of one percent per month~~ on any amount that remains unpaid beginning 30 calendar

124.16

days after the date of a determination of overpayment penalty. Interest is assessed at the

124.17

rate of one percent per month or any part of a month. A determination of overpayment

124.18

penalty must state that interest will be assessed. Interest is not assessed in the same manner

124.19

~~as on employer debt under section 268.057, subdivision 5~~ on unpaid interest. Interest

124.20

~~payments~~ collected under this subdivision are is credited to the trust fund.

124.21

**EFFECTIVE DATE.** This section is effective October 1, 2019.

124.22

Sec. 3. **EFFECTIVE DATE.**

124.23

Unless otherwise specified, this article is effective September 16, 2018.

124.24

**ARTICLE 16**

124.25

**UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS**

124.26

Section 1. Minnesota Statutes 2016, section 268.035, subdivision 4, is amended to read:

124.27

Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,

124.28

means the most recent four completed calendar quarters before the effective date of an

124.29

applicant's application for unemployment benefits if the application has an effective date

125.1 occurring after the month following the most recent completed calendar quarter. The base  
 125.2 period under this paragraph is as follows:

125.3	If the application for unemployment	The base period is the prior:
125.4	benefits is effective on or between these	
125.5	dates:	
125.6	February 1 - March 31	January 1 - December 31
125.7	May 1 - June 30	April 1 - March 31
125.8	August 1 - September 30	July 1 - June 30
125.9	November 1 - December 31	October 1 - September 30

125.10 (b) If an application for unemployment benefits has an effective date that is during the  
 125.11 month following the most recent completed calendar quarter, then the base period is the  
 125.12 first four of the most recent five completed calendar quarters before the effective date of  
 125.13 an applicant's application for unemployment benefits. The base period under this paragraph  
 125.14 is as follows:

125.15	If the application for unemployment	The base period is the prior:
125.16	benefits is effective on or between these	
125.17	dates:	
125.18	January 1 - January 31	October 1 - September 30
125.19	April 1 - April 30	January 1 - December 31
125.20	July 1 - July 31	April 1 - March 31
125.21	October 1 - October 31	July 1 - June 30

125.22 (c) Regardless of paragraph (a), a base period of the first four of the most recent five  
 125.23 completed calendar quarters must be used if the applicant would have more wage credits  
 125.24 under that base period than under a base period of the four most recent completed calendar  
 125.25 quarters.

125.26 ~~(d) If the applicant under paragraph (b) has insufficient wage credits to establish a benefit~~  
 125.27 ~~account, then a base period of the most recent four completed calendar quarters before the~~  
 125.28 ~~effective date of the applicant's application for unemployment benefits must be used.~~

125.29 ~~(e)~~ (d) If the applicant has insufficient wage credits to establish a benefit account under  
 125.30 a base period of the four most recent completed calendar quarters, or a base period of the  
 125.31 first four of the most recent five completed calendar quarters, but during either base period  
 125.32 the applicant received workers' compensation for temporary disability under chapter 176  
 125.33 or a similar federal law or similar law of another state, or if the applicant whose own serious  
 125.34 illness caused a loss of work for which the applicant received compensation for loss of  
 125.35 wages from some other source, the applicant may request a base period as follows:

126.1 (1) if an applicant was compensated for a loss of work of seven to 13 weeks; during a  
126.2 base period referred to in paragraph (a) or (b), then the base period is the first four of the  
126.3 most recent six completed calendar quarters before the effective date of the application for  
126.4 unemployment benefits;

126.5 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks; during a base  
126.6 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
126.7 recent seven completed calendar quarters before the effective date of the application for  
126.8 unemployment benefits;

126.9 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks; during a base  
126.10 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
126.11 recent eight completed calendar quarters before the effective date of the application for  
126.12 unemployment benefits; and

126.13 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks; during a base  
126.14 period referred to in paragraph (a) or (b), then the base period is the first four of the most  
126.15 recent nine completed calendar quarters before the effective date of the application for  
126.16 unemployment benefits.

126.17 ~~(f)~~ (e) No base period under this subdivision may include wage credits upon which a  
126.18 prior benefit account was established.

126.19 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.07, subdivision 1, is amended  
126.20 to read:

126.21 Subdivision 1. **Application for unemployment benefits; determination of benefit**  
126.22 **account.** (a) An application for unemployment benefits may be filed in person, by mail, or  
126.23 by electronic transmission as the commissioner may require. The applicant must be  
126.24 unemployed at the time the application is filed and must provide all requested information  
126.25 in the manner required. If the applicant is not unemployed at the time of the application or  
126.26 fails to provide all requested information, the communication is not an application for  
126.27 unemployment benefits.

126.28 (b) The commissioner must examine each application for unemployment benefits to  
126.29 determine the base period and the benefit year, and based upon all the covered employment  
126.30 in the base period the commissioner must determine the weekly unemployment benefit  
126.31 amount available, if any, and the maximum amount of unemployment benefits available,  
126.32 if any. The determination, which is a document separate and distinct from a document titled  
126.33 a determination of eligibility or determination of ineligibility issued under section 268.101,

127.1 must be titled determination of benefit account. A determination of benefit account must  
 127.2 be sent to the applicant and all base period employers, by mail or electronic transmission.

127.3 (c) If a base period employer did not provide wage detail information for the applicant  
 127.4 as required under section 268.044, ~~or provided erroneous information, or wage detail is not~~  
 127.5 ~~yet due and the applicant is using a base period under section 268.035, subdivision 4,~~  
 127.6 ~~paragraph (d),~~ the commissioner may accept an applicant certification of wage credits, based  
 127.7 upon the applicant's records, and issue a determination of benefit account.

127.8 ~~(d) An employer must provide wage detail information on an applicant within five~~  
 127.9 ~~calendar days of request by the commissioner, in a manner and format requested, when:~~

127.10 ~~(1) the applicant is using a base period under section 268.035, subdivision 4, paragraph~~  
 127.11 ~~(d); and~~

127.12 ~~(2) wage detail under section 268.044 is not yet required to have been filed by the~~  
 127.13 ~~employer.~~

127.14 ~~(e)~~ (d) The commissioner may, at any time within 24 months from the establishment of  
 127.15 a benefit account, reconsider any determination of benefit account and make an amended  
 127.16 determination if the commissioner finds that the wage credits listed in the determination  
 127.17 were incorrect for any reason. An amended determination of benefit account must be  
 127.18 promptly sent to the applicant and all base period employers, by mail or electronic  
 127.19 transmission. This subdivision does not apply to documents titled determinations of eligibility  
 127.20 or determinations of ineligibility issued under section 268.101.

127.21 ~~(f)~~ (e) If an amended determination of benefit account reduces the weekly unemployment  
 127.22 benefit amount or maximum amount of unemployment benefits available, any unemployment  
 127.23 benefits that have been paid greater than the applicant was entitled is an overpayment of  
 127.24 unemployment benefits. A determination or amended determination issued under this section  
 127.25 that results in an overpayment of unemployment benefits must set out the amount of the  
 127.26 overpayment and the requirement under section 268.18, subdivision 1, that the overpaid  
 127.27 unemployment benefits must be repaid.

127.28 Sec. 3. **EFFECTIVE DATE.**

127.29 Unless otherwise specified, this article is effective September 16, 2018.

128.1 **ARTICLE 17**128.2 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING**

128.3 Section 1. Minnesota Statutes 2017 Supplement, section 268.035, subdivision 15, is  
128.4 amended to read:

128.5 Subd. 15. **Employment.** (a) "Employment" means service performed by:

128.6 (1) an individual who is an employee under the common law of employer-employee and  
128.7 not an independent contractor;

128.8 (2) an officer of a corporation;

128.9 (3) a member of a limited liability company who is an employee under the common law  
128.10 of employer-employee; ~~or~~

128.11 (4) an individual who is an employee under the Federal Insurance Contributions Act,  
128.12 United States Code, title 26, chapter 21, sections 3121 (d)(3)(A) and 3121 (d)(3)(D); or

128.13 ~~(4)~~ (5) product demonstrators in retail stores or other locations to aid in the sale of  
128.14 products. The person that pays the wages is the employer.

128.15 (b) Employment does not include service as a juror.

128.16 (c) Construction industry employment is defined in subdivision 9a. Trucking and  
128.17 messenger/courier industry employment is defined in subdivision 25b. Rules on determining  
128.18 worker employment status are described under Minnesota Rules, chapter 3315.

128.19 Sec. 2. Minnesota Statutes 2016, section 268.044, subdivision 2, is amended to read:

128.20 Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to submit  
128.21 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed  
128.22 based upon the highest of:

128.23 (1) the number of employees reported on the last wage detail report submitted;

128.24 (2) the number of employees reported in the corresponding quarter of the prior calendar  
128.25 year; or

128.26 (3) if no wage detail report has ever been submitted, the number of employees listed at  
128.27 the time of employer registration.

128.28 The late fee is canceled if the wage detail report is received within 30 calendar days  
128.29 after a demand for the report is sent to the employer by mail or electronic transmission. A

129.1 late fee assessed an employer may not be canceled more than twice each 12 months. The  
 129.2 amount of the late fee assessed may not be less than \$250.

129.3 (b) If the wage detail report is not received in a manner and format prescribed by the  
 129.4 commissioner within 30 calendar days after demand is sent under paragraph (a), the late  
 129.5 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the  
 129.6 increased late fee will be sent to the employer by mail or electronic transmission.

129.7 (c) Late fees due under this subdivision may be canceled, in whole or in part, under  
 129.8 section ~~268.066~~ where good cause for late submission is found by the commissioner 268.067.

129.9 Sec. 3. Minnesota Statutes 2016, section 268.047, subdivision 3, is amended to read:

129.10 Subd. 3. **Exceptions for taxpaying employers.** Unemployment benefits paid will not  
 129.11 be used in computing the future tax rate of a taxpaying base period employer when:

129.12 (1) the applicant's wage credits from that employer are less than \$500;

129.13 (2) the applicant quit the employment, unless it was determined under section 268.095,  
 129.14 to have been because of a good reason caused by the employer or because the employer  
 129.15 notified the applicant of discharge within 30 calendar days. This exception applies ~~only~~ to  
 129.16 unemployment benefits paid for periods after the applicant's quitting the employment and,  
 129.17 if the applicant is rehired by the employer, continues only until the beginning of the week  
 129.18 the applicant is rehired; or

129.19 (3) the employer discharged the applicant from employment because of employment  
 129.20 misconduct as determined under section 268.095. This exception applies ~~only~~ to  
 129.21 unemployment benefits paid for periods after the applicant's discharge from employment  
 129.22 and, if the applicant is rehired by the employer, continues only until the beginning of the  
 129.23 week the applicant is rehired.

129.24 **EFFECTIVE DATE.** This section is effective October 1, 2019.

129.25 Sec. 4. Minnesota Statutes 2016, section 268.059, is amended to read:

129.26 **268.059 GARNISHMENT FOR DELINQUENT TAXES AND UNEMPLOYMENT**  
 129.27 **BENEFIT OVERPAYMENTS.**

129.28 Subdivision 1. **Notice Authority.** ~~The commissioner may give notice to any employer~~  
 129.29 ~~that an employee owes any amounts due under this chapter or section 116L.20, and that the~~  
 129.30 ~~obligation should be withheld from the employee's wages. The commissioner may proceed~~  
 129.31 ~~only if the amount due is uncontested or if the time for any appeal has expired. The~~

130.1 commissioner may garnish an employee's wages to collect amounts due under this chapter  
 130.2 or section 116L.20, as set forth in this section. Chapter 571 does not apply, except as  
 130.3 referenced in this section.

130.4 Subd. 1a. **Notice.** The commissioner may not proceed with a garnishment until 30  
 130.5 calendar days after sending to the debtor employee, by mail or electronic transmission, a  
 130.6 notice of intent to garnish wages and exemption notice. That notice must ~~list~~ include:

130.7 (1) the amount due from the debtor;

130.8 (2) demand for immediate payment; and

130.9 (3) the intention to serve a garnishment notice on the debtor's employer.

130.10 The notice expires 180 calendar days after it has been sent to the debtor provided that  
 130.11 the notice may be renewed by sending a new notice that is in accordance with this section.  
 130.12 The renewed notice has the effect of reinstating the priority of the original notice. ~~The~~  
 130.13 ~~exemption notice must be in substantially the same form as in section 571.72.~~ The exemption  
 130.14 notice must inform the debtor of the right to claim exemptions contained in section 550.37,  
 130.15 subdivision 14. ~~If no claim of exemption is received by the commissioner within 30 calendar~~  
 130.16 ~~days after sending of the notice, the commissioner may proceed with the garnishment. The~~  
 130.17 ~~notice to the debtor's employer may be served by mail or electronic transmission and must~~  
 130.18 ~~be in substantially the same form as in section 571.75.~~

130.19 Subd. 2. **Employer action.** (a) Thirty calendar days after sending the notice of intent to  
 130.20 garnish, the commissioner may send to the debtor's employer, by mail or electronic  
 130.21 transmission, a notice of garnishment, including a worksheet for determining the amount  
 130.22 to be withheld from wages each pay period. The amount to be withheld from wages is  
 130.23 subject to the limitations in section 571.922. Upon receipt of the garnishment notice, the  
 130.24 employer must withhold from the ~~earnings~~ wages due or to become due to the employee,  
 130.25 ~~the amount shown on the notice plus accrued interest, subject to section 571.922~~ determined  
 130.26 by the employer plus accrued interest. The employer must continue to withhold each pay  
 130.27 period the amount ~~shown on the notice~~ determined by the employer plus accrued interest  
 130.28 until the garnishment notice is released by the commissioner. Upon receipt of notice by the  
 130.29 employer, the claim of the commissioner has priority over any subsequent garnishments or  
 130.30 wage assignments. The commissioner may ~~arrange between the employer and employee~~  
 130.31 ~~for withholding a portion of the total amount due the employee each pay period,~~ agree to  
 130.32 accept a withholding amount that is less than the amount determined by the employer on  
 130.33 the worksheet until the total amount ~~shown on the notice~~ due plus accrued interest has been  
 130.34 withheld.

131.1 ~~(b) The "earnings due" any employee~~ For the purposes of this section, "wages" is as  
131.2 defined in section ~~571.921~~ 268.035, subdivision 29.

131.3 ~~(b)~~ (c) The maximum garnishment allowed for any one pay period must be decreased  
131.4 by any amounts payable under any other garnishment action served before the garnishment  
131.5 notice, and any amounts covered by any irrevocable and previously effective assignment  
131.6 of wages; ~~The employer must give notice to the commissioner of the amounts and the facts~~  
131.7 relating to the other garnishment or assignment ~~within ten calendar days after the service~~  
131.8 ~~of the garnishment notice~~ on the form worksheet provided by the commissioner.

131.9 ~~(e)~~ (d) Within ten calendar days after the expiration of the pay period, the employer must  
131.10 remit to the commissioner, on a form and in the manner prescribed by the commissioner,  
131.11 the amount withheld during each pay period.

131.12 Subd. 3. **Discharge or discipline prohibited.** (a) If the employee ceases to be employed  
131.13 by the employer before the full amount ~~set forth on the garnishment notice~~ due plus accrued  
131.14 interest has been withheld, the employer must immediately notify the commissioner in  
131.15 writing or by electronic transmission, as prescribed by the commissioner, of the termination  
131.16 date of the employee and the total amount withheld. No employer may discharge or discipline  
131.17 any employee because the commissioner has proceeded under this section. If an employer  
131.18 discharges an employee in violation of this section, the employee has the same remedy as  
131.19 provided in section 571.927, subdivision 2.

131.20 (b) This section applies if the employer is the state of Minnesota or any political  
131.21 subdivision.

131.22 (c) The commissioner must refund to the employee any excess amounts withheld from  
131.23 the employee.

131.24 (d) An employer that fails or refuses to comply with this section is jointly and severally  
131.25 liable for the total amount due from the employee. Any amount due from the employer  
131.26 under this paragraph may be collected in the same manner as any other amounts due from  
131.27 an employer under this chapter.

131.28 Sec. 5. Minnesota Statutes 2016, section 268.085, subdivision 3, is amended to read:

131.29 Subd. 3. **Vacation and sick payments that delay unemployment benefits.** (a) An  
131.30 applicant is not eligible to receive unemployment benefits for any week the applicant is  
131.31 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also  
131.32 known as "PTO."

132.1 This paragraph ~~only applies upon temporary, indefinite, or seasonal separation and does~~  
 132.2 ~~not apply:~~

132.3 (1) upon a permanent separation from employment; or

132.4 (2) to payments from a vacation fund administered by a union or a third party not under  
 132.5 the control of the employer.

132.6 Payments under this ~~paragraph~~ subdivision are applied to the period immediately  
 132.7 following the ~~temporary, indefinite, or seasonal separation.~~ later of the date of separation  
 132.8 from employment or the date the applicant first becomes aware that the employer will be  
 132.9 making a payment. The date the payment is actually made or received, or that an applicant  
 132.10 must agree to a release of claims, does not affect the application of this paragraph.

132.11 (b) This subdivision applies to all the weeks of payment. The weeks of payment is  
 132.12 determined as follows:

132.13 (1) if the payments are made periodically, the total of the payments to be received is  
 132.14 divided by the applicant's last level of regular weekly pay from the employer; or

132.15 (2) if the payment is made in a lump sum, that sum is divided by the applicant's last level  
 132.16 of regular weekly pay from the employer.

132.17 The "last level of regular weekly pay" includes commissions, bonuses, and overtime  
 132.18 pay if that is part of the applicant's ongoing regular compensation.

132.19 (c) Under this subdivision, if the payment with respect to a week is equal to or more  
 132.20 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for  
 132.21 benefits for that week. If the payment with respect to a week is less than the applicant's  
 132.22 weekly unemployment benefit amount, unemployment benefits are reduced by the amount  
 132.23 of the payment.

132.24 ~~(b)~~ (d) An applicant is not eligible to receive unemployment benefits for any week the  
 132.25 applicant is receiving, has received, or will receive severance pay, bonus pay, or any other  
 132.26 payments paid by an employer because of, upon, or after separation from employment.

132.27 This paragraph only applies if the payment is:

132.28 (1) considered wages under section 268.035, subdivision 29; or

132.29 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social  
 132.30 Security and Medicare.

132.31 Payments under this paragraph are applied to the period immediately following the later  
 132.32 of the date of separation from employment or the date the applicant first becomes aware

133.1 that the employer will be making a payment. The date the payment is actually made or  
 133.2 received, or that an applicant must agree to a release of claims, does not affect the application  
 133.3 of this paragraph.

133.4 This paragraph does not apply to earnings under subdivision 5, back pay under  
 133.5 subdivision 6, or vacation pay, sick pay, or personal time off pay under paragraph (a).

133.6 (e) Paragraph (a) applies to all the weeks of payment. The weeks of payment is determined  
 133.7 in accordance with subdivision 3, paragraph (b).

133.8 (f) Under this subdivision, if the payment with respect to a week is equal to or more than  
 133.9 the applicant's weekly unemployment benefit amount, the applicant is ineligible for benefits  
 133.10 for that week. If the payment with respect to a week is less than the applicant's weekly  
 133.11 unemployment benefit amount, unemployment benefits are reduced by the amount of the  
 133.12 payment.

133.13 ~~(e)~~ (g) An applicant is not eligible to receive unemployment benefits for any week the  
 133.14 applicant is receiving, has received, will receive, or has applied for pension, retirement, or  
 133.15 annuity payments from any plan contributed to by a base period employer including the  
 133.16 United States government. The base period employer is considered to have contributed to  
 133.17 the plan if the contribution is excluded from the definition of wages under section 268.035,  
 133.18 subdivision 29. If the pension, retirement, or annuity payment is paid in a lump sum, an  
 133.19 applicant is not considered to have received a payment if:

133.20 (1) the applicant immediately deposits that payment in a qualified pension plan or  
 133.21 account; or

133.22 (2) that payment is an early distribution for which the applicant paid an early distribution  
 133.23 penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).

133.24 This paragraph does not apply to Social Security benefits under subdivision 4 or 4a.

133.25 ~~(d)~~ (h) This subdivision applies to all the weeks of payment. ~~The number of weeks of~~  
 133.26 ~~payment is determined as follows:~~

133.27 ~~(1) if the payments are made periodically, the total of the payments to be received is~~  
 133.28 ~~divided by the applicant's last level of regular weekly pay from the employer; or~~

133.29 ~~(2)~~ If the payment is made in a lump sum, that sum is divided by the applicant's last  
 133.30 level of regular weekly pay from the employer to determine the weeks of payment.

134.1 For purposes of this ~~paragraph~~ subdivision, the "last level of regular weekly pay" includes  
 134.2 commissions, bonuses, and overtime pay if that is part of the applicant's ongoing regular  
 134.3 compensation.

134.4 ~~(e)~~ (i) Under this subdivision, if the payment with respect to a week is equal to or more  
 134.5 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for  
 134.6 benefits for that week. If the payment with respect to a week is less than the applicant's  
 134.7 weekly unemployment benefit amount, unemployment benefits are reduced by the amount  
 134.8 of the payment.

134.9 Sec. 6. Minnesota Statutes 2016, section 268.085, subdivision 3a, is amended to read:

134.10 Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An applicant  
 134.11 is not eligible to receive unemployment benefits for any week in which the applicant is  
 134.12 receiving or has received compensation for loss of wages equal to or in excess of the  
 134.13 applicant's weekly unemployment benefit amount under:

134.14 (1) the workers' compensation law of this state;

134.15 (2) the workers' compensation law of any other state or similar federal law; or

134.16 (3) any insurance or trust fund paid in whole or in part by an employer.

134.17 (b) This subdivision does not apply to an applicant who has a claim pending for loss of  
 134.18 wages under paragraph (a); however, before unemployment benefits may be paid when a  
 134.19 claim is pending, the issue of the applicant being available for suitable employment, as  
 134.20 required under subdivision 1, clause (4), ~~is~~ must be determined under section 268.101,  
 134.21 subdivision 2. If the applicant later receives compensation as a result of the pending claim,  
 134.22 the applicant is subject to ~~the provisions of~~ paragraph (a) and the unemployment benefits  
 134.23 paid are ~~subject to recoupment by the commissioner to the extent that the compensation~~  
 134.24 ~~constitutes~~ overpaid unemployment benefits under section 268.18, subdivision 1.

134.25 (c) If the amount of compensation described under paragraph (a) for any week is less  
 134.26 than the applicant's weekly unemployment benefit amount, unemployment benefits requested  
 134.27 for that week are reduced by the amount of that compensation payment.

134.28 Sec. 7. Minnesota Statutes 2017 Supplement, section 268.085, subdivision 13a, is amended  
 134.29 to read:

134.30 Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is  
 134.31 ineligible for unemployment benefits for the duration of the leave of absence. An applicant  
 134.32 on an involuntary leave of absence is not ineligible under this subdivision.

135.1 A leave of absence is voluntary when work that the applicant can then perform is available  
 135.2 with the applicant's employer but the applicant chooses not to work. A medical leave of  
 135.3 absence is not presumed to be voluntary.

135.4 (b) A period of vacation requested by the applicant, paid or unpaid, is a voluntary leave  
 135.5 of absence. A vacation period assigned by an employer under: (1) a uniform vacation  
 135.6 shutdown; (2) a collective bargaining agreement; or (3) an established employer policy, is  
 135.7 an involuntary leave of absence.

135.8 (c) A leave of absence is a temporary stopping of work that has been approved by the  
 135.9 employer. A voluntary leave of absence is not a quit and an involuntary leave of absence  
 135.10 ~~is not~~ or a discharge from employment for purposes of Section 268.095 does not apply to  
 135.11 a leave of absence.

135.12 (d) An applicant who is on a paid leave of absence, whether the leave of absence is  
 135.13 voluntary or involuntary, is ineligible for unemployment benefits for the duration of the  
 135.14 leave.

135.15 (e) This subdivision applies to a leave of absence from a base period employer, an  
 135.16 employer during the period between the end of the base period and the effective date of the  
 135.17 benefit account, or an employer during the benefit year.

135.18 Sec. 8. Minnesota Statutes 2017 Supplement, section 268.095, subdivision 6, is amended  
 135.19 to read:

135.20 Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means any  
 135.21 intentional, negligent, or indifferent conduct, on the job or off the job, that ~~displays clearly:~~

135.22 ~~(1) is a serious violation of the standards of behavior the employer has the right to~~  
 135.23 ~~reasonably expect of the employee; or.~~

135.24 ~~(2) a substantial lack of concern for the employment.~~

135.25 (b) Regardless of paragraph (a), the following is not employment misconduct:

135.26 (1) conduct that was a consequence of the applicant's mental illness or impairment;

135.27 (2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

135.28 (3) simple unsatisfactory conduct;

135.29 (4) conduct an average reasonable employee would have engaged in under the  
 135.30 circumstances;

135.31 (5) conduct that was a consequence of the applicant's inability or incapacity;

136.1 (6) good faith errors in judgment if judgment was required;

136.2 (7) absence because of illness or injury of the applicant, with proper notice to the  
136.3 employer;

136.4 (8) absence, with proper notice to the employer, in order to provide necessary care  
136.5 because of the illness, injury, or disability of an immediate family member of the applicant;

136.6 (9) conduct that was a consequence of the applicant's chemical dependency, unless the  
136.7 applicant was previously diagnosed chemically dependent or had treatment for chemical  
136.8 dependency, and since that diagnosis or treatment has failed to make consistent efforts to  
136.9 control the chemical dependency; or

136.10 (10) conduct that was a consequence of the applicant, or an immediate family member  
136.11 of the applicant, being a victim of domestic abuse, sexual assault, or stalking. For the  
136.12 purposes of this subdivision, "domestic abuse," "sexual assault," and "stalking" have the  
136.13 meanings given them in subdivision 1.

136.14 (c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20,  
136.15 169A.31, 169A.50 to 169A.53, or 171.177 that ~~interferes with or~~ adversely affects the  
136.16 employment is employment misconduct.

136.17 (d) If the conduct for which the applicant was discharged involved only a single incident,  
136.18 that is an important fact that must be considered in deciding whether the conduct rises to  
136.19 the level of employment misconduct under paragraph (a). This paragraph does not require  
136.20 that a determination under section 268.101 or decision under section 268.105 contain a  
136.21 specific acknowledgment or explanation that this paragraph was considered.

136.22 (e) The definition of employment misconduct provided by this subdivision is exclusive  
136.23 and no other definition applies.

136.24 Sec. 9. Minnesota Statutes 2016, section 268.095, subdivision 6a, is amended to read:

136.25 Subd. 6a. **Aggravated employment misconduct defined.** (a) ~~For the purpose of this~~  
136.26 ~~section, "aggravated employment misconduct" means:~~

136.27 ~~(1)~~ The commission of any act, on the job or off the job, that would amount to a gross  
136.28 misdemeanor or felony is aggravated employment misconduct if the act ~~substantially~~  
136.29 ~~interfered with the employment or~~ had a significant adverse effect on the employment; ~~or.~~

136.30 A criminal charge or conviction is not necessary to determine aggravated employment  
136.31 misconduct under this paragraph. If an applicant is convicted of a gross misdemeanor or  
136.32 felony, the applicant is presumed to have committed the act.

137.1 ~~(2) (b)~~ For an employee of a facility as defined in section 626.5572, aggravated  
 137.2 employment misconduct includes an act of patient or resident abuse, financial exploitation,  
 137.3 or recurring or serious neglect, as defined in section 626.5572 and applicable rules.

137.4 ~~(b) If an applicant is convicted of a gross misdemeanor or felony for the same act for~~  
 137.5 ~~which the applicant was discharged, it is aggravated employment misconduct if the act~~  
 137.6 ~~substantially interfered with the employment or had a significant adverse effect on the~~  
 137.7 ~~employment.~~

137.8 (c) The definition of aggravated employment misconduct provided by this subdivision  
 137.9 is exclusive and no other definition applies.

137.10 Sec. 10. EFFECTIVE DATE.

137.11 Unless otherwise specified, this article is effective September 16, 2018.

## 137.12 **ARTICLE 18**

### 137.13 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; TECHNICAL**

137.14 Section 1. Minnesota Statutes 2016, section 268.044, subdivision 3, is amended to read:

137.15 Subd. 3. **Missing or erroneous information.** (a) Any employer that submits the wage  
 137.16 detail report, but fails to include all required employee information or enters erroneous  
 137.17 information, is subject to an administrative service fee of \$25 for each employee for whom  
 137.18 the information is partially missing or erroneous.

137.19 (b) Any employer that submits the wage detail report, but fails to include an employee,  
 137.20 is subject to an administrative service fee equal to two percent of the total wages for each  
 137.21 employee for whom the information is completely missing.

137.22 (c) An administrative service fee under this subdivision must be canceled under section  
 137.23 268.067 if the commissioner determines that the failure or error by the employer occurred  
 137.24 because of ignorance or inadvertence.

137.25 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.046, subdivision 1, is amended  
 137.26 to read:

137.27 Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a taxpaying  
 137.28 employer to have that person obtain the taxpaying employer's workforce and provide workers  
 137.29 to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for  
 137.30 the duration of the contract the taxpaying employer's account under section 268.045. That  
 137.31 tax account must be maintained by the person separate and distinct from every other tax

138.1 account held by the person and identified in a manner prescribed by the commissioner. The  
 138.2 tax account is, for the duration of the contract, considered that person's account for all  
 138.3 purposes of this chapter. The workers obtained from the taxpaying employer and any other  
 138.4 workers provided by that person to the taxpaying employer, including officers of the  
 138.5 taxpaying employer as defined in section 268.035, subdivision 20, clause ~~(28)~~ (29), whose  
 138.6 wages paid by the person are considered paid in covered employment under section 268.035,  
 138.7 subdivision 24, for the duration of the contract between the taxpaying employer and the  
 138.8 person, must, under section 268.044, be reported on the wage detail report under that tax  
 138.9 account, and that person must pay any taxes due at the tax rate computed for that account  
 138.10 under section 268.051, subdivision 2.

138.11 (b) Any workers of the taxpaying employer who are not covered by the contract under  
 138.12 paragraph (a) must be reported by the taxpaying employer as a separate unit on the wage  
 138.13 detail report under the tax account assigned under paragraph (a). Taxes and any other  
 138.14 amounts due on the wages reported by the taxpaying employer under this paragraph may  
 138.15 be paid directly by the taxpaying employer.

138.16 (c) If the taxpaying employer that contracts with a person under paragraph (a) does not  
 138.17 have a tax account at the time of the execution of the contract, an account must be registered  
 138.18 for the taxpaying employer under section 268.042 and the new employer tax rate under  
 138.19 section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the  
 138.20 person as provided for in paragraph (a).

138.21 (d) A person that contracts with a taxpaying employer under paragraph (a) must, within  
 138.22 30 calendar days of the execution or termination of a contract, notify the commissioner by  
 138.23 electronic transmission, in a format prescribed by the commissioner, of that execution or  
 138.24 termination. The taxpaying employer's name, the account number assigned, and any other  
 138.25 information required by the commissioner must be provided by that person.

138.26 (e) Any contract subject to paragraph (a) must specifically inform the taxpaying employer  
 138.27 of the assignment of the tax account under this section and the taxpaying employer's  
 138.28 obligation under paragraph (b). If there is a termination of the contract, the tax account is,  
 138.29 as of the date of termination, immediately assigned to the taxpaying employer.

138.30 Sec. 3. Minnesota Statutes 2016, section 268.051, subdivision 3, is amended to read:

138.31 Subd. 3. **Computation of a taxpaying employer's experience rating.** (a) On or before  
 138.32 each December 15, the commissioner must compute an experience rating for each taxpaying  
 138.33 employer who has ~~been required to file~~ filed wage detail reports for the ~~12~~ four calendar

139.1 ~~months~~ quarters ending on the prior June 30. The experience rating computed is applicable  
139.2 for the following calendar year.

139.3 The experience rating is the ratio obtained by dividing 125 percent of the total  
139.4 unemployment benefits required under section 268.047 to be used in computing the  
139.5 employer's tax rate during the ~~48~~ 16 calendar ~~months~~ quarters ending on the prior June 30,  
139.6 by the employer's total taxable payroll for that same period.

139.7 (b) The experience rating is computed to the nearest one-hundredth of a percent, to a  
139.8 maximum of 8.90 percent.

139.9 (c) The use of 125 percent of unemployment benefits paid under paragraph (a), rather  
139.10 than 100 percent of the amount of unemployment benefits paid, is done in order for the trust  
139.11 fund to recover from all taxpaying employers a portion of the costs of unemployment benefits  
139.12 paid that do not affect any individual employer's future experience rating because of the  
139.13 reasons set out in subdivision 2, paragraph (f).

139.14 Sec. 4. Minnesota Statutes 2016, section 268.053, subdivision 1, is amended to read:

139.15 Subdivision 1. **Election.** (a) Any nonprofit organization that has employees in covered  
139.16 employment must pay taxes on a quarterly basis in accordance with section 268.051 unless  
139.17 it elects to make reimbursements to the trust fund the amount of unemployment benefits  
139.18 charged to its reimbursable account under section 268.047.

139.19 The organization may elect to make reimbursements for a period of not less than 24  
139.20 calendar months beginning with the date that the organization was determined to be an  
139.21 employer with covered employment by filing a notice of election not later than 30 calendar  
139.22 days after the date of the determination.

139.23 (b) Any nonprofit organization that makes an election will continue to be liable for  
139.24 reimbursements until it files a notice terminating its election before the beginning of the  
139.25 calendar quarter the termination is to be effective.

139.26 A nonprofit organization that has been making reimbursements that files a notice of  
139.27 termination of election must be assigned the new employer tax rate under section 268.051,  
139.28 subdivision 5, until it qualifies for an experience rating under section 268.051, subdivision  
139.29 3.

139.30 (c) Any nonprofit organization that has been paying taxes may elect to make  
139.31 reimbursements by filing a notice of election. The election is effective at the beginning of  
139.32 the next calendar quarter. The election is not terminable by the organization for 24 calendar  
139.33 months.

140.1 ~~(d) The commissioner may for good cause extend the period that a notice of election,~~  
 140.2 ~~or a notice of termination, must be filed and may permit an election to be retroactive.~~

140.3 ~~(e)~~ (d) A notice of election or notice terminating election must be filed by electronic  
 140.4 transmission in a format prescribed by the commissioner.

140.5 Sec. 5. Minnesota Statutes 2016, section 268.066, is amended to read:

140.6 **268.066 CANCELLATION OF AMOUNTS DUE FROM AN EMPLOYER.**

140.7 (a) The commissioner must cancel as uncollectible any amounts due from an employer  
 140.8 under this chapter or section 116L.20, that remain unpaid six years after the amounts have  
 140.9 been first determined due, except where the delinquent amounts are secured by a notice of  
 140.10 lien, a judgment, are in the process of garnishment, or are under a payment plan.

140.11 (b) The commissioner may cancel at any time as uncollectible any amount due, or any  
 140.12 portion of an amount due, from an employer under this chapter or section 116L.20, that (1)  
 140.13 are uncollectible due to death or bankruptcy, or (2) the Collection Division of the Department  
 140.14 of Revenue under section 16D.04 was unable to collect.

140.15 ~~(c) The commissioner may cancel at any time any interest, penalties, or fees due from~~  
 140.16 ~~an employer, or any portions due, if the commissioner determines that it is not in the public~~  
 140.17 ~~interest to pursue collection of the amount due. This paragraph does not apply to~~  
 140.18 ~~unemployment insurance taxes or reimbursements due.~~

140.19 Sec. 6. Minnesota Statutes 2016, section 268.067, is amended to read:

140.20 **268.067 COMPROMISE.**

140.21 (a) The commissioner may compromise in whole or in part any action, determination,  
 140.22 or decision that affects only an employer and not an applicant. This paragraph applies if it  
 140.23 is determined by a court of law, or a confession of judgment, that an applicant, while  
 140.24 employed, wrongfully took from the employer \$500 or more in money or property.

140.25 (b) The commissioner may at any time compromise any unemployment insurance tax  
 140.26 ~~or~~ reimbursement, interest, penalty, fee, costs, or any other amount due from an employer  
 140.27 under this chapter or section 116L.20.

140.28 (c) Any compromise involving an amount over \$10,000 must be authorized by an attorney  
 140.29 licensed to practice law in Minnesota who is an employee of the department designated by  
 140.30 the commissioner for that purpose.

140.31 (d) Any compromise must be in the best interest of the state of Minnesota.

141.1 Sec. 7. Minnesota Statutes 2016, section 268.069, subdivision 1, is amended to read:

141.2 Subdivision 1. **Requirements.** The commissioner must pay unemployment benefits  
141.3 from the trust fund to an applicant who has met each of the following requirements:

141.4 (1) the applicant has filed an application for unemployment benefits and established a  
141.5 benefit account in accordance with section 268.07;

141.6 (2) the applicant has not been held ineligible for unemployment benefits under section  
141.7 268.095 because of a quit or discharge;

141.8 (3) the applicant has met all of the ongoing eligibility requirements under section 268.085;

141.9 (4) the applicant does not have an outstanding overpayment of unemployment benefits,  
141.10 including any penalties or interest; and

141.11 (5) the applicant has not been held ineligible for unemployment benefits under section  
141.12 ~~268.182 because of a false representation or concealment of facts~~ 268.183.

141.13 Sec. 8. Minnesota Statutes 2016, section 268.105, subdivision 6, is amended to read:

141.14 Subd. 6. **Representation; fees.** (a) In any proceeding under subdivision 1 or 2, an  
141.15 applicant or employer may be represented by any authorized representative.

141.16 Except for services provided by an attorney-at-law, no person may charge an applicant  
141.17 a fee of any kind for advising, assisting, or representing an applicant in a hearing ~~or~~ on  
141.18 reconsideration, or in a proceeding under subdivision 7.

141.19 (b) An applicant may not be charged fees, costs, or disbursements of any kind in a  
141.20 proceeding before an unemployment law judge, the Minnesota Court of Appeals, or the  
141.21 Supreme Court of Minnesota.

141.22 (c) No attorney fees may be awarded, or costs or disbursements assessed, against the  
141.23 department as a result of any proceedings under this section.

141.24 Sec. 9. Minnesota Statutes 2016, section 268.145, subdivision 1, is amended to read:

141.25 Subdivision 1. **Notification.** (a) Upon filing an application for unemployment benefits,  
141.26 the applicant must be informed that:

141.27 (1) unemployment benefits are subject to federal and state income tax;

141.28 (2) there are requirements for filing estimated tax payments;

141.29 (3) the applicant may elect to have federal income tax withheld from unemployment  
141.30 benefits;

142.1 (4) if the applicant elects to have federal income tax withheld, the applicant may, in  
 142.2 addition, elect to have Minnesota state income tax withheld; and

142.3 (5) at any time during the benefit year the applicant may change a prior election.

142.4 (b) If an applicant elects to have federal income tax withheld, the commissioner must  
 142.5 deduct ten percent for federal income tax. If an applicant also elects to have Minnesota state  
 142.6 income tax withheld, the commissioner must make an additional five percent deduction for  
 142.7 state income tax. Any ~~amounts~~ amount deducted ~~or offset~~ under ~~sections 268.155, 268.18,~~  
 142.8 ~~and 268.184~~ have section 268.085 has priority over any amounts deducted under this section.  
 142.9 Federal income tax withholding has priority over state income tax withholding.

142.10 (c) An election to have income tax withheld may not be retroactive and only applies to  
 142.11 unemployment benefits paid after the election.

142.12 Sec. 10. Minnesota Statutes 2017 Supplement, section 268.18, subdivision 5, is amended  
 142.13 to read:

142.14 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of  
 142.15 unemployment benefits, including any penalties and interest, is not an election of a method  
 142.16 of recovery.

142.17 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter  
 142.18 under section 176.361 is not an election of a remedy and does not prevent the commissioner  
 142.19 from determining an applicant ineligible for unemployment benefits ~~or taking action under~~  
 142.20 ~~section 268.183.~~

142.21 Sec. 11. **REVISOR'S INSTRUCTION.**

142.22 The revisor of statutes is instructed to make the following changes in Minnesota Statutes:

142.23 (1) change the term "fraud" to "misrepresentation" in sections 268.085, subdivision 2,  
 142.24 and 268.186, subdivision 1;

142.25 (2) delete the term "bona fide" wherever it appears in section 268.035;

142.26 (3) replace the term "under" with "subject to" in section 268.047, subdivision 2, clause  
 142.27 (8);

142.28 (4) replace the term "displays clearly" with "shows" in chapter 268;

142.29 (5) replace the term "entire" with "hearing" in section 268.105;

143.1 (6) replace "24 calendar months" with "eight calendar quarters" in section 268.052,  
 143.2 subdivision 2.

143.3 Sec. 12. **REPEALER.**

143.4 Minnesota Statutes 2016, section 268.053, subdivisions 4 and 5, are repealed.

143.5 Sec. 13. **EFFECTIVE DATE.**

143.6 Unless otherwise specified, this article is effective September 16, 2018.

143.7 **ARTICLE 19**

143.8 **ENVIRONMENT AND NATURAL RESOURCES**

143.9 Section 1. **APPROPRIATIONS.**

143.10 The sums shown in the columns marked "Appropriations" are added to or, if shown in  
 143.11 parentheses, subtracted from the appropriations in Laws 2017, chapter 93, or appropriated  
 143.12 to the agencies and for the purposes specified in this article. The appropriations are from  
 143.13 the general fund, or another named fund, and are available for the fiscal year indicated for  
 143.14 each purpose. The figures "2018" and "2019" used in this article mean that the addition to  
 143.15 the appropriations listed under them are available for the fiscal year ending June 30, 2018,  
 143.16 or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is  
 143.17 fiscal year 2019.

143.18 **APPROPRIATIONS**

143.19 **Available for the Year**

143.20 **Ending June 30**

143.21 **2018** **2019**

143.22 Sec. 2. **POLLUTION CONTROL AGENCY**

143.23 **Subdivision 1. Total Appropriation** **\$** **-0-** **\$** **300,000**

143.24 **Appropriations by Fund**

	<u>2018</u>	<u>2019</u>
143.25		
143.26 <u>General</u>	<u>-0-</u>	<u>(300,000)</u>
143.27 <u>Environmental</u>	<u>-0-</u>	<u>600,000</u>

143.28 **Subd. 2. Resource Management** **-0-** **-0-**

143.29 (a) \$300,000 the second year is a reduction  
 143.30 from the general fund for competitive

144.1 recycling grants under Minnesota Statutes,  
 144.2 section 115A.565. This is a onetime reduction.

144.3 (b) \$300,000 the second year is from the  
 144.4 environmental fund for competitive recycling  
 144.5 grants under Minnesota Statutes, section  
 144.6 115A.565. This is a onetime appropriation.

144.7 Subd. 3. **Watershed** -0- 300,000

144.8 \$300,000 the second year is from the  
 144.9 environmental fund for a grant to the  
 144.10 Minnesota Association of County Feedlot  
 144.11 Officers to develop, in coordination with the  
 144.12 Pollution Control Agency and the University  
 144.13 of Minnesota Extension program, an online  
 144.14 training curriculum related to animal feedlot  
 144.15 requirements under Minnesota Rules, chapter  
 144.16 7020. The curriculum must be developed to:

144.17 (1) provide base-level knowledge to new and  
 144.18 existing county feedlot pollution control  
 144.19 officers on feedlot registration, permitting,  
 144.20 compliance, enforcement, and program  
 144.21 administration;

144.22 (2) provide assistance to new and existing  
 144.23 county feedlot pollution control officers for  
 144.24 working efficiently and effectively with  
 144.25 producers; and

144.26 (3) reduce the incidence of manure or nutrients  
 144.27 entering surface water or groundwater.

144.28 This is a onetime appropriation and is  
 144.29 available until June 30, 2020.

144.30 Sec. 3. **NATURAL RESOURCES.**

144.31 Subdivision 1. **Total Appropriation** \$ -0- \$ 3,934,000

144.32 Appropriations by Fund

144.33 2018 2019

145.1	<u>General</u>	<u>-0-</u>	<u>275,000</u>		
145.2	<u>Natural Resources</u>	<u>-0-</u>	<u>2,905,000</u>		
145.3	<u>Game and Fish</u>	<u>-0-</u>	<u>754,000</u>		
145.4	<b><u>Subd. 2. Lands and Minerals Management</u></b>			<u>-0-</u>	<u>654,000</u>
145.5	<u>(a) \$335,000 the second year is for aggregate</u>				
145.6	<u>mapping. This is a onetime appropriation and</u>				
145.7	<u>is available until June 30, 2020.</u>				
145.8	<u>(b) \$319,000 the second year is from the</u>				
145.9	<u>mineral management account in the natural</u>				
145.10	<u>resources fund for environmental research</u>				
145.11	<u>relating to mine permitting, in consultation</u>				
145.12	<u>with the Mineral Coordinating Committee.</u>				
145.13	<b><u>Subd. 3. Ecological and Water Resources</u></b>			<u>-0-</u>	<u>525,000</u>
145.14	<u>(a) \$425,000 the second year is for grants to</u>				
145.15	<u>lake associations to manage aquatic invasive</u>				
145.16	<u>species, including grants for projects to control</u>				
145.17	<u>and provide public awareness of aquatic</u>				
145.18	<u>invasive species and for watercraft inspections</u>				
145.19	<u>in partnership with local units of government.</u>				
145.20	<u>This is a onetime appropriation.</u>				
145.21	<u>(b) \$100,000 the second year is from the</u>				
145.22	<u>heritage enhancement account in the game and</u>				
145.23	<u>fish fund for a grant to the Board of Regents</u>				
145.24	<u>of the University of Minnesota to conduct a</u>				
145.25	<u>statewide survey and analysis of Minnesota</u>				
145.26	<u>anglers' attitude toward fish stocking. The</u>				
145.27	<u>survey must include a representative sample</u>				
145.28	<u>of anglers from all regions of the state and</u>				
145.29	<u>must examine Minnesota anglers' attitudes</u>				
145.30	<u>toward the stocking of each fish species that</u>				
145.31	<u>is or has been stocked by the Department of</u>				
145.32	<u>Natural Resources. The Board of Regents must</u>				
145.33	<u>report the results of the survey and analysis to</u>				
145.34	<u>the chairs and ranking minority members of</u>				

- 146.1 the legislative committees with jurisdiction  
 146.2 over environment and natural resources  
 146.3 finance no later than March 1, 2020. The  
 146.4 report must include data about the amount  
 146.5 spent on stocking each fish species. This is a  
 146.6 onetime appropriation.
- 146.7 **Subd. 4. Forest Management** -0- -0-
- 146.8 (a) \$1,131,000 the second year is a reduction  
 146.9 to the general fund for the Next Generation  
 146.10 Core Forestry data system. This is a onetime  
 146.11 reduction.
- 146.12 (b) \$1,131,000 the second year is from the  
 146.13 forest management investment account in the  
 146.14 natural resources fund for the Next Generation  
 146.15 Core Forestry data system. This is a onetime  
 146.16 appropriation and is available until June 30,  
 146.17 2021.
- 146.18 **Subd. 5. Parks and Trails Management** -0- 1,415,000
- 146.19 (a) \$100,000 the second year is from the  
 146.20 all-terrain vehicle account in the natural  
 146.21 resources fund for a grant to the city of  
 146.22 Virginia to develop, in cooperation with the  
 146.23 Quad Cities ATV Club, an all-terrain vehicle  
 146.24 trail system in the cities of Virginia, Eveleth,  
 146.25 Gilbert, and Mountain Iron and surrounding  
 146.26 areas. This is a onetime appropriation and is  
 146.27 available until June 30, 2021.
- 146.28 (b) \$200,000 the second year is from the  
 146.29 off-road vehicle account in the natural  
 146.30 resources fund for a contract with a project  
 146.31 administrator to assist the commissioner in  
 146.32 planning, designing, and providing a system  
 146.33 of state touring routes for off-road vehicles by  
 146.34 identifying sustainable, legal routes suitable

147.1 for licensed four-wheel drive vehicles and a  
147.2 system of recreational trails for registered  
147.3 off-road vehicles. Any portion of this  
147.4 appropriation not used for the project  
147.5 administrator is available for signage or  
147.6 promotion of the system. This is a onetime  
147.7 appropriation.

147.8 (c) \$200,000 the second year is from the  
147.9 off-road vehicle account in the natural  
147.10 resources fund for a contract to prepare a  
147.11 comprehensive, statewide, strategic master  
147.12 plan for trails for off-road vehicles. The master  
147.13 plan must be consistent with federal, tribal,  
147.14 state, and local law and regulations. The  
147.15 commissioner must consult with the Minnesota  
147.16 Four Wheel Drive Association in developing  
147.17 contract criteria. This is a onetime  
147.18 appropriation and is available until June 30,  
147.19 2019.

147.20 (d) \$200,000 the second year is from the  
147.21 off-road vehicle account in the natural  
147.22 resources fund to reimburse federal, county,  
147.23 and township entities for additional needs on  
147.24 roads under the claimant's jurisdiction when  
147.25 the needs are a result of increased use by  
147.26 off-road vehicles and are attributable to a  
147.27 border-to-border touring route established by  
147.28 the commissioner. This paragraph does apply  
147.29 to roads that are operated by a public road  
147.30 authority as defined in Minnesota Statutes,  
147.31 section 160.02, subdivision 25. This is a  
147.32 onetime appropriation and is available until  
147.33 June 30, 2023. To be eligible for  
147.34 reimbursement under this paragraph, the  
147.35 claimant must demonstrate that the needs

148.1 result from additional traffic generated by the  
148.2 border-to-border touring route.

148.3 (e) \$315,000 the second year is from the  
148.4 natural resources fund for a grant to St. Louis  
148.5 County to be used as a match to a state  
148.6 bonding grant for trail and bridge construction  
148.7 and for a maintenance fund for a five-mile  
148.8 segment of the Voyageur Country ATV trail  
148.9 system, including a multiuse bridge over the  
148.10 Vermilion River that would serve ATVs,  
148.11 snowmobiles, off-road vehicles, off-highway  
148.12 motorcycles, and emergency vehicles in St.  
148.13 Louis County. Of this amount, \$285,000 is  
148.14 from the all-terrain vehicle account, \$15,000  
148.15 is from the off-road vehicle account, and  
148.16 \$15,000 is from the off-highway motorcycle  
148.17 account. This is a onetime appropriation and  
148.18 is available until June 30, 2021.

148.19 (f) \$300,000 the second year is from the  
148.20 natural resources fund for a grant to Lake  
148.21 County to match other funding sources to  
148.22 develop the Prospectors Loop trail system. Of  
148.23 this amount, \$270,000 is from the all-terrain  
148.24 vehicle account, \$15,000 is from the  
148.25 off-highway motorcycle account, and \$15,000  
148.26 is from the off-road vehicle account. This is  
148.27 a onetime appropriation and is available until  
148.28 June 30, 2021.

148.29 (g) \$100,000 the second year is from the  
148.30 all-terrain vehicle account in the natural  
148.31 resources fund for wetland delineation and  
148.32 work on an environmental assessment  
148.33 worksheet for the Taconite State Trail from  
148.34 Ely to Tower consistent with the 2017  
148.35 Taconite State Trail Master Plan. This is a

149.1 onetime appropriation and is available until  
 149.2 June 30, 2021.

149.3 **Subd. 6. Fish and Wildlife Management** -0- 1,092,000

149.4 (a) \$438,000 the second year is for wildlife  
 149.5 disease surveillance and response. This is a  
 149.6 onetime appropriation.

149.7 (b) The commissioner may use up to \$7,000  
 149.8 of the amount appropriated from the general  
 149.9 fund in Laws 2017, chapter 93, article 1,  
 149.10 section 3, subdivision 8, to cover the cost of:

149.11 (1) the redesign of the printed and digital  
 149.12 versions of fishing regulations and hunting  
 149.13 and trapping regulations; and

149.14 (2) the reprogramming of the electronic  
 149.15 licensing system, to conform to the  
 149.16 requirements of providing voter registration  
 149.17 information under Minnesota Statutes, section  
 149.18 97A.409.

149.19 (c) Notwithstanding Minnesota Statutes,  
 149.20 section 297A.94, \$654,000 the second year is  
 149.21 from the heritage enhancement account in the  
 149.22 game and fish fund for planning and  
 149.23 emergency response to disease outbreaks in  
 149.24 wildlife. This is a onetime appropriation and  
 149.25 is available until June 30, 2020.

149.26 **Subd. 7. Enforcement** -0- 248,000

149.27 (a) \$208,000 the second year is for responding  
 149.28 to escaped animals from Cervidae farms,  
 149.29 including inspection of farmed Cervidae,  
 149.30 farmed Cervidae facilities, and farmed  
 149.31 Cervidae records when the commissioner has  
 149.32 reasonable suspicion that laws protecting  
 149.33 native wild animals or other provisions of

150.1 Minnesota Statutes, section 35.155 have been  
 150.2 violated. This is a onetime appropriation.

150.3 (b) \$40,000 the second year is from the  
 150.4 all-terrain vehicle account in the natural  
 150.5 resources fund to develop a voluntary online  
 150.6 youth all-terrain vehicle training program  
 150.7 under Minnesota Statutes, section 84.925,  
 150.8 subdivision 1. This is a onetime appropriation.

150.9 **Sec. 4. BOARD OF WATER AND SOIL**  
 150.10 **RESOURCES.**

**\$ -0- \$ 25,000**

150.11 \$25,000 the second year is for a grant to the  
 150.12 Red River Basin Commission for water quality  
 150.13 and floodplain management. This is a onetime  
 150.14 appropriation.

150.15 **Sec. 5. NATURAL RESOURCES DAMAGES**  
 150.16 **ACCOUNT TRANSFER**

150.17 By June 30, 2018, any money in the general  
 150.18 portion of the remediation fund dedicated for  
 150.19 the purposes of the natural resources damages  
 150.20 account must be transferred to the natural  
 150.21 resources damages account.

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

150.23 Sec. 6. Laws 2010, chapter 361, article 4, section 78, is amended to read:

150.24 Sec. 78. **APPROPRIATION; MOOSE TRAIL.**

150.25 \$100,000 in fiscal year 2011 is appropriated to the commissioner of natural resources  
 150.26 from the all-terrain vehicle account in the natural resources fund for a grant to the city of  
 150.27 Hoyt Lakes ~~to convert the Moose Trail snowmobile trail to~~ for a dual usage trail, so that it  
 150.28 ~~may also be used as an~~ off-highway vehicle trail connecting the city of Biwabik to the Iron  
 150.29 Range Off-Highway Vehicle Recreation Area. This is a onetime appropriation and is available  
 150.30 until ~~spent~~ June 30, 2020.

151.1 Sec. 7. Laws 2016, chapter 189, article 3, section 3, subdivision 5, is amended to read:

151.2 Subd. 5. **Parks and Trails Management** -0- 6,459,000

151.3 Appropriations by Fund

151.4		2016	2017
151.5	General	-0-	2,929,000
151.6	Natural Resources	-0-	3,530,000

151.7 \$2,800,000 the second year is a onetime  
151.8 appropriation.

151.9 \$2,300,000 the second year is from the state  
151.10 parks account in the natural resources fund.

151.11 Of this amount, \$1,300,000 is onetime, of  
151.12 which \$1,150,000 is for strategic park  
151.13 acquisition.

151.14 \$20,000 the second year is from the natural  
151.15 resources fund to design and erect signs  
151.16 marking the David Dill trail designated in this  
151.17 act. Of this amount, \$10,000 is from the  
151.18 snowmobile trails and enforcement account  
151.19 and \$10,000 is from the all-terrain vehicle  
151.20 account. This is a onetime appropriation.

151.21 \$100,000 the second year is for the  
151.22 improvement of the infrastructure for sanitary  
151.23 sewer service at the Woodenfrog Campground  
151.24 in Kabetogama State Forest. This is a onetime  
151.25 appropriation.

151.26 \$29,000 the second year is for computer  
151.27 programming related to the transfer-on-death  
151.28 title changes for watercraft. This is a onetime  
151.29 appropriation.

151.30 \$210,000 the first year is from the water  
151.31 recreation account in the natural resources  
151.32 fund for implementation of Minnesota  
151.33 Statutes, section 86B.532, established in this  
151.34 act. This is a onetime appropriation. The

152.1 commissioner of natural resources shall seek  
 152.2 federal and other nonstate funds to reimburse  
 152.3 the department for the initial costs of  
 152.4 producing and distributing carbon monoxide  
 152.5 boat warning labels. All amounts collected  
 152.6 under this paragraph shall be deposited into  
 152.7 the water recreation account.

152.8 \$1,000,000 the second year is from the natural  
 152.9 resources fund for a grant to Lake County for  
 152.10 construction, including bridges, of the  
 152.11 Prospectors ATV Trail System linking the  
 152.12 communities of Ely, Babbitt, Embarrass, and  
 152.13 Tower; Bear Head Lake and Lake  
 152.14 Vermilion-Soudan Underground Mine State  
 152.15 Parks; the Taconite State Trail; and the Lake  
 152.16 County Regional ATV Trail System. Of this  
 152.17 amount, \$900,000 is from the all-terrain  
 152.18 vehicle account, \$50,000 is from the  
 152.19 off-highway motorcycle account, and \$50,000  
 152.20 is from the off-road vehicle account. This is  
 152.21 a onetime appropriation and is available until  
 152.22 June 30, 2019.

152.23 Sec. 8. Laws 2016, chapter 189, article 3, section 4, is amended to read:

152.24 Sec. 4. **BOARD OF WATER AND SOIL**  
 152.25 **RESOURCES** \$ -0- \$ 479,000

152.26 \$479,000 the second year is for the  
 152.27 development of a detailed plan to implement  
 152.28 a working lands watershed restoration program  
 152.29 to incentivize the establishment and  
 152.30 maintenance of perennial crops that includes  
 152.31 the following:

152.32 (1) a process for selecting pilot watersheds  
 152.33 that are expected to result in the greatest water

- 153.1 quality improvements and exhibit readiness
- 153.2 to participate in the program;
- 153.3 (2) an assessment of the quantity of
- 153.4 agricultural land that is expected to be eligible
- 153.5 for the program in each watershed;
- 153.6 (3) an assessment of landowner interest in
- 153.7 participating in the program;
- 153.8 (4) an assessment of the contract terms and
- 153.9 any recommendations for changes to the terms,
- 153.10 including consideration of variable payment
- 153.11 rates for lands of different priority or type;
- 153.12 (5) an assessment of the opportunity to
- 153.13 leverage federal funds through the program
- 153.14 and recommendations on how to maximize
- 153.15 the use of federal funds for assistance to
- 153.16 establish perennial crops;
- 153.17 (6) an assessment of how other state programs
- 153.18 could complement the program;
- 153.19 (7) an estimate of water quality improvements
- 153.20 expected to result from implementation in pilot
- 153.21 watersheds;
- 153.22 (8) an assessment of how to best integrate
- 153.23 program implementation with existing
- 153.24 conservation requirements and develop
- 153.25 recommendations on harvest practices and
- 153.26 timing to benefit wildlife production;
- 153.27 (9) an assessment of the potential viability and
- 153.28 water quality benefit of cover crops used in
- 153.29 biomass processing facilities;
- 153.30 (10) a timeline for implementation,
- 153.31 coordinated to the extent possible with
- 153.32 proposed biomass processing facilities; ~~and~~

- 154.1 (11) a projection of funding sources needed  
 154.2 to complete implementation;
- 154.3 (12) outreach to local governments, interest  
 154.4 groups, and individual farmers on the  
 154.5 economic and environmental benefits of  
 154.6 perennial and cover crops;
- 154.7 (13) establishment of detailed criteria to target  
 154.8 the location of perennial and cover crops on  
 154.9 a watershed basis to maximize the  
 154.10 environmental benefit at the lowest cost; and
- 154.11 (14) development of model contracts to  
 154.12 include payment rates, duration, type of crops,  
 154.13 harvest standards, and monitoring procedures  
 154.14 for use in future program implementation.

154.15 This is a onetime appropriation and is  
 154.16 available until June 30, ~~2018~~ 2019.

154.17 The board shall coordinate development of  
 154.18 the working lands watershed restoration plan  
 154.19 with stakeholders and the commissioners of  
 154.20 natural resources, agriculture, and the  
 154.21 Pollution Control Agency. The board must  
 154.22 submit an interim report by October 15, ~~2017~~  
 154.23 2018, and the feasibility study and program  
 154.24 plan by February 1, ~~2018~~ 2019, to the chairs  
 154.25 and ranking minority members of the  
 154.26 legislative committees and divisions with  
 154.27 jurisdiction over agriculture, natural resources,  
 154.28 and environment policy and finance and to the  
 154.29 Clean Water Council.

154.30 Sec. 9. Laws 2017, chapter 93, article 1, section 3, subdivision 6, is amended to read:

154.31			<u>67,750,000</u>
154.32	<b>Subd. 6. Fish and Wildlife Management</b>	68,207,000	<u>69,210,000</u>

154.33 Appropriations by Fund

154.34	2018	2019
--------	------	------

155.1	Natural Resources	1,912,000	1,912,000
155.2			<del>65,838,000</del>
155.3	Game and Fish	66,295,000	<u>67,298,000</u>

155.4 (a) \$8,283,000 the first year and \$8,386,000  
 155.5 the second year are from the heritage  
 155.6 enhancement account in the game and fish  
 155.7 fund only for activities specified in Minnesota  
 155.8 Statutes, section 297A.94, paragraph (e),  
 155.9 clause (1). Notwithstanding Minnesota  
 155.10 Statutes, section 297A.94, five percent of this  
 155.11 appropriation may be used for expanding  
 155.12 hunter and angler recruitment and retention.

155.13 (b) Notwithstanding Minnesota Statutes,  
 155.14 section 297A.94, \$30,000 the first year is from  
 155.15 the heritage enhancement account in the game  
 155.16 and fish fund for the commissioner of natural  
 155.17 resources to contract with a private entity to  
 155.18 search for a site to construct a world-class  
 155.19 shooting range and club house for use by the  
 155.20 Minnesota State High School League and for  
 155.21 other regional, statewide, national, and  
 155.22 international shooting events. The  
 155.23 commissioner must provide public notice of  
 155.24 the search, including making the public aware  
 155.25 of the process through the Department of  
 155.26 Natural Resources' media outlets, and solicit  
 155.27 input on the location and building options for  
 155.28 the facility. The siting search process must  
 155.29 include a public process to determine if any  
 155.30 business or individual is interested in donating  
 155.31 land for the facility, anticipated to be at least  
 155.32 500 acres. The site search team must meet  
 155.33 with interested third parties affected by or  
 155.34 interested in the facility. The commissioner  
 155.35 must submit a report with the results of the  
 155.36 site search to the chairs and ranking minority

156.1 members of the legislative committees and  
 156.2 divisions with jurisdiction over environment  
 156.3 and natural resources by March 1, 2018. This  
 156.4 is a onetime appropriation.

156.5 (c) Notwithstanding Minnesota Statutes,  
 156.6 section 297A.94, \$30,000 the first year is from  
 156.7 the heritage enhancement account in the game  
 156.8 and fish fund for a study of lead shot  
 156.9 deposition on state lands. By March 1, 2018,  
 156.10 the commissioner shall provide a report of the  
 156.11 study to the chairs and ranking minority  
 156.12 members of the legislative committees with  
 156.13 jurisdiction over natural resources policy and  
 156.14 finance. This is a onetime appropriation.

156.15 (d) Notwithstanding Minnesota Statutes,  
 156.16 section 297A.94, \$500,000 the first year is  
 156.17 from the heritage enhancement account in the  
 156.18 game and fish fund for planning and  
 156.19 emergency response to disease outbreaks in  
 156.20 wildlife. This is a onetime appropriation and  
 156.21 is available until June 30, 2019.

156.22 (e) \$8,606,000 the second year is from the  
 156.23 deer management account in the game and  
 156.24 fish fund for the purposes specified under  
 156.25 Minnesota Statutes, section 97A.075,  
 156.26 subdivision 1, paragraph (b).

156.27 Sec. 10. Laws 2017, chapter 93, article 1, section 4, is amended to read:

156.28 **Sec. 4. BOARD OF WATER AND SOIL**  
 156.29 **RESOURCES**

**\$ 14,311,000 \$ 14,164,000**

156.30 (a) \$3,423,000 the first year and \$3,423,000  
 156.31 the second year are for natural resources block  
 156.32 grants to local governments. Grants must be  
 156.33 matched with a combination of local cash or  
 156.34 in-kind contributions. The base grant portion

157.1 related to water planning must be matched by  
157.2 an amount as specified by Minnesota Statutes,  
157.3 section 103B.3369. The board may reduce the  
157.4 amount of the natural resources block grant  
157.5 to a county by an amount equal to any  
157.6 reduction in the county's general services  
157.7 allocation to a soil and water conservation  
157.8 district from the county's previous year  
157.9 allocation when the board determines that the  
157.10 reduction was disproportionate.

157.11 (b) \$3,116,000 the first year and \$3,116,000  
157.12 the second year are for grants to soil and water  
157.13 conservation districts for the purposes of  
157.14 Minnesota Statutes, sections 103C.321 and  
157.15 103C.331, and for general purposes, nonpoint  
157.16 engineering, and implementation and  
157.17 stewardship of the reinvest in Minnesota  
157.18 reserve program. Expenditures may be made  
157.19 from these appropriations for supplies and  
157.20 services benefiting soil and water conservation  
157.21 districts. Any district receiving a payment  
157.22 under this paragraph shall maintain a Web  
157.23 page that publishes, at a minimum, its annual  
157.24 report, annual audit, annual budget, and  
157.25 meeting notices.

157.26 (c) \$260,000 the first year and \$260,000 the  
157.27 second year are for feedlot water quality cost  
157.28 share grants for feedlots under 300 animal  
157.29 units and nutrient and manure management  
157.30 projects in watersheds where there are  
157.31 impaired waters.

157.32 (d) \$1,200,000 the first year and \$1,200,000  
157.33 the second year are for soil and water  
157.34 conservation district cost-sharing contracts for  
157.35 perennially vegetated riparian buffers, erosion

158.1 control, water retention and treatment, and  
158.2 other high-priority conservation practices.

158.3 (e) \$100,000 the first year and \$100,000 the  
158.4 second year are for county cooperative weed  
158.5 management cost-share programs and to  
158.6 restore native plants in selected invasive  
158.7 species management sites.

158.8 (f) \$761,000 the first year and \$761,000 the  
158.9 second year are for implementation,  
158.10 enforcement, and oversight of the Wetland  
158.11 Conservation Act, including administration of  
158.12 the wetland banking program and in-lieu fee  
158.13 mechanism.

158.14 (g) \$300,000 the first year is for improving  
158.15 the efficiency and effectiveness of Minnesota's  
158.16 wetland regulatory programs through  
158.17 continued examination of United States Clean  
158.18 Water Act section 404 assumption including  
158.19 negotiation of draft agreements with the  
158.20 United States Environmental Protection  
158.21 Agency and the United States Army Corps of  
158.22 Engineers, planning for an online permitting  
158.23 system, upgrading the existing wetland  
158.24 banking database, and developing an in-lieu  
158.25 fee wetland banking program as authorized  
158.26 by statute. This is a onetime appropriation and  
158.27 is available until June 30, 2019.

158.28 (h) \$166,000 the first year and \$166,000 the  
158.29 second year are to provide technical assistance  
158.30 to local drainage management officials and  
158.31 for the costs of the Drainage Work Group. The  
158.32 Board of Water and Soil Resources must  
158.33 coordinate the stakeholder drainage work  
158.34 group in accordance with Minnesota Statutes,  
158.35 section 103B.101, subdivision 13, to evaluate

159.1 and make recommendations to accelerate  
159.2 drainage system acquisition and establishment  
159.3 of ditch buffer strips under Minnesota Statutes,  
159.4 chapter 103E, or compatible alternative  
159.5 practices required by Minnesota Statutes,  
159.6 section 103F.48. The evaluation and  
159.7 recommendations must be submitted in a  
159.8 report to the senate and house of  
159.9 representatives committees with jurisdiction  
159.10 over agriculture and environment policy by  
159.11 February 1, 2018.

159.12 (i) \$100,000 the first year and \$100,000 the  
159.13 second year are for a grant to the Red River  
159.14 Basin Commission for water quality and  
159.15 floodplain management, including  
159.16 administration of programs. This appropriation  
159.17 must be matched by nonstate funds. If the  
159.18 appropriation in either year is insufficient, the  
159.19 appropriation in the other year is available for  
159.20 it.

159.21 (j) \$140,000 the first year and \$140,000 the  
159.22 second year are for grants to Area II  
159.23 Minnesota River Basin Projects for floodplain  
159.24 management.

159.25 (k) \$125,000 the first year and \$125,000 the  
159.26 second year are for conservation easement  
159.27 stewardship.

159.28 (l) \$240,000 the first year and \$240,000 the  
159.29 second year are for a grant to the Lower  
159.30 Minnesota River Watershed District to defray  
159.31 the annual cost of operating and maintaining  
159.32 sites for dredge spoil to sustain the state,  
159.33 national, and international commercial and  
159.34 recreational navigation on the lower Minnesota  
159.35 River.

160.1 (m) \$4,380,000 the first year and \$4,533,000  
 160.2 the second year are for Board of Water and  
 160.3 Soil Resources agency administration and  
 160.4 operations.

160.5 (n) Notwithstanding Minnesota Statutes,  
 160.6 section 103C.501, the board may shift  
 160.7 cost-share funds in this section and may adjust  
 160.8 the technical and administrative assistance  
 160.9 portion of the grant funds to leverage federal  
 160.10 or other nonstate funds or to address  
 160.11 high-priority needs identified in local water  
 160.12 management plans or comprehensive water  
 160.13 management plans.

160.14 (o) The appropriations for grants in this section  
 160.15 are available until June 30, 2021, except  
 160.16 returned grants are available for two years  
 160.17 after they are returned. If an appropriation for  
 160.18 grants in either year is insufficient, the  
 160.19 appropriation in the other year is available for  
 160.20 it.

160.21 (p) Notwithstanding Minnesota Statutes,  
 160.22 section 16B.97, the appropriations for grants  
 160.23 in this section are exempt from Department  
 160.24 of Administration, Office of Grants  
 160.25 Management Policy 08-08 Grant Payments  
 160.26 and 08-10 Grant Monitoring.

160.27 **ARTICLE 20**

160.28 **ENVIRONMENT AND NATURAL RESOURCES POLICY**

160.29 Section 1. **[11A.236] ACCOUNT FOR INVESTMENT OF PERMIT TO MINE**  
 160.30 **FINANCIAL ASSURANCE MONEY.**

160.31 **Subdivision 1. Establishment; appropriation.** (a) The State Board of Investment, when  
 160.32 **requested by the commissioner of natural resources, may invest money collected by the**  
 160.33 **commissioner as part of financial assurance provided under a permit to mine issued under**

161.1 chapter 93. The State Board of Investment may establish one or more accounts into which  
 161.2 money may be deposited for the purposes of this section, subject to the policies and  
 161.3 procedures of the State Board of Investment. Use of any money in the account shall be  
 161.4 restricted to the financial assurance purposes identified in sections 93.46 to 93.51, and rules  
 161.5 adopted thereunder, and as authorized under any trust fund agreements or other conditions  
 161.6 established under a permit to mine.

161.7 (b) Money in the accounts is appropriated to the commissioner for the purposes for  
 161.8 which the account is established under this section.

161.9 Subd. 2. **Account maintenance and investment.** The commissioner of natural resources  
 161.10 may deposit money in the appropriate account and may withdraw money from the appropriate  
 161.11 account for the financial assurance purposes identified in sections 93.46 to 93.51 and rules  
 161.12 adopted thereunder and as authorized under any trust fund agreements or other conditions  
 161.13 established under the permit to mine for which the financial assurance is provided, subject  
 161.14 to the policies and procedures of the State Board of Investment. Investment strategies related  
 161.15 to an account established under this section must be determined jointly by the commissioner  
 161.16 of natural resources and the executive director of the State Board of Investment. The  
 161.17 authorized investments for an account shall be the investments authorized under section  
 161.18 11A.24 that are made available for investment by the State Board of Investment. Investment  
 161.19 transactions must be at a time and in a manner determined by the executive director of the  
 161.20 State Board of Investment. Decisions to withdraw money from the account must be  
 161.21 determined by the commissioner of natural resources, subject to the policies and procedures  
 161.22 of the State Board of Investment. Investment earnings must be credited to the appropriate  
 161.23 account for financial assurance under the identified permit to mine. An account may be  
 161.24 terminated by the commissioner of natural resources at any time, so long as the termination  
 161.25 is in accordance with applicable statutes, rules, trust fund agreements, or other conditions  
 161.26 established under the permit to mine, subject to the policies and procedures of the State  
 161.27 Board of Investment.

161.28 Sec. 2. Minnesota Statutes 2016, section 17.494, is amended to read:

161.29 **17.494 AQUACULTURE PERMITS; RULES.**

161.30 (a) The commissioner shall act as permit or license coordinator for aquatic farmers and  
 161.31 shall assist aquatic farmers to obtain licenses or permits.

161.32 By July 1, 1992, (b) A state agency issuing multiple permits or licenses for aquaculture  
 161.33 shall consolidate the permits or licenses required for every aquatic farm location. The  
 161.34 Department of Natural Resources transportation permits are exempt from this requirement.

162.1 State agencies shall adopt rules or issue commissioner's orders that establish permit and  
162.2 license requirements, approval timelines, and compliance standards. Saltwater aquatic farms,  
162.3 as defined in section 17.4982, and processing facilities for saltwater aquatic life, as defined  
162.4 in section 17.4982, must be classified as agricultural operations for purposes of any  
162.5 construction, discharge, or other permit issued by the Pollution Control Agency.

162.6 Nothing in this section modifies any state agency's regulatory authority over aquaculture  
162.7 production.

162.8 Sec. 3. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to  
162.9 read:

162.10 Subd. 20a. **Saltwater aquaculture.** "Saltwater aquaculture" means the commercial  
162.11 propagation and rearing of saltwater aquatic life, including, but not limited to, crustaceans,  
162.12 primarily for consumption as human food.

162.13 Sec. 4. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to  
162.14 read:

162.15 Subd. 20b. **Saltwater aquatic farm.** "Saltwater aquatic farm" means a facility used for  
162.16 saltwater aquaculture, including, but not limited to, artificial ponds, vats, tanks, raceways,  
162.17 and other facilities that an aquatic farmer owns or has exclusive control of for the sole  
162.18 purpose of producing saltwater aquatic life.

162.19 Sec. 5. Minnesota Statutes 2016, section 17.4982, is amended by adding a subdivision to  
162.20 read:

162.21 Subd. 20c. **Saltwater aquatic life.** "Saltwater aquatic life" means aquatic species that  
162.22 are saltwater obligates or perform optimally when raised in salinities closer to that of natural  
162.23 seawater and need saltwater to survive.

162.24 Sec. 6. [17.499] TRANSPORTATION OR IMPORTATION OF SALTWATER  
162.25 AQUATIC LIFE; QUARANTINE REQUIREMENT.

162.26 Subdivision 1. **Purpose.** The legislature finds that it is in the public interest to increase  
162.27 private saltwater aquaculture production and processing in this state under the coordination  
162.28 of the commissioner of agriculture. Additional private production will reduce dependence  
162.29 on foreign suppliers and benefit the rural economy by creating new jobs and economic  
162.30 activity.

163.1 Subd. 2. **Transportation permit.** (a) Notwithstanding the requirements in section  
163.2 17.4985, saltwater aquatic life transportation and importation requirements are governed  
163.3 by this section. A transportation permit is required prior to any importation or intrastate  
163.4 transportation of saltwater aquatic life not exempted under subdivision 3. A transportation  
163.5 permit may be used for multiple shipments within the 30-day term of the permit if the source  
163.6 and the destination remain the same. Transportation permits must be obtained from the  
163.7 commissioner prior to shipment of saltwater aquatic life.

163.8 (b) An application for a transportation permit must be made in the form required by the  
163.9 commissioner. The commissioner may reject an incomplete application.

163.10 (c) An application for a transportation permit must be accompanied by satisfactory  
163.11 evidence, as determined by the commissioner, that the shipment is free of any nonindigenous  
163.12 species of animal other than the saltwater aquatic species and either:

163.13 (1) the facility from which the saltwater aquatic life originated has provided  
163.14 documentation of 36 or more consecutive months of negative testing by an approved  
163.15 laboratory as free of any disease listed by OIE - the World Organisation for Animal Health  
163.16 for that species following the testing guidelines outlined in the OIE Aquatic Animal Health  
163.17 Code for crustaceans or the AFS Fish Health Blue Book for other species, as appropriate;  
163.18 or

163.19 (2) the saltwater aquatic life to be imported or transported includes documentation of  
163.20 negative testing for that specific lot by an approved laboratory as free of any disease listed  
163.21 by OIE - the World Organisation for Animal Health for crustaceans or in the AFS Fish  
163.22 Health Blue Book for other species, as appropriate.

163.23 If a shipment authorized by the commissioner under clause (1) includes saltwater aquatic  
163.24 life that originated in a foreign country, the shipment must be quarantined at the receiving  
163.25 facility according to a quarantine plan approved by the commissioner. A shipment authorized  
163.26 by the commissioner under clause (2) must be quarantined at the receiving facility according  
163.27 to a quarantine plan approved by the commissioner.

163.28 (d) For purposes of this subdivision, "approved laboratory" means a laboratory approved  
163.29 by the commissioner or the United States Department of Agriculture, Animal and Plant  
163.30 Health Inspection Services.

163.31 (e) No later than 14 calendar days after a completed transportation permit application  
163.32 is received, the commissioner must approve or deny the transportation permit application.

164.1 (f) A copy of the transportation permit must accompany a shipment of saltwater aquatic  
164.2 life while in transit and must be available for inspection by the commissioner.

164.3 (g) A vehicle used by a licensee for transporting aquatic life must be identified with the  
164.4 license number and the licensee's name and town of residence as it appears on the license.  
164.5 A vehicle used by a licensee must have identification displayed so that it is readily visible  
164.6 from either side of the vehicle in letters and numbers not less than 2-1/2 inches high and  
164.7 three-eighths inch wide. Identification may be permanently affixed to vehicles or displayed  
164.8 on removable plates or placards placed on opposite doors of the vehicle or on the tanks  
164.9 carried on the vehicle.

164.10 (h) An application to license a vehicle for brood stock or larvae transport or for use as  
164.11 a saltwater aquatic life vendor that is received by the commissioner is a temporary license  
164.12 until approved or denied by the commissioner.

164.13 Subd. 3. Exemptions. (a) A transportation permit is not required to transport or import  
164.14 saltwater aquatic life:

164.15 (1) previously processed for use as food or other purposes unrelated to propagation;

164.16 (2) transported directly to an outlet for processing as food or for other food purposes if  
164.17 accompanied by shipping documents;

164.18 (3) that is being exported if accompanied by shipping documents;

164.19 (4) that is being transported through the state if accompanied by shipping documents;

164.20 or

164.21 (5) transported intrastate within or between facilities licensed for saltwater aquaculture  
164.22 by the commissioner if accompanied by shipping documents.

164.23 (b) Shipping documents required under paragraph (a) must include the place of origin,  
164.24 owner or consignee, destination, number, species, and satisfactory evidence, as determined  
164.25 by the commissioner, of the disease-free certification required under subdivision 2, paragraph  
164.26 (c), clauses (1) and (2).

164.27 Sec. 7. Minnesota Statutes 2017 Supplement, section 84.01, subdivision 6, is amended to  
164.28 read:

164.29 Subd. 6. **Legal counsel.** The commissioner of natural resources may appoint attorneys  
164.30 or outside counsel to render title opinions, represent the department in severed mineral  
164.31 interest forfeiture actions brought pursuant to section 93.55, and, notwithstanding any statute  
164.32 to the contrary, represent the state in quiet title or title registration actions affecting land or

165.1 interests in land administered by the commissioner and in all proceedings relating to road  
165.2 vacations.

165.3 Sec. 8. Minnesota Statutes 2016, section 84.0895, subdivision 2, is amended to read:

165.4 Subd. 2. **Application.** (a) Subdivision 1 does not apply to:

165.5 (1) plants on land classified for property tax purposes as class 2a or 2c agricultural land  
165.6 under section 273.13, ~~or on ditches and roadways~~ a ditch, or on an existing public road  
165.7 right-of-way as defined in section 84.92, subdivision 6a, except for ground not previously  
165.8 disturbed by construction or maintenance; and

165.9 (2) noxious weeds designated pursuant to sections 18.76 to 18.88 or to weeds otherwise  
165.10 designated as troublesome by the Department of Agriculture.

165.11 (b) If control of noxious weeds is necessary, it takes priority over the protection of  
165.12 endangered plant species, as long as a reasonable effort is taken to preserve the endangered  
165.13 plant species first.

165.14 (c) The taking or killing of an endangered plant species on land adjacent to class 3 or  
165.15 3b agricultural land as a result of the application of pesticides or other agricultural chemical  
165.16 on the class 3 or 3b land is not a violation of subdivision 1, if reasonable care is taken in  
165.17 the application of the pesticide or other chemical to avoid impact on adjacent lands. For the  
165.18 purpose of this paragraph, class 3 or 3b agricultural land does not include timber land, waste  
165.19 land, or other land for which the owner receives a state paid wetlands or native prairie tax  
165.20 credit.

165.21 (d) The accidental taking of an endangered plant, where the existence of the plant is not  
165.22 known at the time of the taking, is not a violation of subdivision 1.

165.23 Sec. 9. Minnesota Statutes 2016, section 84.775, subdivision 1, is amended to read:

165.24 Subdivision 1. **Civil citation; authority to issue.** (a) A conservation officer or other  
165.25 licensed peace officer may issue a civil citation to a person who operates:

165.26 (1) an off-highway motorcycle in violation of sections 84.773, subdivision 1 or 2, clause  
165.27 (1); 84.777; 84.788 to 84.795; or 84.90;

165.28 (2) an off-road vehicle in violation of sections 84.773, subdivision 1 or 2, clause (1);  
165.29 84.777; 84.798 to 84.804; or 84.90; or

165.30 (3) an all-terrain vehicle in violation of sections 84.773, subdivision 1 or 2, clause (1);  
165.31 84.777; 84.90; or 84.922 to 84.928.

166.1 (b) A civil citation under paragraph (a) shall require restitution for public and private  
166.2 property damage and impose a penalty of:

166.3 (1) \$100 for the first offense;

166.4 (2) \$200 for the second offense; and

166.5 (3) \$500 for third and subsequent offenses.

166.6 (c) A conservation officer or other licensed peace officer may issue a civil citation to a  
166.7 person who operates an off-highway motorcycle, off-road vehicle, or all-terrain vehicle in  
166.8 violation of section 84.773, subdivision 2, clause (2) or (3). A civil citation under this  
166.9 paragraph shall require restitution for damage to wetlands and impose a penalty of:

166.10 (1) \$100 for the first offense;

166.11 (2) \$500 for the second offense; and

166.12 (3) \$1,000 for third and subsequent offenses.

166.13 (d) If the peace officer determines that there is damage to property requiring restitution,  
166.14 the commissioner must send a written explanation of the extent of the damage and the cost  
166.15 of the repair by first class mail to the address provided by the person receiving the citation  
166.16 within 15 days of the date of the citation.

166.17 (e) An off-road vehicle ~~or all-terrain vehicle~~ that is equipped with a snorkel device and  
166.18 receives a civil citation under this section is subject to twice the penalty amounts in  
166.19 paragraphs (b) and (c).

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

166.21 Sec. 10. Minnesota Statutes 2016, section 84.86, subdivision 1, is amended to read:

166.22 Subdivision 1. **Required rules.** With a view of achieving maximum use of snowmobiles  
166.23 consistent with protection of the environment the commissioner of natural resources shall  
166.24 adopt rules in the manner provided by chapter 14, for the following purposes:

166.25 (1) Registration of snowmobiles and display of registration numbers.

166.26 (2) Use of snowmobiles insofar as game and fish resources are affected.

166.27 (3) Use of snowmobiles on public lands and waters, or on grant-in-aid trails.

166.28 (4) Uniform signs to be used by the state, counties, and cities, which are necessary or  
166.29 desirable to control, direct, or regulate the operation and use of snowmobiles.

166.30 (5) Specifications relating to snowmobile mufflers.

167.1 (6) A comprehensive snowmobile information and safety education and training program,  
167.2 including but not limited to the preparation and dissemination of snowmobile information  
167.3 and safety advice to the public, the training of snowmobile operators, and the issuance of  
167.4 snowmobile safety certificates to snowmobile operators who successfully complete the  
167.5 snowmobile safety education and training course. For the purpose of administering such  
167.6 program and to defray expenses of training and certifying snowmobile operators, the  
167.7 commissioner shall collect a fee from each person who receives the youth or adult training.  
167.8 The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for  
167.9 issuing a duplicate snowmobile safety certificate. The commissioner shall establish both  
167.10 fees in a manner that neither significantly overrecovers nor underrecovers costs, including  
167.11 overhead costs, involved in providing the services. The fees are not subject to the rulemaking  
167.12 provisions of chapter 14 and section 14.386 does not apply. The fees may be established  
167.13 by the commissioner notwithstanding section 16A.1283. The fees, except for the issuing  
167.14 fee for licensing agents under this subdivision, shall be deposited in the snowmobile trails  
167.15 and enforcement account in the natural resources fund and the amount thereof, except for  
167.16 the electronic licensing system commission established by the commissioner under section  
167.17 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated  
167.18 annually to the Enforcement Division of the Department of Natural Resources for the  
167.19 administration of such programs. In addition to the fee established by the commissioner,  
167.20 instructors may charge each person any fee paid by the instructor for the person's online  
167.21 training course and up to the established fee amount for class materials and expenses. The  
167.22 commissioner shall cooperate with private organizations and associations, private and public  
167.23 corporations, and local governmental units in furtherance of the program established under  
167.24 this clause. School districts may cooperate with the commissioner and volunteer instructors  
167.25 to provide space for the classroom portion of the training. The commissioner shall consult  
167.26 with the commissioner of public safety in regard to training program subject matter and  
167.27 performance testing that leads to the certification of snowmobile operators.

167.28 (7) The operator of any snowmobile involved in an accident resulting in injury requiring  
167.29 medical attention or hospitalization to or death of any person or total damage to an extent  
167.30 of \$500 or more, shall forward a written report of the accident to the commissioner on such  
167.31 form as the commissioner shall prescribe. If the operator is killed or is unable to file a report  
167.32 due to incapacitation, any peace officer investigating the accident shall file the accident  
167.33 report within ten business days.

168.1 Sec. 11. Minnesota Statutes 2017 Supplement, section 84.91, subdivision 1, is amended  
 168.2 to read:

168.3 Subdivision 1. **Acts prohibited.** (a) No owner or other person having charge or control  
 168.4 of any snowmobile or all-terrain vehicle shall authorize or permit any individual the person  
 168.5 knows or has reason to believe is under the influence of alcohol or a controlled substance  
 168.6 or other substance to operate the snowmobile or all-terrain vehicle anywhere in this state  
 168.7 or on the ice of any boundary water of this state.

168.8 (b) No owner or other person having charge or control of any snowmobile or all-terrain  
 168.9 vehicle shall knowingly authorize or permit any person, who by reason of any physical or  
 168.10 mental disability is incapable of operating the vehicle, to operate the snowmobile or all-terrain  
 168.11 vehicle anywhere in this state or on the ice of any boundary water of this state.

168.12 (c) A person who operates or is in physical control of a snowmobile or all-terrain vehicle  
 168.13 anywhere in this state or on the ice of any boundary water of this state is subject to chapter  
 168.14 169A. In addition to the applicable sanctions under chapter 169A, a person who is convicted  
 168.15 of violating section 169A.20 or an ordinance in conformity with it ~~while operating a~~  
 168.16 ~~snowmobile or all-terrain vehicle~~, or who refuses to comply with a lawful request to submit  
 168.17 to testing under sections 169A.50 to 169A.53 or 171.177, or an ordinance in conformity  
 168.18 with it, shall be prohibited from operating a snowmobile or all-terrain vehicle for a period  
 168.19 of one year. The commissioner shall notify the person of the time period during which the  
 168.20 person is prohibited from operating a snowmobile or all-terrain vehicle.

168.21 (d) Administrative and judicial review of the operating privileges prohibition ~~is governed~~  
 168.22 ~~by section 97B.066, subdivisions 7 to 9, if the person does not have a prior impaired driving~~  
 168.23 ~~conviction or prior license revocation, as defined in section 169A.03. Otherwise,~~  
 168.24 ~~administrative and judicial review of the prohibition~~ is governed by section 169A.53 or  
 168.25 171.177.

168.26 (e) The court shall promptly forward to the commissioner and the Department of Public  
 168.27 Safety copies of all convictions and criminal and civil sanctions imposed under:

168.28 (1) this section and chapters;

168.29 (2) chapter 169 and relating to snowmobiles and all-terrain vehicles;

168.30 (3) chapter 169A relating to snowmobiles and all-terrain vehicles; and

168.31 (4) section 171.177.

168.32 (f) A person who violates paragraph (a) or (b), or an ordinance in conformity with either  
 168.33 of them, is guilty of a misdemeanor. A person who operates a snowmobile or all-terrain

169.1 vehicle during the time period the person is prohibited from operating a vehicle under  
169.2 paragraph (c) is guilty of a misdemeanor.

169.3 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to violations  
169.4 committed on or after that date.

169.5 Sec. 12. Minnesota Statutes 2017 Supplement, section 84.925, subdivision 1, is amended  
169.6 to read:

169.7 Subdivision 1. ~~Program~~ **Training and certification programs established.** (a) The  
169.8 commissioner shall establish:

169.9 (1) a comprehensive all-terrain vehicle environmental and safety education and training  
169.10 certification program, including the preparation and dissemination of vehicle information  
169.11 and safety advice to the public, the training of all-terrain vehicle operators, and the issuance  
169.12 of all-terrain vehicle safety certificates to vehicle operators over the age of 12 years who  
169.13 successfully complete the all-terrain vehicle environmental and safety education and training  
169.14 course; and

169.15 (2) a voluntary all-terrain vehicle online training program for youth and a parent or  
169.16 guardian, offered at no charge for operators at least six years of age but younger than ten  
169.17 years of age.

169.18 (b) A parent or guardian must be present at ~~the hands-on~~ a training portion of the program  
169.19 for when the youth who are six through ten is under ten years of age.

169.20 ~~(b)~~ (c) For the purpose of administering the program and to defray the expenses of  
169.21 training and certifying vehicle operators, the commissioner shall collect a fee from each  
169.22 person who receives the training for certification under paragraph (a), clause (1). The  
169.23 commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing  
169.24 a duplicate all-terrain vehicle safety certificate. The commissioner shall establish both fees  
169.25 in a manner that neither significantly overrecovers nor underrecovers costs, including  
169.26 overhead costs, involved in providing the services. The fees are not subject to the rulemaking  
169.27 provisions of chapter 14 and section 14.386 does not apply. The fees may be established  
169.28 by the commissioner notwithstanding section 16A.1283. Fee proceeds, except for the issuing  
169.29 fee for licensing agents under this subdivision, shall be deposited in the all-terrain vehicle  
169.30 account in the natural resources fund and the amount thereof, except for the electronic  
169.31 licensing system commission established by the commissioner under section 84.027,  
169.32 subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to  
169.33 the Enforcement Division of the Department of Natural Resources for the administration

170.1 of the programs. In addition to the fee established by the commissioner, instructors may  
170.2 charge each person up to the established fee amount for class materials and expenses.

170.3 ~~(e)~~ (d) The commissioner shall cooperate with private organizations and associations,  
170.4 private and public corporations, and local governmental units in furtherance of the ~~program~~  
170.5 programs established under this section. School districts may cooperate with the  
170.6 commissioner and volunteer instructors to provide space for the classroom portion of the  
170.7 training. The commissioner shall consult with the commissioner of public safety in regard  
170.8 to ~~training program~~ the subject matter of the training programs and performance testing that  
170.9 leads to the certification of vehicle operators. The commissioner shall incorporate a riding  
170.10 component in the ~~safety education and training program~~ certification programs established  
170.11 under this section, and may incorporate a riding component in the training program as  
170.12 established in paragraph (a), clause (2).

170.13 Sec. 13. Minnesota Statutes 2017 Supplement, section 84.9256, subdivision 1, is amended  
170.14 to read:

170.15 Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public  
170.16 road rights-of-way that is permitted under section 84.928 and as provided under paragraph  
170.17 (j), a driver's license issued by the state or another state is required to operate an all-terrain  
170.18 vehicle along or on a public road right-of-way.

170.19 (b) A person under 12 years of age shall not:

170.20 (1) make a direct crossing of a public road right-of-way;

170.21 (2) operate an all-terrain vehicle on a public road right-of-way in the state; or

170.22 (3) operate an all-terrain vehicle on public lands or waters, except as provided in  
170.23 paragraph (f).

170.24 (c) Except for public road rights-of-way of interstate highways, a person 12 years of age  
170.25 but less than 16 years may make a direct crossing of a public road right-of-way of a trunk,  
170.26 county state-aid, or county highway or operate on public lands and waters or state or  
170.27 grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate  
170.28 issued by the commissioner and is accompanied by a person 18 years of age or older who  
170.29 holds a valid driver's license.

170.30 (d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old,  
170.31 but less than 16 years old, must:

171.1 (1) successfully complete the safety education and training program under section 84.925,  
171.2 subdivision 1, including a riding component; and

171.3 (2) be able to properly reach and control the handle bars and reach the foot pegs while  
171.4 sitting upright on the seat of the all-terrain vehicle.

171.5 (e) A person at least ~~six~~ ten years of age may take the safety education and training  
171.6 program and may receive an all-terrain vehicle safety certificate under paragraph (d), but  
171.7 the certificate is not valid until the person reaches age 12.

171.8 (f) A person at least ten years of age but under 12 years of age may operate an all-terrain  
171.9 vehicle with an engine capacity up to 110cc if the vehicle is a class 1 all-terrain vehicle with  
171.10 straddle-style seating or up to 170cc if the vehicle is a class 1 all-terrain vehicle with  
171.11 side-by-side-style seating on public lands or waters if accompanied by a parent or legal  
171.12 guardian.

171.13 (g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

171.14 (h) A person under the age of 16 may not operate an all-terrain vehicle on public lands  
171.15 or waters or on state or grant-in-aid trails if the person cannot properly reach and control:

171.16 (1) the handle bars and reach the foot pegs while sitting upright on the seat of the  
171.17 all-terrain vehicle with straddle-style seating; or

171.18 (2) the steering wheel and foot controls of a class 1 all-terrain vehicle with  
171.19 side-by-side-style seating while sitting upright in the seat with the seat belt fully engaged.

171.20 (i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16  
171.21 years old, may make a direct crossing of a public road right-of-way of a trunk, county  
171.22 state-aid, or county highway or operate an all-terrain vehicle on public lands and waters or  
171.23 state or grant-in-aid trails if:

171.24 (1) the nonresident youth has in possession evidence of completing an all-terrain safety  
171.25 course offered by the ATV Safety Institute or another state as provided in section 84.925,  
171.26 subdivision 3; and

171.27 (2) the nonresident youth is accompanied by a person 18 years of age or older who holds  
171.28 a valid driver's license.

171.29 (j) A person 12 years of age but less than 16 years of age may operate an all-terrain  
171.30 vehicle on the roadway, bank, slope, or ditch of a public road right-of-way as permitted  
171.31 under section 84.928 if the person:

172.1 (1) possesses a valid all-terrain vehicle safety certificate issued by the commissioner;  
 172.2 and

172.3 (2) is accompanied by a parent or legal guardian on a separate all-terrain vehicle.

172.4 Sec. 14. Minnesota Statutes 2016, section 84.928, subdivision 2, is amended to read:

172.5 Subd. 2. **Operation generally.** A person may not drive or operate an all-terrain vehicle:

172.6 (1) at a rate of speed greater than reasonable or proper under the surrounding  
 172.7 circumstances;

172.8 (2) in a careless, reckless, or negligent manner so as to endanger or to cause injury or  
 172.9 damage to the person or property of another;

172.10 (3) without headlight and taillight lighted at all times if the vehicle is equipped with  
 172.11 headlight and taillight;

172.12 (4) without a functioning stoplight if so equipped;

172.13 (5) in a tree nursery or planting in a manner that damages or destroys growing stock;

172.14 (6) without a brake operational by either hand or foot;

172.15 (7) with more than one person on the vehicle, except as allowed under section 84.9257;

172.16 (8) at a speed exceeding ten miles per hour on the frozen surface of public waters within  
 172.17 100 feet of a person not on an all-terrain vehicle or within 100 feet of a fishing shelter; or

172.18 ~~(9) with a snorkel device that has a raised air intake six inches or more above the vehicle~~  
 172.19 ~~manufacturer's original air intake, except within the Iron Range Off-Highway Vehicle~~  
 172.20 ~~Recreation Area as described in section 85.013, subdivision 12a, or other public off-highway~~  
 172.21 ~~vehicle recreation areas; or~~

172.22 ~~(10)~~ (9) in a manner that violates operation rules adopted by the commissioner.

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

172.24 Sec. 15. Minnesota Statutes 2017 Supplement, section 84D.03, subdivision 3, is amended  
 172.25 to read:

172.26 Subd. 3. **Bait harvest from infested waters.** (a) Taking wild animals from infested  
 172.27 waters for bait or aquatic farm purposes is prohibited except as provided in paragraph (b),  
 172.28 (c), or (d) and section 97C.341.

173.1 (b) In waters that are listed as infested waters, except those listed as infested with  
173.2 prohibited invasive species of fish or certifiable diseases of fish, as defined under section  
173.3 17.4982, subdivision 6, taking wild animals may be permitted for:

173.4 (1) commercial taking of wild animals for bait and aquatic farm purposes as provided  
173.5 in a permit issued under section 84D.11, subject to rules adopted by the commissioner; and

173.6 (2) bait purposes for noncommercial personal use in waters that contain Eurasian  
173.7 watermilfoil, when the infested waters are listed solely because they contain Eurasian  
173.8 watermilfoil and if the equipment for taking is limited to cylindrical minnow traps not  
173.9 exceeding 16 inches in diameter and 32 inches in length.

173.10 (c) In streams or rivers that are listed as infested waters, except those listed as infested  
173.11 with certifiable diseases of fish, as defined under section 17.4982, subdivision 6, the harvest  
173.12 of bullheads, goldeyes, mooneyes, sheepshead (freshwater drum), and suckers for bait by  
173.13 hook and line for noncommercial personal use is allowed as follows:

173.14 (1) fish taken under this paragraph must be used on the same body of water where caught  
173.15 and while still on that water body. Where the river or stream is divided by barriers such as  
173.16 dams, the fish must be caught and used on the same section of the river or stream;

173.17 (2) fish taken under this paragraph may not be transported live from or off the water  
173.18 body;

173.19 (3) fish harvested under this paragraph may only be used in accordance with this section;

173.20 (4) any other use of wild animals used for bait from infested waters is prohibited;

173.21 (5) fish taken under this paragraph must meet all other size restrictions and requirements  
173.22 as established in rules; and

173.23 (6) all species listed under this paragraph shall be included in the person's daily limit as  
173.24 established in rules, if applicable.

173.25 (d) In the Minnesota River downstream of Granite Falls, the Mississippi River  
173.26 downstream of St. Anthony Falls, and the St. Croix River downstream of the dam at Taylors  
173.27 Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota  
173.28 Rules, part 6266.0500, subpart 1, items A and B, the harvest of gizzard shad by cast net for  
173.29 noncommercial personal use as bait for angling, as provided in a permit issued under section  
173.30 84D.11, is allowed as follows:

173.31 (1) nontarget species must immediately be returned to the water;

174.1 (2) gizzard shad taken under this paragraph must be used on the same body of water  
174.2 where caught and while still on that water body. Where the river is divided by barriers such  
174.3 as dams, the gizzard shad must be caught and used on the same section of the river;

174.4 (3) gizzard shad taken under this paragraph may not be transported off the water body;  
174.5 and

174.6 (4) gizzard shad harvested under this paragraph may only be used in accordance with  
174.7 this section.

174.8 ~~This paragraph expires December 1, 2017.~~

174.9 (e) Equipment authorized for minnow harvest in a listed infested water by permit issued  
174.10 under paragraph (b) may not be transported to, or used in, any waters other than waters  
174.11 specified in the permit.

174.12 (f) Bait intended for sale may not be held in infested water after taking and before sale,  
174.13 unless authorized under a license or permit according to Minnesota Rules, part 6216.0500.

174.14 **EFFECTIVE DATE.** This section is effective retroactively from December 1, 2017.

174.15 Sec. 16. Minnesota Statutes 2017 Supplement, section 84D.03, subdivision 4, is amended  
174.16 to read:

174.17 Subd. 4. **Restrictions in infested and noninfested waters; commercial fishing and**  
174.18 **turtle, frog, and crayfish harvesting.** (a) All nets, traps, buoys, anchors, stakes, and lines  
174.19 used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that  
174.20 is listed because it contains invasive fish, invertebrates, aquatic plants or aquatic macrophytes  
174.21 other than Eurasian watermilfoil, or certifiable diseases, as defined in section 17.4982, must  
174.22 be tagged with tags provided by the commissioner, as specified in the commercial licensee's  
174.23 license or permit. Tagged gear must not be used in water bodies other than those specified  
174.24 in the license or permit. The license or permit may authorize department staff to remove  
174.25 tags after the from gear is that has been decontaminated according to a protocol specified  
174.26 by the commissioner if use of the decontaminated gear in other water bodies would not pose  
174.27 an unreasonable risk of harm to natural resources or the use of natural resources in the state.  
174.28 This tagging requirement does not apply to commercial fishing equipment used in Lake  
174.29 Superior.

174.30 (b) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle,  
174.31 frog, or crayfish harvesting in an infested water that is listed solely because it contains  
174.32 Eurasian watermilfoil must be dried for a minimum of ten days or frozen for a minimum  
174.33 of two days before they are used in any other waters, except as provided in this paragraph.

175.1 Commercial licensees must notify the department's regional or area fisheries office or a  
175.2 conservation officer before removing nets or equipment from an infested water listed solely  
175.3 because it contains Eurasian watermilfoil and before resetting those nets or equipment in  
175.4 any other waters. Upon notification, the commissioner may authorize a commercial licensee  
175.5 to move nets or equipment to another water without freezing or drying, if that water is listed  
175.6 as infested solely because it contains Eurasian watermilfoil.

175.7 (c) A commercial licensee must remove all aquatic macrophytes from nets and other  
175.8 equipment before placing the equipment into waters of the state.

175.9 (d) The commissioner shall provide a commercial licensee with a current listing of listed  
175.10 infested waters at the time that a license or permit is issued.

175.11 Sec. 17. Minnesota Statutes 2017 Supplement, section 84D.108, subdivision 2b, is amended  
175.12 to read:

175.13 Subd. 2b. **Gull Lake pilot study.** (a) The commissioner may include an additional  
175.14 targeted pilot study to include water-related equipment with zebra mussels attached for ~~the~~  
175.15 ~~Gull Narrows State Water Access Site, Government Point State Water Access Site, and~~  
175.16 ~~Gull East State~~ water access Site sites on Gull Lake (DNR Division of Waters number  
175.17 11-0305) in Cass and Crow Wing Counties using the same authorities, general procedures,  
175.18 and requirements provided for the Lake Minnetonka pilot project in subdivision 2a. Lake  
175.19 service providers participating in the Gull Lake targeted pilot study place of business must  
175.20 be located in Cass or Crow Wing County.

175.21 (b) If an additional targeted pilot project for Gull Lake is implemented under this section,  
175.22 the report to the chairs and ranking minority members of the senate and house of  
175.23 representatives committees having jurisdiction over natural resources required under Laws  
175.24 2016, chapter 189, article 3, section 48, must also include the Gull Lake targeted pilot study  
175.25 recommendations and assessments.

175.26 (c) This subdivision expires December 1, 2019.

175.27 Sec. 18. Minnesota Statutes 2017 Supplement, section 84D.108, subdivision 2c, is amended  
175.28 to read:

175.29 Subd. 2c. **Cross Lake pilot study.** (a) The commissioner may include an additional  
175.30 targeted pilot study to include water-related equipment with zebra mussels attached for ~~the~~  
175.31 ~~Cross Lake #1 State~~ water access Site sites on Cross Lake (DNR Division of Waters number  
175.32 18-0312) in Crow Wing County using the same authorities, general procedures, and

176.1 requirements provided for the Lake Minnetonka pilot project in subdivision 2a. The place  
 176.2 of business of lake service providers participating in the Cross Lake targeted pilot study  
 176.3 must be located in Cass or Crow Wing County.

176.4 (b) If an additional targeted pilot project for Cross Lake is implemented under this  
 176.5 section, the report to the chairs and ranking minority members of the senate and house of  
 176.6 representatives committees having jurisdiction over natural resources required under Laws  
 176.7 2016, chapter 189, article 3, section 48, must also include the Cross Lake targeted pilot  
 176.8 study recommendations and assessments.

176.9 (c) This subdivision expires December 1, 2019.

176.10 Sec. 19. Minnesota Statutes 2017 Supplement, section 85.0146, subdivision 1, is amended  
 176.11 to read:

176.12 Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation Area  
 176.13 Citizens Advisory Council is established. Membership on the advisory council shall include:

176.14 (1) a representative of ~~the Cuyuna Range Mineland Recreation Area Joint Powers Board~~  
 176.15 Cuyuna Range Economic Development, Inc.;

176.16 (2) a representative ~~of~~ for the Croft Mine Historical Park ~~Joint Powers Board~~ appointed  
 176.17 by the members of the Cuyuna Country State Recreation Area Citizens Advisory Council  
 176.18 who are appointed under clauses (1) and (4) to (13);

176.19 (3) a ~~designee of the Cuyuna Range Mineland Reclamation Committee who has worked~~  
 176.20 ~~as a miner in the local area~~ member at large appointed by the members of the Cuyuna  
 176.21 Country State Recreation Area Citizens Advisory Council who are appointed under clauses  
 176.22 (1) and (4) to (13);

176.23 (4) a representative of the Crow Wing County Board;

176.24 (5) ~~an elected state official~~ the state senator representing the state recreation area;

176.25 (6) the member from the state house of representatives representing the state recreation  
 176.26 area;

176.27 (7) a representative of the Grand Rapids regional office of the Department of Natural  
 176.28 Resources;

176.29 ~~(7)~~ (8) a designee of the commissioner of Iron Range resources and rehabilitation;

176.30 ~~(8)~~ (9) a designee of the local business community selected by the area chambers of  
 176.31 commerce;

177.1 ~~(9)~~ (10) a designee of the local environmental community selected by the Crow Wing  
177.2 County District 5 commissioner;

177.3 ~~(10)~~ (11) a designee of a local education organization selected by the Crosby-Ironton  
177.4 School Board;

177.5 ~~(11)~~ (12) a designee of one of the recreation area user groups selected by the Cuyuna  
177.6 Range Chamber of Commerce; and

177.7 ~~(12)~~ (13) a member of the Cuyuna Country Heritage Preservation Society.

177.8 Sec. 20. Minnesota Statutes 2017 Supplement, section 86B.331, subdivision 1, is amended  
177.9 to read:

177.10 Subdivision 1. **Acts prohibited.** (a) An owner or other person having charge or control  
177.11 of a motorboat may not authorize or allow an individual the person knows or has reason to  
177.12 believe is under the influence of alcohol or a controlled or other substance to operate the  
177.13 motorboat in operation on the waters of this state.

177.14 (b) An owner or other person having charge or control of a motorboat may not knowingly  
177.15 authorize or allow a person, who by reason of a physical or mental disability is incapable  
177.16 of operating the motorboat, to operate the motorboat in operation on the waters of this state.

177.17 (c) A person who operates or is in physical control of a motorboat on the waters of this  
177.18 state is subject to chapter 169A. In addition to the applicable sanctions under chapter 169A,  
177.19 a person who is convicted of violating section 169A.20 or an ordinance in conformity with  
177.20 it ~~while operating a motorboat~~, shall be prohibited from operating a motorboat on the waters  
177.21 of this state for a period of 90 days between May 1 and October 31, extending over two  
177.22 consecutive years if necessary. If the person ~~operating the motorboat~~ refuses to comply with  
177.23 a lawful demand to submit to testing under sections 169A.50 to 169A.53 or 171.177, or an  
177.24 ordinance in conformity with it, the person shall be prohibited from operating a motorboat  
177.25 for a period of one year. The commissioner shall notify the person of the period during  
177.26 which the person is prohibited from operating a motorboat.

177.27 (d) Administrative and judicial review of the operating privileges prohibition is ~~governed~~  
177.28 ~~by section 97B.066, subdivisions 7 to 9, if the person does not have a prior impaired driving~~  
177.29 ~~conviction or prior license revocation, as defined in section 169A.03. Otherwise,~~  
177.30 ~~administrative and judicial review of the prohibition~~ is governed by section 169A.53 or  
177.31 171.177.

177.32 (e) The court shall promptly forward to the commissioner and the Department of Public  
177.33 Safety copies of all convictions and criminal and civil sanctions imposed under: (1) this

178.1 section ~~and chapters~~; (2) chapter 169 ~~and relating to motorboats~~; (3) chapter 169A ~~relating~~  
 178.2 ~~to motorboats~~; and (4) section 171.177.

178.3 (f) A person who violates paragraph (a) or (b), or an ordinance in conformity with either  
 178.4 of them, is guilty of a misdemeanor.

178.5 (g) For purposes of this subdivision, a motorboat "in operation" does not include a  
 178.6 motorboat that is anchored, beached, or securely fastened to a dock or other permanent  
 178.7 mooring, or a motorboat that is being rowed or propelled by other than mechanical means.

178.8 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
 178.9 committed on or after that date.

178.10 Sec. 21. Minnesota Statutes 2016, section 88.10, is amended by adding a subdivision to  
 178.11 read:

178.12 **Subd. 3. Wildland firefighters; training and licensing.** Forest officers and all  
 178.13 individuals employed as wildland firefighters under this chapter are not subject to the  
 178.14 requirements of chapter 299N.

178.15 Sec. 22. Minnesota Statutes 2016, section 88.75, subdivision 1, is amended to read:

178.16 Subdivision 1. **Misdemeanor offenses; damages; injunctive relief.** (a) Any person  
 178.17 who violates any of the provisions of sections 88.03 to 88.22 for which no specific penalty  
 178.18 is therein prescribed shall be guilty of a misdemeanor and be punished accordingly.

178.19 (b) Failure by any person to comply with any provision or requirement of sections 88.03  
 178.20 to 88.22 to which such person is subject shall be deemed a violation thereof.

178.21 (c) Any person who violates ~~any provisions of~~ sections 88.03 to 88.22, in addition to  
 178.22 any penalties therein prescribed, or hereinbefore in this section prescribed, for such violation,  
 178.23 shall also be liable in full damages to any and every person suffering loss or injury by reason  
 178.24 of such violation, including liability to the state, and any of its political subdivisions, for  
 178.25 all expenses incurred in fighting or preventing the spread of, or extinguishing, any fire  
 178.26 caused by, or resulting from, any violation of these sections. Notwithstanding any statute  
 178.27 to the contrary, an attorney who is licensed to practice law in Minnesota and is an employee  
 178.28 of the Department of Natural Resources may represent the commissioner in proceedings  
 178.29 under this subdivision that are removed to district court from conciliation court. All expenses  
 178.30 so collected by the state shall be deposited in the general fund. When a fire set by any person  
 178.31 spreads to and damages or destroys property belonging to another, the setting of the fire  
 178.32 shall be prima facie evidence of negligence in setting and allowing the same to spread.

179.1 (d) At any time the state, or any political subdivision thereof, either of its own motion,  
 179.2 or at the suggestion or request of the director, may bring an action in any court of competent  
 179.3 jurisdiction to restrain, enjoin, or otherwise prohibit any violation of sections 88.03 to 88.22,  
 179.4 whether therein described as a crime or not, and likewise to restrain, enjoin, or prohibit any  
 179.5 person from proceeding further in, with, or at any timber cutting or other operations without  
 179.6 complying with the provisions of those sections, or the requirements of the director pursuant  
 179.7 thereto; and the court may grant such relief, or any other appropriate relief, whenever it  
 179.8 shall appear that the same may prevent loss of life or property by fire, or may otherwise aid  
 179.9 in accomplishing the purposes of sections 88.03 to 88.22.

179.10 Sec. 23. Minnesota Statutes 2016, section 89.551, is amended to read:

179.11 **89.551 APPROVED FIREWOOD REQUIRED.**

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

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

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

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

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

179.23 (c) A violation under this section is subject to confiscation of firewood ~~and after May~~  
 179.24 ~~1, 2008, confiscation and a \$100 penalty. A firewood dealer shall be subject to confiscation~~  
 179.25 ~~and assessed a \$100 penalty for each sale of firewood not approved under the provisions~~  
 179.26 ~~of this section and sold for use on land administered by the commissioner.~~

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

180.1 Sec. 24. Minnesota Statutes 2016, section 97A.051, subdivision 2, is amended to read:

180.2 Subd. 2. **Summary of fish and game laws.** (a) The commissioner shall prepare a  
180.3 summary of the hunting and fishing laws and rules and deliver a sufficient supply to license  
180.4 vendors ~~to furnish one copy to each person obtaining a hunting, fishing, or trapping license.~~

180.5 (b) At the beginning of the summary, under the heading "Trespass," the commissioner  
180.6 shall summarize the trespass provisions under sections 97B.001 to 97B.945, state that  
180.7 conservation officers and peace officers must enforce the trespass laws, and state the penalties  
180.8 for trespassing.

180.9 (c) In the summary the commissioner shall, under the heading "Duty to Render Aid,"  
180.10 summarize the requirements under section 609.662 and state the penalties for failure to  
180.11 render aid to a person injured by gunshot.

180.12 Sec. 25. Minnesota Statutes 2017 Supplement, section 97A.075, subdivision 1, is amended  
180.13 to read:

180.14 Subdivision 1. **Deer, bear, and lifetime licenses.** (a) For purposes of this subdivision,  
180.15 "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (5),  
180.16 (6), (7), (13), (14), and (15); 3, paragraph (a), clauses (2), (3), (4), (10), (11), and (12); and  
180.17 8, paragraph (b), and licenses issued under section 97B.301, subdivision 4.

180.18 (b) \$16 from each annual deer license issued under section 97A.475, subdivisions 2,  
180.19 clauses (5), (6), and (7); 3, paragraph (a), clauses (2), (3), and (4); and 8, paragraph (b); \$2  
180.20 from each annual deer license and \$2 issued under sections 97A.475, subdivisions 2, clauses  
180.21 (13), (14), and (15); and 3, paragraph (a), clauses (10), (11), and (12); and 97B.301,  
180.22 subdivision 4; \$16 annually from the lifetime fish and wildlife trust fund, established in  
180.23 section 97A.4742, for each license issued to a person 18 years of age or older under section  
180.24 97A.473, subdivision 4; and \$2 annually from the lifetime fish and wildlife trust fund for  
180.25 each license issued to a person under 18 years of age under section 97A.473, subdivision  
180.26 4, shall be credited to the deer management account and is appropriated to the commissioner  
180.27 for deer habitat improvement or deer management programs. The deer management account  
180.28 is established as an account in the game and fish fund and may be used only for deer habitat  
180.29 improvement or deer management programs.

180.30 (c) \$1 from each annual deer license and each bear license and \$1 annually from the  
180.31 lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued  
180.32 under section 97A.473, subdivision 4, shall be credited to the deer and bear management

181.1 account and is appropriated to the commissioner for deer- and bear-management programs,  
181.2 including a computerized licensing system.

181.3 (d) Fifty cents from each deer license is credited to the emergency deer feeding and wild  
181.4 Cervidae health-management account and is appropriated for emergency deer feeding and  
181.5 wild Cervidae health management. Money appropriated for emergency deer feeding and  
181.6 wild Cervidae health management is available until expended.

181.7 When the unencumbered balance in the appropriation for emergency deer feeding and  
181.8 wild Cervidae health management exceeds \$2,500,000 at the end of a fiscal year, the  
181.9 unencumbered balance in excess of \$2,500,000 is canceled and available for deer- and  
181.10 bear-management programs and computerized licensing.

181.11 Sec. 26. [97A.409] VOTER REGISTRATION INFORMATION.

181.12 (a) On the Department of Natural Resources online license sales Web site for purchasing  
181.13 a resident license to hunt or fish that is required under the game and fish laws, the  
181.14 commissioner must include the voter registration eligibility requirements, a description of  
181.15 how to register to vote before or on election day, and a direct link to the secretary of state's  
181.16 online voter registration Web site. The information and link must be easily readable and  
181.17 displayed in a prominent location.

181.18 (b) In the printed and digital versions of fishing regulations and hunting and trapping  
181.19 regulations, the commissioner must include the voter registration eligibility requirements,  
181.20 a description of how to register to vote before or on election day, and a link to the secretary  
181.21 of state's online voter registration Web page. In addition, the commissioner must include a  
181.22 voter registration application in the printed and digital versions of fishing regulations and  
181.23 hunting and trapping regulations.

181.24 (c) The secretary of state must provide the required voter registration information to the  
181.25 commissioner. The secretary of state must prepare and approve an alternate form of the  
181.26 voter registration application to be used in the regulations.

181.27 EFFECTIVE DATE. Paragraph (a) is effective August 1, 2018, and applies to licenses  
181.28 issued on or after March 1, 2019. Paragraph (b) is effective August 1, 2018, and applies to  
181.29 printed and digital versions of regulations updated on or after that date.

181.30 Sec. 27. Minnesota Statutes 2016, section 97A.433, subdivision 4, is amended to read:

181.31 Subd. 4. **Discretionary separate selection; eligibility.** (a) The commissioner may  
181.32 conduct a separate selection for up to 20 percent of the elk licenses to be issued for an area.

182.1 Only owners of, and tenants living on, at least 160 acres of agricultural or grazing land in  
182.2 the area, and their family members, are eligible for the separate selection. Persons that are  
182.3 unsuccessful in a separate selection must be included in the selection for the remaining  
182.4 licenses. Persons who obtain an elk license in a separate selection ~~must allow public elk~~  
182.5 ~~hunting on their land during the elk season for which the license is valid~~ may sell the license  
182.6 to any Minnesota resident eligible to hunt big game for no more than the original cost of  
182.7 the license.

182.8 (b) The commissioner may by rule establish criteria for determining eligible family  
182.9 members under this subdivision.

182.10 Sec. 28. Minnesota Statutes 2016, section 97A.433, subdivision 5, is amended to read:

182.11 Subd. 5. **Mandatory separate selection.** The commissioner must conduct a separate  
182.12 selection for 20 percent of the elk licenses to be issued each year. Only individuals who  
182.13 have applied at least ten times for an elk license and who have never received a license are  
182.14 eligible for this separate selection. A person who is unsuccessful in a separate selection  
182.15 under this subdivision must be included in the selection for the remaining licenses.

182.16 Sec. 29. Minnesota Statutes 2016, section 97B.015, subdivision 6, is amended to read:

182.17 Subd. 6. **Provisional certificate for persons with permanent physical or**  
182.18 **developmental disability.** Upon the recommendation of a course instructor, the  
182.19 commissioner may issue a provisional firearms safety certificate to a person who satisfactorily  
182.20 completes the classroom portion of the firearms safety course but is unable to pass the  
182.21 written or an alternate format exam portion of the course because of a permanent physical  
182.22 disability or developmental disability as defined in section 97B.1055, subdivision 1. The  
182.23 certificate is valid only when used according to section 97B.1055.

182.24 Sec. 30. Minnesota Statutes 2016, section 97B.081, subdivision 3, is amended to read:

182.25 Subd. 3. **Exceptions.** (a) It is not a violation of this section for a person to:

182.26 (1) cast the rays of a spotlight, headlight, or other artificial light to take raccoons  
182.27 according to section 97B.621, subdivision 3, or tend traps according to section 97B.931;

182.28 (2) hunt fox or coyote from January 1 to March 15 while using ~~a handheld~~ an artificial  
182.29 light, provided that the person is:

182.30 (i) on foot;

182.31 (ii) using a shotgun;

- 183.1 (iii) not within a public road right-of-way;
- 183.2 (iv) using a handheld or electronic calling device; and
- 183.3 (v) not within 200 feet of a motor vehicle; or
- 183.4 (3) cast the rays of a handheld artificial light to retrieve wounded or dead big game
- 183.5 animals, provided that the person is:
- 183.6 (i) on foot; and
- 183.7 (ii) not in possession of a firearm or bow.
- 183.8 (b) It is not a violation of subdivision 2 for a person to cast the rays of a spotlight,
- 183.9 headlight, or other artificial light to:
- 183.10 (1) carry out any agricultural, safety, emergency response, normal vehicle operation, or
- 183.11 occupation-related activities that do not involve taking wild animals; or
- 183.12 (2) carry out outdoor recreation as defined in section 97B.001 that is not related to
- 183.13 spotting, locating, or taking a wild animal.
- 183.14 (c) Except as otherwise provided by the game and fish laws, it is not a violation of this
- 183.15 section for a person to use an electronic range finder device from one-half hour before
- 183.16 sunrise until one-half hour after sunset while lawfully hunting wild animals.
- 183.17 (d) It is not a violation of this section for a licensed bear hunter to cast the rays of a
- 183.18 handheld artificial light to track or retrieve a wounded or dead bear while possessing a
- 183.19 firearm, provided that the person:
- 183.20 (1) has the person's valid bear-hunting license in possession;
- 183.21 (2) is on foot; and
- 183.22 (3) is following the blood trail of a bear that was shot during legal shooting hours.

183.23 Sec. 31. Minnesota Statutes 2016, section 97B.1055, is amended to read:

183.24 **97B.1055 HUNTING BY PERSONS WITH A PERMANENT PHYSICAL OR**

183.25 **DEVELOPMENTAL DISABILITY.**

183.26 Subdivision 1. **Definitions.** For purposes of this section and section 97B.015, subdivision

183.27 6:

- 183.28 (1) "person with developmental disability" means a person who has been diagnosed as
- 183.29 having substantial limitations in present functioning, manifested as significantly subaverage

184.1 intellectual functioning, existing concurrently with demonstrated deficits in adaptive behavior,  
184.2 and who manifests these conditions before the person's 22nd birthday;

184.3 ~~A~~ (2) "person with a related condition" means a person who meets the diagnostic  
184.4 definition under section 252.27, subdivision 1a; and

184.5 (3) "person with a permanent physical disability" means a person who has a physical  
184.6 disability that prevents them from being able to navigate natural terrain or hold a firearm  
184.7 for the purpose of a required field component for the firearms safety training program under  
184.8 section 97B.020.

184.9 Subd. 2. **Obtaining a license.** (a) Notwithstanding section 97B.020, a person with a  
184.10 permanent physical disability or developmental disability may obtain a firearms hunting  
184.11 license with a provisional firearms safety certificate issued under section 97B.015,  
184.12 subdivision 6.

184.13 (b) Any person accompanying or assisting a person with a permanent physical disability  
184.14 or developmental disability under this section must possess a valid firearms safety certificate  
184.15 issued by the commissioner.

184.16 Subd. 3. **Assistance required.** A person who obtains a firearms hunting license under  
184.17 subdivision 2 must be accompanied and assisted by a parent, guardian, or other adult person  
184.18 designated by a parent or guardian when hunting. A person who is not hunting but is solely  
184.19 accompanying and assisting a person with a permanent physical disability or developmental  
184.20 disability need not obtain a hunting license.

184.21 Subd. 4. **Prohibited activities.** (a) This section does not entitle a person to possess a  
184.22 firearm if the person is otherwise prohibited from possessing a firearm under state or federal  
184.23 law or a court order.

184.24 (b) No person shall knowingly authorize or permit a person, who by reason of a permanent  
184.25 physical disability or developmental disability is incapable of safely possessing a firearm,  
184.26 to possess a firearm to hunt in the state or on any boundary water of the state.

184.27 Sec. 32. Minnesota Statutes 2016, section 97C.345, subdivision 3a, is amended to read:

184.28 Subd. 3a. **Cast nets for gizzard shad.** (a) Cast nets may be used only to take gizzard  
184.29 shad for use as bait for angling:

184.30 (1) from July 1 to November 30; and

184.31 (2) from the Minnesota River downstream of Granite Falls, Mississippi River downstream  
184.32 of St. Anthony Falls<sub>2</sub> and the St. Croix River downstream of the dam at Taylors Falls,

185.1 including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules,  
 185.2 part 6266.0500, subpart 1, items A and B, that are listed as infested waters as allowed under  
 185.3 section 84D.03, subdivision 3.

185.4 (b) Cast nets used under this subdivision must be monofilament and may not exceed  
 185.5 ~~seven~~ five feet in ~~diameter~~ radius, and mesh size must be from three-eighths to five-eighths  
 185.6 inch bar measure. No more than two cast nets may be used at one time.

185.7 ~~(c) This subdivision expires December 1, 2017. The commissioner must report to the~~  
 185.8 ~~chairs and ranking minority members of the house of representatives and senate committees~~  
 185.9 ~~with jurisdiction over environment and natural resources by March 1, 2018, on the number~~  
 185.10 ~~of permits issued, conservation impacts from the use of cast nets, and recommendations for~~  
 185.11 ~~any necessary changes in statutes or rules.~~

185.12 **EFFECTIVE DATE.** This section is effective retroactively from December 1, 2017.

185.13 Sec. 33. Minnesota Statutes 2016, section 103B.3369, subdivision 5, is amended to read:

185.14 Subd. 5. **Financial assistance.** A base grant, contract, or payment may be awarded to a  
 185.15 county or other local unit of government that provides a match utilizing a water  
 185.16 implementation tax or other local source. A water implementation tax that a county or other  
 185.17 local unit of government intends to use as a match to the base grant must be levied at a rate  
 185.18 sufficient to generate a minimum amount determined by the board. The board may award  
 185.19 performance-based or watershed-based grants, contracts, or payments to local units of  
 185.20 government that are responsible for implementing elements of applicable portions of  
 185.21 watershed management plans, comprehensive plans, local water management plans, or  
 185.22 comprehensive watershed management plans, developed or amended, adopted and approved,  
 185.23 according to chapter 103B, 103C, or 103D. Upon request by a local government unit, the  
 185.24 board may also award performance-based grants to local units of government to carry out  
 185.25 TMDL implementation plans as provided in chapter 114D, if the TMDL implementation  
 185.26 plan has been incorporated into the local water management plan according to the procedures  
 185.27 for approving comprehensive plans, watershed management plans, local water management  
 185.28 plans, or comprehensive watershed management plans under chapter 103B, 103C, or 103D,  
 185.29 or if the TMDL implementation plan has undergone a public review process. Notwithstanding  
 185.30 section 16A.41, the board may award performance-based grants, contracts, or payments on  
 185.31 an advanced basis. The fee authorized in section 40A.152 may be used as a local match or  
 185.32 as a supplement to state funding to accomplish implementation of comprehensive plans,  
 185.33 watershed management plans, local water management plans, or comprehensive watershed  
 185.34 management plans under this chapter and chapter 103C or 103D.

186.1 Sec. 34. Minnesota Statutes 2016, section 103B.3369, subdivision 9, is amended to read:

186.2 Subd. 9. **Performance-based Criteria.** (a) The board shall must develop and utilize  
186.3 performance-based criteria for local water resources restoration, protection, and management  
186.4 programs and projects. The criteria may include but are not limited to science-based  
186.5 assessments, organizational capacity, priority resource issues, community outreach and  
186.6 support, partnership potential, potential for multiple benefits, and program and project  
186.7 delivery efficiency and effectiveness.

186.8 (b) Notwithstanding paragraph (a), the board may develop and utilize eligibility criteria  
186.9 for base amounts of state funding to local governments.

186.10 Sec. 35. **[103B.461] RED RIVER BASIN COMMISSION.**

186.11 Subdivision 1. **Purposes.** The Red River Basin Commission was created to:

186.12 (1) facilitate transboundary and basin-wide dialogue and consultation with citizens, land  
186.13 users, organizations, and governments; and

186.14 (2) coordinate basin-wide interstate and international efforts on water management,  
186.15 including but not limited to flood mitigation, water quality, water supply, drainage, aquatic  
186.16 health, and recreation.

186.17 Subd. 2. **Membership.** The Red River Basin Commission must have basin-wide  
186.18 representation of members and alternates to serve on the commission consistent with the  
186.19 adopted bylaws of the commission. Selection and terms of members are as defined in the  
186.20 commission's bylaws.

186.21 Subd. 3. **Duties.** The Red River Basin Commission must:

186.22 (1) develop and coordinate comprehensive water management goals for the Red River  
186.23 basin by aligning the work plans in the major watersheds in the states of Minnesota, North  
186.24 Dakota, and South Dakota and the Canadian province of Manitoba;

186.25 (2) advise on developing and using systems to monitor and evaluate the Red River basin  
186.26 and incorporating the data obtained from these systems into planning and implementation  
186.27 processes;

186.28 (3) conduct public meetings at locations in the Red River basin regarding the public's  
186.29 perspective on water resource issues, needs, and priorities in the basin;

186.30 (4) conduct an ongoing information and education program on water management in  
186.31 the Red River basin, including an annual conference;

187.1 (5) advise on developing projects in the major watersheds that are scientifically sound,  
187.2 have landowner and local government support, and reduce potential flood damages and  
187.3 inputs of pollutants into the Red River;

187.4 (6) develop and implement a framework plan for natural resources and provide periodic  
187.5 budget requests and reports to the governors of Minnesota, North Dakota, and South Dakota,  
187.6 to the premier of Manitoba, and to the respective legislatures, provincial members, and  
187.7 congressional representatives of the respective states and province regarding progress on  
187.8 meeting water management goals and funding or policy recommendations;

187.9 (7) administer funds for implementing projects and track and report the results achieved  
187.10 for each project; and

187.11 (8) assess the collective work in the Red River basin and make recommendations to the  
187.12 states of Minnesota, North Dakota, and South Dakota, to the Canadian province of Manitoba,  
187.13 and to their respective legislatures, provincial members, and congressional representatives  
187.14 on the actions needed to sustain or accelerate components of the framework plan for natural  
187.15 resources in the Red River basin and the major watersheds of the Red River basin.

187.16 Sec. 36. Minnesota Statutes 2016, section 103B.801, subdivision 2, is amended to read:

187.17 Subd. 2. **Program purposes.** The purposes of the comprehensive watershed management  
187.18 plan program under section 103B.101, subdivision 14, paragraph (a), are to:

187.19 (1) align local water planning purposes and procedures under this chapter and chapters  
187.20 103C and 103D on watershed boundaries to create a systematic, watershed-wide,  
187.21 science-based approach to watershed management;

187.22 (2) acknowledge and build off existing local government structure, water plan services,  
187.23 and local capacity;

187.24 (3) incorporate and make use of data and information, including watershed restoration  
187.25 and protection strategies under section 114D.26, which may serve to fulfill all or some of  
187.26 the requirements under chapter 114D;

187.27 (4) solicit input and engage experts from agencies, citizens, and stakeholder groups;

187.28 (5) focus on implementation of prioritized and targeted actions capable of achieving  
187.29 measurable progress; and

187.30 (6) serve as a substitute for a comprehensive plan, local water management plan, or  
187.31 watershed management plan developed or amended, approved, and adopted, according to  
187.32 this chapter or chapter 103C or 103D.

188.1 Sec. 37. Minnesota Statutes 2016, section 103B.801, subdivision 5, is amended to read:

188.2 Subd. 5. **Timelines; administration.** (a) The board shall develop and adopt, by June  
188.3 30, 2016, a transition plan for development, approval, adoption, and coordination of plans  
188.4 consistent with section 103A.212. The transition plan must include a goal of completing  
188.5 statewide transition to comprehensive watershed management plans by 2025. The  
188.6 metropolitan area may be considered for inclusion in the transition plan. The board may  
188.7 amend the transition plan no more often than once every two years.

188.8 (b) The board may use the authority under section 103B.3369, subdivision 9, to support  
188.9 development or implementation of a comprehensive watershed management plan under this  
188.10 section.

188.11 Sec. 38. Minnesota Statutes 2016, section 103F.361, subdivision 2, is amended to read:

188.12 Subd. 2. **Legislative intent.** It is the intent of sections 103F.361 to 103F.377 to authorize  
188.13 and direct the board and ~~the counties~~ zoning authorities to implement the plan for the  
188.14 Mississippi headwaters area.

188.15 Sec. 39. Minnesota Statutes 2016, section 103F.363, subdivision 1, is amended to read:

188.16 Subdivision 1. **Generally.** Sections 103F.361 to 103F.377 apply to the counties of  
188.17 Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing, and Morrison and all other  
188.18 zoning authorities.

188.19 Sec. 40. Minnesota Statutes 2016, section 103F.365, is amended by adding a subdivision  
188.20 to read:

188.21 Subd. 5. **Zoning authority.** "Zoning authority" means counties, organized townships,  
188.22 local and special governmental units, joint powers boards, councils, commissions, boards,  
188.23 districts, and all state agencies and departments within the corridor defined by the plan,  
188.24 excluding statutory or home rule charter cities.

188.25 Sec. 41. Minnesota Statutes 2016, section 103F.371, is amended to read:

188.26 **103F.371 RESPONSIBILITIES OF OTHER GOVERNMENTAL UNITS.**

188.27 (a) All local and special governmental units, councils, commissions, boards and districts  
188.28 and all state agencies and departments must exercise their powers so as to further the purposes  
188.29 of sections 103F.361 to 103F.377 and the plan. Land owned by the state, its agencies, and  
188.30 political subdivisions shall be administered in accordance with the plan. The certification

189.1 procedure under section 103F.373 applies to all zoning authorities in the corridor defined  
189.2 by the plan.

189.3 (b) Actions that comply with the land use ordinance are consistent with the plan. Actions  
189.4 that do not comply with the ordinance may not be started until the board has been notified  
189.5 and given an opportunity to review and comment on the consistency of the action with this  
189.6 section.

189.7 Sec. 42. Minnesota Statutes 2016, section 103F.373, subdivision 1, is amended to read:

189.8 Subdivision 1. **Purpose.** To ~~assure~~ ensure that the plan is not nullified by unjustified  
189.9 exceptions in particular cases and to promote uniformity in the treatment of applications  
189.10 for exceptions, a review and certification procedure is established for the following categories  
189.11 of land use actions taken by ~~the counties and~~ zoning authorities directly or indirectly affecting  
189.12 land use within the area covered by the plan:

189.13 (1) the adoption or amendment of an ordinance regulating the use of land, including  
189.14 rezoning of particular tracts of land;

189.15 (2) the granting of a variance from provisions of the land use ordinance; and

189.16 (3) the approval of a plat which is inconsistent with the land use ordinance.

189.17 Sec. 43. Minnesota Statutes 2016, section 103F.373, subdivision 3, is amended to read:

189.18 Subd. 3. **Procedure for certification.** A copy of the notices of public hearings or, when  
189.19 a hearing is not required, a copy of the application to consider an action of a type specified  
189.20 in subdivision 1, clauses (1) to (3), must be forwarded to the board by the ~~county~~ zoning  
189.21 authority at least 15 days before the hearing or meetings to consider the actions. The ~~county~~  
189.22 zoning authority shall notify the board of its final decision on the proposed action within  
189.23 ten days of the decision. By 30 days after the board receives the notice, the board shall  
189.24 notify the ~~county~~ zoning authority and the applicant of ~~its~~ the board's approval or disapproval  
189.25 of the proposed action.

189.26 Sec. 44. Minnesota Statutes 2016, section 103F.373, subdivision 4, is amended to read:

189.27 Subd. 4. **Disapproval of actions.** (a) If a notice of disapproval is issued by the board,  
189.28 the ~~county~~ zoning authority or the applicant may, within 30 days of the notice, file with the  
189.29 board a demand for a hearing. If a demand is not filed within the 30-day period, the  
189.30 disapproval becomes final.

190.1 (b) If a demand is filed within the 30-day period, a hearing must be held within 60 days  
190.2 of demand. The hearing must be preceded by two weeks' published notice. Within 30 days  
190.3 after the hearing, the board must:

190.4 (1) affirm its disapproval of the proposed action; or

190.5 (2) certify approval of the proposed action.

190.6 Sec. 45. Minnesota Statutes 2017 Supplement, section 103G.2242, subdivision 1, is  
190.7 amended to read:

190.8 Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall adopt  
190.9 rules governing the approval of wetland value replacement plans under this section and  
190.10 public-waters-work permits affecting public waters wetlands under section 103G.245. These  
190.11 rules must address the criteria, procedure, timing, and location of acceptable replacement  
190.12 of wetland values and may address the state establishment and administration of a wetland  
190.13 banking program for public and private projects, including provisions for an in-lieu fee  
190.14 program; the administrative, monitoring, and enforcement procedures to be used; and a  
190.15 procedure for the review and appeal of decisions under this section. In the case of peatlands,  
190.16 the replacement plan rules must consider the impact on carbon. Any in-lieu fee program  
190.17 established by the board must conform with Code of Federal Regulations, title 33, section  
190.18 332.8, as amended.

190.19 (b) After the adoption of the rules, a replacement plan must be approved by a resolution  
190.20 of the governing body of the local government unit, consistent with the provisions of the  
190.21 rules or a comprehensive wetland protection and management plan approved under section  
190.22 103G.2243.

190.23 (c) If the local government unit fails to apply the rules, or fails to implement a local  
190.24 comprehensive wetland protection and management plan established under section  
190.25 103G.2243, the government unit is subject to penalty as determined by the board.

190.26 (d) When making a determination under rules adopted pursuant to this subdivision on  
190.27 whether a rare natural community will be permanently adversely affected, consideration of  
190.28 measures to mitigate any adverse effect on the community must be considered. Wetland  
190.29 banking credits shall be an acceptable mitigation measure for any adverse effects on a rare  
190.30 natural community. The Department of Natural Resources may approve a wetland  
190.31 replacement plan that includes restoration or credits from rare natural communities of  
190.32 substantially comparable character and public value as mitigation for any rare natural  
190.33 community adversely affected by a project.

191.1 Sec. 46. Minnesota Statutes 2016, section 103G.2242, subdivision 14, is amended to read:

191.2 Subd. 14. **Fees established.** (a) Fees must be assessed for managing wetland bank  
191.3 accounts and transactions as follows:

191.4 (1) account maintenance annual fee: one percent of the value of credits not to exceed  
191.5 \$500;

191.6 (2) account establishment, deposit, or transfer: 6.5 percent of the value of credits not to  
191.7 exceed \$1,000 per establishment, deposit, or transfer; and

191.8 (3) withdrawal fee: 6.5 percent of the value of credits withdrawn.

191.9 (b) The board ~~may~~ must establish fees ~~at or~~ based on costs to the agency below the  
191.10 amounts in paragraph (a) for single-user or other dedicated wetland banking accounts.

191.11 (c) Fees for single-user or other dedicated wetland banking accounts established pursuant  
191.12 to section 103G.005, subdivision 10i, clause (4), are limited to establishment of a wetland  
191.13 banking account and are assessed at the rate of 6.5 percent of the value of the credits not to  
191.14 exceed \$1,000.

191.15 (d) The board may assess a fee to pay the costs associated with establishing conservation  
191.16 easements, or other long-term protection mechanisms prescribed in the rules adopted under  
191.17 subdivision 1, on property used for wetland replacement.

191.18 Sec. 47. Minnesota Statutes 2016, section 114D.15, is amended by adding a subdivision  
191.19 to read:

191.20 Subd. 3a. **Comprehensive local water management plan.** "Comprehensive local water  
191.21 management plan" has the meaning given under section 103B.3363, subdivision 3.

191.22 Sec. 48. Minnesota Statutes 2016, section 114D.15, is amended by adding a subdivision  
191.23 to read:

191.24 Subd. 3b. **Comprehensive watershed management plan.** "Comprehensive watershed  
191.25 management plan" has the meaning given under section 103B.3363, subdivision 3a.

191.26 Sec. 49. Minnesota Statutes 2016, section 114D.15, subdivision 7, is amended to read:

191.27 Subd. 7. **Restoration.** "Restoration" means actions, ~~including effectiveness monitoring,~~  
191.28 ~~that are~~ taken to pursue, achieve, and maintain water quality standards for impaired waters  
191.29 ~~in accordance with a TMDL that has been approved by the United States Environmental~~  
191.30 ~~Protection Agency under federal TMDL requirements.~~

192.1 Sec. 50. Minnesota Statutes 2016, section 114D.15, subdivision 11, is amended to read:

192.2 Subd. 11. **TMDL implementation plan.** "TMDL implementation plan" means:

192.3 (1) a document detailing restoration activities needed to meet the approved TMDL's  
 192.4 pollutant load allocations for point and nonpoint sources; or

192.5 (2) one of the following that the commissioner of the Pollution Control Agency  
 192.6 determines to be, in whole or part, sufficient to meet applicable water quality standards:

192.7 (i) a comprehensive watershed management plan;

192.8 (ii) a comprehensive local water management plan; or

192.9 (iii) an existing statewide or regional strategy published by the Pollution Control Agency.

192.10 Sec. 51. Minnesota Statutes 2016, section 114D.15, subdivision 13, is amended to read:

192.11 Subd. 13. **Watershed restoration and protection strategy or WRAPS.** "Watershed  
 192.12 restoration and protection strategy" or "WRAPS" means a document summarizing scientific  
 192.13 studies of a major watershed ~~no larger than~~ at approximately a hydrologic unit code 8 scale  
 192.14 including the physical, chemical, and biological assessment of the water quality of the  
 192.15 watershed; identification of impairments and water bodies in need of protection; identification  
 192.16 of biotic stressors and sources of pollution, both point and nonpoint; TMDL's for the  
 192.17 impairments; and ~~an implementation table containing~~ information to support strategies and  
 192.18 ~~actions~~ designed to achieve and maintain water quality standards and goals.

192.19 Sec. 52. Minnesota Statutes 2016, section 114D.20, subdivision 2, is amended to read:

192.20 Subd. 2. **Goals for implementation.** The following goals must guide the implementation  
 192.21 of this chapter:

192.22 (1) to identify impaired waters in accordance with federal TMDL requirements ~~within~~  
 192.23 ~~ten years after May 23, 2006,~~ and ~~thereafter~~ to ensure continuing evaluation of surface  
 192.24 waters for impairments;

192.25 (2) to submit TMDL's to the United States Environmental Protection Agency ~~for all~~  
 192.26 ~~impaired waters~~ in a timely manner in accordance with federal TMDL requirements;

192.27 (3) to ~~set a reasonable time~~ inform and support strategies for implementing restoration  
 192.28 ~~of each identified impaired water~~ and protection activities in a reasonable time period;

193.1 (4) to systematically evaluate waters, to provide assistance and incentives to prevent  
 193.2 waters from becoming impaired, and to improve the quality of waters that are listed as  
 193.3 impaired ~~but do not have an approved TMDL addressing the impairment;~~

193.4 (5) to promptly seek the delisting of waters from the impaired waters list when those  
 193.5 waters are shown to achieve the designated uses applicable to the waters;

193.6 (6) to achieve compliance with federal Clean Water Act requirements in Minnesota;

193.7 (7) to support effective measures to prevent the degradation of groundwater according  
 193.8 to the groundwater degradation prevention goal under section 103H.001; and

193.9 (8) to support effective measures to restore degraded groundwater.

193.10 Sec. 53. Minnesota Statutes 2016, section 114D.20, subdivision 3, is amended to read:

193.11 Subd. 3. **Implementation policies.** The following policies must guide the implementation  
 193.12 of this chapter:

193.13 (1) develop regional ~~and, multiple pollutant, or watershed TMDL's and TMDL~~  
 193.14 ~~implementation plans, and TMDL's and TMDL implementation plans for multiple pollutants~~  
 193.15 ~~or WRAPSs,~~ where reasonable and feasible;

193.16 (2) maximize use of available organizational, technical, and financial resources to perform  
 193.17 sampling, monitoring, and other activities to identify degraded groundwater and impaired  
 193.18 waters, including use of citizen monitoring and citizen monitoring data used by the Pollution  
 193.19 Control Agency in assessing water quality that meets the requirements ~~in Appendix D of~~  
 193.20 ~~the Volunteer Surface Water Monitoring Guide, Minnesota~~ established by the commissioner  
 193.21 of the Pollution Control Agency (2003);

193.22 (3) maximize opportunities for restoration of degraded groundwater and impaired waters,  
 193.23 by prioritizing and targeting of available programmatic, financial, and technical resources  
 193.24 and by providing additional state resources to complement and leverage available resources;

193.25 (4) use existing regulatory authorities to achieve restoration for point and nonpoint  
 193.26 sources of pollution where applicable, and promote the development and use of effective  
 193.27 nonregulatory measures to address pollution sources for which regulations are not applicable;

193.28 (5) use restoration methods that have a demonstrated effectiveness in reducing  
 193.29 impairments and provide the greatest long-term positive impact on water quality protection  
 193.30 and improvement and related conservation benefits while incorporating innovative approaches  
 193.31 on a case-by-case basis;

194.1 (6) identify for the legislature any innovative approaches that may strengthen or  
 194.2 complement existing programs;

194.3 (7) identify and encourage implementation of measures to prevent surface waters from  
 194.4 becoming impaired and to improve the quality of waters that are listed as impaired but have  
 194.5 no approved TMDL addressing the impairment using the best available data and technology,  
 194.6 and establish and report outcome-based performance measures that monitor the progress  
 194.7 and effectiveness of protection and restoration measures;

194.8 (8) monitor and enforce cost-sharing contracts and impose monetary damages in an  
 194.9 amount up to 150 percent of the financial assistance received for failure to comply; and

194.10 (9) identify and encourage implementation of measures to prevent groundwater from  
 194.11 becoming degraded and measures that restore groundwater resources.

194.12 Sec. 54. Minnesota Statutes 2016, section 114D.20, subdivision 5, is amended to read:

194.13 Subd. 5. **Priorities for preparing WRAPSs AND TMDL's.** In consultation with the  
 194.14 Clean Water Council shall recommend, the commissioner of the Pollution Control Agency  
 194.15 must coordinate with the commissioners of natural resources, health, and agriculture, the  
 194.16 Board of Water and Soil Resources, and, when applicable, the Minnesota Forest Resources  
 194.17 Council to establish priorities for scheduling and preparing WRAPSs and TMDL's and  
 194.18 TMDL implementation plans, taking into account, considering the severity and causes of  
 194.19 the impairment impairments, the designated uses of those the waters, and other applicable  
 194.20 federal TMDL requirements. In recommending priorities, the council shall also give  
 194.21 Consideration to, groundwater and high-quality waters and watersheds watershed protection,  
 194.22 waters and watersheds with declining water quality trends, waters used as drinking water  
 194.23 sources, and waters and watersheds:

194.24 (1) with impairments that pose the greatest potential risk to human health;

194.25 (2) with impairments that pose the greatest potential risk to threatened or endangered  
 194.26 species;

194.27 (3) with impairments that pose the greatest potential risk to aquatic health;

194.28 (4) where other public agencies and participating organizations and individuals, especially  
 194.29 local, ~~basinwide~~ basin-wide, watershed, or regional agencies or organizations, have  
 194.30 demonstrated readiness to assist in carrying out the responsibilities, including availability  
 194.31 and organization of human, technical, and financial resources necessary to undertake the  
 194.32 work; and

195.1 (5) where there is demonstrated coordination and cooperation among cities, counties,  
195.2 watershed districts, and soil and water conservation districts in planning and implementation  
195.3 of activities that will assist in carrying out the responsibilities.

195.4 Sec. 55. Minnesota Statutes 2016, section 114D.20, subdivision 7, is amended to read:

195.5 Subd. 7. **Priorities for funding prevention actions.** The Clean Water Council shall  
195.6 apply the priorities applicable under subdivision 6, as far as practicable, when recommending  
195.7 priorities for funding actions to prevent groundwater and surface waters from becoming  
195.8 degraded or impaired and to improve the quality of surface waters that are listed as impaired  
195.9 ~~but do not have an approved TMDL.~~

195.10 Sec. 56. Minnesota Statutes 2016, section 114D.20, is amended by adding a subdivision  
195.11 to read:

195.12 Subd. 8. **Alternatives; TMDL, TMDL implementation plan, or WRAPS.** (a) If the  
195.13 commissioner of the Pollution Control Agency determines that a comprehensive watershed  
195.14 management plan or comprehensive local water management plan contains information that  
195.15 is sufficient and consistent with guidance from the United States Environmental Protection  
195.16 Agency, including the recommended structure for category 4b demonstrations or its  
195.17 replacement under section 303(d) of the federal Clean Water Act, the commissioner may  
195.18 submit the plan to the Environmental Protection Agency according to federal TMDL  
195.19 requirements as an alternative to developing a TMDL.

195.20 (b) A TMDL implementation plan or a WRAPS, or portions thereof, are not needed for  
195.21 waters or watersheds when the commissioner of the Pollution Control Agency determines  
195.22 that a comprehensive watershed management plan, a comprehensive local water management  
195.23 plan, or a statewide or regional strategy published by the Pollution Control Agency meets  
195.24 the definition in section 114D.15, subdivision 11 or 13.

195.25 (c) The commissioner of the Pollution Control Agency may request that the Board of  
195.26 Water and Soil Resources conduct an evaluation of the implementation efforts under a  
195.27 comprehensive watershed management plan or comprehensive local water management  
195.28 plan when the commissioner makes a determination under paragraph (b). The board must  
195.29 conduct the evaluation in accordance with section 103B.102.

195.30 (d) The commissioner of the Pollution Control Agency may amend or revoke a  
195.31 determination made under paragraph (a) or (b) after considering the evaluation conducted  
195.32 under paragraph (c).

196.1 Sec. 57. Minnesota Statutes 2016, section 114D.20, is amended by adding a subdivision  
196.2 to read:

196.3 Subd. 9. Coordinating municipal and local water quality activities. A project, practice,  
196.4 or program for water quality improvement or protection that is conducted by a watershed  
196.5 management organization or a local government unit with a comprehensive watershed  
196.6 management plan or other water management plan approved according to chapter 103B,  
196.7 103C, or 103D may be considered as contributing to the requirements of a storm water  
196.8 pollution prevention plan (SWPPP) for a municipal separate storm sewer systems (MS4)  
196.9 permit unless the project, practice, or program was previously documented as contributing  
196.10 to a different SWPPP for an MS4 permit.

196.11 Sec. 58. Minnesota Statutes 2016, section 114D.26, is amended to read:

196.12 **114D.26 WATERSHED RESTORATION AND PROTECTION STRATEGIES.**

196.13 Subdivision 1. **Contents.** (a) The commissioner of the Pollution Control Agency shall  
196.14 must develop watershed restoration and protection strategies. ~~To ensure effectiveness and~~  
196.15 accountability in meeting the goals of this chapter, for:

196.16 (1) quantifying impairments and risks to water quality;

196.17 (2) describing the causes of impairments and pollution sources;

196.18 (3) consolidating TMDLs in a major watershed; and

196.19 (4) informing comprehensive local water management plans and comprehensive  
196.20 watershed management plans.

196.21 (b) Each WRAPS shall ~~shall~~ must:

196.22 (1) identify impaired waters and waters in need of protection;

196.23 (2) identify biotic stressors causing impairments or threats to water quality;

196.24 (3) summarize watershed modeling outputs and resulting pollution load allocations; and  
196.25 wasteload allocations, ~~and priority areas for targeting actions to improve water quality~~ and  
196.26 identify areas with high pollutant-loading rates;

196.27 (4) identify point sources of pollution for which a national pollutant discharge elimination  
196.28 system permit is required under section 115.03;

196.29 (5) identify nonpoint sources of pollution for which a national pollutant discharge  
196.30 elimination system permit is not required under section 115.03, with sufficient specificity

197.1 to ~~prioritize and geographically locate~~ inform watershed restoration and protection actions  
 197.2 strategies;

197.3 (6) describe the current pollution loading and load reduction needed for each source or  
 197.4 source category to meet water quality standards and goals, including wasteload and load  
 197.5 allocations from TMDL's;

197.6 (7) ~~contain a plan for ongoing~~ identify water quality monitoring needed to fill data gaps,  
 197.7 determine changing conditions, ~~and~~ or gauge implementation effectiveness; and

197.8 (8) contain an ~~implementation table of strategies and actions~~ that are capable of  
 197.9 cumulatively achieving needed pollution load reductions for point and nonpoint sources,  
 197.10 including identifying:

197.11 (i) water quality parameters of concern;

197.12 (ii) current water quality conditions;

197.13 (iii) water quality goals, strategies, and targets by parameter of concern; and

197.14 (iv) strategies ~~and actions by parameter of concern~~ and an example of the scale of  
 197.15 adoptions needed for each with a timeline to meet the water quality restoration or protection  
 197.16 goals of this chapter;

197.17 ~~(v) a timeline for achievement of water quality targets;~~

197.18 ~~(vi) the governmental units with primary responsibility for implementing each watershed~~  
 197.19 ~~restoration or protection strategy; and~~

197.20 ~~(vii) a timeline and interim milestones for achievement of watershed restoration or~~  
 197.21 ~~protection implementation actions within ten years of strategy adoption.~~

197.22 Subd. 1a. **Coordination.** To ensure effectiveness, efficiency, and accountability in  
 197.23 meeting the goals of this chapter, the commissioner of the Pollution Control Agency and  
 197.24 the Board of Water and Soil Resources must coordinate the schedule, budget, scope, and  
 197.25 use of a WRAPS and related documents and processes in consultation with local government  
 197.26 units and, when applicable, the Minnesota Forest Resources Council, in consideration of  
 197.27 section 114D.20, subdivision 8.

197.28 Subd. 2. **Reporting.** Beginning July 1, 2016, and every other year thereafter, the  
 197.29 commissioner of the Pollution Control Agency must report on ~~its~~ the agency's Web site the  
 197.30 progress toward implementation milestones and water quality goals for all adopted TMDL's  
 197.31 and, where available, WRAPS's.

198.1 Subd. 3. **Timelines; administration.** ~~Each year, (a) The commissioner of the Pollution~~  
 198.2 ~~Control Agency must complete WRAPS's for at least ten percent of watershed restoration~~  
 198.3 ~~and protection strategies for the state's major watersheds. WRAPS shall be by June 30,~~  
 198.4 ~~2023, unless the commissioner determines that a comprehensive watershed management~~  
 198.5 ~~plan or comprehensive local water management plan, in whole or part, meets the definition~~  
 198.6 ~~in section 114D.15, subdivision 11 or 13. As needed, the commissioner must update the~~  
 198.7 ~~strategies, in whole or part, after consultation with the Board of Water and Soil Resources~~  
 198.8 ~~and local government units.~~

198.9 (b) Watershed restoration and protection strategies are governed by the procedures for  
 198.10 approval and notice in section 114D.25, subdivisions 2 and 4, except that WRAPS the  
 198.11 strategies need not be submitted to the United States Environmental Protection Agency.

198.12 Sec. 59. Minnesota Statutes 2016, section 114D.35, subdivision 1, is amended to read:

198.13 Subdivision 1. **Public and stakeholder participation.** (a) Public agencies and private  
 198.14 entities involved in the implementation of implementing this chapter shall must encourage  
 198.15 participation by the public and stakeholders, including local citizens, landowners and, land  
 198.16 managers, and public and private organizations, in identifying impaired waters, in developing  
 198.17 TMDL's, in planning, priority setting, and implementing restoration of impaired waters, in  
 198.18 identifying degraded groundwater, and in protecting and restoring groundwater resources.

198.19 (b) In particular, the commissioner of the Pollution Control Agency shall must make  
 198.20 reasonable efforts to provide timely information to the public and to stakeholders about  
 198.21 impaired waters that have been identified by the agency. The agency shall seek broad and  
 198.22 early public and stakeholder participation in scoping the activities necessary to develop a  
 198.23 TMDL, including the scientific models, methods, and approaches to be used in TMDL  
 198.24 development, and to implement restoration pursuant to section 114D.15, subdivision 7. and  
 198.25 to inform and consult with the public and stakeholders in developing a WRAPS or TMDL.

198.26 (c) Public agencies and private entities involved in implementing restoration and  
 198.27 protection identified in a comprehensive watershed management plan or comprehensive  
 198.28 local water management plan must make efforts to inform, consult, and involve the public  
 198.29 and stakeholders.

198.30 (d) The commissioner of the Pollution Control Agency and the Board of Water and Soil  
 198.31 Resources must coordinate public and stakeholder participation in consultation with local  
 198.32 government units. To the extent practicable, implementation of this chapter must be  
 198.33 accomplished in cooperation with local, state, federal, and tribal governments and private  
 198.34 sector organizations.

199.1 Sec. 60. Minnesota Statutes 2016, section 114D.35, subdivision 3, is amended to read:

199.2 Subd. 3. **Education.** The Clean Water Council shall develop strategies for informing,  
 199.3 educating, and encouraging the participation of citizens, stakeholders, and others regarding  
 199.4 ~~the identification of impaired waters, development of TMDL's, development of TMDL~~  
 199.5 ~~implementation plans, implementation of restoration for impaired waters, identification of~~  
 199.6 ~~degraded groundwater, and protection and restoration of groundwater resources~~ this chapter.  
 199.7 Public agencies ~~shall be~~ are responsible for implementing the strategies.

199.8 Sec. 61. Minnesota Statutes 2016, section 115.03, subdivision 5, is amended to read:

199.9 Subd. 5. **Agency authority; national pollutant discharge elimination system.** (a)  
 199.10 Notwithstanding any other provisions prescribed in or pursuant to this chapter and, with  
 199.11 respect to the pollution of waters of the state, in chapter 116, or otherwise, the agency shall  
 199.12 have the authority to perform any and all acts minimally necessary including, but not limited  
 199.13 to, the establishment and application of standards, procedures, rules, orders, variances,  
 199.14 stipulation agreements, schedules of compliance, and permit conditions, consistent with  
 199.15 and, therefore not less stringent than the provisions of the Federal Water Pollution Control  
 199.16 Act, as amended, applicable to the participation by the state of Minnesota in the national  
 199.17 pollutant discharge elimination system (NPDES); provided that this provision shall not be  
 199.18 construed as a limitation on any powers or duties otherwise residing with the agency pursuant  
 199.19 to any provision of law.

199.20 (b) An activity that conveys or connects waters of the state without subjecting the  
 199.21 transferred water to intervening industrial, municipal, or commercial use does not require  
 199.22 a national pollutant discharge elimination system permit. This exemption does not apply to  
 199.23 pollutants introduced by the activity itself to the water being transferred.

199.24 Sec. 62. Minnesota Statutes 2016, section 115.03, is amended by adding a subdivision to  
 199.25 read:

199.26 Subd. 5d. **Sugar beet storage.** The commissioner must not require a beet sugar company  
 199.27 that has a current national pollutant discharge elimination permit or state disposal system  
 199.28 permit to install engineered liners for remote sugar beet storage site stormwater runoff ponds  
 199.29 unless a risk assessment confirms there is significant impact on groundwater and that an  
 199.30 engineered liner is necessary to prevent, control, or abate water pollution. For purposes of  
 199.31 this subdivision, "sugar beet storage site" means an area where sugar beets are temporarily  
 199.32 stored prior to delivery to a sugar beet processing facility that is not located on land adjacent  
 199.33 to the processing facility.

200.1 Sec. 63. Minnesota Statutes 2016, section 115.035, is amended to read:

200.2 **115.035 EXTERNAL PEER REVIEW OF WATER QUALITY STANDARDS.**

200.3 ~~(a) When the commissioner convenes an external peer review panel during the~~  
200.4 ~~promulgation or amendment of water quality standards, the commissioner must provide~~  
200.5 ~~notice and take public comment on the charge questions for the external peer review panel~~  
200.6 ~~and must allow written and oral public comment as part of the external peer review panel~~  
200.7 ~~process. Every new or revised numeric water quality standard must be supported by a~~  
200.8 ~~technical support document that provides the scientific basis for the proposed standard and~~  
200.9 ~~that has undergone external, scientific peer review. Numeric water quality standards in~~  
200.10 ~~which the agency is adopting, without change, a United States Environmental Protection~~  
200.11 ~~Agency criterion that has been through peer review are not subject to this paragraph.~~  
200.12 Documentation of the external peer review panel, including the name or names of the peer  
200.13 reviewer or reviewers, must be included in the statement of need and reasonableness for  
200.14 the water quality standard. ~~If the commissioner does not convene an external peer review~~  
200.15 ~~panel during the promulgation or amendment of water quality standards, the commissioner~~  
200.16 ~~must state the reason an external peer review panel will not be convened in the statement~~  
200.17 ~~of need and reasonableness.~~

200.18 (b) Every technical support document developed by the agency must be released in draft  
200.19 form for public comment before peer review and before finalizing the technical support  
200.20 document.

200.21 (c) The commissioner must provide public notice and information about the external  
200.22 peer review through the request for comments published at the beginning of the rulemaking  
200.23 process for the numeric water quality standard, and:

200.24 (1) the request for comments must identify the draft technical support document and  
200.25 where the document can be found;

200.26 (2) the request for comments must include a proposed charge for the external peer review  
200.27 and request comments on the charge;

200.28 (3) all comments received during the public comment period must be made available to  
200.29 the external peer reviewers; and

200.30 (4) if the agency is not soliciting external peer review because the agency is adopting a  
200.31 United States Environmental Protection Agency criterion without change, that must be  
200.32 noted in the request for comments.

201.1 (d) The purpose of the external peer review is to evaluate whether the technical support  
 201.2 document and proposed standard are based on sound scientific knowledge, methods, and  
 201.3 practices. The external peer review must be conducted according to the guidance in the  
 201.4 most recent edition of the United States Environmental Protection Agency's Peer Review  
 201.5 Handbook. Peer reviewers must not have participated in developing the scientific basis of  
 201.6 the standard. Peer reviewers must disclose any activities or circumstances that could pose  
 201.7 a conflict of interest or create an appearance of a loss of impartiality that could interfere  
 201.8 with an objective review.

201.9 (e) The type of review and the number of peer reviewers depends on the nature of the  
 201.10 science underlying the standard. When the agency is developing significant new science or  
 201.11 science that expands significantly beyond current documented scientific practices or  
 201.12 principles, a panel review must be used.

201.13 (f) In response to the findings of the external peer review, the draft technical support  
 201.14 document must be revised as appropriate. The findings of the external peer review must be  
 201.15 documented and attached to the final technical support document, which must be an exhibit  
 201.16 as part of the statement of need and reasonableness in the rulemaking to adopt the new or  
 201.17 revised numeric water quality standard. The final technical support document must note  
 201.18 changes made in response to the external peer review.

201.19 ~~(b)~~ (g) By December 15 each year, the commissioner shall post on the agency's Web  
 201.20 site a report identifying the water quality standards development work in progress or  
 201.21 completed in the past year, the lead agency scientist for each development effort, and  
 201.22 opportunities for public input.

201.23 Sec. 64. **[115.455] EFFLUENT LIMITATIONS; COMPLIANCE.**

201.24 To the extent allowable under federal law, for a municipality that constructs a publicly  
 201.25 owned treatment works facility or for an industrial national pollutant discharge elimination  
 201.26 system and state disposal system permit holder that constructs a treatment works facility to  
 201.27 comply with a new or modified effluent limitation, compliance with any new or modified  
 201.28 effluent limitation adopted after construction begins that would require additional capital  
 201.29 investment is required no sooner than 16 years after the date the facility begins operating.

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

201.31 Sec. 65. Minnesota Statutes 2016, section 115A.51, is amended to read:

201.32 **115A.51 APPLICATION REQUIREMENTS.**

202.1 (a) Applications for assistance under the program ~~shall~~ must demonstrate:

202.2 ~~(a)~~ (1) that the project is conceptually and technically feasible;

202.3 ~~(b)~~ (2) that affected political subdivisions are committed to implement the project, to  
202.4 provide necessary local financing, and to accept and exercise the government powers  
202.5 necessary to the project;

202.6 ~~(c)~~ (3) that operating revenues from the project, considering the availability and security  
202.7 of sources of solid waste and of markets for recovered resources, together with any proposed  
202.8 federal, state, or local financial assistance, will be sufficient to pay all costs over the projected  
202.9 life of the project;

202.10 ~~(d)~~ (4) that the applicant has evaluated the feasible and prudent alternatives to disposal,  
202.11 including the use of existing solid waste management facilities with reasonably available  
202.12 capacity sufficient to accomplish the goals of the proposed project and has compared and  
202.13 evaluated the costs of the alternatives, including capital and operating costs, and the effects  
202.14 of the alternatives on the cost to generators;

202.15 (5) that the applicant has identified: (i) waste management objectives in applicable county  
202.16 and regional solid waste management plans consistent with sections 115A.46, subdivision  
202.17 2, paragraphs (e) and (f), or 473.149, subdivision 1; and (ii) other solid waste facilities  
202.18 identified in the county and regional plans; and

202.19 (6) that the applicant has conducted a comparative analysis of the project against existing  
202.20 public and private solid waste facilities, including an analysis of potential displacement of  
202.21 those facilities to determine whether the project is the most appropriate alternative to achieve  
202.22 the identified waste management objectives that considers:

202.23 (i) conformity with approved county or regional solid waste management plans;

202.24 (ii) consistency with the state's solid waste hierarchy and section 115A.46, subdivision  
202.25 2, paragraphs (e) and (f), or 473.149, subdivision 1; and

202.26 (iii) environmental standards related to public health, air, surface water, and groundwater.

202.27 (b) The commissioner may require completion of a comprehensive solid waste  
202.28 management plan conforming to the requirements of section 115A.46, before accepting an  
202.29 application. Within five days of filing an application with the agency, the applicant must  
202.30 submit a copy of the application to each solid waste management facility mentioned in the  
202.31 portion of the application addressing the requirements of paragraph (a), clauses (5) and (6).

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

203.1 Sec. 66. Minnesota Statutes 2016, section 115A.94, subdivision 2, is amended to read:

203.2 Subd. 2. **Local authority.** A city or town may organize collection, after public notification  
 203.3 and hearing as required in subdivisions 4a to ~~4d~~ 4f. A county may organize collection as  
 203.4 provided in subdivision 5. A city or town that has organized collection as of May 1, 2013,  
 203.5 is exempt from subdivisions 4a to ~~4d~~ 4f.

203.6 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
 203.7 collection noticed under section 115A.94, subdivision 2, on or after that date.

203.8 Sec. 67. Minnesota Statutes 2016, section 115A.94, subdivision 4a, is amended to read:

203.9 Subd. 4a. **Committee establishment.** (a) Before implementing an ordinance, franchise,  
 203.10 license, contract, or other means of organizing collection, a city or town, by resolution of  
 203.11 the governing body, must establish ~~an organized~~ a solid waste collection options committee  
 203.12 to identify, examine, and evaluate various methods of ~~organized~~ solid waste collection. The  
 203.13 governing body shall appoint the committee members.

203.14 (b) The ~~organized~~ solid waste collection options committee is subject to chapter 13D.

203.15 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
 203.16 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after  
 203.17 that date.

203.18 Sec. 68. Minnesota Statutes 2016, section 115A.94, subdivision 4b, is amended to read:

203.19 Subd. 4b. **Committee duties.** The committee established under subdivision 4a shall:

203.20 (1) determine which methods of ~~organized~~ solid waste collection to examine, which  
 203.21 must include:

203.22 (i) the existing system of collection;

203.23 ~~(ii)~~ (ii) a system in which a single collector collects solid waste from all sections of a  
 203.24 city or town; and

203.25 ~~(iii)~~ (iii) a system in which multiple collectors, either singly or as members of an  
 203.26 organization of collectors, collect solid waste from different sections of a city or town;

203.27 (2) establish a list of criteria on which the ~~organized~~ solid waste collection methods  
 203.28 selected for examination will be evaluated, which may include: costs to residential  
 203.29 subscribers, impacts on residential subscribers' ability to choose a provider of solid waste  
 203.30 service based on the desired level of service, costs and other factors, the impact of miles  
 203.31 driven by collection vehicles on city streets and alleys and the incremental impact of miles

204.1 driven by collection vehicles, initial and operating costs to the city of implementing the  
 204.2 ~~organized~~ solid waste collection system, providing incentives for waste reduction, impacts  
 204.3 on solid waste collectors, and other physical, economic, fiscal, social, environmental, and  
 204.4 aesthetic impacts;

204.5 (3) collect information regarding the operation and efficacy of existing methods of  
 204.6 ~~organized~~ solid waste collection in other cities and towns;

204.7 (4) seek input from, at a minimum:

204.8 (i) the governing body of the city or town;

204.9 (ii) the local official of the city or town responsible for solid waste issues;

204.10 (iii) persons currently licensed to operate solid waste collection and recycling services  
 204.11 in the city or town; and

204.12 (iv) residents of the city or town who currently pay for residential solid waste collection  
 204.13 services; and

204.14 (5) issue a report on the committee's research, findings, and any recommendations to  
 204.15 the governing body of the city or town.

204.16 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
 204.17 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after  
 204.18 that date.

204.19 Sec. 69. Minnesota Statutes 2016, section 115A.94, subdivision 4c, is amended to read:

204.20 Subd. 4c. **Governing body; implementation.** The governing body of the city or town  
 204.21 shall consider the report and recommendations of the ~~organized~~ solid waste collection  
 204.22 options committee. The governing body must provide public notice and hold at least one  
 204.23 public hearing before deciding whether to implement organized collection. Organized  
 204.24 collection may begin no sooner than six months after the effective date of the decision of  
 204.25 the governing body of the city or town to implement organized collection.

204.26 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
 204.27 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after  
 204.28 that date.

204.29 Sec. 70. Minnesota Statutes 2016, section 115A.94, subdivision 4d, is amended to read:

204.30 Subd. 4d. **Participating collectors proposal requirement.** ~~Prior to~~ Before establishing  
 204.31 a committee under subdivision 4a to consider organizing residential solid waste collection,

205.1 a city or town with more than one licensed collector must notify the public and all licensed  
205.2 collectors in the community. The city or town must provide a ~~60-day~~ period of at least 60  
205.3 days in which meetings and negotiations shall occur exclusively between licensed collectors  
205.4 and the city or town to develop a proposal in which interested licensed collectors, as members  
205.5 of an organization of collectors, collect solid waste from designated sections of the city or  
205.6 town. The proposal shall include identified city or town priorities, including issues related  
205.7 to zone creation, traffic, safety, environmental performance, service provided, and price,  
205.8 and shall reflect existing haulers maintaining their respective market share of business as  
205.9 determined by each hauler's average customer count during the six months prior to the  
205.10 commencement of the ~~60-day~~ exclusive negotiation period. If an existing hauler opts to be  
205.11 excluded from the proposal, the city may allocate their customers proportionally based on  
205.12 market share to the participating collectors who choose to negotiate. The initial organized  
205.13 collection agreement executed under this subdivision must be for ~~a period of three to seven~~  
205.14 years. Upon execution of an agreement between the participating licensed collectors and  
205.15 city or town, the city or town shall establish organized collection through appropriate local  
205.16 controls and is not required to fulfill the requirements of subdivisions 4a, 4b, and 4c, except  
205.17 that the governing body must provide the public notification and hearing required under  
205.18 subdivision 4c.

205.19 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
205.20 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after  
205.21 that date.

205.22 Sec. 71. Minnesota Statutes 2016, section 115A.94, is amended by adding a subdivision  
205.23 to read:

205.24 **Subd. 4e. Parties to meet and confer.** Before the exclusive meetings and negotiations  
205.25 under subdivision 4d, participating licensed collectors and elected officials of the city or  
205.26 town must meet and confer regarding waste collection issues, including but not limited to  
205.27 road deterioration, public safety, pricing mechanisms, and contractual considerations unique  
205.28 to organized collection.

205.29 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
205.30 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after  
205.31 that date.

206.1 Sec. 72. Minnesota Statutes 2016, section 115A.94, is amended by adding a subdivision  
206.2 to read:

206.3 Subd. 4f. **Joint liability limited.** Notwithstanding section 604.02, an organized collection  
206.4 agreement must not obligate a participating licensed collector for damages to third parties  
206.5 solely caused by another participating licensed collector. The organized collection agreement  
206.6 may include joint obligations for actions that are undertaken by all the participating licensed  
206.7 collectors under this section.

206.8 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
206.9 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after  
206.10 that date.

206.11 Sec. 73. Minnesota Statutes 2016, section 115A.94, subdivision 5, is amended to read:

206.12 Subd. 5. **County organized collection.** (a) A county may by ordinance require cities  
206.13 and towns within the county to organize collection. Organized collection ordinances of  
206.14 counties may:

206.15 (1) require cities and towns to require the separation and separate collection of recyclable  
206.16 materials;

206.17 (2) specify the material to be separated; and

206.18 (3) require cities and towns to meet any performance standards for source separation  
206.19 that are contained in the county solid waste plan.

206.20 (b) A county may itself organize collection under subdivisions 4a to ~~4d~~ 4f in any city  
206.21 or town that does not comply with a county organized collection ordinance adopted under  
206.22 this subdivision, and the county may implement, as part of its organized collection, the  
206.23 source separation program and performance standards required by its organized collection  
206.24 ordinance.

206.25 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized  
206.26 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after  
206.27 that date.

206.28 Sec. 74. **[115B.172] NATURAL RESOURCES DAMAGES ACCOUNT.**

206.29 Subdivision 1. **Establishment.** The natural resources damages account is established as  
206.30 an account in the remediation fund.

206.31 Subd. 2. **Revenues.** The account consists of money from the following sources:

207.1 (1) revenues from actions taken by the attorney general on behalf of the commissioner  
 207.2 of the Pollution Control Agency and commissioner of natural resources under section  
 207.3 115B.17, subdivisions 6 and 7, unless otherwise specified by the attorney general or  
 207.4 settlement agreement;

207.5 (2) appropriations and transfers to the account as provided by law;

207.6 (3) interest earned on the account; and

207.7 (4) money received by the commissioner of the Pollution Control Agency or the  
 207.8 commissioner of natural resources for deposit in the account in the form of a gift or a grant.

207.9 Subd. 3. **Expenditures.** (a) Money in the account is appropriated to the commissioner  
 207.10 of natural resources for the purposes authorized in section 115B.20, subdivision 2, clause  
 207.11 (4).

207.12 (b) The commissioner of management and budget must allocate the amounts available  
 207.13 in any biennium to the commissioner of natural resources for the purposes of this section  
 207.14 based upon work plans submitted by the commissioner of natural resources and may adjust  
 207.15 those allocations upon submittal of revised work plans. Copies of the work plans must be  
 207.16 submitted to the chairs of the house of representatives and senate committees and divisions  
 207.17 having jurisdiction over environment and natural resources finance.

207.18 Subd. 4. **Report.** By November 1 each year, the commissioner of natural resources must  
 207.19 submit a report to the chairs and ranking minority members of the house of representatives  
 207.20 and senate committees and divisions with jurisdiction over environment and natural resources  
 207.21 policy and finance on expenditures from the natural resources damages account during the  
 207.22 previous fiscal year.

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

207.24 Sec. 75. **[115B.52] WATER QUALITY AND SUSTAINABILITY ACCOUNT.**

207.25 Subdivision 1. **Definitions.** (a) For purposes of this section and section 115B.53, the  
 207.26 following terms have the meanings given.

207.27 (b) "East metropolitan area" includes but is not limited to the cities of Woodbury,  
 207.28 Oakdale, Lake Elmo, Cottage Grove, St. Paul Park, Afton, and Newport and the townships  
 207.29 of West Lakeland and Grey Cloud Island.

207.30 (c) "Settlement" means the agreement and order entered on February 20, 2018, settling  
 207.31 litigation commenced by the state against the 3M Company under section 115B.17,  
 207.32 subdivision 7.

208.1 Subd. 2. **Establishment.** The water quality and sustainability account is established as  
208.2 an account in the remediation fund. The account consists of revenue deposited in the account  
208.3 under the terms of the settlement and earnings on the investment of money in the account.  
208.4 Money in the account may be invested through the State Board of Investment.

208.5 Subd. 3. **Expenditures.** Money in the account is appropriated to the commissioner of  
208.6 the Pollution Control Agency and to the commissioner of natural resources for the purposes  
208.7 authorized under the settlement.

208.8 Subd. 4. **Reporting.** The commissioner of the Pollution Control Agency and the  
208.9 commissioner of natural resources must jointly submit:

208.10 (1) by April 1, 2019, an implementation plan detailing how the commissioners will:

208.11 (i) determine how the priorities in the settlement will be met and how the spending will  
208.12 move from the first priority to the second priority and the second priority to the third priority  
208.13 outlined in the settlement; and

208.14 (ii) evaluate and determine what projects receive funding;

208.15 (2) by February 1 and August 1 each year, a biannual report to the chairs and ranking  
208.16 minority members of the legislative policy and finance committees with jurisdiction over  
208.17 environment and natural resources on expenditures from the water quality and sustainability  
208.18 account during the previous six months; and

208.19 (3) by August 1, 2019, and each year thereafter, a report to the legislature on expenditures  
208.20 from the water quality and sustainability account during the previous fiscal year and a  
208.21 spending plan for anticipated expenditures from the account during the current fiscal year.

208.22 Subd. 5. **Local approval.** The commissioner of the Pollution Control Agency or  
208.23 commissioner of natural resources must receive approval from the local unit of government  
208.24 before assuming control or otherwise operating an existing municipal water supply operation  
208.25 in the east metropolitan area.

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

208.27 Sec. 76. **[115B.53] WATER QUALITY AND SUSTAINABILITY STAKEHOLDERS.**

208.28 The commissioner of the Pollution Control Agency and the commissioner of natural  
208.29 resources must work with stakeholders to identify and recommend projects to receive funding  
208.30 from the water quality and sustainability account under the settlement. Stakeholders include,  
208.31 at a minimum, representatives of the agency, the Department of Natural Resources, east  
208.32 metropolitan area municipalities, and the 3M Company. The commissioners must establish

209.1 a process to solicit and evaluate the recommendations from municipalities in the east  
209.2 metropolitan area as defined in section 115B.52.

209.3 Sec. 77. Minnesota Statutes 2017 Supplement, section 116.0714, is amended to read:

209.4 **116.0714 NEW OPEN-AIR SWINE BASINS.**

209.5 (a) The commissioner of the Pollution Control Agency or a county board shall not  
209.6 approve any permits for the construction of new open-air swine basins, except that existing  
209.7 facilities may use one basin of less than 1,000,000 gallons as part of a permitted waste  
209.8 treatment program for resolving pollution problems or to allow conversion of an existing  
209.9 basin of less than 1,000,000 gallons to a different animal type, provided all standards are  
209.10 met. This section expires June 30, 2022.

209.11 (b) This section does not apply to basins used solely for wastewater from truck-washing  
209.12 facilities.

209.13 Sec. 78. Minnesota Statutes 2016, section 116.155, subdivision 1, is amended to read:

209.14 Subdivision 1. **Creation.** The remediation fund is created as a special revenue fund in  
209.15 the state treasury to provide a reliable source of public money for response and corrective  
209.16 actions to address releases of hazardous substances, pollutants or contaminants, agricultural  
209.17 chemicals, and petroleum, and for environmental response actions at qualified landfill  
209.18 facilities for which the agency has assumed such responsibility, including perpetual care of  
209.19 such facilities. The specific purposes for which the general portion of the fund may be spent  
209.20 are provided in subdivision 2. In addition to the general portion of the fund, the fund contains  
209.21 ~~two~~ four accounts described in subdivisions 4 ~~and 5~~ to 5b.

209.22 Sec. 79. Minnesota Statutes 2016, section 116.155, is amended by adding a subdivision  
209.23 to read:

209.24 Subd. 5a. **Water quality and sustainability account.** The water quality and sustainability  
209.25 account is as described in section 115B.52.

209.26 Sec. 80. Minnesota Statutes 2016, section 116.155, is amended by adding a subdivision  
209.27 to read:

209.28 Subd. 5b. **Natural resources damages account.** The natural resources damages account  
209.29 is as described in section 115B.172.

210.1 Sec. 81. Minnesota Statutes 2016, section 116.993, subdivision 2, is amended to read:

210.2 Subd. 2. **Eligible borrower.** To be eligible for a loan under this section, a borrower  
210.3 must:

210.4 (1) be a small business corporation, sole proprietorship, partnership, or association;

210.5 (2) be a potential emitter of pollutants to the air, ground, or water;

210.6 (3) need capital for equipment purchases that will meet or exceed environmental  
210.7 regulations or need capital for site investigation and cleanup;

210.8 (4) have ~~less~~ fewer than ~~50~~ 100 full-time equivalent employees; and

210.9 (5) have an ~~after-tax~~ after-tax profit of less than \$500,000; ~~and~~.

210.10 ~~(6) have a net worth of less than \$1,000,000.~~

210.11 Sec. 82. Minnesota Statutes 2016, section 116.993, subdivision 6, is amended to read:

210.12 Subd. 6. **Loan conditions.** A loan made under this section must include:

210.13 (1) an interest rate that is ~~four percent or~~ at or below one-half the prime rate, ~~whichever~~  
210.14 ~~is greater~~ not to exceed five percent;

210.15 (2) a term of payment of not more than seven years; and

210.16 (3) an amount not less than \$1,000 or exceeding ~~\$50,000~~ \$75,000.

210.17 Sec. 83. Minnesota Statutes 2016, section 180.03, subdivision 2, is amended to read:

210.18 Subd. 2. **Fences.** Every person, firm, or corporation that is or has been engaged in the  
210.19 business of mining or removing iron ore, taconite, semitaconite or other minerals except  
210.20 sand, crushed rock, and gravel shall erect and maintain, as a minimum, a three strand wire  
210.21 fence along the outside perimeter of the excavation, open pit, or shaft of any mine in which  
210.22 mining operations have ceased for a period of six consecutive months or longer. Based upon  
210.23 local site conditions that may exist at shafts, caves, or open pits, the county mine inspector  
210.24 may require more secure fencing such as barbed wire or mesh fence, or may require barriers,  
210.25 appropriate signs, or any combination of the above, to reduce the possibility of accidental  
210.26 falls. The county mine inspector may grant exemptions under subdivision 4. Where mining  
210.27 operations have ceased and not resumed, the fence, barrier, signs, or combination of them  
210.28 required by this section shall be erected within two years from the date when the county  
210.29 mine inspector directs the erection of fences, barriers, signs, or combination of them.

211.1 Sec. 84. Minnesota Statutes 2016, section 180.03, subdivision 3, is amended to read:

211.2 Subd. 3. **Abandoned mines.** Except as described in subdivision 4, when a mine is idle  
 211.3 or abandoned it is the duty of the inspector of mines to notify the person, firm, or corporation  
 211.4 that is or has been engaged in the business of mining to erect and maintain around all the  
 211.5 shafts, caves, and open pits of such mines a fence, barrier, appropriate signs, or combination  
 211.6 of them, suitable to warn of the presence of shafts, caves, or open pits and reduce the  
 211.7 possibility of accidentally falling into these shafts, caves, or open pits. If the mine has been  
 211.8 idled or abandoned, or if the person, firm, or corporation that has been engaged in the  
 211.9 business of mining no longer exists, the fee owner shall erect and maintain the fence, barrier,  
 211.10 or signs required by this section. If the fee owner fails to act, the county in which the mining  
 211.11 operation is located may, in addition to any other remedies available, abate the nuisance by  
 211.12 erecting or maintaining the fence, barrier, or signs and assessing the costs and related  
 211.13 expenses pursuant to section 429.101.

211.14 Sec. 85. Minnesota Statutes 2016, section 180.03, subdivision 4, is amended to read:

211.15 Subd. 4. **Exemptions.** (a) The portion of an excavation, cave, open or water-filled pit,  
 211.16 or shaft is exempt from the requirements of this section if:

211.17 (1) it is located on property owned, leased, or administered by the Office of the  
 211.18 Commissioner of Iron Range Resources and Rehabilitation;

211.19 (2) it is for the construction, operation, maintenance, or administration of:

211.20 (i) grants-in-aid trails as defined in section 85.018;

211.21 (ii) property owned or leased by a municipality, as defined in section 466.01, subdivision  
 211.22 1, that is intended or permitted to be used as a park, an open area for recreational purposes,  
 211.23 or for the provision of recreational services, including the creation of trails or paths without  
 211.24 artificial surfaces; or

211.25 (iii) recreational use, as defined in section 604A.21, subdivisions 5 and 6, provided the  
 211.26 use is administered by a municipality, as defined in section 466.01, subdivision 1;

211.27 (3) it is for economic development purposes under chapter 469; or

211.28 (4) upon written application by the property owner, the county mine inspector ~~may~~  
 211.29 ~~exempt from the requirements of subdivision 2, any abandoned excavation, open pit, or~~  
 211.30 ~~shaft which~~ determines that it is provided with fencing, barriers, appropriate signs, or  
 211.31 combinations of them, in a manner that is reasonably similar to the standards in subdivision  
 211.32 2, or which if, in the inspector's judgment, it does not constitute a safety hazard.

212.1 (b) Where an exemption applies, there shall be, at a minimum, appropriate signs posted  
 212.2 by the recipient of the exemption consistent with section 97B.001, subdivision 4:

212.3 (1) at each location of public access to the mining area restricting access to designated  
 212.4 areas and warning of possible dangers due to the presence of excavations, shafts, caves, or  
 212.5 open or water-filled pits;

212.6 (2) prohibiting public access beyond the boundaries of the designated public access area;  
 212.7 and

212.8 (3) identifying those areas where the property on which public access is allowed abuts  
 212.9 private property.

212.10 (c) Where an exemption applies, to reduce the possibility of inadvertent access beyond  
 212.11 the boundaries of the designated public access area, any new fencing erected by the recipient  
 212.12 of the exemption in accordance with subdivision 2 or 3 shall be maintained by the recipient  
 212.13 of the exemption.

212.14 (d) Notwithstanding section 180.10, limited openings in preexisting fencing may be  
 212.15 created and maintained by the recipient of the exemption or its agent to provide public  
 212.16 access to the designated public access area.

212.17 (e) The county mine inspector has the authority to enter, examine, and inspect any and  
 212.18 all property exempted under this section at all reasonable times by day or by night, and, in  
 212.19 addition to enforcing the provisions of this chapter, may make recommendations regarding  
 212.20 the erection of fences, barriers, signs, or a combination of them.

212.21 Sec. 86. Minnesota Statutes 2016, section 180.10, is amended to read:

212.22 **180.10 REMOVAL OF FENCE; GUARD.**

212.23 A worker, employee, or other person who opens, removes, or disturbs any fence, guard,  
 212.24 barrier, sign, or rail required by section 180.03 and fails to close or replace or have the same  
 212.25 closed or replaced again around or in front of any mine shaft, pit, chute, excavation, cave,  
 212.26 or land liable to cave, injure, or destroy, whether by accident, injury, or damage results,  
 212.27 either to the mine or those at work therein, or to any other person, shall be guilty of a  
 212.28 misdemeanor. A worker, employee, or other person who, in regard to any fence, guard,  
 212.29 barrier, sign, or rail, does any of the acts prohibited by section 609.52, commits theft of the  
 212.30 fence, guard, barrier, sign, or rail may be sentenced as provided in section 609.52.

213.1 Sec. 87. Minnesota Statutes 2016, section 216G.01, subdivision 3, is amended to read:

213.2 Subd. 3. **Pipeline.** "Pipeline" means a pipeline owned or operated by a condemning  
 213.3 authority, as defined in section 117.025, subdivision 4, located in this state which is used  
 213.4 to transport natural or synthetic gas at a pressure of more than 90 pounds per square inch,  
 213.5 or to transport crude petroleum or petroleum fuels or oil or their derivatives, coal, anhydrous  
 213.6 ammonia or any mineral slurry to a distribution center or storage facility which is located  
 213.7 within or outside of this state. "Pipeline" does not include a pipeline owned or operated by  
 213.8 a natural gas public utility as defined in section 216B.02, subdivision 4.

213.9 Sec. 88. **[383A.606] DISCONTINUANCE OF RAMSEY SOIL AND WATER**  
 213.10 **CONSERVATION DISTRICT; TRANSFER OF DUTIES.**

213.11 Subdivision 1. **Discontinuance.** Notwithstanding section 103C.225, the Ramsey Soil  
 213.12 and Water Conservation District is discontinued effective July 1, 2018, and its duties and  
 213.13 authorities are transferred to the Ramsey County Board of Commissioners.

213.14 Subd. 2. **Transfer of duties and authorities.** The Ramsey County Board of  
 213.15 Commissioners has the duties and authorities of a soil and water conservation district. All  
 213.16 contracts in effect on the date of the discontinuance of the district to which Ramsey Soil  
 213.17 and Water Conservation District is a party remain in force and effect for the period provided  
 213.18 in the contracts. The Ramsey County Board of Commissioners shall be substituted for the  
 213.19 Ramsey Soil and Water Conservation District as party to the contracts and succeed to the  
 213.20 district's rights and duties.

213.21 Subd. 3. **Transfer of assets.** The Ramsey Soil and Water Conservation District Board  
 213.22 of Supervisors shall transfer the assets of the district to the Ramsey County Board of  
 213.23 Commissioners. The Ramsey County Board of Commissioners shall use the transferred  
 213.24 assets for the purposes of implementing the transferred duties and authorities.

213.25 Subd. 4. **Reestablishment.** The Ramsey County Board of Commissioners may petition  
 213.26 the Minnesota Board of Water and Soil Resources to reestablish the Ramsey Soil and Water  
 213.27 Conservation District. Alternatively, the Minnesota Board of Water and Soil Resources  
 213.28 under its authority in section 103C.201, and after giving notice of corrective actions and  
 213.29 time to implement the corrective actions, may reestablish the Ramsey Soil and Water  
 213.30 Conservation District if it determines the goals established in section 103C.005 are not  
 213.31 being achieved. The Minnesota Board of Water and Soil Resources may reestablish the  
 213.32 Ramsey Soil and Water Conservation District under this subdivision without a referendum.

214.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
214.2 Ramsey County and its chief clerical officer timely complete their compliance with Minnesota  
214.3 Statutes, section 645.021, subdivisions 2 and 3.

214.4 Sec. 89. Laws 2016, chapter 189, article 3, section 48, is amended to read:

214.5 Sec. 48. **LAKE SERVICE PROVIDER FEASIBILITY REPORT.**

214.6 The commissioner of natural resources shall report to the chairs of the house of  
214.7 representatives and senate committees with jurisdiction over natural resources by January  
214.8 15, ~~2019~~ 2020, regarding the feasibility of expanding permitting to service providers as  
214.9 described in Minnesota Statutes, section 84D.108, subdivision 2a, to other water bodies in  
214.10 the state. The report must:

214.11 (1) include recommendations for state and local resources needed to implement the  
214.12 program;

214.13 (2) assess local government inspection roles under Minnesota Statutes, section 84D.105,  
214.14 subdivision 2, paragraph (g); and

214.15 (3) assess whether mechanisms to ensure that water-related equipment placed back into  
214.16 the same body of water from which it was removed can adequately protect other water  
214.17 bodies.

214.18 Sec. 90. Laws 2017, chapter 93, article 2, section 155, subdivision 5, is amended to read:

214.19 Subd. 5. **Sunset.** This section expires ~~two~~ three years from the day following final  
214.20 enactment.

214.21 Sec. 91. Laws 2017, chapter 93, article 2, section 163, is amended to read:

214.22 Sec. 163. **ACTION TO OBTAIN ACCESS PROHIBITED; CLEARWATER**  
214.23 **COUNTY.**

214.24 Before July 1, ~~2018~~ 2019, the commissioner of natural resources must not initiate a civil  
214.25 action to obtain access to Island Lake FMHA Wildlife Management Area in Clearwater  
214.26 County.

215.1 Sec. 92. **RECREATIONAL TRAILS; ENVIRONMENTAL REVIEW;**  
215.2 **RULEMAKING.**

215.3 (a) The Environmental Quality Board must amend Minnesota Rules, chapter 4410, to  
215.4 be consistent with this section, including amending Minnesota Rules, part 4410.4300, subpart  
215.5 37, as follows:

215.6 (1) item A must be amended to read: "Constructing a trail at least 25 miles long on  
215.7 forested or other naturally vegetated land for a recreational use unless exempted by part  
215.8 4410.4600, subpart 14, item D.";

215.9 (2) item B must be amended to read: "Designating at least 25 miles of an existing trail  
215.10 for a new motorized recreational use other than snowmobiling. When designating an existing  
215.11 motorized trail or existing corridor in current legal use by motor vehicles, for a new motorized  
215.12 recreational use, this designation must not contribute to the 25-mile threshold. When adding  
215.13 a new recreational use or seasonal recreational use to an existing motorized recreational  
215.14 trail if the treadway width is not expanded as a result of the added use, this addition must  
215.15 not contribute to the 25-mile threshold."; and

215.16 (3) when applying items A and B, the rule must be amended to read: "In applying items  
215.17 A and B, if a proposed trail will contain segments of newly constructed trail and segments  
215.18 that will follow an existing trail but be designated for a new motorized use, an EAW must  
215.19 be prepared if the sum of the total is at least 25-mile long."

215.20 (b) The board may use the good cause exemption rulemaking procedure under Minnesota  
215.21 Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and  
215.22 Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota  
215.23 Statutes, section 14.388.

215.24 Sec. 93. **WETLAND REPLACEMENT; FRAMEWORKS FOR IN-LIEU FEE**  
215.25 **PROGRAM.**

215.26 The Board of Water and Soil Resources, in cooperation with the United States Army  
215.27 Corps of Engineers, may complete the planning frameworks and other program application  
215.28 requirements necessary for federal approval of an in-lieu fee program, as authorized under  
215.29 Minnesota Statutes, section 103G.2242, in the Red River basin and the greater than 80  
215.30 percent area. The planning frameworks must contain a prioritization strategy for selecting  
215.31 and implementing mitigation activities based on a watershed approach that includes  
215.32 consideration of historic resource loss within watersheds and the extent to which mitigation  
215.33 can address priority watershed needs. The board must consider the recommendations of the

216.1 report "Siting of Wetland Mitigation in Northeast Minnesota," dated March 7, 2014, and  
216.2 implementation of Minnesota Statutes, section 103B.3355, paragraphs (e) and (f), in  
216.3 developing proposed planning frameworks for applicable watersheds. When completing  
216.4 the work and pursuing approval of an in-lieu fee program, the board must do so consistent  
216.5 with the applicable requirements, stakeholder and agency review processes, and approval  
216.6 time frames in Code of Federal Regulations, title 33, section 332. The board must submit  
216.7 any completed planning frameworks to the chairs and ranking minority members of the  
216.8 house of representatives and the senate committees and divisions with jurisdiction over  
216.9 environment and natural resources upon receiving federal approval.

216.10 Sec. 94. **TESTING FOR PRIVATE WELLS; EAST METROPOLITAN AREA.**

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

216.13 (b) "East metropolitan area" means:

216.14 (1) the cities of Afton, Cottage Grove, Lake Elmo, Maplewood, Newport, Oakdale, St.  
216.15 Paul Park, and Woodbury;

216.16 (2) the townships of Denmark, Grey Cloud Island, and West Lakeland; and

216.17 (3) other areas added by the commissioner that have a potential for significant  
216.18 groundwater pollution from PFCs.

216.19 (c) "PFCs" means perfluorinated and polyfluorinated chemicals.

216.20 Subd. 2. **Testing for private wells.** To provide results of PFC groundwater monitoring  
216.21 to the public, the commissioner of the Pollution Control Agency must develop a Web page  
216.22 that may include, but is not limited to, the following:

216.23 (1) the process for private and public well PFC sampling in the east metropolitan area;

216.24 (2) an interactive map system that allows the public to view locations of the Department  
216.25 of Health well advisories and areas projected to be sampled for PFCs; and

216.26 (3) how to contact the Pollution Control Agency or Department of Health staff to answer  
216.27 questions on sampling of private wells.

216.28 Subd. 3. **Test reporting.** (a) By January 15 each year, the commissioner of the Pollution  
216.29 Control Agency must report to each community in the east metropolitan area a summary  
216.30 of the results of the testing for private wells in the community. The report must include  
216.31 information on the number of wells tested and trends of PFC contamination in private wells

217.1 in the community. Reports to communities under this section must also be published on the  
 217.2 Pollution Control Agency's Web site.

217.3 (b) By January 15 each year, the commissioner of the Pollution Control Agency must  
 217.4 report to the legislature, as provided in Minnesota Statutes, section 3.195, on the testing for  
 217.5 private wells conducted in the east metropolitan area, including copies of the community  
 217.6 reports required in paragraph (a), the number of requests for well testing in each community,  
 217.7 and the total amount spent for testing private wells in each community.

217.8 **Sec. 95. TEMPORARY ENFORCEMENT OF GROUNDWATER APPROPRIATION**  
 217.9 **PERMIT REQUIREMENTS.**

217.10 (a) Until July 1, 2019, the commissioner of natural resources must not expend funds to  
 217.11 suspend or revoke a water appropriation permit, issue an order requiring a violation to be  
 217.12 corrected, assess monetary penalties, or otherwise take enforcement action against a water  
 217.13 appropriation permit holder if the suspension, revocation, order, penalty, or other enforcement  
 217.14 action is based solely on a violation of a permit requirement added to a groundwater  
 217.15 appropriation permit within the north and east metro groundwater management area as a  
 217.16 result of a court order issued in 2017.

217.17 (b) The commissioner of natural resources may continue to use all the authorities granted  
 217.18 to the commissioner under Minnesota Statutes, section 103G.287, to manage groundwater  
 217.19 resources within the north and east groundwater management area.

217.20 **Sec. 96. GROUNDWATER MANAGEMENT AREA PERMIT REQUIREMENTS.**

217.21 (a) Notwithstanding water appropriation permit requirements added by the commissioner  
 217.22 of natural resources as a result of a court order issued in 2017, a public water supplier located  
 217.23 in the seven-county metropolitan area within a designated groundwater management area:

217.24 (1) is not required to revise a water supply plan to include contingency plans to fully or  
 217.25 partially convert its water supplies to surface water;

217.26 (2) may prepare, enact, and enforce commercial or residential irrigation bans or alternative  
 217.27 measures that achieve similar water use reductions when notified by the commissioner of  
 217.28 natural resources that lake levels have fallen below court-ordered levels; and

217.29 (3) is not required to use per capita residential water use as a measure for purposes of  
 217.30 water use reduction goals, plans, and implementation and may submit water use plans and  
 217.31 reports that use a measure other than per capita residential water use.

217.32 (b) This section expires July 1, 2019.

218.1 **Sec. 97. RULEMAKING; DISPOSAL FACILITY CERTIFICATES.**

218.2 (a) The commissioner of the Pollution Control Agency must amend Minnesota Rules,  
218.3 part 7048.1000, subpart 4, item D, to require six contact hours of required training to renew  
218.4 a type IV disposal facility certificate, by April 30, 2019, or nine months after enactment of  
218.5 this section, whichever is earlier.

218.6 (b) The commissioner may use the good cause exemption under Minnesota Statutes,  
218.7 section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota  
218.8 Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes,  
218.9 section 14.388.

218.10 **Sec. 98. APPLICATION OF STORM WATER RULES TO TOWNSHIPS.**

218.11 Until the Pollution Control Agency amends rules for storm water, Minnesota Rules, part  
218.12 7090.1010, subpart 1, item B, subitem (1), only applies to the portions of the city or township  
218.13 that are designated as urbanized under Code of Federal Regulations, title 40, section 122.26  
218.14 (a)(9)(i)(A), and other platted areas within that jurisdiction.

218.15 **Sec. 99. FOREST INVENTORY RECOMMENDATIONS.**

218.16 The Minnesota Forest Resources Council shall work in cooperation with the Interagency  
218.17 Information Cooperative and the University of Minnesota Department of Forest Resources  
218.18 to make recommendations for improving stand-level forest inventories. Recommendations  
218.19 shall include the frequency and scope of forest inventory and design and technological  
218.20 improvements and efficiencies that may be utilized in forest inventory data collection and  
218.21 analysis. The recommendations shall address forest inventories of state- and  
218.22 county-administered forest lands and other interested land managers. Recommendations  
218.23 shall be reported to the house of representatives Environment and Natural Resources Policy  
218.24 and Finance Committee, the senate Environment and Natural Resources Finance Committee,  
218.25 and the senate Environment and Natural Resources Policy and Legacy Finance Committee  
218.26 by February 1, 2019.

218.27 **Sec. 100. LAKE WINONA MANAGEMENT; USING OFFSET, ADAPTIVE**  
218.28 **PLANNING.**

218.29 (a) To facilitate implementation of the Lake Winona total maximum daily load, the  
218.30 Alexandria Lake Area Sanitary District may fund or perform lake management activities  
218.31 in Lake Winona and in Lake Agnes. Lake management activities may include but are not  
218.32 limited to carp removal and alum treatment. If the district agrees to fund or perform lake

219.1 management activities in Lake Winona and in Lake Agnes, the commissioner of the Pollution  
219.2 Control Agency shall do one of the following unless the district chooses another path to  
219.3 compliance that conforms to state and federal law, such as facility construction:

219.4 (1) approve an offset of the phosphorous loading proportional to the reduction achievable  
219.5 through lake management activities in Lake Winona and Lake Agnes creditable to the  
219.6 Alexandria Lake Area Sanitary District's wastewater treatment facility and issue or amend  
219.7 the district's NPDES permit MN004738 to include the offset. The approved offset may be  
219.8 related to the lake eutrophication response variable chlorophyll-a, but shall ensure the district  
219.9 can achieve compliance with phosphorus effluent limits through wastewater optimization  
219.10 techniques without performing capital upgrades to the wastewater treatment facility. The  
219.11 lake management activities contemplated under paragraph (a) need not be completed before  
219.12 the commissioner approves the offset and related discharge limits or issues the permit, but  
219.13 the permit may include a schedule of compliance outlining the required lake management  
219.14 activities and requiring that lake management activities in Lake Winona and Lake Agnes  
219.15 begin immediately upon permit issuance. The approved offset and related permit language  
219.16 must be consistent with Clean Water Act requirements and Minnesota Statutes, section  
219.17 115.03, subdivision 10; or

219.18 (2) amend the district's NPDES permit MN004738 in a manner consistent with state and  
219.19 federal law to include an integrated and adaptive lake management plan and to extend the  
219.20 final compliance deadline for the final phosphorus concentration effluent limit related to  
219.21 the site specific standard for Lake Winona contained in the district's permit until such time  
219.22 that carp removal in Lake Winona can be completed and the lake can be reassessed. The  
219.23 permit may include a schedule of compliance outlining the required lake management  
219.24 activities and requiring that lake management activities in Lake Winona and Lake Agnes  
219.25 begin immediately upon permit issuance.

219.26 (b) If the district agrees to fund or perform the lake management activities identified in  
219.27 paragraph (a), the district may cooperate with the city of Alexandria in those efforts. The  
219.28 district's responsibility for lake management activities in Lake Winona and Lake Agnes  
219.29 terminates upon completion of the lake management activities identified in the schedule of  
219.30 compliance contemplated under paragraph (a).

219.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
219.32 Alexandria Lake Area Sanitary District and its chief clerical officer timely complete their  
219.33 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

220.1 Sec. 101. **MORATORIUM ON MUSKELLUNGE STOCKING IN OTTER TAIL**  
220.2 **COUNTY.**

220.3 (a) Until August 1, 2023, the commissioner of natural resources must not stock  
220.4 muskellunge in waters wholly located in Otter Tail County. Any savings realized as a result  
220.5 must be used for walleye stocking. This paragraph does not apply to lakes located wholly  
220.6 within the boundaries of a state park.

220.7 (b) The commissioner of natural resources must convene a stakeholder group to examine  
220.8 the effect of muskellunge on the environment, waters, and native fish of Otter Tail County.  
220.9 The stakeholder group must include an Otter Tail County commissioner, a representative  
220.10 of the Minnesota Chamber of Commerce, and a representative of an Otter Tail County lake  
220.11 association. The stakeholder group must examine existing scientific research and must  
220.12 determine whether additional research is necessary. If the stakeholder group determines  
220.13 that muskellunge do not pose a threat to the environment, waters, or native fish of Otter  
220.14 Tail County, the stakeholder group may recommend that the legislature repeal or adjust the  
220.15 moratorium imposed under paragraph (a).

220.16 **EFFECTIVE DATE.** This section is effective the day after the Otter Tail County Board  
220.17 of Commissioners and its chief clerical officer timely complete their compliance with  
220.18 Minnesota Statutes, section 645.021, subdivisions 2 and 3, but not before July 1, 2018.

220.19 Sec. 102. **NATURAL RESOURCES YOUTH SAFETY EDUCATION PROGRAMS**  
220.20 **DELIVERY.**

220.21 The commissioner of natural resources shall review and research options for delivering  
220.22 online safety training programs for youth and adult students, including off-highway vehicles  
220.23 and hunter education, that are maintained and delivered by the state that functions  
220.24 independently from an outside contract vendor. By March 1, 2019, the commissioner shall  
220.25 report to the chairs of the senate and house of representatives environment and natural  
220.26 resources policy and finance committees on options identified under this section.

220.27 Sec. 103. **NONPOINT PRIORITY FUNDING PLAN WORKGROUP.**

220.28 The Board of Water and Soil Resources must convene a workgroup consisting of  
220.29 representatives of state agencies, local governments, tribal governments, private and nonprofit  
220.30 organizations, and others to review the nonpoint priority funding plan under Minnesota  
220.31 Statutes, section 114D.50, subdivision 3a. By January 31, 2019, the board must submit a  
220.32 report to the chairs and ranking minority members of the house of representatives and senate  
220.33 committees with jurisdiction over environment and natural resources that contains

221.1 recommendations to improve the effectiveness of nonpoint priority funding plans to meet  
221.2 the requirements in Minnesota Statutes, section 114D.50, subdivision 3a, the purposes in  
221.3 Minnesota Statutes, section 114D.50, subdivision 3, and the watershed and groundwater  
221.4 restoration and protection goals of Minnesota Statutes, chapters 103B and 114D.

221.5 Sec. 104. **CHRONIC WASTING DISEASE TASK FORCE.**

221.6 Subdivision 1. **Creation; membership.** (a) The Chronic Wasting Disease Task Force  
221.7 consists of 22 members appointed as follows:

221.8 (1) the chairs and ranking minority members of the senate committees with jurisdiction  
221.9 over environment and natural resources policy and finance;

221.10 (2) the chair and ranking minority member of the house of representatives Environment  
221.11 and Natural Resources Policy and Finance Committee and two additional members of that  
221.12 committee selected by the chair of that committee, one from the majority party, and one  
221.13 from the minority party;

221.14 (3) the chairs and ranking minority members of the senate and house of representatives  
221.15 committees with jurisdiction over agriculture policy and finance;

221.16 (4) a representative from the Department of Natural Resources, the Department of  
221.17 Agriculture, and the Board of Animal Health; and

221.18 (5) a representative from the Minnesota Elk Breeders Association, Minnesota Deer  
221.19 Farmers Association, and the Minnesota Deer Hunters Association.

221.20 (b) The appointing authorities must make their respective appointments no later than  
221.21 July 15, 2018.

221.22 Subd. 2. **Chair; meetings.** (a) The chair of the task force alternates each meeting between  
221.23 the chair of the senate Environment and Natural Resources Policy Committee and the chair  
221.24 of the house of representatives Environment and Natural Resources Policy and Finance  
221.25 Committee. The senate chair shall chair the first meeting, which shall be no later than August  
221.26 15, 2018.

221.27 (b) The task force shall meet upon the call of the chair.

221.28 Subd. 3. **Administrative support.** The Legislative Coordinating Commission shall  
221.29 provide administrative support and meeting space for the task force.

221.30 Subd. 4. **Duties.** The task force must study and provide recommendations on:

222.1 (1) whether and how recommendations included in the legislative auditor's Board of  
222.2 Animal Health's Oversight of Deer and Elk Farms report should be implemented;

222.3 (2) methods to improve the coordination and effectiveness of the chronic wasting disease  
222.4 prevention and response activities of government agencies and other stakeholders; and

222.5 (3) whether it is possible to develop a method for detecting the presence of the disease  
222.6 in living cervids and what resources would be required to do so.

222.7 Subd. 5. **Report.** No later than January 15, 2019, the task force shall submit a report to  
222.8 the chairs of the house of representatives and senate committees with jurisdiction over  
222.9 environment and natural resources finance containing the findings of the task force.

222.10 Subd. 6. **Expiration.** The task force expires 45 days after the report and recommendations  
222.11 are delivered to the legislature or on June 30, 2019, whichever date is earlier.

222.12 Sec. 105. **BOARD OF ANIMAL HEALTH TASK FORCE.**

222.13 Subdivision 1. **Creation; membership.** (a) The Board of Animal Health Task Force  
222.14 consists of 25 members appointed as follows:

222.15 (1) the chairs and ranking minority members of the senate committees with jurisdiction  
222.16 over environment and natural resources policy and finance;

222.17 (2) the chair and ranking minority member of the house of representatives Environment  
222.18 and Natural Resources Policy and Finance Committee and two additional members of that  
222.19 committee selected by the chair of that committee, one from the majority party, and one  
222.20 from the minority party;

222.21 (3) the chairs and ranking minority members of the senate and house of representatives  
222.22 committees with jurisdiction over agriculture policy and finance;

222.23 (4) the commissioner of agriculture, or the commissioner's designee; and

222.24 (5) a representative from the Minnesota Elk Breeders Association, the Minnesota Deer  
222.25 Farmers Association, the Minnesota Deer Hunters Association, the Minnesota Pork Producers  
222.26 Association, the Minnesota Cattlemen's Association, the Minnesota Farmer's Union, the  
222.27 Minnesota Farm Bureau, and the Minnesota Turkey Growers Association.

222.28 (b) The appointing authorities must make their respective appointments no later than  
222.29 July 15, 2018.

222.30 Subd. 2. **Chair; meetings.** (a) The chair of the task force alternates each meeting between  
222.31 the chair of the senate Environment and Natural Resources Policy Committee and the chair

223.1 of the house of representatives Environment and Natural Resources Policy and Finance  
 223.2 Committee. The senate chair shall chair the first meeting, which shall be no later than August  
 223.3 15, 2018.

223.4 (b) The task force shall meet upon the call of the chair.

223.5 Subd. 3. **Administrative support.** The Legislative Coordinating Commission shall  
 223.6 provide administrative support and meeting space for the task force.

223.7 Subd. 4. **Duties.** The task force must study and provide recommendations related to:

223.8 (1) the overall effectiveness of the board's execution of its statutory duties, including its  
 223.9 duties to protect the health of Minnesota's domestic animals, manage domestic animal  
 223.10 diseases, and enforce domestic animal-related laws;

223.11 (2) whether the structure, membership, and duties of the board are optimally designed  
 223.12 to further the purposes for which the board was created and to serve the communities it is  
 223.13 designed to serve; and

223.14 (3) whether and how recommendations included in the legislative auditor's Board of  
 223.15 Animal Health's Oversight of Deer and Elk Farms report should be implemented.

223.16 Subd. 5. **Duty to cooperate.** Upon request, the Board of Animal Health shall provide  
 223.17 the task force with any information requested by the task force in connection with the  
 223.18 exercise of its duties. The Board of Animal Health may redact nonpublic information from  
 223.19 the information prior to providing information under this subdivision.

223.20 Subd. 6. **Report.** No later than January 15, 2019, the task force shall submit a report to  
 223.21 the chairs and ranking minority members of the house of representatives and senate  
 223.22 committees with jurisdiction over environment and natural resources finance containing  
 223.23 the findings of the task force.

223.24 Subd. 7. **Expiration.** The task force expires 45 days after the report and recommendations  
 223.25 are delivered to the legislature or on June 30, 2019, whichever date is earlier.

223.26 Sec. 106. **1837 CEDED TERRITORY FISHERIES TECHNICAL COMMITTEE.**

223.27 The commissioner of natural resources may request that the 1837 Ceded Territory  
 223.28 Fisheries Technical Committee invite at least two fish managers as designated by the  
 223.29 commissioner to attend all meetings of the committee.

224.1 Sec. 107. **CARBON MONOXIDE EXPOSURE; FISH HOUSES AND ICE**  
224.2 **SHELTERS; REPORT.**

224.3 The commissioner of natural resources must work with fish house and ice shelter  
224.4 manufacturers and other interested parties to identify best practices to reduce fish house  
224.5 and ice shelter user exposure to carbon monoxide. The commissioner must increase outreach  
224.6 efforts relating to the dangers of carbon monoxide exposure in fish houses and report  
224.7 recommendations to the chairs of the house of representatives and senate committees and  
224.8 divisions with jurisdiction over environment and natural resources policy by January 15,  
224.9 2019.

224.10 Sec. 108. **HAYES LAKE STATE PARK RECOMMENDATIONS; REPORT.**

224.11 The commissioner of natural resources, in cooperation with the Friends of Hayes Lake  
224.12 State Park, Roseau County, and other interested parties must develop recommendations for  
224.13 expanding access to and recreational opportunities within Hayes Lake State Park. The  
224.14 commissioner must submit the report to the chairs and ranking minority members of the  
224.15 house of representatives and senate committees and divisions with jurisdiction over the  
224.16 environment and natural resources by February 1, 2019.

224.17 Sec. 109. **SNOWMOBILE TRAILS AND ENFORCEMENT ACCOUNT.**

224.18 The commissioner of natural resources must work with the Minnesota United  
224.19 Snowmobilers Association to develop a consensus agreement on the use of the money in  
224.20 the snowmobile trails and enforcement account under Minnesota Statutes, section 84.83.  
224.21 The commissioner of natural resources must submit a copy of a memorandum of  
224.22 understanding outlining the agreement between the commissioner and the association to  
224.23 the chairs and ranking minority members of the house of representatives and senate  
224.24 committees and divisions with jurisdiction over the environment and natural resources by  
224.25 January 15, 2019.

224.26 Sec. 110. **HILL-ANNEX MINE STATE PARK; MANAGEMENT AND OPERATION.**

224.27 (a) The commissioner of natural resources must operate the Hill-Annex Mine State Park  
224.28 for the purposes it was established through June 30, 2021. The commissioner must work  
224.29 with the group established under Laws 2017, chapter 93, article 2, section 156, to review  
224.30 park activities and the alternate operating model developed and identify options for  
224.31 sustainable and viable operation of the park site. The commissioner must submit  
224.32 recommendations to the chairs and ranking minority members of the house of representatives

225.1 and senate committees and divisions with jurisdiction over the environment and natural  
225.2 resources by January 15, 2021.

225.3 (b) The commissioner of natural resources must work with the city of Calumet, other  
225.4 neighboring cities and townships, and other local units of government to identify and  
225.5 coordinate volunteers to supplement the Department of Natural Resources' park operations  
225.6 to the extent allowable under state law and rules.

225.7 Sec. 111. **REPEALER.**

225.8 (a) Minnesota Statutes 2017 Supplement, section 169A.07, is repealed.

225.9 (b) Minnesota Statutes 2016, section 169A.33, subdivision 1, is repealed.

225.10 **EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2018, and applies to crimes  
225.11 committed on or after that date. Paragraph (b) is effective August 1, 2018, and applies to  
225.12 offenses committed on or after that date.

## 225.13 **ARTICLE 21**

### 225.14 **ACCELERATED BUFFER STRIP IMPLEMENTATION**

225.15 Section 1. Minnesota Statutes 2016, section 17.117, subdivision 1, is amended to read:

225.16 Subdivision 1. **Purpose.** The purpose of the agriculture best management practices loan  
225.17 program is to provide low or no interest financing to farmers, agriculture supply businesses,  
225.18 rural landowners, chapter 103E drainage authorities, and water-quality cooperatives for the  
225.19 implementation of agriculture and other best management practices that reduce environmental  
225.20 pollution.

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

225.22 Sec. 2. Minnesota Statutes 2016, section 17.117, subdivision 4, is amended to read:

225.23 Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this  
225.24 subdivision have the meanings given them.

225.25 (b) "Agricultural and environmental revolving accounts" means accounts in the  
225.26 agricultural fund, controlled by the commissioner, which hold funds available to the program.

225.27 (c) "Agriculture supply business" means a person, partnership, joint venture, corporation,  
225.28 limited liability company, association, firm, public service company, or cooperative that  
225.29 provides materials, equipment, or services to farmers or agriculture-related enterprises.

226.1 (d) "Allocation" means the funds awarded to an applicant for implementation of best  
226.2 management practices through a competitive or noncompetitive application process.

226.3 (e) "Applicant" means a local unit of government eligible to participate in this program  
226.4 that requests an allocation of funds as provided in subdivision 6b.

226.5 (f) "Best management practices" has the meaning given in sections 103F.711, subdivision  
226.6 3, and 103H.151, subdivision 2. Best management practices also means other practices,  
226.7 techniques, and measures that have been demonstrated to the satisfaction of the  
226.8 commissioner: (1) to prevent or reduce adverse environmental impacts by using the most  
226.9 effective and practicable means of achieving environmental goals; or (2) to achieve drinking  
226.10 water quality standards under chapter 103H or under Code of Federal Regulations, title 40,  
226.11 parts 141 and 143, as amended.

226.12 (g) "Borrower" means a farmer, an agriculture supply business, ~~or~~ a rural landowner, or  
226.13 a chapter 103E drainage authority applying for a low-interest loan.

226.14 (h) "Commissioner" means the commissioner of agriculture, including when the  
226.15 commissioner is acting in the capacity of chair of the Rural Finance Authority, or the designee  
226.16 of the commissioner.

226.17 (i) "Committed project" means an eligible project scheduled to be implemented at a  
226.18 future date:

226.19 (1) that has been approved and certified by the local government unit; and

226.20 (2) for which a local lender has obligated itself to offer a loan.

226.21 (j) "Comprehensive water management plan" means a state-approved and locally adopted  
226.22 plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331, 103D.401, or  
226.23 103D.405.

226.24 (k) "Cost incurred" means expenses for implementation of a project accrued because  
226.25 the borrower has agreed to purchase equipment or is obligated to pay for services or materials  
226.26 already provided as a result of implementing an approved eligible project.

226.27 (l) "Farmer" means a person, partnership, joint venture, corporation, limited liability  
226.28 company, association, firm, public service company, or cooperative that regularly participates  
226.29 in physical labor or operations management of farming and files a Schedule F as part of  
226.30 filing United States Internal Revenue Service Form 1040 or indicates farming as the primary  
226.31 business activity under Schedule C, K, or S, or any other applicable report to the United  
226.32 States Internal Revenue Service.

227.1 (m) "Lender agreement" means an agreement entered into between the commissioner  
227.2 and a local lender which contains terms and conditions of participation in the program.

227.3 (n) "Local government unit" means a county, soil and water conservation district, or an  
227.4 organization formed for the joint exercise of powers under section 471.59 with the authority  
227.5 to participate in the program.

227.6 (o) "Local lender" means a local government unit as defined in paragraph (n), a state or  
227.7 federally chartered bank, a savings association, a state or federal credit union, Agribank  
227.8 and its affiliated organizations, or a nonprofit economic development organization or other  
227.9 financial lending institution approved by the commissioner.

227.10 (p) "Local revolving loan account" means the account held by a local government unit  
227.11 and a local lender into which principal repayments from borrowers are deposited and new  
227.12 loans are issued in accordance with the requirements of the program and lender agreements.

227.13 (q) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

227.14 (r) "Program" means the agriculture best management practices loan program in this  
227.15 section.

227.16 (s) "Project" means one or more components or activities located within Minnesota that  
227.17 are required by the local government unit to be implemented for satisfactory completion of  
227.18 an eligible best management practice.

227.19 (t) "Rural landowner" means the owner of record of Minnesota real estate located in an  
227.20 area determined by the local government unit to be rural after consideration of local land  
227.21 use patterns, zoning regulations, jurisdictional boundaries, local community definitions,  
227.22 historical uses, and other pertinent local factors.

227.23 (u) "Water-quality cooperative" has the meaning given in section 115.58, paragraph (d),  
227.24 except as expressly limited in this section.

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

227.26 Sec. 3. Minnesota Statutes 2016, section 17.117, subdivision 11, is amended to read:

227.27 Subd. 11. **Loans issued to borrower.** (a) Local lenders may issue loans only for projects  
227.28 that are approved and certified by the local government unit as meeting priority needs  
227.29 identified in a comprehensive water management plan or other local planning documents,  
227.30 are in compliance with accepted practices, standards, specifications, or criteria, and are  
227.31 eligible for financing under Environmental Protection Agency or other applicable guidelines.

228.1 (b) The local lender may use any additional criteria considered necessary to determine  
228.2 the eligibility of borrowers for loans.

228.3 (c) Local lenders shall set the terms and conditions of loans to borrowers, except that:

228.4 (1) no loan to a borrower may exceed \$200,000;

228.5 (2) no loan for a project may exceed \$200,000; and

228.6 (3) no borrower shall, at any time, have multiple loans from this program with a total  
228.7 outstanding loan balance of more than \$200,000.

228.8 Notwithstanding the limits in clauses (1) to (3), a chapter 103E drainage authority may  
228.9 request a loan to finance projects implemented on behalf of multiple landowners and the  
228.10 loan must not exceed an amount equal to the number of landowners represented in the  
228.11 drainage system multiplied by the limit in clause (1).

228.12 (d) The maximum term length for projects in this paragraph is ten years.

228.13 (e) Fees charged at the time of closing must:

228.14 (1) be in compliance with normal and customary practices of the local lender;

228.15 (2) be in accordance with published fee schedules issued by the local lender;

228.16 (3) not be based on participation program; and

228.17 (4) be consistent with fees charged other similar types of loans offered by the local  
228.18 lender.

228.19 (f) The interest rate assessed to an outstanding loan balance by the local lender must not  
228.20 exceed three percent per year.

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

228.22 Sec. 4. Minnesota Statutes 2016, section 103E.021, subdivision 6, is amended to read:

228.23 Subd. 6. **Incremental ~~implementation~~ establishment of vegetated ditch buffer strips**  
228.24 **and side inlet controls.** (a) Notwithstanding other provisions of this chapter requiring  
228.25 appointment of viewers and redetermination of benefits and damages, a drainage authority  
228.26 may ~~implement~~ make findings and order the establishment of permanent buffer strips of  
228.27 perennial vegetation ~~approved by the drainage authority~~ or side inlet controls, or both,  
228.28 adjacent to a public drainage ditch, where necessary to control erosion and sedimentation,  
228.29 improve water quality, or maintain the efficiency of the drainage system. The drainage  
228.30 authority's finding that the establishment of permanent buffer strips of perennial vegetation  
228.31 or side inlet controls is necessary to control erosion and sedimentation, improve water

229.1 quality, or maintain the efficiency of the drainage system is sufficient to confer jurisdiction  
229.2 under this subdivision. Preference should be given to planting native species of a local  
229.3 ecotype. The approved perennial vegetation shall not impede future maintenance of the  
229.4 ditch. The permanent strips of perennial vegetation shall be 16-1/2 feet in width measured  
229.5 outward from the top edge of the existing constructed channel. Drainage system rights-of-way  
229.6 for the acreage and additional property required for the permanent strips must be acquired  
229.7 by the authority having jurisdiction.

229.8 (b) A project under this subdivision shall be implemented as a repair according to section  
229.9 103E.705, except that the drainage authority may appoint an engineer to examine the drainage  
229.10 system and prepare an engineer's repair report for the project.

229.11 (c) Damages shall be determined by the drainage authority, or viewers, appointed by  
229.12 the drainage authority, according to section 103E.315, subdivision 8. A damages statement  
229.13 shall be prepared, including an explanation of how the damages were determined for each  
229.14 property affected by the project, and filed with the auditor or watershed district. Within 30  
229.15 days after the damages statement is filed, the auditor or watershed district shall prepare  
229.16 property owners' reports according to section 103E.323, subdivision 1, clauses (1), (2), (6),  
229.17 (7), and (8), and mail a copy of the property owner's report and damages statement to each  
229.18 owner of property affected by the proposed project.

229.19 (d) After a damages statement is filed, the drainage authority shall set a time, by order,  
229.20 not more than 30 days after the date of the order, for a hearing on the project. At least ten  
229.21 days before the hearing, the auditor or watershed district shall give notice by mail of the  
229.22 time and location of the hearing to the owners of property and political subdivisions likely  
229.23 to be affected by the project.

229.24 (e) The drainage authority shall make findings and order the repairs to be made if the  
229.25 drainage authority determines from the evidence presented at the hearing and by the viewers  
229.26 and engineer, if appointed, that the repairs are necessary for the drainage system and the  
229.27 costs of the repairs are within the limitations of section 103E.705.

229.28 Sec. 5. Minnesota Statutes 2016, section 103E.071, is amended to read:

229.29 **103E.071 COUNTY ATTORNEY.**

229.30 The county attorney shall represent the county in all drainage proceedings and related  
229.31 matters without special compensation, except as provided in section 388.09, subdivision 1.  
229.32 A county attorney, the county attorney's assistant, or any attorney associated with the county

230.1 attorney in business, may not otherwise appear in any drainage proceeding for any interested  
 230.2 person.

230.3 Sec. 6. Minnesota Statutes 2016, section 103E.351, subdivision 1, is amended to read:

230.4 Subdivision 1. **Conditions to redetermine benefits and damages; appointment of**  
 230.5 **viewers.** If the drainage authority determines that the ~~original~~ benefits or damages of record  
 230.6 determined in a drainage proceeding do not reflect reasonable present day land values or  
 230.7 that the benefited or damaged areas have changed, or if more than 50 percent of the owners  
 230.8 of property, or more than 50 percent of the owners of property benefited or damaged by a  
 230.9 drainage system petition for correction of an error that was made at the time of the  
 230.10 proceedings that established the drainage system or a redetermination of benefits and  
 230.11 damages, the drainage authority may appoint three viewers to redetermine and report the  
 230.12 benefits and damages and the benefited and damaged areas.

230.13 Sec. 7. **PUBLIC DRAINAGE DITCH BUFFER STRIP; PLANTING AND**  
 230.14 **MAINTENANCE.**

230.15 With the consent of the property owner where the drainage ditch buffer will be located,  
 230.16 a drainage authority, as defined in Minnesota Statutes, section 103E.005, subdivision 9,  
 230.17 may plant and maintain 16-1/2-foot ditch buffer strips that meet the width and vegetation  
 230.18 requirements of Minnesota Statutes, section 103E.021, before acquiring and compensating  
 230.19 for the buffer strip land rights according to Minnesota Statutes, chapter 103E. Planting and  
 230.20 maintenance costs may be paid in accordance with Minnesota Statutes, chapter 103E. This  
 230.21 section expires June 30, 2019.

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

## 230.23 **ARTICLE 22**

### 230.24 **HIGHER EDUCATION**

230.25 Section 1. **APPROPRIATIONS.**

230.26 The sums shown in the columns marked "Appropriations" are added to the appropriations  
 230.27 in Laws 2017, chapter 89, article 1, unless otherwise specified, to the agencies and for the  
 230.28 purposes specified in this article. The appropriations are from the general fund, or another  
 230.29 named fund, and are available for the fiscal years indicated for each purpose. The figures  
 230.30 "2018" and "2019" used in this article mean that the appropriations listed under them are  
 230.31 available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first



232.1 The amounts that may be spent for each  
 232.2 purpose are specified in the following  
 232.3 subdivisions.

232.4 Subd. 2. **Operations and Maintenance** -0- 3,500,000

232.5 (a) \$500,000 is for renewal of workforce  
 232.6 development scholarships first awarded in  
 232.7 academic year 2018-2019 under Minnesota  
 232.8 Statutes, section 136F.38. This is a onetime  
 232.9 appropriation and is available until June 30,  
 232.10 2020.

232.11 (b) \$3,000,000 is for campus support to be  
 232.12 allocated to campuses according to the fiscal  
 232.13 year 2019 framework. This is a onetime  
 232.14 appropriation.

232.15 Sec. 4. Minnesota Statutes 2016, section 127A.70, subdivision 2, is amended to read:

232.16 **Subd. 2. Powers and duties; report.** (a) The partnership shall develop recommendations  
 232.17 to the governor and the legislature designed to maximize the achievement of all P-20 students  
 232.18 while promoting the efficient use of state resources, thereby helping the state realize the  
 232.19 maximum value for its investment. These recommendations may include, but are not limited  
 232.20 to, strategies, policies, or other actions focused on:

232.21 (1) improving the quality of and access to education at all points from preschool through  
 232.22 graduate education;

232.23 (2) improving preparation for, and transitions to, postsecondary education and work;

232.24 (3) ensuring educator quality by creating rigorous standards for teacher recruitment,  
 232.25 teacher preparation, induction and mentoring of beginning teachers, and continuous  
 232.26 professional development for career teachers; and

232.27 (4) realigning the governance and administrative structures of early education,  
 232.28 kindergarten through grade 12, and postsecondary systems in Minnesota.

232.29 (b) Under the direction of the P-20 Education Partnership Statewide Longitudinal  
 232.30 Education Data System Governance Committee, the Office of Higher Education and the  
 232.31 Departments of Education and Employment and Economic Development shall improve and  
 232.32 expand the Statewide Longitudinal Education Data System (SLEDS) to provide policymakers,

233.1 education and workforce leaders, researchers, and members of the public with data, research,  
233.2 and reports to:

233.3 (1) expand reporting on students' educational outcomes for diverse student populations  
233.4 including at-risk students, children with disabilities, English learners, and gifted students,  
233.5 among others, and include formative and summative evaluations based on multiple measures  
233.6 of child well-being, early childhood development, and student progress toward career and  
233.7 college readiness;

233.8 (2) evaluate the effectiveness of (i) investments in young children and families, and (ii)  
233.9 educational and workforce programs; and

233.10 (3) evaluate the relationship between (i) investments in young children and families,  
233.11 and (ii) education and workforce outcomes, consistent with section 124D.49.

233.12 To the extent possible under federal and state law, research and reports should be  
233.13 accessible to the public on the Internet, and disaggregated by demographic characteristics,  
233.14 organization or organization characteristics, and geography.

233.15 It is the intent of the legislature that the Statewide Longitudinal Education Data System  
233.16 inform public policy and decision-making. The SLEDS governance committee, with  
233.17 assistance from staff of the Office of Higher Education, the Department of Education, and  
233.18 the Department of Employment and Economic Development, shall respond to legislative  
233.19 committee and agency requests on topics utilizing data made available through the Statewide  
233.20 Longitudinal Education Data System as resources permit. Any analysis of or report on the  
233.21 data must contain only summary data.

233.22 (c) By January 15 of each year, the partnership shall submit a report to the governor and  
233.23 to the chairs and ranking minority members of the legislative committees and divisions with  
233.24 jurisdiction over P-20 education policy and finance that summarizes the partnership's progress  
233.25 in meeting its goals and identifies the need for any draft legislation when necessary to further  
233.26 the goals of the partnership to maximize student achievement while promoting efficient use  
233.27 of resources.

233.28 Sec. 5. Minnesota Statutes 2016, section 135A.15, subdivision 2, is amended to read:

233.29 Subd. 2. **Victims' rights.** The policy required under subdivision 1 shall, at a minimum,  
233.30 require that students and employees be informed of the policy, and shall include provisions  
233.31 for:

233.32 (1) filing criminal charges with local law enforcement officials in sexual assault cases;

- 234.1 (2) the prompt assistance of campus authorities, at the request of the victim, in notifying  
234.2 the appropriate law enforcement officials and disciplinary authorities of a sexual assault  
234.3 incident;
- 234.4 (3) allowing sexual assault victims to decide whether to report a case to law enforcement;
- 234.5 (4) requiring campus authorities to treat sexual assault victims with dignity;
- 234.6 (5) requiring campus authorities to offer sexual assault victims fair and respectful health  
234.7 care, counseling services, or referrals to such services;
- 234.8 (6) preventing campus authorities from suggesting to a victim of sexual assault that the  
234.9 victim is at fault for the crimes or violations that occurred;
- 234.10 (7) preventing campus authorities from suggesting to a victim of sexual assault that the  
234.11 victim should have acted in a different manner to avoid such a crime;
- 234.12 (8) subject to subdivision 10, protecting the privacy of sexual assault victims by only  
234.13 disclosing data collected under this section to the victim, persons whose work assignments  
234.14 reasonably require access, and, at a sexual assault victim's request, police conducting a  
234.15 criminal investigation;
- 234.16 (9) an investigation and resolution of a sexual assault complaint by campus disciplinary  
234.17 authorities;
- 234.18 (10) a sexual assault victim's participation in and the presence of the victim's attorney  
234.19 or other support person who is not a fact witness to the sexual assault at any meeting with  
234.20 campus officials concerning the victim's sexual assault complaint or campus disciplinary  
234.21 proceeding concerning a sexual assault complaint;
- 234.22 (11) ensuring that a sexual assault victim may decide when to repeat a description of  
234.23 the incident of sexual assault;
- 234.24 (12) notice to a sexual assault victim of the availability of a campus or local program  
234.25 providing sexual assault advocacy services and information on legal resources;
- 234.26 (13) notice to a sexual assault victim of the outcome of any campus disciplinary  
234.27 proceeding concerning a sexual assault complaint, consistent with laws relating to data  
234.28 practices;
- 234.29 (14) the complete and prompt assistance of campus authorities, at the direction of law  
234.30 enforcement authorities, in obtaining, securing, and maintaining evidence in connection  
234.31 with a sexual assault incident;

235.1 (15) the assistance of campus authorities in preserving for a sexual assault complainant  
235.2 or victim materials relevant to a campus disciplinary proceeding;

235.3 (16) during and after the process of investigating a complaint and conducting a campus  
235.4 disciplinary procedure, the assistance of campus personnel, in cooperation with the  
235.5 appropriate law enforcement authorities, at a sexual assault victim's request, in shielding  
235.6 the victim from unwanted contact with the alleged assailant, including transfer of the victim  
235.7 to alternative classes or to alternative college-owned housing, if alternative classes or housing  
235.8 are available and feasible;

235.9 (17) forbidding retaliation, and establishing a process for investigating complaints of  
235.10 retaliation, against sexual assault victims by campus authorities, the accused, organizations  
235.11 affiliated with the accused, other students, and other employees;

235.12 (18) at the request of the victim, providing students who reported sexual assaults to the  
235.13 institution and subsequently choose to transfer to another postsecondary institution with  
235.14 information about resources for victims of sexual assault at the institution to which the  
235.15 victim is transferring; and

235.16 (19) consistent with laws governing access to student records, providing a student who  
235.17 reported an incident of sexual assault with access to the student's description of the incident  
235.18 as it was reported to the institution, including if that student transfers to another postsecondary  
235.19 institution.

235.20 Sec. 6. Minnesota Statutes 2016, section 135A.15, subdivision 6, is amended to read:

235.21 Subd. 6. **Data collection and reporting.** (a) Postsecondary institutions must annually  
235.22 report statistics on sexual assault. This report must be prepared in addition to any federally  
235.23 required reporting on campus security, including reports required by the Jeanne Clery  
235.24 Disclosure of Campus Security Policy and Campus Crime Statistics Act, United States  
235.25 Code, title 20, section 1092(f). The report must include, but not be limited to, the number  
235.26 of incidents of sexual assault reported to the institution in the previous calendar year, as  
235.27 follows:

235.28 (1) the number that were investigated by the institution;

235.29 (2) the number that were referred for a disciplinary proceeding at the institution;

235.30 (3) the number the victim chose to report to local or state law enforcement;

235.31 (4) the number for which a campus disciplinary proceeding is pending, but has not  
235.32 reached a final resolution;

236.1 (5) the number in which the alleged perpetrator was found responsible by the disciplinary  
236.2 proceeding at the institution;

236.3 (6) the number that resulted in any action by the institution greater than a warning issued  
236.4 to the accused;

236.5 (7) the number that resulted in a disciplinary proceeding at the institution that closed  
236.6 without resolution;

236.7 (8) the number that resulted in a disciplinary proceeding at the institution that closed  
236.8 without resolution because the accused withdrew from the institution;

236.9 (9) the number that resulted in a disciplinary proceeding at the institution that closed  
236.10 without resolution because the victim chose not to participate in the procedure; and

236.11 (10) the number of reports made through the online reporting system established in  
236.12 subdivision 5, excluding reports submitted anonymously.

236.13 (b) If an institution previously submitted a report indicating that one or more disciplinary  
236.14 proceedings was pending, but had not reached a final resolution, and one or more of those  
236.15 disciplinary proceedings reached a final resolution within the previous calendar year, that  
236.16 institution must submit updated totals from the previous year that reflect the outcome of  
236.17 the pending case or cases.

236.18 (c) The reports required by this subdivision must be submitted to the Office of Higher  
236.19 Education by October 1 of each year. Each report must contain the data required under  
236.20 paragraphs (a) and (b) from the previous calendar year.

236.21 (d) The commissioner of the Office of Higher Education shall calculate statewide numbers  
236.22 for each data item reported by an institution under this subdivision. The statewide numbers  
236.23 must include data from postsecondary institutions that the commissioner could not publish  
236.24 due to federal laws governing access to student records.

236.25 (e) The Office of Higher Education shall publish on its Web site:

236.26 (1) the statewide data calculated under paragraph (d); and

236.27 (2) the data items required under paragraphs (a) and (b) for each postsecondary institution  
236.28 in the state.

236.29 Each postsecondary institution shall publish on the institution's Web site the data items  
236.30 required under paragraphs (a) and (b) for that institution.

236.31 (f) Reports and data required under this subdivision must be prepared and published as  
236.32 summary data, as defined in section 13.02, subdivision 19, and must be consistent with

237.1 applicable law governing access to educational data. If an institution or the Office of Higher  
 237.2 Education does not publish data because of applicable law, the publication must explain  
 237.3 why data are not included.

237.4 (g) By October 1 of each year, the Board of Regents of the University of Minnesota  
 237.5 must submit a report to the chairs and ranking minority members of the legislative committees  
 237.6 with jurisdiction over higher education policy and finance. In addition to the data on sexual  
 237.7 assault incidents described in paragraph (a), the report must include equivalent data on  
 237.8 incidents of sexual harassment, as defined in the board's policy on sexual harassment. The  
 237.9 report is subject to the requirements of paragraph (f).

237.10 Sec. 7. Minnesota Statutes 2017 Supplement, section 136A.1275, subdivision 2, is amended  
 237.11 to read:

237.12 Subd. 2. **Eligibility.** To be eligible for a grant under this section, a teacher candidate  
 237.13 must:

237.14 (1) be enrolled in a Professional Educator Licensing and Standards Board-approved  
 237.15 teacher preparation program that requires at least 12 weeks of student teaching in order to  
 237.16 be recommended for a full professional teaching license;

237.17 (2) demonstrate financial need based on criteria established by the commissioner under  
 237.18 subdivision 3;

237.19 (3) ~~intend to teach in a shortage area or belong to an underrepresented racial or ethnic~~  
 237.20 ~~group~~ be meeting satisfactory academic progress as defined under section 136A.101,  
 237.21 subdivision 10; and

237.22 (4) ~~be meeting satisfactory academic progress as defined under section 136A.101,~~  
 237.23 ~~subdivision 10.~~ intend to teach in a shortage area or belong to an underrepresented racial  
 237.24 or ethnic group. Intent can be documented based on the teacher license field the student is  
 237.25 pursuing or a statement of intent to teach in an economic development region defined as a  
 237.26 shortage area in the year the student receives a grant.

237.27 Sec. 8. Minnesota Statutes 2017 Supplement, section 136A.1275, subdivision 3, is amended  
 237.28 to read:

237.29 Subd. 3. **Administration; repayment.** (a) The commissioner must establish an  
 237.30 application process and other guidelines for implementing this program, ~~including repayment~~  
 237.31 ~~responsibilities for stipend recipients who do not complete student teaching or who leave~~  
 237.32 ~~Minnesota to teach in another state during the first year after student teaching.~~

238.1 (b) The commissioner must determine each academic year the stipend amount up to  
 238.2 \$7,500 based on the amount of available funding, the number of eligible applicants, and the  
 238.3 financial need of the applicants.

238.4 (c) The percentage of the total award funds available at the beginning of the fiscal year  
 238.5 reserved for teacher candidates who identify as belonging to ~~an underrepresented~~ a racial  
 238.6 or ethnic group underrepresented in the Minnesota teacher workforce must be equal to or  
 238.7 greater than the total percentage of students of ~~underrepresented~~ racial or ethnic groups  
 238.8 underrepresented in the Minnesota teacher workforce as measured under section 120B.35,  
 238.9 subdivision 3. If this percentage cannot be met because of a lack of qualifying candidates,  
 238.10 the remaining amount may be awarded to teacher candidates who intend to teach in a shortage  
 238.11 area.

238.12 Sec. 9. Minnesota Statutes 2016, section 136A.15, subdivision 8, is amended to read:

238.13 Subd. 8. **Eligible student.** "Eligible student" means a student who is officially registered  
 238.14 or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident  
 238.15 who is officially registered as a student or accepted for enrollment at an eligible institution  
 238.16 in another state or province. Non-Minnesota residents are eligible students if they are enrolled  
 238.17 or accepted for enrollment in a minimum of one course of at least 30 days in length during  
 238.18 the academic year that requires physical attendance at an eligible institution located in  
 238.19 Minnesota. Non-Minnesota resident students enrolled exclusively during the academic year  
 238.20 in correspondence courses or courses offered over the Internet are not eligible students.  
 238.21 Non-Minnesota resident students not physically attending classes in Minnesota due to  
 238.22 enrollment in a study abroad program for 12 months or less are eligible students.  
 238.23 Non-Minnesota residents enrolled in study abroad programs exceeding 12 months are not  
 238.24 eligible students. An eligible student, for section 136A.1701, means a student who gives  
 238.25 informed consent authorizing the disclosure of data specified in section 136A.162, paragraph  
 238.26 (c), to a consumer credit reporting agency.

238.27 Sec. 10. Minnesota Statutes 2016, section 136A.16, subdivision 1, is amended to read:

238.28 Subdivision 1. **Designation.** Notwithstanding chapter 16C, the office is designated as  
 238.29 the administrative agency for carrying out the purposes and terms of sections 136A.15 to  
 238.30 ~~136A.1702~~ 136A.1704. The office may establish one or more loan programs.

239.1 Sec. 11. Minnesota Statutes 2016, section 136A.16, subdivision 2, is amended to read:

239.2 Subd. 2. **Rules, policies, and conditions.** The office shall adopt policies and may  
239.3 prescribe appropriate rules and conditions to carry out the purposes of sections 136A.15 to  
239.4 136A.1702. ~~The policies and rules except as they relate to loans under section 136A.1701~~  
239.5 ~~must be compatible with the provisions of the National Vocational Student Loan Insurance~~  
239.6 ~~Act of 1965 and the provisions of title IV of the Higher Education Act of 1965, and any~~  
239.7 ~~amendments thereof.~~

239.8 Sec. 12. Minnesota Statutes 2016, section 136A.16, subdivision 5, is amended to read:

239.9 Subd. 5. **Agencies.** The office may contract with loan servicers, collection agencies,  
239.10 credit bureaus, or any other person, to carry out the purposes of sections 136A.15 to  
239.11 ~~136A.1702~~ 136A.1704.

239.12 Sec. 13. Minnesota Statutes 2016, section 136A.16, subdivision 8, is amended to read:

239.13 Subd. 8. **Investment.** Money made available to the office that is not immediately needed  
239.14 for the purposes of sections 136A.15 to ~~136A.1702~~ 136A.1704 may be invested by the  
239.15 office. The money must be invested in bonds, certificates of indebtedness, and other fixed  
239.16 income securities, except preferred stocks, which are legal investments for the permanent  
239.17 school fund. The money may also be invested in prime quality commercial paper that is  
239.18 eligible for investment in the state employees retirement fund. All interest and profits from  
239.19 such investments inure to the benefit of the office or may be pledged for security of bonds  
239.20 issued by the office or its predecessors.

239.21 Sec. 14. Minnesota Statutes 2016, section 136A.16, subdivision 9, is amended to read:

239.22 Subd. 9. **Staff.** The office may employ the professional and clerical staff the commissioner  
239.23 deems necessary for the proper administration of the loan programs established and defined  
239.24 by sections 136A.15 to ~~136A.1702~~ 136A.1704.

239.25 Sec. 15. Minnesota Statutes 2016, section 136A.162, is amended to read:

239.26 **136A.162 CLASSIFICATION OF DATA.**

239.27 (a) Except as provided in paragraphs (b) and (c), data on applicants for financial assistance  
239.28 collected and used by the office for student financial aid programs administered by that  
239.29 office are private data on individuals as defined in section 13.02, subdivision 12.

240.1 (b) Data on applicants may be disclosed to the commissioner of human services to the  
240.2 extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5).

240.3 (c) The following data collected in the Minnesota supplemental loan program under  
240.4 ~~section~~ sections 136A.1701 and 136A.1704 may be disclosed to a consumer credit reporting  
240.5 agency only if the borrower and the cosigner give informed consent, according to section  
240.6 13.05, subdivision 4, at the time of application for a loan:

240.7 (1) the lender-assigned borrower identification number;

240.8 (2) the name and address of borrower;

240.9 (3) the name and address of cosigner;

240.10 (4) the date the account is opened;

240.11 (5) the outstanding account balance;

240.12 (6) the dollar amount past due;

240.13 (7) the number of payments past due;

240.14 (8) the number of late payments in previous 12 months;

240.15 (9) the type of account;

240.16 (10) the responsibility for the account; and

240.17 (11) the status or remarks code.

240.18 Sec. 16. Minnesota Statutes 2016, section 136A.1701, subdivision 7, is amended to read:

240.19 Subd. 7. **Repayment of loans.** ~~(a)~~ The office shall establish repayment procedures for  
240.20 loans made under this section, ~~but in no event shall the period of permitted repayment for~~  
240.21 ~~SELF II or SELF III loans exceed ten years from the eligible student's termination of the~~  
240.22 ~~student's postsecondary academic or vocational program, or 15 years from the date of the~~  
240.23 ~~student's first loan under this section, whichever is less.~~ in accordance with the policies,  
240.24 rules, and conditions authorized under section 136A.16, subdivision 2. The office will take  
240.25 into consideration the loan limits and current financial market conditions when establishing  
240.26 repayment terms.

240.27 ~~(b) For SELF IV loans, eligible students with aggregate principal loan balances from~~  
240.28 ~~all SELF phases that are less than \$18,750 shall have a repayment period not exceeding ten~~  
240.29 ~~years from the eligible student's graduation or termination date. For SELF IV loans, eligible~~  
240.30 ~~students with aggregate principal loan balances from all SELF phases of \$18,750 or greater~~  
240.31 ~~shall have a repayment period not exceeding 15 years from the eligible student's graduation~~

241.1 ~~or termination date. For SELF IV loans, the loans shall enter repayment no later than seven~~  
 241.2 ~~years after the first disbursement date on the loan.~~

241.3 ~~(c) For SELF loans from phases after SELF IV, eligible students with aggregate principal~~  
 241.4 ~~loan balances from all SELF phases that are:~~

241.5 ~~(1) less than \$20,000, must have a repayment period not exceeding ten years from the~~  
 241.6 ~~eligible student's graduation or termination date;~~

241.7 ~~(2) \$20,000 up to \$40,000, must have a repayment period not exceeding 15 years from~~  
 241.8 ~~the eligible student's graduation or termination date; and~~

241.9 ~~(3) \$40,000 or greater, must have a repayment period not exceeding 20 years from the~~  
 241.10 ~~eligible student's graduation or termination date. For SELF loans from phases after SELF~~  
 241.11 ~~IV, the loans must enter repayment no later than nine years after the first disbursement date~~  
 241.12 ~~of the loan.~~

241.13 Sec. 17. Minnesota Statutes 2016, section 136A.1702, is amended to read:

241.14 **136A.1702 LEGISLATIVE OVERSIGHT.**

241.15 (a) The office shall notify the chairs of the legislative committees with primary  
 241.16 jurisdiction over higher education finance of any proposed material change to any of its  
 241.17 student loan programs, including loan refinancing under section 136A.1704, prior to making  
 241.18 the change.

241.19 (b) By December 1 of each year, the commissioner shall submit a report to the chairs  
 241.20 and ranking minority members of the senate and house of representatives committees having  
 241.21 jurisdiction over the Office of Higher Education regarding the balance of the following  
 241.22 accounts in the special revenue fund:

241.23 (1) the aviation degree loan forgiveness program account established by section  
 241.24 136A.1789, subdivision 2;

241.25 (2) the teacher shortage loan forgiveness repayment account established by section  
 241.26 136A.1791, subdivision 8;

241.27 (3) the agricultural education loan forgiveness account established by section 136A.1794,  
 241.28 subdivision 2; and

241.29 (4) the large animal veterinarian loan forgiveness program account established by section  
 241.30 136A.1795, subdivision 2.

242.1 **Sec. 18. [136A.1705] STUDENT LOAN DEBT COUNSELING.**

242.2 Subdivision 1. **Grant.** (a) A program is established under the Office of Higher Education  
242.3 to provide a grant to a Minnesota-based nonprofit qualified debt counseling organization  
242.4 to provide individual student loan debt repayment counseling to borrowers who are Minnesota  
242.5 residents concerning loans obtained to attend a postsecondary institution. The number of  
242.6 individuals receiving counseling may be limited to those capable of being served with  
242.7 available appropriations for that purpose. A goal of the counseling program is to provide  
242.8 two counseling sessions to at least 75 percent of borrowers receiving counseling.

242.9 (b) The purpose of the counseling is to assist borrowers to:

242.10 (1) understand their loan and repayment options;

242.11 (2) manage loan repayment; and

242.12 (3) develop a workable budget based on the borrower's full financial situation regarding  
242.13 income, expenses, and other debt.

242.14 Subd. 2. **Qualified debt counseling organization.** A qualified debt counseling  
242.15 organization is an organization that:

242.16 (1) has experience in providing individualized student loan counseling;

242.17 (2) employs certified financial loan counselors; and

242.18 (3) is based in Minnesota and has offices at multiple rural and metropolitan area locations  
242.19 in the state to provide in-person counseling.

242.20 Subd. 3. **Grant application and award.** (a) Applications for a grant shall be on a form  
242.21 created by the commissioner and on a schedule set by the commissioner. Among other  
242.22 provisions, the application must include a description of:

242.23 (1) the characteristics of borrowers to be served;

242.24 (2) the services to be provided and a timeline for implementation of the services;

242.25 (3) how the services provided will help borrowers manage loan repayment;

242.26 (4) specific program outcome goals and performance measures for each goal; and

242.27 (5) how the services will be evaluated to determine whether the program goals were  
242.28 met.

242.29 (b) The commissioner shall select one grant recipient for a two-year award every two  
242.30 years. A grant may be renewed biennially.

243.1 Subd. 4. **Program evaluation.** (a) The grant recipient must submit a report to the  
 243.2 commissioner by January 15 of the second year of the grant award. The report must evaluate  
 243.3 and measure the extent to which program outcome goals have been met.

243.4 (b) The grant recipient must collect, analyze, and report on participation and outcome  
 243.5 data that enable the office to verify the outcomes.

243.6 (c) The evaluation must include information on the number of borrowers served with  
 243.7 on-time student loan payments, the numbers who brought their loans into good standing,  
 243.8 the number of student loan defaults, the number who developed a monthly budget plan, and  
 243.9 other information required by the commissioner. Recipients of the counseling must be  
 243.10 surveyed on their opinions about the usefulness of the counseling and the survey results  
 243.11 must be included in the report.

243.12 Subd. 5. **Report to legislature.** By February 1 of the second year of each grant award,  
 243.13 the commissioner must submit a report to the committees in the legislature with jurisdiction  
 243.14 over higher education finance regarding grant program outcomes.

243.15 Sec. 19. Minnesota Statutes 2017 Supplement, section 136A.1789, subdivision 2, is  
 243.16 amended to read:

243.17 **Subd. 2. Creation of account.** (a) An aviation degree loan forgiveness program account  
 243.18 is established in the special revenue fund to provide qualified pilots and qualified aircraft  
 243.19 technicians with financial assistance in repaying qualified education loans. The commissioner  
 243.20 must use money from the account to establish and administer the aviation degree loan  
 243.21 forgiveness program.

243.22 (b) ~~Appropriations made to Money in the aviation degree loan forgiveness program~~  
 243.23 ~~account ~~de~~ is appropriated to the commissioner for purposes of this section, does not cancel,~~  
 243.24 ~~and is not cancel and are available until expended.~~

243.25 Sec. 20. Minnesota Statutes 2016, section 136A.1791, subdivision 8, is amended to read:

243.26 **Subd. 8. Fund Account established.** A teacher shortage loan forgiveness repayment  
 243.27 ~~fund~~ account is created in the special revenue fund for depositing money appropriated to  
 243.28 or received by the commissioner for the program. Money deposited in the ~~fund shall not~~  
 243.29 account is appropriated to the commissioner, does not cancel, revert to any state fund at the  
 243.30 end of any fiscal year but remains in the loan forgiveness repayment fund and is continuously  
 243.31 available for loan forgiveness under this section.

244.1 Sec. 21. Minnesota Statutes 2016, section 136A.1795, subdivision 2, is amended to read:

244.2 Subd. 2. **Establishment; administration.** (a) The commissioner shall establish and  
244.3 administer a loan forgiveness program for large animal veterinarians who:

244.4 (1) agree to practice in designated rural areas that are considered underserved; and

244.5 (2) work full time in a practice that is at least 50 percent involved with the care of food  
244.6 animals.

244.7 (b) A large animal veterinarian loan forgiveness program account is established in the  
244.8 special revenue fund. Money in the account is appropriated to the commissioner to establish  
244.9 and administer the program under this section. Appropriations to the commissioner for the  
244.10 program are for transfer to the account. Appropriations made to the program from the account  
244.11 do not cancel and are available until expended.

244.12 Sec. 22. Minnesota Statutes 2016, section 136A.64, subdivision 1, is amended to read:

244.13 Subdivision 1. **Schools to provide information.** As a basis for registration, schools  
244.14 shall provide the office with such information as the office needs to determine the nature  
244.15 and activities of the school, including but not limited to the following which shall be  
244.16 accompanied by an affidavit attesting to its accuracy and truthfulness:

244.17 (1) articles of incorporation, constitution, bylaws, or other operating documents;

244.18 (2) a duly adopted statement of the school's mission and goals;

244.19 (3) evidence of current school or program licenses granted by departments or agencies  
244.20 of any state;

244.21 (4) a fiscal balance sheet on an accrual basis, or a certified audit of the immediate past  
244.22 fiscal year including any management letters provided by the independent auditor or, if the  
244.23 school is a public institution outside Minnesota, an income statement for the immediate past  
244.24 fiscal year;

244.25 (5) all current promotional and recruitment materials and advertisements; and

244.26 (6) the current school catalog and, if not contained in the catalog:

244.27 (i) the members of the board of trustees or directors, if any;

244.28 (ii) the current institutional officers;

244.29 (iii) current full-time and part-time faculty with degrees held or applicable experience;

244.30 (iv) a description of all school facilities;

- 245.1 (v) a description of all current course offerings;
- 245.2 (vi) all requirements for satisfactory completion of courses, programs, and degrees;
- 245.3 (vii) the school's policy about freedom or limitation of expression and inquiry;
- 245.4 (viii) a current schedule of fees, charges for tuition, required supplies, student activities,
- 245.5 housing, and all other standard charges;
- 245.6 (ix) the school's policy about refunds and adjustments;
- 245.7 (x) the school's policy about granting credit for prior education, training, and experience;
- 245.8 ~~and~~
- 245.9 (xi) the school's policies about student admission, evaluation, suspension, and dismissal;
- 245.10 and
- 245.11 (xii) the school's disclosure to students on the student complaint process under section
- 245.12 136A.672.

245.13 Sec. 23. Minnesota Statutes 2017 Supplement, section 136A.646, is amended to read:

245.14 **136A.646 ADDITIONAL SECURITY.**

245.15 (a) New schools that have been granted conditional approval for degrees or names to

245.16 allow them the opportunity to apply for and receive accreditation under section 136A.65,

245.17 subdivision 7, ~~or~~ shall provide a surety bond in a sum equal to ten percent of the net revenue

245.18 from tuition and fees in the registered institution's prior fiscal year, but in no case shall the

245.19 bond be less than \$10,000.

245.20 (b) Any registered institution that is notified by the United States Department of Education

245.21 that it has fallen below minimum financial standards and that its continued participation in

245.22 Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal

245.23 Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code

245.24 of Federal Regulations, title 34, section 668.175, paragraph (c), shall provide a surety bond

245.25 in a sum equal to the "letter of credit" required by the United States Department of Education

245.26 in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor

245.27 more than \$250,000. In the event the letter of credit required by the United States Department

245.28 of Education is higher than ten percent of the Title IV, Higher Education Act program funds

245.29 received by the institution during its most recently completed fiscal year, the office shall

245.30 reduce the office's surety requirement to represent ten percent of the Title IV, Higher

245.31 Education Act program funds received by the institution during its most recently completed

245.32 fiscal year, subject to the minimum and maximum in this paragraph.

246.1 ~~(b)~~ (c) In lieu of a bond, the applicant may deposit with the commissioner of management  
246.2 and budget:

246.3 (1) a sum equal to the amount of the required surety bond in cash;

246.4 (2) securities, as may be legally purchased by savings banks or for trust funds, in an  
246.5 aggregate market value equal to the amount of the required surety bond; or

246.6 (3) an irrevocable letter of credit issued by a financial institution to the amount of the  
246.7 required surety bond.

246.8 ~~(e)~~ (d) The surety of any bond may cancel it upon giving 60 days' notice in writing to  
246.9 the office and shall be relieved of liability for any breach of condition occurring after the  
246.10 effective date of cancellation.

246.11 ~~(d)~~ (e) In the event of a school closure, the additional security must first be used to  
246.12 destroy any private educational data under section 13.32 left at a physical campus in  
246.13 Minnesota after all other governmental agencies have recovered or retrieved records under  
246.14 their record retention policies. Any remaining funds must then be used to reimburse tuition  
246.15 and fee costs to students that were enrolled at the time of the closure or had withdrawn in  
246.16 the previous 120 calendar days but did not graduate. Priority for refunds will be given to  
246.17 students in the following order:

246.18 (1) cash payments made by the student or on behalf of a student;

246.19 (2) private student loans; and

246.20 (3) Veteran Administration education benefits that are not restored by the Veteran  
246.21 Administration. If there are additional security funds remaining, the additional security  
246.22 funds may be used to cover any administrative costs incurred by the office related to the  
246.23 closure of the school.

246.24 Sec. 24. Minnesota Statutes 2017 Supplement, section 136A.672, is amended by adding  
246.25 a subdivision to read:

246.26 Subd. 6. **Disclosure.** Schools must disclose on their Web site, student handbook, and  
246.27 student catalog the student complaint process under this section to students.

246.28 Sec. 25. Minnesota Statutes 2017 Supplement, section 136A.822, subdivision 6, is amended  
246.29 to read:

246.30 Subd. 6. **Bond.** (a) No license shall be issued to any private career school which  
246.31 maintains, conducts, solicits for, or advertises within the state of Minnesota any program,

247.1 unless the applicant files with the office a continuous corporate surety bond written by a  
247.2 company authorized to do business in Minnesota conditioned upon the faithful performance  
247.3 of all contracts and agreements with students made by the applicant.

247.4 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's net  
247.5 ~~income~~ revenue from student tuition, fees, and other required institutional charges collected,  
247.6 but in no event less than \$10,000, except that a private career school may deposit a greater  
247.7 amount at its own discretion. A private career school in each annual application for licensure  
247.8 must compute the amount of the surety bond and verify that the amount of the surety bond  
247.9 complies with this subdivision. A private career school that operates at two or more locations  
247.10 may combine net ~~income~~ revenue from student tuition, fees, and other required institutional  
247.11 charges collected for all locations for the purpose of determining the annual surety bond  
247.12 requirement. The net revenue from tuition and fees used to determine the amount of the  
247.13 surety bond required for a private career school having a license for the sole purpose of  
247.14 recruiting students in Minnesota shall be only that paid to the private career school by the  
247.15 students recruited from Minnesota.

247.16 (2) A person required to obtain a private career school license due to the use of  
247.17 "academy," "institute," "college," or "university" in its name and which is also licensed by  
247.18 another state agency or board, except not including those schools licensed exclusively in  
247.19 order to participate in state grants or SELF loan financial aid programs, shall be required  
247.20 to provide a school bond of \$10,000.

247.21 (c) The bond shall run to the state of Minnesota and to any person who may have a cause  
247.22 of action against the applicant arising at any time after the bond is filed and before it is  
247.23 canceled for breach of any contract or agreement made by the applicant with any student.  
247.24 The aggregate liability of the surety for all breaches of the conditions of the bond shall not  
247.25 exceed the principal sum deposited by the private career school under paragraph (b). The  
247.26 surety of any bond may cancel it upon giving 60 days' notice in writing to the office and  
247.27 shall be relieved of liability for any breach of condition occurring after the effective date  
247.28 of cancellation.

247.29 (d) In lieu of bond, the applicant may deposit with the commissioner of management  
247.30 and budget a sum equal to the amount of the required surety bond in cash, an irrevocable  
247.31 letter of credit issued by a financial institution equal to the amount of the required surety  
247.32 bond, or securities as may be legally purchased by savings banks or for trust funds in an  
247.33 aggregate market value equal to the amount of the required surety bond.

248.1 (e) Failure of a private career school to post and maintain the required surety bond or  
248.2 deposit under paragraph (d) may result in denial, suspension, or revocation of the school's  
248.3 license.

248.4 Sec. 26. Minnesota Statutes 2016, section 136A.822, subdivision 10, is amended to read:

248.5 Subd. 10. **Catalog, brochure, or electronic display.** Before a license is issued to a  
248.6 private career school, the private career school shall furnish to the office a catalog, brochure,  
248.7 or electronic display including:

248.8 (1) identifying data, such as volume number and date of publication;

248.9 (2) name and address of the private career school and its governing body and officials;

248.10 (3) a calendar of the private career school showing legal holidays, beginning and ending  
248.11 dates of each course quarter, term, or semester, and other important dates;

248.12 (4) the private career school policy and regulations on enrollment including dates and  
248.13 specific entrance requirements for each program;

248.14 (5) the private career school policy and regulations about leave, absences, class cuts,  
248.15 make-up work, tardiness, and interruptions for unsatisfactory attendance;

248.16 (6) the private career school policy and regulations about standards of progress for the  
248.17 student including the grading system of the private career school, the minimum grades  
248.18 considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a  
248.19 description of any probationary period allowed by the private career school, and conditions  
248.20 of reentrance for those dismissed for unsatisfactory progress;

248.21 (7) the private career school policy and regulations about student conduct and conditions  
248.22 for dismissal for unsatisfactory conduct;

248.23 (8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student  
248.24 activities, laboratory fees, service charges, rentals, deposits, and all other charges;

248.25 (9) the private career school policy and regulations, including an explanation of section  
248.26 136A.827, about refunding tuition, fees, and other charges if the student does not enter the  
248.27 program, withdraws from the program, or the program is discontinued;

248.28 (10) a description of the available facilities and equipment;

248.29 (11) a course outline syllabus for each course offered showing course objectives, subjects  
248.30 or units in the course, type of work or skill to be learned, and approximate time, hours, or  
248.31 credits to be spent on each subject or unit;

249.1 (12) the private career school policy and regulations about granting credit for previous  
249.2 education and preparation;

249.3 (13) a notice to students relating to the transferability of any credits earned at the private  
249.4 career school to other institutions;

249.5 (14) a procedure for investigating and resolving student complaints; ~~and~~

249.6 (15) the name and address of the office; and

249.7 (16) the student complaint process and rights under section 136A.8295.

249.8 A private career school that is exclusively a distance education school is exempt from  
249.9 clauses (3) and (5).

249.10 Sec. 27. Minnesota Statutes 2017 Supplement, section 136A.8295, is amended by adding  
249.11 a subdivision to read:

249.12 Subd. 6. **Disclosure.** Schools must disclose on their Web site, student handbook, and  
249.13 student catalog the student complaint process under this section to students.

249.14 Sec. 28. Minnesota Statutes 2016, section 136A.901, subdivision 1, is amended to read:

249.15 Subdivision 1. **Grant program.** (a) The commissioner shall establish a grant program  
249.16 to award grants to institutions in Minnesota for research into spinal cord injuries and traumatic  
249.17 brain injuries. Grants shall be awarded to conduct research into new and innovative treatments  
249.18 and rehabilitative efforts for the functional improvement of people with spinal cord and  
249.19 traumatic brain injuries. Research topics may include, but are not limited to, pharmaceutical,  
249.20 medical device, brain stimulus, and rehabilitative approaches and techniques. The  
249.21 commissioner, in consultation with the advisory council established under section 136A.902,  
249.22 shall award 50 percent of the grant funds for research involving spinal cord injuries and 50  
249.23 percent to research involving traumatic brain injuries. In addition to the amounts appropriated  
249.24 by law, the commissioner may accept additional funds from private and public sources.  
249.25 Amounts received from these sources are appropriated to the commissioner for the purposes  
249.26 of issuing grants under this section.

249.27 (b) A spinal cord and traumatic brain injury grant account is established in the special  
249.28 revenue fund. Money in the account is appropriated to the commissioner to make grants  
249.29 and to administer the grant program under this section. Appropriations to the commissioner  
249.30 for the program are for transfer to the account. Appropriations from the account do not  
249.31 cancel and are available until expended.

250.1 Sec. 29. Minnesota Statutes 2016, section 137.0245, subdivision 1, is amended to read:

250.2 Subdivision 1. **Establishment.** A Regent Candidate Advisory Council is established in  
250.3 the legislative branch to assist in determining criteria for, ~~and identifying and recruiting~~  
250.4 membership on the Board of Regents, to identify and recruit qualified regent candidates for  
250.5 ~~membership on the Board of Regents,~~ and making to make recommendations to the joint  
250.6 legislative committee described in section 137.0246, subdivision 2.

250.7 Sec. 30. Minnesota Statutes 2016, section 137.0245, subdivision 2, is amended to read:

250.8 Subd. 2. **Membership.** The Regent Candidate Advisory Council shall consist of 24  
250.9 members. Twelve members shall be appointed by the Subcommittee on Committees of the  
250.10 Committee on Rules and Administration of the senate. Twelve members shall be appointed  
250.11 by the speaker of the house. Each appointing authority must appoint one member who is a  
250.12 student enrolled in a degree program at the University of Minnesota at the time of  
250.13 appointment. No more than one-third of the members appointed by each appointing authority  
250.14 may be current or former legislators. No more than two-thirds of the members appointed  
250.15 by each appointing authority may belong to the same political party; however, political  
250.16 activity or affiliation is not required for the appointment of any member. ~~Geographical~~  
250.17 ~~representation must be taken into consideration when making appointments.~~ Each appointing  
250.18 authority must appoint at least one but no more than three members from each congressional  
250.19 district. The member must reside in the congressional district he or she represents at the  
250.20 time of appointment. Section 15.0575 shall govern the advisory council, except that:

250.21 (1) the members shall be appointed to six-year terms with one-third appointed each  
250.22 even-numbered year; and

250.23 (2) student members are appointed to two-year terms with two students appointed each  
250.24 even-numbered year.

250.25 A member may not serve more than two full terms.

250.26 **EFFECTIVE DATE.** This section is effective for appointments made on or after July  
250.27 1, 2018.

250.28 Sec. 31. Minnesota Statutes 2016, section 137.0245, subdivision 4, is amended to read:

250.29 Subd. 4. **Recommendations.** (a) The advisory council shall recommend at least two and  
250.30 not more than four candidates. By January 15 of each odd-numbered year, the advisory  
250.31 council shall submit its recommendations to the joint legislative committee described in  
250.32 section 137.0246, subdivision 2.

251.1 (b) ~~The advisory council~~ At the same time the advisory council submits its  
 251.2 recommendations, the council must submit a report to the joint committee on which includes:  
 251.3 (1) the needs criterion identified under subdivision 3, paragraph (c), ~~at the same time it~~  
 251.4 submits its recommendations; (2) a detailed description of all methods and tools used to  
 251.5 screen each candidate; and (3) the name of the member or staff person who screened each  
 251.6 candidate.

251.7 Sec. 32. Minnesota Statutes 2016, section 137.0245, subdivision 5, is amended to read:

251.8 Subd. 5. **Support services.** The Legislative Coordinating Commission shall collect  
 251.9 application materials from regent candidates, perform background checks on regent  
 251.10 candidates at the direction of the chairs and ranking minority members of the legislative  
 251.11 committees with jurisdiction over higher education policy and finance, and forward all  
 251.12 materials to the advisory council. The Legislative Coordinating Commission shall provide  
 251.13 administrative and support services for the advisory council.

251.14 Sec. 33. Minnesota Statutes 2017 Supplement, section 298.2215, is amended to read:

251.15 **298.2215 COUNTY SCHOLARSHIP PROGRAM ENDOWMENT ACCOUNT.**

251.16 Subdivision 1. **Establishment** Account established. A county board of commissioners  
 251.17 may establish a scholarship fund from an endowment account and may deposit into the  
 251.18 account any unencumbered revenue received pursuant to section 298.018, 298.28, 298.39,  
 251.19 298.396, or 298.405 or any law imposing a tax upon severed mineral values. Scholarships  
 251.20 must be used at a two-year Minnesota State Colleges and Universities institution within the  
 251.21 county. The county shall establish procedures for applying for and distributing the  
 251.22 scholarships The county board may deposit into the account private contributions, gifts, or  
 251.23 grants. Any interest or profit accruing from the investment of these sums is credited to the  
 251.24 account.

251.25 Subd. 1a. **Use of funds.** Income derived from the investment of the principal in the  
 251.26 account must be used to provide scholarships to eligible applicants. Scholarships must be  
 251.27 used at a two-year Minnesota State Colleges and Universities institution within the county.  
 251.28 The county board shall establish procedures for applying for and distributing the scholarships.

251.29 Subd. 2. **Eligibility.** An applicant for a scholarship under this section must be a resident  
 251.30 of the county at the time of the applicant's high school graduation. The county board may  
 251.31 establish additional eligibility criteria.

251.32 Subd. 3. **Investment.** The county board may:

- 252.1 (1) deposit part or all of the endowment account funds as provided in chapter 118A; or  
 252.2 (2) enter into an agreement with the State Board of Investment to invest all or part of  
 252.3 the endowment account funds in investments under section 11A.24, on behalf of the county.

252.4 Subd. 4. **Audits.** The account is subject to audit by the state auditor.

252.5 Sec. 34. Laws 2017, chapter 89, article 1, section 2, subdivision 18, is amended to read:

252.6	Subd. 18. <b>MNSCU Two-Year Public College</b>	3,481,000	
252.7	<b>Program</b>	<u>2,481,000</u>	-0-

252.8 (a) ~~\$2,780,000~~ \$1,780,000 in fiscal year 2018  
 252.9 is for two-year public college program grants  
 252.10 under Laws 2015, chapter 69, article 3, section  
 252.11 20.

252.12 (b) \$545,000 in fiscal year 2018 is to provide  
 252.13 mentoring and outreach as specified under  
 252.14 Laws 2015, chapter 69, article 3, section 20.

252.15 (c) \$156,000 in fiscal year 2018 is for  
 252.16 information technology and administrative  
 252.17 costs associated with implementation of the  
 252.18 grant program.

252.19 **EFFECTIVE DATE.** This section is effective June 30, 2018.

252.20 Sec. 35. Laws 2017, chapter 89, article 1, section 2, subdivision 20, is amended to read:

252.21	Subd. 20. <b>Spinal Cord Injury and Traumatic</b>		
252.22	<b>Brain Injury Research Grant Program</b>	3,000,000	3,000,000

252.23 ~~For spinal cord injury and traumatic brain~~  
 252.24 ~~injury research grants authorized under~~  
 252.25 ~~Minnesota Statutes, section 136A.901.~~

252.26 For transfer to the spinal cord and traumatic  
 252.27 brain injury grant account in the special  
 252.28 revenue fund under Minnesota Statutes,  
 252.29 section 136A.901, subdivision 1.

252.30 The commissioner may use no more than three  
 252.31 percent of ~~this appropriation~~ the amount

253.1 transferred under this subdivision to administer  
 253.2 the grant program ~~under this subdivision.~~

253.3 Sec. 36. Laws 2017, chapter 89, article 1, section 2, subdivision 29, is amended to read:

253.4	<b>Subd. 29. Emergency Assistance for</b>	175,000	175,000
253.5	<b>Postsecondary Students</b>		

253.6 (a) This appropriation is for the Office of  
 253.7 Higher Education to allocate grant funds on a  
 253.8 matching basis to ~~schools~~ eligible institutions  
 253.9 as defined under Minnesota Statutes, section  
 253.10 136A.103, located in Minnesota with a  
 253.11 demonstrable homeless student population.

253.12 (b) This appropriation shall be used to meet  
 253.13 immediate student needs that could result in  
 253.14 a student not completing the term or their  
 253.15 program including, but not limited to,  
 253.16 emergency housing, food, and transportation.  
 253.17 Emergency assistance does not impact the  
 253.18 amount of state financial aid received.

253.19 (c) The commissioner shall determine the  
 253.20 application process and the grant amounts.  
 253.21 Any balance in the first year does not cancel  
 253.22 but shall be available in the second year. The  
 253.23 Office of Higher Education shall partner with  
 253.24 interested postsecondary institutions, other  
 253.25 state agencies, and student groups to establish  
 253.26 the programs.

253.27 Sec. 37. Laws 2017, chapter 89, article 1, section 2, subdivision 31, is amended to read:

253.28	<b>Subd. 31. Teacher Shortage Loan Forgiveness</b>	200,000	200,000
--------	--	---------	---------

253.29 For transfer to the teacher shortage loan  
 253.30 forgiveness program repayment account in the  
 253.31 special revenue fund under Minnesota  
 253.32 Statutes, section 136A.1791, subdivision 8.

254.1 The commissioner may use no more than three  
 254.2 percent of ~~this appropriation~~ the amount  
 254.3 transferred under this subdivision to administer  
 254.4 the program ~~under this subdivision~~.

254.5 Sec. 38. Laws 2017, chapter 89, article 1, section 2, subdivision 32, is amended to read:

254.6	<b>Subd. 32. Large Animal Veterinarian Loan</b>		
254.7	<b>Forgiveness Program</b>	375,000	375,000

254.8 For transfer to the large animal veterinarian  
 254.9 loan forgiveness program account in the  
 254.10 special revenue fund under Minnesota  
 254.11 Statutes, section 136A.1795, subdivision 2.

254.12 Sec. 39. Laws 2017, chapter 89, article 1, section 2, subdivision 33, is amended to read:

254.13	<b>Subd. 33. Agricultural Educators Loan</b>		
254.14	<b>Forgiveness</b>	50,000	50,000

254.15 For ~~deposit in~~ transfer to the agricultural  
 254.16 education loan forgiveness account in the  
 254.17 special revenue fund under Minnesota  
 254.18 Statutes, section 136A.1794, subdivision 2.

254.19 Sec. 40. Laws 2017, chapter 89, article 1, section 2, subdivision 34, is amended to read:

254.20	<b>Subd. 34. Aviation Degree Loan Forgiveness</b>		
254.21	<b>Program</b>	25,000	25,000

254.22 For transfer to the aviation degree loan  
 254.23 forgiveness program account in the special  
 254.24 revenue fund under Minnesota Statutes,  
 254.25 section 136A.1789, subdivision 2.

254.26 Sec. 41. Laws 2017, chapter 89, article 1, section 2, subdivision 40, is amended to read:

254.27 **Subd. 40. Transfers**

254.28 The commissioner of the Office of Higher  
 254.29 Education may transfer unencumbered  
 254.30 balances from the appropriations in this  
 254.31 section to the state grant appropriation, the  
 254.32 interstate tuition reciprocity appropriation, the

255.1 child care grant appropriation, the Indian  
 255.2 scholarship appropriation, intervention for  
 255.3 college attendance program grants  
 255.4 appropriation, summer academic enrichment  
 255.5 program appropriation, student-parent  
 255.6 information appropriation, the state  
 255.7 work-study appropriation, the get ready  
 255.8 appropriation, and the public safety officers'  
 255.9 survivors appropriation. Transfers from the  
 255.10 child care or state work-study appropriations  
 255.11 may only be made to the extent there is a  
 255.12 projected surplus in the appropriation. A  
 255.13 transfer may be made only with prior written  
 255.14 notice to the chairs and ranking minority  
 255.15 members of the senate and house of  
 255.16 representatives committees with jurisdiction  
 255.17 over higher education finance.

255.18 Sec. 42. **AFFORDABLE TEXTBOOK PLAN AND REPORT.**

255.19 The Board of Trustees of the Minnesota State Colleges and Universities shall develop  
 255.20 a plan to increase the use of affordable textbooks and instructional materials. The board  
 255.21 must explore and study registration software or other systems and methods to disclose or  
 255.22 display the cost of all textbooks and instructional materials required for a course at or prior  
 255.23 to course registration. The plan must describe the systems or methods examined and the  
 255.24 results of the study. The plan must establish a goal for the percentage of all courses offered  
 255.25 at state colleges and universities that will use affordable textbooks and instructional materials.  
 255.26 The plan must identify and describe key terms, including "affordable textbook," "instructional  
 255.27 material," and "course." The board must submit the plan to the chairs and ranking minority  
 255.28 members of the legislative committees with jurisdiction over higher education by January  
 255.29 15, 2020.

255.30 Sec. 43. **TEACHER PREPARATION PROGRAM DESIGN GRANT.**

255.31 The commissioner of the Office of Higher Education shall make a grant to an institution  
 255.32 of higher education, defined under Minnesota Statutes, section 135A.51, subdivision 5, to  
 255.33 explore, design, and plan for a teacher preparation program leading to licensure as a teacher  
 255.34 of the blind or visually impaired, consistent with Minnesota Rules, part 8710.5100. The

256.1 commissioner may develop an application process and guidelines, as necessary, and may  
 256.2 use up to two percent of the appropriation for administrative costs. The grant recipient shall  
 256.3 submit a report describing the plan and identifying potential ongoing costs for the program  
 256.4 to the chairs and ranking minority members of the legislative committees with jurisdiction  
 256.5 over higher education finance and policy no later than January 15, 2020.

256.6 Sec. 44. **UNIVERSITY OF MINNESOTA; APPEAL PROCESS FOR SEXUAL**  
 256.7 **MISCONDUCT FINDINGS INVOLVING EMPLOYEES.**

256.8 The Board of Regents of the University of Minnesota is requested to amend its sexual  
 256.9 misconduct policies to:

256.10 (1) provide a process for accused university employees and their victims to appeal  
 256.11 findings of the university's Office of Equal Opportunity and Affirmative Action before an  
 256.12 impartial decision maker; and

256.13 (2) require the office, at the conclusion of a sexual misconduct investigation, to provide  
 256.14 notice to accused university employees and their victims of any appeal rights.

256.15 Sec. 45. **REPEALER.**

256.16 Minnesota Statutes 2016, sections 136A.15, subdivisions 2 and 7; and 136A.1701,  
 256.17 subdivision 12, are repealed.

## 256.18 **ARTICLE 23**

### 256.19 **TRANSPORTATION APPROPRIATIONS**

256.20 Section 1. **APPROPRIATIONS.**

256.21 The sums shown in the column under "Appropriations" are added to the appropriations  
 256.22 in Laws 2017, First Special Session chapter 3, article 1, and Laws 2017, First Special Session  
 256.23 chapter 4, article 1, to the agencies and for the purposes specified in this article. The  
 256.24 appropriations are from the general fund, or another named fund, and are available for the  
 256.25 fiscal years indicated for each purpose. Amounts for "Total Appropriation" and sums shown  
 256.26 in the corresponding columns marked "Appropriations by Fund" are summary only and do  
 256.27 not have legal effect. The figures "2018" and "2019" used in this article mean that the  
 256.28 addition to the appropriation listed under them is available for the fiscal year ending June  
 256.29 30, 2018, or June 30, 2019, respectively.

256.30  
 256.31

**APPROPRIATIONS**  
**Available for the Year**

		<u>Ending June 30</u>	
		<u>2018</u>	<u>2019</u>
257.1			
257.2			
257.3	<b>Sec. 2. <u>DEPARTMENT OF</u></b>		
257.4	<b><u>TRANSPORTATION</u></b>		
257.5	<b><u>Subdivision 1. Total Appropriation</u></b>	<b>\$</b>	<b><u>-0-</u> \$ <u>66,860,000</u></b>
257.6	<u>Appropriations by Fund</u>		
257.7		<u>2018</u>	<u>2019</u>
257.8	<u>General</u>	<u>-0-</u>	<u>34,860,000</u>
257.9	<u>Special Revenue</u>	<u>-0-</u>	<u>1,000,000</u>
257.10	<u>Trunk Highway</u>	<u>-0-</u>	<u>30,000,000</u>
257.11	<u>State Airport</u>	<u>-0-</u>	<u>1,000,000</u>
257.12	<u>The appropriations in this section are to the</u>		
257.13	<u>commissioner of transportation. The amounts</u>		
257.14	<u>that may be spent for each purpose are</u>		
257.15	<u>specified in the subdivisions in this section.</u>		
257.16	<b><u>Subd. 2. Aeronautics</u></b>	<u>-0-</u>	<u>2,250,000</u>
257.17	<u>Appropriations by Fund</u>		
257.18		<u>2018</u>	<u>2019</u>
257.19	<u>General</u>	<u>-0-</u>	<u>1,250,000</u>
257.20	<u>Airports</u>	<u>-0-</u>	<u>1,000,000</u>
257.21	<u>This appropriation is for a grant to the city of</u>		
257.22	<u>Rochester to acquire and install a CAT II</u>		
257.23	<u>approach system at the Rochester International</u>		
257.24	<u>Airport. This appropriation is available when</u>		
257.25	<u>the commissioner of transportation determines</u>		
257.26	<u>that sufficient resources have been committed</u>		
257.27	<u>to complete the project. This is a onetime</u>		
257.28	<u>appropriation and is available until June 30,</u>		
257.29	<u>2023.</u>		
257.30	<b><u>Subd. 3. Rail Service Improvement</u></b>	<u>-0-</u>	<u>1,000,000</u>
257.31	<u>This appropriation is from the rail service</u>		
257.32	<u>improvement account in the special revenue</u>		
257.33	<u>fund under the rail service improvement</u>		
257.34	<u>program in Minnesota Statutes, section 222.50,</u>		
257.35	<u>for a grant to the Minnesota Valley Regional</u>		

258.1 Rail Authority to rehabilitate a portion of the  
 258.2 railroad track between Winthrop and Hanley  
 258.3 Falls. Railroad track rehabilitation under the  
 258.4 grant includes but is not limited to  
 258.5 environmental analysis and remediation,  
 258.6 predesign, design, and rehabilitation or  
 258.7 replacement of bridges or culverts. This grant  
 258.8 is in addition to any other appropriation, or  
 258.9 other grant, loan, or loan guarantee for this  
 258.10 project made by the commissioner under  
 258.11 Minnesota Statutes, sections 222.46 to 222.62.  
 258.12 This is a onetime appropriation.

258.13 **Subd. 4. State Roads**

258.14 **(a) Program Delivery** -0- 10,400,000

258.15 \$5,400,000 in the second year is for a grant to  
 258.16 the city of Virginia to repay loans incurred by  
 258.17 the city for costs related to utility relocation  
 258.18 for the U.S. Highway 53 project. This is a  
 258.19 onetime appropriation.

258.20 \$5,000,000 in the second year is for  
 258.21 environmental analysis and preliminary  
 258.22 engineering for the grade separation and  
 258.23 realignment of the bridge on marked Trunk  
 258.24 Highway 27 in the city of Little Falls. This is  
 258.25 a onetime appropriation.

258.26 **(b) State Road Construction** -0- 20,000,000

258.27 This appropriation is from the trunk highway  
 258.28 fund for trunk highway reconstruction or  
 258.29 resurfacing in calendar year 2019, 2020, or  
 258.30 2021 that includes establishment of one or  
 258.31 more temporary lanes of travel, provided that  
 258.32 the commissioner must establish additional  
 258.33 permanent general purpose lanes on the  
 258.34 segment if: (1) the project is on an interstate  
 258.35 highway; (2) the project is located outside of

- 259.1 a Department of Transportation district  
 259.2 containing a city of the first class; (3) the total  
 259.3 project cost estimate is at least \$30,000,000;  
 259.4 and (4) the annual average daily traffic is at  
 259.5 least 40,000 at any point within the project  
 259.6 limits. This is a onetime appropriation and is  
 259.7 available until June 30, 2022.
- 259.8 **(c) Corridors of Commerce** -0- 10,000,000
- 259.9 This appropriation is from the trunk highway  
 259.10 fund for the corridors of commerce program  
 259.11 under Minnesota Statutes, section 161.088.  
 259.12 This is a onetime appropriation.
- 259.13 **Subd. 5. Local Roads**
- 259.14 **(a) Small Cities Assistance** -0- 8,500,000
- 259.15 This appropriation is for the small cities  
 259.16 assistance program under Minnesota Statutes,  
 259.17 section 162.145. This is a onetime  
 259.18 appropriation.
- 259.19 **(b) Town Roads** -0- 4,000,000
- 259.20 This appropriation is for town roads, to be  
 259.21 distributed in the manner provided under  
 259.22 Minnesota Statutes, section 162.081. This is  
 259.23 a onetime appropriation.
- 259.24 **(c) Local Bridges** -0- 10,710,000
- 259.25 This appropriation is for local bridges under  
 259.26 Minnesota Statutes, section 174.50. This is a  
 259.27 onetime appropriation.
- 259.28 **Subd. 6. Transfer; Rail Service Improvement**
- 259.29 Before August 1, 2018, the commissioner of  
 259.30 management and budget must transfer  
 259.31 \$3,000,000 from the general fund to the rail  
 259.32 service improvement account in the special  
 259.33 revenue fund. This is a onetime transfer.



261.1 Laws 2018, chapter 101, section 4, subdivision

261.2 5.

261.3 Of the appropriation from the driver and

261.4 vehicle services fund, \$200,000 is from the

261.5 vehicle services operating account and

261.6 \$700,000 is from the driver services operating

261.7 account.

261.8 The base from the general fund is \$2,600,000

261.9 in fiscal year 2020 and \$0 in fiscal year 2021.

261.10 The base from the vehicle services operating

261.11 account is \$700,000 in fiscal year 2020 and

261.12 \$0 in fiscal year 2021. The base from the driver

261.13 services operating account is \$2,200,000 in

261.14 fiscal year 2020 and \$0 in fiscal year 2021.

261.15 The planning estimates in fiscal year 2020

261.16 may only be used for a FAST Enterprise

261.17 contract payment related to the driver licensing

261.18 system.

261.19 **Subd. 2. Transfer; Driver and Vehicle Services**

261.20 **Technology Account**

261.21 By July 1, 2018, the unencumbered balance

261.22 in the driver and vehicle services technology

261.23 account in the special revenue fund is

261.24 transferred to the driver and vehicle services

261.25 technology account in the driver and vehicle

261.26 services fund.

261.27 **Subd. 3. Transfer; Driver Services Operating**

261.28 **Account**

261.29 By July 1, 2018, the unencumbered balance

261.30 in the driver services operating account in the

261.31 special revenue fund is transferred to the driver

261.32 services operating account in the driver and

261.33 vehicle services fund.

262.1 **Subd. 4. Transfer; Vehicle Services Operating**  
 262.2 **Account**

262.3 By July 1, 2018, the unencumbered balance  
 262.4 in the vehicle services operating account in  
 262.5 the special revenue fund is transferred to the  
 262.6 vehicle services operating account in the driver  
 262.7 and vehicle services fund.

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

262.9 **Sec. 5. DEPARTMENT OF MANAGEMENT**  
 262.10 **AND BUDGET**

<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>5,000,000</u></b>
------------------	-------------------	------------------	-------------------------

262.11 This appropriation is to the commissioner of  
 262.12 management and budget for reimbursement  
 262.13 grants to deputy registrars under section 10.  
 262.14 This is a onetime appropriation.

262.15 Sec. 6. Laws 2017, First Special Session chapter 3, article 1, section 2, subdivision 2, is  
 262.16 amended to read:

262.17 **Subd. 2. Multimodal Systems**

262.18 **(a) Aeronautics**

262.19 <b>(1) Airport Development and Assistance</b>	26,001,000	16,598,000
--	------------	------------

262.20 This appropriation is from the state airports  
 262.21 fund and must be spent according to  
 262.22 Minnesota Statutes, section 360.305,  
 262.23 subdivision 4.

262.24 Notwithstanding Minnesota Statutes, section  
 262.25 16A.28, subdivision 6, this appropriation is  
 262.26 available for five years after the year of the  
 262.27 appropriation. If the appropriation for either  
 262.28 year is insufficient, the appropriation for the  
 262.29 other year is available for it.

262.30 \$6,619,000 in the first year is for a grant to  
 262.31 the Duluth Airport Authority for  
 262.32 improvements at the Duluth International  
 262.33 Airport and the Sky Harbor Airport in

263.1 accordance with Minnesota Statutes, section  
263.2 360.017. For the purposes of this  
263.3 appropriation, the commissioner may waive  
263.4 the requirements of Minnesota Statutes,  
263.5 section 360.305, subdivision 4, paragraph (b).  
263.6 This appropriation may be used to reimburse  
263.7 the Authority for costs incurred after March  
263.8 1, 2015. This is a onetime appropriation.

263.9 \$2,334,000 in the first year is for a grant to  
263.10 the city of Rochester for improvements to the  
263.11 passenger terminal building at the Rochester  
263.12 International Airport in accordance with  
263.13 Minnesota Statutes, section 360.017. For the  
263.14 purposes of this appropriation, the  
263.15 commissioner of transportation may waive the  
263.16 requirements of Minnesota Statutes, section  
263.17 360.305, subdivision 4, paragraph (b). This  
263.18 appropriation may be used to reimburse the  
263.19 city for costs incurred after May 1, 2016. This  
263.20 is a onetime appropriation.

263.21 Notwithstanding Minnesota Statutes, section  
263.22 360.017, \$250,000 in the first year is for a  
263.23 grant to the city of St. Cloud for an air  
263.24 transport optimization planning study for the  
263.25 St. Cloud Regional Airport. The study must  
263.26 be comprehensive and market-based, using  
263.27 economic development and air service  
263.28 expertise to research, analyze, and develop  
263.29 models and strategies that maximize the return  
263.30 on investments made to enhance the use and  
263.31 impact of the St. Cloud Regional Airport. By  
263.32 January 5, 2018, the city of St. Cloud shall  
263.33 submit a report to the governor and the  
263.34 members and staff of the legislative  
263.35 committees with jurisdiction over capital

264.1 investment, transportation, and economic  
 264.2 development with recommendations based on  
 264.3 the findings of the study. This is a onetime  
 264.4 appropriation.

264.5 If the commissioner of transportation  
 264.6 determines that a balance remains in the state  
 264.7 airports fund following the appropriations  
 264.8 made in this article and that the appropriations  
 264.9 made are insufficient for advancing airport  
 264.10 development and assistance projects, an  
 264.11 amount necessary to advance the projects, not  
 264.12 to exceed the balance in the state airports fund,  
 264.13 is appropriated in each year to the  
 264.14 commissioner and must be spent according to  
 264.15 Minnesota Statutes, section 360.305,  
 264.16 subdivision 4. Within two weeks of a  
 264.17 determination under this contingent  
 264.18 appropriation, the commissioner of  
 264.19 transportation must notify the commissioner  
 264.20 of management and budget and the chairs,  
 264.21 ranking minority members, and staff of the  
 264.22 legislative committees with jurisdiction over  
 264.23 transportation finance concerning the funds  
 264.24 appropriated. Funds appropriated under this  
 264.25 contingent appropriation do not adjust the base  
 264.26 for fiscal years 2020 and 2021.

264.27 The base is \$15,298,000 in each of fiscal years  
 264.28 2020 and 2021.

264.29 <b>(2) Aviation Support and Services</b>	6,710,000	6,854,000
---	-----------	-----------

264.30 Appropriations by Fund

	2018	2019
264.31 Airports	5,231,000	5,231,000
264.32 Trunk Highway	1,479,000	1,623,000

264.34 <b>(3) Civil Air Patrol</b>	3,580,000	80,000
------------------------------------	-----------	--------

265.1 This appropriation is from the state airports  
 265.2 fund for the Civil Air Patrol.  
 265.3 \$3,500,000 in the first year is for a grant to:  
 265.4 (i) perform site selection and analysis; (ii)  
 265.5 purchase, renovate a portion of and, or  
 265.6 construct an addition to the training and  
 265.7 maintenance facility located at the South St.  
 265.8 Paul airport, facilities; and to (iii) furnish and  
 265.9 equip the facility facilities, including  
 265.10 communications equipment. If the Civil Air  
 265.11 Patrol purchases an existing facility, predesign  
 265.12 requirements are waived. The facilities must  
 265.13 be located at an airport in Minnesota.  
 265.14 Notwithstanding the matching requirements  
 265.15 in Minnesota Statutes, section 360.305,  
 265.16 subdivision 4, a nonstate contribution is not  
 265.17 required for this appropriation.  
 265.18 Notwithstanding Minnesota Statutes, section  
 265.19 16A.28, subdivision 6, this appropriation is  
 265.20 available for ~~five~~ six years after the year of  
 265.21 the appropriation. This is a onetime  
 265.22 appropriation.

265.23 **(b) Transit** 1,416,000 18,268,000

265.24 Appropriations by Fund		
265.25	2018	2019
265.26 General	570,000	17,395,000
265.27 Trunk Highway	846,000	873,000

265.28 \$150,000 in each year is from the general fund  
 265.29 for grants to transportation management  
 265.30 organizations that provide services exclusively  
 265.31 or primarily in the city located along the  
 265.32 marked Interstate Highway 494 corridor  
 265.33 having the highest population as of the  
 265.34 effective date of this section. The  
 265.35 commissioner must not retain any portion of



267.1 proceeds of the grants must be publicly owned.  
 267.2 This is a onetime appropriation and is  
 267.3 available in the second year.  
 267.4 \$800,000 in each year is from the general fund  
 267.5 for additional rail safety and rail service  
 267.6 activities.  
 267.7 \$1,000,000 in the first year is from the general  
 267.8 fund for a grant to the city of Grand Rapids to  
 267.9 fund rail planning studies, design, and  
 267.10 preliminary engineering relating to the  
 267.11 construction of a freight rail line located in the  
 267.12 counties of Itasca, St. Louis, and Lake to serve  
 267.13 local producers and shippers. The city of  
 267.14 Grand Rapids shall collaborate with the Itasca  
 267.15 Economic Development Corporation and the  
 267.16 Itasca County Regional Railroad Authority in  
 267.17 the activities funded with the proceeds of this  
 267.18 grant. This is a onetime appropriation and is  
 267.19 available until June 30, 2019.

267.20 Sec. 7. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 1, is  
 267.21 amended to read:

267.22  
 267.23 Subdivision 1. **Total Appropriation** \$ **199,838,000** \$ **199,407,000**  
**198,041,000**

267.24 Appropriations by Fund			
	2018	2019	
267.25			
267.26 General	19,971,000	14,381,000	
267.27		<del>65,087,000</del>	
267.28 Special Revenue	63,945,000	<u>1,439,000</u>	
267.29		<del>10,486,000</del>	
267.30 H.U.T.D.	10,474,000	<u>9,120,000</u>	
267.31 Trunk Highway	105,448,000	109,453,000	
267.32 <u>Driver and Vehicle</u>			
267.33 <u>Services</u>	<u>-0-</u>	<u>63,648,000</u>	

267.34 The appropriations in this section are to the  
 267.35 commissioner of public safety. The amounts

268.1 that may be spent for each purpose are  
 268.2 specified in the following subdivisions.

268.3 Sec. 8. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 2, is  
 268.4 amended to read:

268.5 **Subd. 2. Administration and Related Services**

268.6 **(a) Office of Communications** 553,000 573,000

268.7 Appropriations by Fund

268.8 2018 2019

268.9 General 127,000 130,000

268.10 Trunk Highway 426,000 443,000

268.11 6,569,000

268.12 **(b) Public Safety Support** 6,372,000 5,203,000

268.13 Appropriations by Fund

268.14 2018 2019

268.15 General 1,225,000 1,235,000

268.16 1,366,000

268.17 H.U.T.D. 1,366,000 -0-

268.18 Trunk Highway 3,781,000 3,968,000

268.19 **(c) Public Safety Officer Survivor Benefits** 640,000 640,000

268.20 This appropriation is from the general fund  
 268.21 for payment of public safety officer survivor  
 268.22 benefits under Minnesota Statutes, section  
 268.23 299A.44.

268.24 If the appropriation for either year is  
 268.25 insufficient, the appropriation for the other  
 268.26 year is available for it.

268.27 **(d) Public Safety Officer Reimbursements** 1,367,000 1,367,000

268.28 This appropriation is from the general fund to  
 268.29 be deposited in the public safety officer's  
 268.30 benefit account. This money is available for  
 268.31 reimbursements under Minnesota Statutes,  
 268.32 section 299A.465.

268.33 **(e) Soft Body Armor Reimbursements** 700,000 700,000

268.34 Appropriations by Fund

269.1		2018	2019		
269.2	General	600,000	600,000		
269.3	Trunk Highway	100,000	100,000		
269.4	This appropriation is for soft body armor				
269.5	reimbursements under Minnesota Statutes,				
269.6	section 299A.38.				
269.7	<b>(f) Technology and Support Service</b>			3,777,000	3,814,000

269.8	Appropriations by Fund			
269.9		2018	2019	
269.10	General	1,353,000	1,365,000	
269.11	H.U.T.D.	19,000	19,000	
269.12	Trunk Highway	2,405,000	2,430,000	

269.13 Sec. 9. Laws 2017, First Special Session chapter 3, article 1, section 4, subdivision 4, is  
 269.14 amended to read:

269.15 Subd. 4. **Driver and Vehicle Services**

269.16	<b>(a) Vehicle Services</b>			30,745,000	31,159,000
--------	-----------------------------	--	--	------------	------------

269.17	Appropriations by Fund			
269.18		2018	2019	
269.19			<del>22,923,000</del>	
269.20	Special Revenue	22,509,000	<u>0</u>	
269.21	H.U.T.D.	8,236,000	8,236,000	
269.22	<u>Driver and Vehicle</u>			
269.23	<u>Services</u>	<u>0</u>	<u>22,923,000</u>	

269.24 The special revenue fund appropriation in in  
 269.25 fiscal year 2018 is from the vehicle services  
 269.26 operating account. The driver and vehicle  
 269.27 services fund appropriation in fiscal year 2019  
 269.28 is from the vehicle services operating account.

269.29	<b>(b) Driver Services</b>			32,014,000	32,725,000
--------	----------------------------	--	--	------------	------------

269.30	<u>Appropriations by Fund</u>			
269.31		<u>2018</u>	<u>2019</u>	
269.32	<u>Special Revenue</u>	<u>32,014,000</u>	<u>0</u>	
269.33	<u>Driver and Vehicle</u>			
269.34	<u>Services</u>	<u>0</u>	<u>32,725,000</u>	

270.1 This appropriation is from the driver services  
 270.2 operating account ~~in the special revenue fund~~  
 270.3 under Minnesota Statutes, section 299A.705.

270.4 \$156,000 in each year is to maintain the  
 270.5 automated knowledge test system.

270.6 **(c) Minnesota Licensing and Registration System**  
 270.7 **(MNLARS)**

8,000,000

8,000,000

270.8 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
270.9		
270.10 <u>Special Revenue</u>	<u>8,000,000</u>	<u>0</u>
270.11 <u>Driver and Vehicle</u>		
270.12 <u>Services</u>	<u>0</u>	<u>8,000,000</u>

270.13 This appropriation is for operations and  
 270.14 maintenance of the driver and vehicle  
 270.15 information system known as the Minnesota  
 270.16 Licensing and Registration System.

270.17 \$1,000,000 in the first year and \$5,265,000 in  
 270.18 the second year are from the driver services  
 270.19 operating account ~~in the special revenue fund~~  
 270.20 under Minnesota Statutes, section 299A.705.

270.21 This is a onetime appropriation.

270.22 \$7,000,000 in the first year and \$2,735,000 in  
 270.23 the second year are from the vehicle services  
 270.24 operating account ~~in the special revenue fund~~  
 270.25 under Minnesota Statutes, section 299A.705.

270.26 This is a onetime appropriation.

270.27 **Sec. 10. DEPUTY REGISTRAR REIMBURSEMENTS.**

270.28 Subdivision 1. Reimbursement grants. (a) The commissioner of management and  
 270.29 budget must provide reimbursement grants to deputy registrars using the money appropriated  
 270.30 under section 5. The commissioner must provide the grants by August 1, 2018.

270.31 (b) The commissioner must use existing resources to administer the reimbursements.

270.32 Subd. 2. Eligibility. A deputy registrar office operated by the state is not eligible to  
 270.33 receive funds under this section.

271.1 Subd. 3. **Aid distribution.** (a) The reimbursement grant to each deputy registrar, as  
271.2 identified by the Driver and Vehicle Services-designated office location number, is calculated  
271.3 as follows:

271.4 (1) ten percent of available funds allocated equally among all deputy registrars;

271.5 (2) 45 percent of available funds allocated proportionally based on (i) the number of  
271.6 transactions where a filing fee under Minnesota Statutes, section 168.33, subdivision 7, is  
271.7 retained by each deputy registrar from August 1, 2017, through May 31, 2018, compared  
271.8 to (ii) the total number of transactions where a filing fee is retained by all deputy registrars  
271.9 during that time period; and

271.10 (3) 45 percent of available funds allocated proportionally based on (i) the number of  
271.11 transactions where a filing fee is retained by each deputy registrar from July 1, 2014, through  
271.12 June 30, 2017, compared to (ii) the total number of transactions where a filing fee is retained  
271.13 by all deputy registrars during that time period.

271.14 (b) For a deputy registrar appointed after July 1, 2014, the commissioner of management  
271.15 and budget must identify whether a corresponding discontinued deputy registrar appointment  
271.16 exists. If a corresponding discontinued deputy registrar is identified, the commissioner must  
271.17 include the transactions of the discontinued deputy registrar in the calculations under  
271.18 paragraph (a) for the deputy registrar appointed after July 1, 2014.

271.19 (c) For a deputy registrar appointed after July 1, 2014, to which paragraph (b) does not  
271.20 apply, the commissioner of management and budget must calculate the deputy registrar's  
271.21 proportional share under paragraph (a), clause (3), based on the average number of  
271.22 transactions where a filing fee is retained among the deputy registrars, as calculated excluding  
271.23 any deputy registrars for which this paragraph applies.

271.24 (d) In the calculations under paragraph (a), the commissioner of management and budget  
271.25 must exclude transactions for (1) a deputy registrar office operated by the state, and (2) a  
271.26 discontinued deputy registrar for which paragraph (b) does not apply.

271.27

## ARTICLE 24

271.28

### TRANSPORTATION POLICY

271.29 Section 1. Minnesota Statutes 2017 Supplement, section 3.972, subdivision 4, is amended  
271.30 to read:

271.31 **Subd. 4. Certain transit financial activity reporting.** (a) The legislative auditor must  
271.32 perform a transit financial activity review of financial information for the Metropolitan

272.1 Council's Transportation Division ~~and the joint powers board under section 297A.992.~~  
272.2 ~~Within 14 days of the end of each fiscal quarter, two times each year. The first report, due~~  
272.3 ~~April 1, must include the quarters ending on September 30 and December 31 of the previous~~  
272.4 ~~calendar year. The second report, due October 1, must include the quarters ending on March~~  
272.5 ~~31 and June 30 of the current year. The legislative auditor must submit the review to the~~  
272.6 Legislative Audit Commission and the chairs and ranking minority members of the legislative  
272.7 committees with jurisdiction over transportation policy and finance, finance, and ways and  
272.8 means.

272.9 (b) At a minimum, each transit financial activity review must include:

272.10 (1) a summary of monthly financial statements, including balance sheets and operating  
272.11 statements, that shows income, expenditures, and fund balance;

272.12 (2) a list of any obligations and agreements entered into related to transit purposes,  
272.13 whether for capital or operating, including but not limited to bonds, notes, grants, and future  
272.14 funding commitments;

272.15 (3) the amount of funds in clause (2) that has been committed;

272.16 (4) independent analysis by the fiscal oversight officer of the fiscal viability of revenues  
272.17 and fund balance compared to expenditures, taking into account:

272.18 (i) all expenditure commitments;

272.19 (ii) cash flow;

272.20 (iii) sufficiency of estimated funds; and

272.21 (iv) financial solvency of anticipated transit projects; and

272.22 (5) a notification concerning whether the requirements under paragraph (c) have been  
272.23 met.

272.24 (c) The Metropolitan Council ~~and the joint powers board under section 297A.992~~ must  
272.25 produce monthly financial statements as necessary for the review under paragraph (b),  
272.26 clause (1), and provide timely information as requested by the legislative auditor.

272.27 (d) This subdivision expires on April 15, 2023.

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

273.1 Sec. 2. Minnesota Statutes 2016, section 13.461, is amended by adding a subdivision to  
273.2 read:

273.3 Subd. 33. **Metropolitan Council special transportation service.** Data sharing between  
273.4 the commissioner of human services and the Metropolitan Council to administer and  
273.5 coordinate transportation services for individuals with disabilities and elderly individuals  
273.6 is governed by section 473.386, subdivision 9.

273.7 **EFFECTIVE DATE.** This section is effective June 1, 2018, and applies in the counties  
273.8 of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

273.9 Sec. 3. Minnesota Statutes 2016, section 13.6905, subdivision 3, is amended to read:

273.10 Subd. 3. **Motor vehicle registration.** Various data on motor vehicle registrations are  
273.11 classified under sections 168.327, subdivision 3, and 168.346. Use of vehicle registration  
273.12 data is governed by section 168.345.

273.13 Sec. 4. Minnesota Statutes 2016, section 13.72, subdivision 10, is amended to read:

273.14 Subd. 10. **Transportation service data.** (a) Personal, medical, financial, familial, or  
273.15 locational information data pertaining to applicants for or users of services providing  
273.16 transportation for ~~the disabled~~ individuals with disabilities or elderly individuals are private  
273.17 data on individuals.

273.18 (b) Private transportation service data may be disclosed between the commissioner of  
273.19 human services and the Metropolitan Council to administer and coordinate human services  
273.20 programs and transportation services for individuals with disabilities and elderly individuals  
273.21 under section 473.386.

273.22 **EFFECTIVE DATE.** This section is effective June 1, 2018, and applies in the counties  
273.23 of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

273.24 Sec. 5. Minnesota Statutes 2016, section 80E.13, is amended to read:

273.25 **80E.13 UNFAIR PRACTICES BY MANUFACTURERS, DISTRIBUTORS,**  
273.26 **FACTORY BRANCHES.**

273.27 It is unlawful and an unfair practice for a manufacturer, distributor, or factory branch  
273.28 to engage in any of the following practices:

273.29 (a) delay, refuse, or fail to deliver new motor vehicles or new motor vehicle parts or  
273.30 accessories in reasonable time and in reasonable quantity relative to the new motor vehicle  
273.31 dealer's facilities and sales potential in the dealer's relevant market area, after having accepted

274.1 an order from a new motor vehicle dealer having a franchise for the retail sale of any new  
274.2 motor vehicle sold or distributed by the manufacturer or distributor, if the new motor vehicle  
274.3 or new motor vehicle parts or accessories are publicly advertised as being available for  
274.4 delivery or actually being delivered. This clause is not violated, however, if the failure is  
274.5 caused by acts or causes beyond the control of the manufacturer;

274.6 (b) refuse to disclose to any new motor vehicle dealer handling the same line make, the  
274.7 manner and mode of distribution of that line make within the relevant market area;

274.8 (c) obtain money, goods, service, or any other benefit from any other person with whom  
274.9 the dealer does business, on account of, or in relation to, the transaction between the dealer  
274.10 and the other person, other than for compensation for services rendered, unless the benefit  
274.11 is promptly accounted for, and transmitted to, the new motor vehicle dealer;

274.12 (d) increase prices of new motor vehicles which the new motor vehicle dealer had ordered  
274.13 for private retail consumers prior to the dealer's receiving the written official price increase  
274.14 notification. A sales contract signed by a private retail consumer shall constitute evidence  
274.15 of each order if the vehicle is in fact delivered to that customer. In the event of manufacturer  
274.16 price reductions, the amount of any reduction received by a dealer shall be passed on to the  
274.17 private retail consumer by the dealer if the retail price was negotiated on the basis of the  
274.18 previous higher price to the dealer;

274.19 (e) offer any refunds or other types of inducements to any new motor vehicle dealer for  
274.20 the purchase of new motor vehicles of a certain line make without making the same offer  
274.21 to all other new motor vehicle dealers in the same line make within geographic areas  
274.22 reasonably determined by the manufacturer;

274.23 (f) release to any outside party, except under subpoena or in an administrative or judicial  
274.24 proceeding involving the manufacturer or dealer, any business, financial, or personal  
274.25 information which may be provided by the dealer to the manufacturer, without the express  
274.26 written consent of the dealer or unless pertinent to judicial or governmental administrative  
274.27 proceedings or to arbitration proceedings of any kind;

274.28 (g) deny any new motor vehicle dealer the right of free association with any other new  
274.29 motor vehicle dealer for any lawful purpose;

274.30 (h) unfairly discriminate among its new motor vehicle dealers with respect to warranty  
274.31 reimbursement or authority granted its new vehicle dealers to make warranty adjustments  
274.32 with retail customers;

275.1 (i) compete with a new motor vehicle dealer in the same line make operating under an  
275.2 agreement or franchise from the same manufacturer, distributor, or factory branch. A  
275.3 manufacturer, distributor, or factory branch is considered to be competing when it has an  
275.4 ownership interest, other than a passive interest held for investment purposes, in a dealership  
275.5 of its line make located within the state. A manufacturer, distributor, or factory branch shall  
275.6 not, however, be deemed to be competing when operating a dealership, either temporarily  
275.7 or for a reasonable period, which is for sale to any qualified independent person at a fair  
275.8 and reasonable price, or when involved in a bona fide relationship in which an independent  
275.9 person has made a significant investment subject to loss in the dealership and can reasonably  
275.10 expect to acquire full ownership and full management and operational control of the  
275.11 dealership within a reasonable time on reasonable terms and conditions;

275.12 (j) prevent a new motor vehicle dealer from transferring or assigning a new motor vehicle  
275.13 dealership to a qualified transferee. There shall be no transfer, assignment of the franchise,  
275.14 or major change in the executive management of the dealership, except as is otherwise  
275.15 provided in sections 80E.01 to 80E.17, without consent of the manufacturer, which shall  
275.16 not be withheld without good cause. In determining whether good cause exists for  
275.17 withholding consent to a transfer or assignment, the manufacturer, distributor, factory  
275.18 branch, or importer has the burden of proving that the transferee is a person who is not of  
275.19 good moral character or does not meet the franchisor's existing and reasonable capital  
275.20 standards and, considering the volume of sales and service of the new motor vehicle dealer,  
275.21 reasonable business experience standards in the market area. Denial of the request must be  
275.22 in writing and delivered to the new motor vehicle dealer within 60 days after the manufacturer  
275.23 receives the completed application customarily used by the manufacturer, distributor, factory  
275.24 branch, or importer for dealer appointments. If a denial is not sent within this period, the  
275.25 manufacturer shall be deemed to have given its consent to the proposed transfer or change.  
275.26 In the event of a proposed sale or transfer of a franchise, the manufacturer, distributor,  
275.27 factory branch, or importer shall be permitted to exercise a right of first refusal to acquire  
275.28 the franchisee's assets or ownership if:

275.29 (1) the franchise agreement permits the manufacturer, distributor, factory branch, or  
275.30 importer to exercise a right of first refusal to acquire the franchisee's assets or ownership  
275.31 in the event of a proposed sale or transfer;

275.32 (2) the proposed transfer of the dealership or its assets is of more than 50 percent of the  
275.33 ownership or assets;

275.34 (3) the manufacturer, distributor, factory branch, or importer notifies the dealer in writing  
275.35 within 60 days of its receipt of the complete written proposal for the proposed sale or transfer

276.1 on forms generally utilized by the manufacturer, distributor, factory branch, or importer for  
276.2 such purposes and containing the information required therein and all documents and  
276.3 agreements relating to the proposed sale or transfer;

276.4 (4) the exercise of the right of first refusal will result in the dealer and dealer's owners  
276.5 receiving the same or greater consideration with equivalent terms of sale as is provided in  
276.6 the documents and agreements submitted to the manufacturer, distributor, factory branch,  
276.7 or importer under clause (3);

276.8 (5) the proposed change of 50 percent or more of the ownership or of the dealership  
276.9 assets does not involve the transfer or sale of assets or the transfer or issuance of stock by  
276.10 the dealer or one or more dealer owners to a family member, including a spouse, child,  
276.11 stepchild, grandchild, spouse of a child or grandchild, brother, sister, or parent of the dealer  
276.12 owner; to a manager who has been employed in the dealership for at least four years and is  
276.13 otherwise qualified as a dealer operator; or to a partnership or corporation owned and  
276.14 controlled by one or more of such persons; and

276.15 (6) the manufacturer, distributor, factory branch, or importer agrees to pay the reasonable  
276.16 expenses, including reasonable attorney fees, which do not exceed the usual customary and  
276.17 reasonable fees charged for similar work done for other clients incurred by the proposed  
276.18 new owner and transferee before the manufacturer, distributor, factory branch, or importer  
276.19 exercises its right of first refusal, in negotiating and implementing the contract for the  
276.20 proposed change of ownership or transfer of dealership assets. However, payment of such  
276.21 expenses and attorney fees shall not be required if the dealer has not submitted or caused  
276.22 to be submitted an accounting of those expenses within 20 days after the dealer's receipt of  
276.23 the manufacturer, distributor, factory branch, or importer's written request for such an  
276.24 accounting. The manufacturer, distributor, factory branch, or importer may request such an  
276.25 accounting before exercising its right of first refusal. The obligation created under this clause  
276.26 is enforceable by the transferee;

276.27 (k) threaten to modify or replace or modify or replace a franchise with a succeeding  
276.28 franchise that would adversely alter the rights or obligations of a new motor vehicle dealer  
276.29 under an existing franchise or that substantially impairs the sales or service obligations or  
276.30 investments of the motor vehicle dealer;

276.31 (l) unreasonably deny the right to acquire factory program vehicles to any dealer holding  
276.32 a valid franchise from the manufacturer to sell the same line make of vehicles, provided  
276.33 that the manufacturer may impose reasonable restrictions and limitations on the purchase  
276.34 or resale of program vehicles to be applied equitably to all of its franchised dealers. For the

277.1 purposes of this paragraph, "factory program vehicle" has the meaning given the term in  
277.2 section 80E.06, subdivision 2;

277.3 (m) fail or refuse to offer to its same line make franchised dealers all models manufactured  
277.4 for that line make, other than alternative fuel vehicles as defined in section 216C.01,  
277.5 subdivision 1b. Failure to offer a model is not a violation of this section if the failure is not  
277.6 arbitrary and is due to a lack of manufacturing capacity, a strike, labor difficulty, or other  
277.7 cause over which the manufacturer, distributor, or factory branch has no control;

277.8 (n) require a dealer to pay an extra fee, or remodel, renovate, or recondition the dealer's  
277.9 existing facilities, or purchase unreasonable advertising displays, training, tools, or other  
277.10 materials, or to require the dealer to establish exclusive facilities or dedicated personnel as  
277.11 a prerequisite to receiving a model or a series of vehicles;

277.12 (o) require a dealer to adhere to performance standards that are not applied uniformly  
277.13 to other similarly situated dealers.

277.14 A performance standard, sales objective, or program for measuring dealership performance  
277.15 that may have a material effect on a dealer, including the dealer's right to payment under  
277.16 any incentive or reimbursement program, and the application of the standard or program  
277.17 by a manufacturer, distributor, or factory branch must be fair, reasonable, equitable, and  
277.18 based on accurate information.

277.19 A manufacturer, distributor, or factory branch has the burden of proving that the performance  
277.20 standard, sales objective, or program for measuring dealership performance is fair and  
277.21 reasonable under this subdivision;

277.22 (p) unreasonably reduce a dealer's area of sales effectiveness without giving at least 90  
277.23 days' notice of the proposed reduction. The change may not take effect if the dealer  
277.24 commences a civil action to determine whether there is good cause for the change within  
277.25 the 90 days' notice period. The burden of proof in such an action shall be on the manufacturer  
277.26 or distributor; ~~or~~

277.27 (q) to charge back, withhold payment, deny vehicle allocation, or take any other adverse  
277.28 action against a dealer when a new vehicle sold by the dealer has been exported to a foreign  
277.29 country, unless the manufacturer, distributor, or factory branch can show that at the time  
277.30 of sale, the customer's information was listed on a known or suspected exporter list made  
277.31 available to the dealer, or the dealer knew or reasonably should have known of the purchaser's  
277.32 intention to export or resell the motor vehicle in violation of the manufacturer's export  
277.33 policy. There is a rebuttable presumption that the dealer did not know or should not have  
277.34 reasonably known that the vehicle would be exported or resold in violation of the

278.1 manufacturer's export policy if the vehicle is titled and registered in any state of the United  
 278.2 States; or

278.3 (r) to implement a charge back or withhold payment to a dealer that is solely due to an  
 278.4 unreasonable delay by the registrar, as defined in section 168.002, subdivision 29, in the  
 278.5 transfer or registration of a new motor vehicle. The dealer must give the manufacturer notice  
 278.6 of the state's delay in writing. Within 30 days of any notice of a charge back, withholding  
 278.7 of payments, or denial of a claim, the dealer must transmit to the manufacturer (1)  
 278.8 documentation to demonstrate the vehicle sale and delivery as reported; and (2) a written  
 278.9 attestation signed by the dealer operator or general manager stating that the delay is  
 278.10 attributable to the state. This clause expires on June 30, 2021.

278.11 Sec. 6. Minnesota Statutes 2017 Supplement, section 160.02, subdivision 1a, is amended  
 278.12 to read:

278.13 Subd. 1a. **Bikeway.** "**Bikeway**" ~~means a bicycle lane, bicycle path, shared use path,~~  
 278.14 ~~bicycle route, or similar bicycle facility, regardless of whether designed for the exclusive~~  
 278.15 ~~use of bicycles or for shared use with other transportation modes~~ has the meaning given in  
 278.16 section 169.011, subdivision 9.

278.17 Sec. 7. Minnesota Statutes 2016, section 160.263, subdivision 2, is amended to read:

278.18 Subd. 2. **Powers of political subdivisions.** (a) The governing body of any political  
 278.19 subdivision may by ordinance or resolution:

278.20 (1) designate any roadway or shoulder or portion thereof under its jurisdiction as a  
 278.21 bicycle lane or bicycle route;

278.22 (2) designate any sidewalk or portion thereof under its jurisdiction as a bicycle path  
 278.23 provided that the designation does not destroy a pedestrian way or pedestrian access;

278.24 (3) develop and designate bicycle paths;

278.25 (4) designate as bikeways all bicycle lanes, bicycle routes, and bicycle paths.

278.26 (b) A governing body may not prohibit or otherwise restrict operation of an  
 278.27 electric-assisted bicycle, as defined in section 169.011, subdivision 27, on any bikeway,  
 278.28 roadway, or shoulder, unless the governing body determines that operation of the  
 278.29 electric-assisted bicycle is not consistent with (1) the safety or general welfare of bikeway,  
 278.30 roadway, or shoulder users; or (2) the terms of any property conveyance.

279.1 (c) A governing body is prohibited from establishing a bikeway in a segment of public  
 279.2 road right-of-way that results in elimination or relocation of any disability parking that is  
 279.3 designated under section 169.346, subdivision 2.

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

279.5 Sec. 8. Minnesota Statutes 2016, section 160.295, subdivision 5, is amended to read:

279.6 Subd. 5. **Rural agricultural business or tourist-oriented business.** (a) A rural  
 279.7 agricultural or tourist-oriented business serviced by a specific service sign must be open a  
 279.8 minimum of eight hours per day, six days per week, and 12 months per year. However,

279.9 (b) A seasonal business may qualify if it is serviced by a specific service sign must be  
 279.10 open eight hours per day and six days per week during the normal seasonal period.

279.11 (c) A farm winery serviced by a specific service sign must:

279.12 (1) be licensed under section 340A.315;

279.13 (2) be licensed by the Department of Health under section 157.16 or by the commissioner  
 279.14 of agriculture under section 28A.04;

279.15 (3) provide continuous, staffed food service operation; and

279.16 (4) be open at least four hours per day and two days per week.

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

279.18 Sec. 9. Minnesota Statutes 2016, section 161.115, subdivision 111, is amended to read:

279.19 Subd. 111. **Route No. 180.** Beginning at a point on Route No. ~~392 southwest or west~~  
 279.20 ~~of Ashby 3 at or near Erdahl,~~ thence extending in a general northerly or northeasterly  
 279.21 direction to a point on Route No. ~~153 as herein established at or near Ashby,~~ thence extending  
 279.22 ~~in a northeasterly direction to a point on~~ Route No. 181 as herein established at or near  
 279.23 Ottertail.

279.24 Sec. 10. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to  
 279.25 read:

279.26 Subd. 88. **Trooper Ray Krueger Memorial Highway.** That segment of marked Trunk  
 279.27 Highway 210 within Cass County is designated as "Trooper Ray Krueger Memorial  
 279.28 Highway." Subject to section 161.139, the commissioner shall adopt a suitable design to  
 279.29 mark this highway and erect appropriate signs in the vicinity of the location where Trooper  
 279.30 Krueger died.

280.1 Sec. 11. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to  
280.2 read:

280.3 Subd. 89. **Warrant Officer Dennis A. Groth Memorial Bridge.** The bridge on marked  
280.4 U.S. Highway 52 over Dakota County State-Aid Highway 42, known as 145th Street within  
280.5 the city of Rosemount, is designated as "Warrant Officer Dennis A. Groth Memorial Bridge."  
280.6 Subject to section 161.139, the commissioner shall adopt a suitable design to mark the  
280.7 bridge and erect appropriate signs.

280.8 Sec. 12. Minnesota Statutes 2016, section 161.14, is amended by adding a subdivision to  
280.9 read:

280.10 Subd. 90. **Specialist Noah Pierce Bridge.** The bridge on marked U.S. Highway 53 over  
280.11 marked Trunk Highway 37 in the city of Eveleth is designated as "Specialist Noah Pierce  
280.12 Bridge." Subject to section 161.139, the commissioner shall adopt a suitable design to mark  
280.13 this bridge and erect appropriate signs.

280.14 Sec. 13. Minnesota Statutes 2016, section 161.32, subdivision 2, is amended to read:

280.15 Subd. 2. **Direct negotiation.** In cases where the estimated cost of construction work or  
280.16 maintenance work does not exceed ~~\$150,000~~ \$250,000, the commissioner may enter into  
280.17 a contract for the work by direct negotiation, by obtaining two or more quotations for the  
280.18 work, and without advertising for bids or otherwise complying with the requirements of  
280.19 competitive bidding if the total contractual obligation of the state for the directly negotiated  
280.20 contract or contracts on any single project does not exceed ~~\$150,000~~ \$250,000. All quotations  
280.21 obtained shall be kept on file for a period of at least one year after receipt of the quotation.

280.22 Sec. 14. Minnesota Statutes 2017 Supplement, section 168.013, subdivision 1a, is amended  
280.23 to read:

280.24 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in  
280.25 section 168.002, subdivision 24, and hearses, except as otherwise provided, the tax is \$10  
280.26 plus an additional tax equal to 1.25 percent of the base value.

280.27 (b) Subject to the classification provisions herein, "base value" means the manufacturer's  
280.28 suggested retail price of the vehicle including destination charge using list price information  
280.29 published by the manufacturer or determined by the registrar if no suggested retail price  
280.30 exists, and shall not include the cost of each accessory or item of optional equipment  
280.31 separately added to the vehicle and the suggested retail price. In the case of the first  
280.32 registration of a new vehicle sold or leased by a licensed dealer, the dealer may elect to

281.1 individually determine the base value of the vehicle using suggested retail price information  
 281.2 provided by the manufacturer. The registrar must use the base value determined by the  
 281.3 dealer to properly classify the vehicle. A dealer that elects to make the determination must  
 281.4 retain a copy of the suggested retail price label or other supporting documentation with the  
 281.5 vehicle transaction records maintained under Minnesota Rules, part 7400.5200.

281.6 (c) If the manufacturer's list price information contains a single vehicle identification  
 281.7 number followed by various descriptions and suggested retail prices, the registrar shall  
 281.8 select from those listings only the lowest price for determining base value.

281.9 (d) If unable to determine the base value because the vehicle is specially constructed,  
 281.10 or for any other reason, the registrar may establish such value upon the cost price to the  
 281.11 purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales  
 281.12 or use tax or any local sales or other local tax.

281.13 (e) The registrar shall classify every vehicle in its proper base value class as follows:

281.14	FROM	TO
281.15	\$ 0	\$ 199.99
281.16	\$ 200	\$ 399.99

281.17 and thereafter a series of classes successively set in brackets having a spread of \$200  
 281.18 consisting of such number of classes as will permit classification of all vehicles.

281.19 (f) The base value for purposes of this section shall be the middle point between the  
 281.20 extremes of its class.

281.21 (g) The registrar shall establish the base value, when new, of every passenger automobile  
 281.22 and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31,  
 281.23 using list price information published by the manufacturer or any nationally recognized  
 281.24 firm or association compiling such data for the automotive industry. If unable to ascertain  
 281.25 the base value of any registered vehicle in the foregoing manner, the registrar may use any  
 281.26 other available source or method. The registrar shall calculate tax using base value  
 281.27 information available to dealers and deputy registrars at the time the application for  
 281.28 registration is submitted. The tax on all previously registered vehicles shall be computed  
 281.29 upon the base value thus determined taking into account the depreciation provisions of  
 281.30 paragraph (h).

281.31 (h) The annual additional tax must be computed upon a percentage of the base value as  
 281.32 follows: during the first year of vehicle life, upon 100 percent of the base value; for the  
 281.33 second year, 90 percent of such value; for the third year, 80 percent of such value; for the  
 281.34 fourth year, 70 percent of such value; for the fifth year, 60 percent of such value; for the

282.1 sixth year, 50 percent of such value; for the seventh year, 40 percent of such value; for the  
 282.2 eighth year, 30 percent of such value; for the ninth year, 20 percent of such value; for the  
 282.3 tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

282.4 (i) In no event shall the annual additional tax be less than \$25.

282.5 (j) For any vehicle previously registered in Minnesota and regardless of prior ownership,  
 282.6 the total amount due under this subdivision and subdivision 1m must not exceed the smallest  
 282.7 total amount previously paid or due on the vehicle.

282.8 Sec. 15. Minnesota Statutes 2016, section 168.013, subdivision 6, is amended to read:

282.9 Subd. 6. **Listing by dealers.** (a) The owner of every motor vehicle not exempted by  
 282.10 section 168.012 or 168.28, ~~shall~~ must, so long as it is subject to taxation within the state,  
 282.11 annually list and<sub>2</sub> register ~~the same~~<sub>2</sub> and pay the tax ~~herein provided annually; provided,~~  
 282.12 ~~however, that any dealer in~~ under this section.

282.13 (b) ~~A motor vehicles, to whom dealer's plates have~~ vehicle dealer that has been issued  
 282.14 ~~as provided in~~ dealer's plates under this chapter, coming and comes into the possession of  
 282.15 ~~any such~~ a motor vehicle to be held solely for the purpose of sale or demonstration or both,  
 282.16 ~~shall be~~ is entitled to withhold the tax due on the vehicle from the prior registration period  
 282.17 or becoming due on such vehicle for the following year, and no lien for registration tax as  
 282.18 provided in section 168.31, subdivision 6, attaches. When, ~~thereafter, such~~ the vehicle is  
 282.19 ~~otherwise~~ subsequently used or is sold, leased, or rented to another person, firm, corporation,  
 282.20 or association, the tax for the remainder of the year, prorated on a monthly basis, ~~shall~~  
 282.21 ~~become~~ becomes payable immediately.

282.22 Sec. 16. Minnesota Statutes 2016, section 168.10, subdivision 1h, is amended to read:

282.23 Subd. 1h. **Collector military vehicle.** (a) A motor vehicle, including a truck, ~~shall~~ must  
 282.24 be listed and registered under this section if it meets the following conditions:

282.25 (1) it is at least 20 years old;

282.26 (2) its first owner following its manufacture was a branch of the armed forces of the  
 282.27 United States and it presently conforms to the vehicle specifications required during the  
 282.28 time of military ownership, or it has been restored and presently conforms to the  
 282.29 specifications required by a branch of the armed forces for the model year that the restored  
 282.30 vehicle could have been owned by that branch of the armed forces; and

282.31 (3) it is owned by a nonprofit organization and operated solely as a collector's vehicle.

282.32 For purposes of this subdivision, "nonprofit organization" means a corporation, society,

283.1 association, foundation, or institution organized and operated exclusively for historical or  
283.2 educational purposes, no part of the net earnings of which inures to the benefit of a private  
283.3 individual.

283.4 (b) The owner of the vehicle ~~shall~~ must execute an affidavit stating the name and address  
283.5 of the person from whom purchased and of the new owner; the make, year, and model  
283.6 number of the motor vehicle; the manufacturer's identification number; and the collector  
283.7 military vehicle identification number, if any, located on the exterior of the vehicle. The  
283.8 affidavit must affirm that the vehicle is owned by a nonprofit organization and is operated  
283.9 solely as a collector's item and not for general transportation purposes. If the commissioner  
283.10 is satisfied that the affidavit is true and correct and the owner pays a \$25 tax and the plate  
283.11 fee authorized under section 168.12, the commissioner ~~shall~~ must list the vehicle for taxation  
283.12 and registration and ~~shall~~ issue number plates. The number plates ~~shall~~ must bear the  
283.13 inscriptions "Collector" and "Minnesota" and the registration number, but no date. The  
283.14 number plates are valid without renewal as long as the vehicle is in existence in Minnesota.  
283.15 The commissioner may revoke the plates for failure to comply with this subdivision.

283.16 (c) Notwithstanding section 168.09, 168.12, or other law to the contrary, the owner of  
283.17 a registered collector military vehicle is not required to display registration plates on the  
283.18 exterior of the vehicle if the vehicle has an exterior number identification that conforms to  
283.19 the identifying system for military vehicles in effect when the vehicle was last owned by  
283.20 the branch of the armed forces of the United States or in effect in the year to which the  
283.21 collector military vehicle has been restored. However, the state registration plates must be  
283.22 carried in or on the collector military vehicle at all times.

283.23 (d) The owner of a registered collector military vehicle that is not required to display  
283.24 registration plates under paragraph (c) may tow a registered trailer behind it. The trailer is  
283.25 not required to display registration plates if the trailer:

283.26 (1) does not exceed a gross weight of 15,000 pounds;

283.27 (2) otherwise conforms to registration, licensing, and safety laws and specifications;

283.28 (3) conforms to military specifications for appearance and identification;

283.29 (4) is intended to represent and does represent a military trailer; and

283.30 (5) carries registration plates on or in the trailer or the collector military vehicle towing  
283.31 the trailer.

283.32 (e) This subdivision does not apply to a decommissioned military vehicle that (1) was  
283.33 also manufactured and sold as a comparable civilian vehicle, and (2) has the same size

284.1 dimensions and vehicle weight as the comparable civilian vehicle. A decommissioned  
 284.2 military vehicle under this paragraph is eligible for a motor vehicle title under chapter 168A  
 284.3 and is subject to the same registration, insurance, equipment, and operating requirements  
 284.4 as a motor vehicle.

284.5 Sec. 17. Minnesota Statutes 2016, section 168.101, subdivision 2a, is amended to read:

284.6 Subd. 2a. **Failure to send to registrar submit within ten days.** Any person who fails  
 284.7 to mail in the application for registration or transfer with appropriate taxes and fees to the  
 284.8 registrar or a deputy registrar of motor vehicles, or otherwise fails to submit ~~said~~ the forms  
 284.9 and remittance to the registrar, within ten days following date of sale ~~shall be~~ is guilty of a  
 284.10 misdemeanor.

284.11 **EFFECTIVE DATE.** This section is effective July 1, 2019.

284.12 Sec. 18. Minnesota Statutes 2016, section 168.127, subdivision 4, is amended to read:

284.13 Subd. 4. **Filing registration applications.** Initial fleet applications for registration and  
 284.14 renewals must be filed with the registrar or ~~authorized~~ a deputy registrar.

284.15 **EFFECTIVE DATE.** This section is effective July 1, 2019.

284.16 Sec. 19. Minnesota Statutes 2016, section 168.127, subdivision 6, is amended to read:

284.17 Subd. 6. **Fee.** ~~Instead of the filing fee described in section 168.33, subdivision 7, For~~  
 284.18 each vehicle in the fleet, the applicant for fleet registration ~~shall~~ must pay:

284.19 (1) the filing fee in section 168.33, subdivision 7, for transactions processed by a deputy  
 284.20 registrar; or

284.21 (2) an equivalent administrative fee to the commissioner for each vehicle in the fleet.  
 284.22 for transactions processed by the registrar, which is imposed in lieu of but in the same  
 284.23 amount as the filing fee in section 168.33, subdivision 7.

284.24 **EFFECTIVE DATE.** This section is effective July 1, 2019.

284.25 Sec. 20. Minnesota Statutes 2016, section 168.27, is amended by adding a subdivision to  
 284.26 read:

284.27 Subd. 32. **Multiple licenses.** If a single legal entity holds more than one new or used  
 284.28 vehicle dealer license, new and used vehicles owned by the entity may be held and offered  
 284.29 for sale at any of the licensed dealership locations without assigning vehicle ownership or  
 284.30 title from one licensee to another. This subdivision does not authorize the sale or offering

285.1 for sale of new vehicles by a licensee that is not authorized by the manufacturer to sell that  
285.2 make of new vehicles.

285.3 Sec. 21. Minnesota Statutes 2016, section 168.27, is amended by adding a subdivision to  
285.4 read:

285.5 Subd. 33. **Designated dealer title and registration liaison.** The registrar must designate  
285.6 by name and provide contact information for one or more department employees as needed  
285.7 to (1) promptly and effectively respond to questions from licensed dealers, and (2)  
285.8 troubleshoot dealer issues related to vehicle titling and registration.

285.9 Sec. 22. Minnesota Statutes 2016, section 168.301, subdivision 3, is amended to read:

285.10 Subd. 3. **Late fee.** In addition to any fee or tax otherwise authorized or imposed upon  
285.11 the transfer of title for a motor vehicle, the ~~commissioner of public safety shall~~ registrar  
285.12 must impose a \$2 additional fee for failure to deliver a title transfer within ten business  
285.13 days. This subdivision does not apply to transfers from licensed vehicle dealers.

285.14 Sec. 23. Minnesota Statutes 2016, section 168.326, is amended to read:

285.15 **168.326 EXPEDITED DRIVER AND VEHICLE SERVICES; FEE.**

285.16 (a) When an applicant requests and pays an expedited service fee of \$20, in addition to  
285.17 other specified and statutorily mandated fees and taxes, the ~~commissioner~~ registrar or, if  
285.18 appropriate, a driver's license agent or deputy registrar, shall expedite the processing of an  
285.19 application for a driver's license, driving instruction permit, Minnesota identification card,  
285.20 or vehicle title transaction.

285.21 (b) A driver's license agent or deputy registrar may retain \$10 of the expedited service  
285.22 fee for each expedited service request processed by the licensing agent or deputy registrar.

285.23 (c) When expedited service is requested, materials must be mailed or delivered to the  
285.24 requester within three days of receipt of the expedited service fee excluding Saturdays,  
285.25 Sundays, or the holidays listed in section 645.44, subdivision 5. The requester ~~shall~~ must  
285.26 comply with all relevant requirements of the requested document.

285.27 (d) The ~~commissioner~~ registrar may decline to accept an expedited service request if it  
285.28 is apparent at the time it is made that the request cannot be granted. The commissioner must  
285.29 not decline an expedited service request and must not prevent a driver's license agent or  
285.30 deputy from accepting an expedited service request solely on the basis of limitations of the  
285.31 driver and vehicle services information technology system.

286.1 (e) The expedited service fees collected under this section for an application for a driver's  
286.2 license, driving instruction permit, or Minnesota identification card minus any portion  
286.3 retained by a licensing agent or deputy registrar under paragraph (b) must be paid into the  
286.4 driver services operating account in the special revenue fund specified under section  
286.5 299A.705.

286.6 (f) The expedited service fees collected under this section for a transaction for a vehicle  
286.7 service minus any portion retained by a licensing agent or deputy registrar under paragraph  
286.8 (b) must be paid into the vehicle services operating account in the special revenue fund  
286.9 specified under section 299A.705.

286.10 **EFFECTIVE DATE.** This section is effective November 1, 2019.

286.11 Sec. 24. Minnesota Statutes 2016, section 168.33, subdivision 8a, is amended to read:

286.12 Subd. 8a. **Electronic transmission.** (a) If the commissioner accepts electronic  
286.13 transmission of a motor vehicle transfer and registration by a new or used motor vehicle  
286.14 dealer, a deputy registrar who is equipped with electronic transmission technology and  
286.15 trained in its use shall receive the filing fee provided for in subdivision 7 and review the  
286.16 transfer of each new or used motor vehicle to determine its genuineness and regularity  
286.17 before issuance of a certificate of title, and shall receive and retain the filing fee under  
286.18 subdivision 7, paragraph (a), clause ~~(ii)~~ (2).

286.19 (b) The commissioner must establish reasonable performance, security, technical, and  
286.20 financial standards to approve companies that provide computer software and services to  
286.21 motor vehicle dealers to electronically transmit vehicle title transfer and registration  
286.22 information. An approved company must be offered access to department facilities, staff,  
286.23 and technology on a fair and reasonable basis.

286.24 Sec. 25. Minnesota Statutes 2016, section 168.33, is amended by adding a subdivision to  
286.25 read:

286.26 Subd. 8b. **Transactions by mail.** A deputy registrar may receive motor vehicle  
286.27 applications and submissions under this chapter and chapter 168A by mail, process the  
286.28 transactions, and retain the appropriate filing fee under subdivision 7.

286.29 **EFFECTIVE DATE.** This section is effective July 1, 2019.

287.1 Sec. 26. Minnesota Statutes 2016, section 168.345, subdivision 2, is amended to read:

287.2 Subd. 2. **Lessees; information.** The commissioner may not furnish information about  
287.3 registered owners of passenger automobiles who are lessees under a lease for a term of 180  
287.4 days or more to any person except the personnel of law enforcement agencies ~~and~~, trade  
287.5 associations performing a member service under section 604.15, subdivision 4a, federal,  
287.6 state, and local governmental units, and, at the commissioner's discretion, to persons who  
287.7 use the information to notify lessees of automobile recalls. The commissioner may release  
287.8 information about lessees in the form of summary data, as defined in section 13.02, to  
287.9 persons who use the information in conducting statistical analysis and market research.

287.10 Sec. 27. Minnesota Statutes 2016, section 168.346, subdivision 1, is amended to read:

287.11 Subdivision 1. **Vehicle registration data; federal compliance.** (a) Data on an individual  
287.12 provided to register a vehicle shall be treated as provided by United States Code, title 18,  
287.13 section 2721, as in effect on May 23, 2005, and shall be disclosed as required or permitted  
287.14 by that section. The commissioner is prohibited from restricting the uses for which a licensed  
287.15 dealer may obtain data as permitted by United States Code, title 18, section 2721, subsections  
287.16 (b)(2), (3), (7), and (13). The commissioner shall disclose the data in bulk form to an  
287.17 authorized recipient upon request for any of the permissible uses described in United States  
287.18 Code, title 18, section 2721.

287.19 (b) The registered owner of a vehicle who is an individual may consent in writing to the  
287.20 commissioner to disclose the individual's personal information exempted by United States  
287.21 Code, title 18, section 2721, to any person who makes a written request for the personal  
287.22 information. If the registered owner is an individual and so authorizes disclosure, the  
287.23 commissioner shall implement the request.

287.24 (c) If authorized by the registered owner as indicated in paragraph (b), the registered  
287.25 owner's personal information may be used, rented, or sold solely for bulk distribution by  
287.26 organizations for business purposes including surveys, marketing, or solicitation.

287.27 Sec. 28. Minnesota Statutes 2016, section 168A.02, subdivision 1, is amended to read:

287.28 Subdivision 1. **Application for certificate of title.** (a) Except as provided in section  
287.29 168A.03, every owner of a vehicle which is in this state and for which no currently effective  
287.30 certificate of title has been issued in this state ~~shall make application~~ must apply to the  
287.31 department for a certificate of title of the vehicle, pursuant to rules adopted by the department  
287.32 under section 168A.24, subdivision 2, clause ~~3~~ (3).

288.1 (b) A decommissioned military vehicle that (1) was also manufactured and sold as a  
288.2 comparable civilian vehicle, and (2) has the same size dimensions and vehicle weight as  
288.3 the comparable civilian vehicle, is eligible for a certificate of title under this chapter.

288.4 Sec. 29. Minnesota Statutes 2016, section 168A.12, subdivision 2, is amended to read:

288.5 Subd. 2. **Owner's interest terminated or vehicle sold by secured party.** If the interest  
288.6 of the owner is terminated or the vehicle is sold under a security agreement by a secured  
288.7 party named in the certificate of title or an assignee of the secured party, the transferee ~~shall~~  
288.8 must promptly mail or deliver to the department the last certificate of title, if available, an  
288.9 application for a new certificate in the format the department prescribes, and an affidavit  
288.10 made by or on behalf of the secured party or assignee that the interest of the owner was  
288.11 lawfully terminated or the vehicle sold pursuant to the terms of the security agreement. If  
288.12 the secured party or assignee succeeds to the interest of the owner and holds the vehicle for  
288.13 resale, the secured party or assignee need not secure a new certificate of title; provided that  
288.14 a notice thereof in a format designated by the department is mailed or delivered by the  
288.15 secured party or assignee to the department in duplicate within 48 hours, but upon transfer  
288.16 to another person the secured party or assignee shall promptly execute assignment and  
288.17 warranty of title and mail or deliver to the transferee or the department the certificate, if  
288.18 available, the affidavit, and other documents required to be sent to the department by the  
288.19 transferee.

288.20 Sec. 30. Minnesota Statutes 2016, section 168A.151, subdivision 1, is amended to read:

288.21 Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in  
288.22 Minnesota, acquires ownership of a ~~late-model or high-value~~ vehicle through payment of  
288.23 damages, the insurer ~~shall~~ must immediately apply for a salvage certificate of title or ~~shall~~  
288.24 must stamp the existing certificate of title with the legend "SALVAGE CERTIFICATE OF  
288.25 TITLE" in a manner prescribed by the department. Within ten days of obtaining the title of  
288.26 a vehicle through payment of damages, an insurer must notify the department in a manner  
288.27 prescribed by the department.

288.28 (b) A person ~~shall~~ must immediately apply for a salvage certificate of title if the person  
288.29 acquires a damaged ~~late-model or high-value~~ vehicle with an out-of-state title and the  
288.30 vehicle:

288.31 (1) is a vehicle that was acquired by an insurer through payment of damages;

288.32 (2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle;

288.33 or

289.1 (3) has an out-of-state salvage certificate of title as proof of ownership.

289.2 (c) A self-insured owner of a ~~late-model or high-value~~ vehicle that sustains damage by  
 289.3 collision or other occurrence which exceeds 80 percent of its actual cash value ~~shall~~ must  
 289.4 immediately apply for a salvage certificate of title.

289.5 Sec. 31. Minnesota Statutes 2016, section 168A.17, is amended by adding a subdivision  
 289.6 to read:

289.7 Subd. 4. **Notice of perfection by dealer.** When a security interest in a vehicle sold by  
 289.8 a dealer licensed under section 168.27 is perfected under subdivision 2, the dealer may  
 289.9 provide a statement of perfection to the secured party on a form provided by the department.  
 289.10 The statement must certify compliance with subdivision 2 and contain the date of delivery  
 289.11 to the department. The information provided in the dealer's statement is considered prima  
 289.12 facie evidence of the facts contained in it.

289.13 Sec. 32. **[168A.241] MOTOR VEHICLE TITLE AND REGISTRATION ADVISORY**  
 289.14 **COMMITTEE.**

289.15 Subdivision 1. **Members.** (a) The Motor Vehicle Title and Registration Advisory  
 289.16 Committee consists of the following 13 members:

289.17 (1) two members of the house of representatives, one appointed by the speaker of the  
 289.18 house and one appointed by the minority leader;

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

289.21 (3) one representative from the Minnesota Deputy Registrar's Association;

289.22 (4) one representative from the Minnesota Automobile Dealers Association;

289.23 (5) one representative from the Northland Independent Automobile Dealers Association;

289.24 (6) one staff member from the Department of Public Safety Driver and Vehicle Services  
 289.25 Division;

289.26 (7) two representatives from deputy registrars, appointed by the commissioner;

289.27 (8) two representatives from dealers licensed under section 168.27, appointed by the  
 289.28 commissioner; and

290.1 (9) one representative who performs auctions exclusively for dealers licensed under  
290.2 section 168.27 and not for the general public, appointed by the commissioner following  
290.3 consultation with eligible auto auction businesses.

290.4 (b) Section 15.059 governs the Motor Vehicle Title and Registration Advisory Committee,  
290.5 except that committee members must not receive compensation for serving on the advisory  
290.6 committee.

290.7 Subd. 2. **Organization.** (a) The members of the advisory committee must annually elect  
290.8 a chair and other officers as the members deem necessary.

290.9 (b) The advisory committee must meet at least two times per year.

290.10 Subd. 3. **Open meetings.** The advisory committee is subject to chapter 13D. An advisory  
290.11 committee meeting occurs when a quorum is present and the members receive information,  
290.12 discuss, or take action on any matter relating to the advisory committee's duties. The advisory  
290.13 committee may conduct meetings as provided in section 13D.015 or 13D.02. The advisory  
290.14 committee may conduct meetings at any location in the state that is appropriate for the  
290.15 purposes of the advisory committee, provided the location is open and accessible to the  
290.16 public. For legislative members of the advisory committee, enforcement of this subdivision  
290.17 is governed by section 3.055, subdivision 2. For nonlegislative members of the advisory  
290.18 committee, enforcement of this subdivision is governed by section 13D.06, subdivisions 1  
290.19 and 2.

290.20 Subd. 4. **Staff.** The commissioner must provide support staff, office space, and  
290.21 administrative services to the advisory committee.

290.22 Subd. 5. **Duties.** The advisory committee's duties include but are not limited to:

290.23 (1) serving in an advisory capacity to the commissioner of public safety and the director  
290.24 of driver and vehicle services on matters relevant to:

290.25 (i) effective and efficient systems relating to the ownership, transfer, and registration of  
290.26 motor vehicles; and

290.27 (ii) planning and implementing future changes and enhancements to vehicle registration  
290.28 systems; and

290.29 (2) reviewing and making recommendations with respect to work plans, policy initiatives,  
290.30 major activities, and strategic planning.

290.31 Subd. 6. **Report and recommendations.** By February 15 each year, the commissioner  
290.32 must prepare and submit to the chairs and ranking minority members of the committees of

291.1 the house of representatives and the senate with jurisdiction over motor vehicle title and  
 291.2 registration a report that summarizes the advisory committee's activities, issues identified  
 291.3 by the advisory committee, methods taken to address the issues, and recommendations for  
 291.4 legislative action, if needed.

291.5 Subd. 7. **Expiration.** The advisory committee expires June 30, 2021.

291.6 **EFFECTIVE DATE; APPLICATION.** This section is effective July 1, 2018. The  
 291.7 initial report under subdivision 6 must be submitted on or before February 15, 2019.

291.8 Sec. 33. Minnesota Statutes 2016, section 168A.29, subdivision 1, is amended to read:

291.9 Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

291.10 (1) for filing an application for and the issuance of an original certificate of title, ~~the~~  
 291.11 ~~sum of:~~

291.12 ~~(i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle services~~  
 291.13 ~~operating account of the special revenue fund under section 299A.705, and from July 1,~~  
 291.14 ~~2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver~~  
 291.15 ~~and vehicle services technology account; and~~

291.16 ~~(ii) on and after January 1, 2017, \$8.25, of which \$4.15 must be paid into the vehicle~~  
 291.17 ~~services operating account under section 299A.705;~~

291.18 (2) for each security interest when first noted upon a certificate of title, including the  
 291.19 concurrent notation of any assignment thereof and its subsequent release or satisfaction, ~~the~~  
 291.20 ~~sum of \$2~~, except that no fee is due for a security interest filed by a public authority under  
 291.21 section 168A.05, subdivision 8;

291.22 ~~(3) until December 31, 2016, for the transfer of the interest of an owner and the issuance~~  
 291.23 ~~of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle~~  
 291.24 ~~services operating account of the special revenue fund under section 299A.705, and from~~  
 291.25 ~~July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to~~  
 291.26 ~~the driver and vehicle services technology account;~~

291.27 ~~(4)~~ (3) for each assignment of a security interest when first noted on a certificate of title,  
 291.28 unless noted concurrently with the security interest, ~~the sum of \$1~~; and

291.29 ~~(5)~~ (4) for issuing a duplicate certificate of title, ~~the sum of \$7.25~~, of which \$3.25 must  
 291.30 be paid into the vehicle services operating account of ~~the special revenue fund~~ under section  
 291.31 299A.705; ~~from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee~~  
 291.32 ~~and credited to the driver and vehicle services technology account.~~

292.1 (b) In addition to the fee required under paragraph (a), clause (1), the department must  
292.2 be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited  
292.3 in the special revenue fund and credited to the public safety motor vehicle account established  
292.4 in section 299A.70.

292.5 Sec. 34. Minnesota Statutes 2016, section 169.011, subdivision 5, is amended to read:

292.6 Subd. 5. **Bicycle lane.** "Bicycle lane" means a portion of a roadway ~~or shoulder~~ designed  
292.7 for exclusive or preferential use by persons using bicycles. Bicycle lanes are to be  
292.8 distinguished from the portion of the roadway ~~or shoulder~~ used for motor vehicle traffic by  
292.9 physical barrier, striping, marking, or other similar device.

292.10 Sec. 35. Minnesota Statutes 2016, section 169.011, subdivision 9, is amended to read:

292.11 Subd. 9. **Bikeway.** "Bikeway" means a bicycle lane, bicycle path, ~~or bicycle route,~~ shared  
292.12 use path, or similar bicycle facility, regardless of whether it is designed for the exclusive  
292.13 use of bicycles or ~~is to be~~ for shared use with other transportation modes.

292.14 Sec. 36. Minnesota Statutes 2016, section 169.011, subdivision 60, is amended to read:

292.15 Subd. 60. **Railroad train.** "Railroad train" means a steam engine, electric or other motor,  
292.16 with or without cars coupled thereto, operated upon rails, except streetcars. Railroad train  
292.17 includes on-track equipment or other rolling stock operated upon rails, whether self-propelled  
292.18 or coupled to another device, if the on-track equipment or rolling stock activates grade  
292.19 crossing warning signals or gates when signals are present.

292.20 Sec. 37. Minnesota Statutes 2016, section 169.14, subdivision 5, is amended to read:

292.21 Subd. 5. **Zoning within local area.** (a) When local authorities believe that the existing  
292.22 speed limit upon any street or highway, or part thereof, within their respective jurisdictions  
292.23 and not a part of the trunk highway system is greater or less than is reasonable or safe under  
292.24 existing conditions, they may request the commissioner to authorize, upon the basis of an  
292.25 engineering and traffic investigation, the erection of appropriate signs designating what  
292.26 speed is reasonable and safe, and the commissioner may authorize the erection of appropriate  
292.27 signs designating a reasonable and safe speed limit thereat, which speed limit shall be  
292.28 effective when such signs are erected. Any speeds in excess of these speed limits shall be  
292.29 prima facie evidence that the speed is not reasonable or prudent and that it is unlawful;  
292.30 except that any speed limit within any municipality shall be a maximum limit and any speed

293.1 in excess thereof shall be unlawful. Alteration of speed limits on streets and highways shall  
 293.2 be made only upon authority of the commissioner except as provided in subdivision 5a.

293.3 (b) At the request of a county board, the commissioner may establish a speed limit in  
 293.4 excess of 55 miles per hour on a county road or county state-aid highway upon the basis of  
 293.5 an engineering and traffic investigation. The county engineer must erect appropriate signs  
 293.6 and the increased speed limit is effective when the signs are erected.

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

293.8 Sec. 38. Minnesota Statutes 2016, section 169.18, subdivision 3, is amended to read:

293.9 Subd. 3. **Passing.** ~~The following rules shall govern the overtaking and passing of vehicles~~  
 293.10 ~~proceeding in the same direction, subject to the limitations, exceptions, and special rules~~  
 293.11 ~~hereinafter stated:~~

293.12 ~~(1) (a)~~ (a) The driver of a vehicle overtaking another vehicle proceeding in the same direction  
 293.13 ~~shall~~ must pass to the left ~~thereof~~ of the other vehicle at a safe distance and ~~shall not again~~  
 293.14 ~~drive~~ is prohibited from returning to the right side of the roadway until safely clear of the  
 293.15 overtaken vehicle;

293.16 ~~(2) (b)~~ (b) Except when overtaking and passing on the right is permitted, the driver of an  
 293.17 overtaken vehicle ~~shall~~ must give way to the right in favor of the overtaking vehicle ~~on~~  
 293.18 ~~audible warning,~~ and ~~shall~~ must not increase the speed of the overtaken vehicle until  
 293.19 completely passed by the overtaking vehicle; ~~and.~~

293.20 ~~(3) (c)~~ (c) The operator of a motor vehicle overtaking a bicycle or individual proceeding in  
 293.21 the same direction on the roadway ~~shall leave or shoulder~~ must:

293.22 (1) either (i) maintain a safe clearance distance while passing, but in no case less than  
 293.23 three feet clearance, when passing the bicycle or individual or one-half the width of the  
 293.24 motor vehicle, whichever is greater; or (ii) completely enter another lane of the roadway  
 293.25 while passing; and shall

293.26 (2) maintain clearance until the motor vehicle has safely past passed the overtaken bicycle  
 293.27 or individual.

294.1 Sec. 39. Minnesota Statutes 2017 Supplement, section 169.18, subdivision 7, is amended  
294.2 to read:

294.3 Subd. 7. **Laned highway.** When any roadway has been divided into two or more clearly  
294.4 marked lanes for traffic, the following rules, in addition to all others consistent ~~herewith~~  
294.5 with this subdivision, shall apply:

294.6 ~~(a)~~ (1) a vehicle shall be driven as nearly as practicable entirely within a single lane and  
294.7 ~~shall~~ must not be moved from ~~such~~ the lane until the driver has first ascertained that ~~such~~  
294.8 the movement can be made with safety;

294.9 ~~(b)~~ (2) upon a roadway which is not a one-way roadway and which is divided into three  
294.10 lanes, a vehicle ~~shall~~ must not be driven in the center lane except when overtaking and  
294.11 passing another vehicle where the roadway is clearly visible and ~~such~~ the center lane is  
294.12 clear of traffic within a safe distance, or in preparation for a left turn or where ~~such~~ the  
294.13 center lane is at the time allocated exclusively to traffic moving in the direction the vehicle  
294.14 is proceeding, and is signposted to give notice of ~~such~~ the allocation. The left lane of a  
294.15 three-lane roadway which is not a one-way roadway ~~shall~~ must not be used for overtaking  
294.16 and passing another vehicle;

294.17 ~~(c)~~ (3) official signs may be erected directing slow-moving traffic to use a designated  
294.18 lane or allocating specified lanes to traffic moving in the same direction, and drivers of  
294.19 vehicles ~~shall~~ must obey the ~~directions of every such~~ sign;

294.20 ~~(d)~~ (4) whenever a bicycle lane has been established on a roadway, any person operating  
294.21 a motor vehicle on ~~such~~ the roadway ~~shall~~ must not drive in the bicycle lane except to  
294.22 perform parking maneuvers in order to park where parking is permitted, to enter or leave  
294.23 the highway, to prepare for a turn as provided in section 169.19, subdivision 1, or to stop  
294.24 a school bus for the purpose of receiving or discharging any person provided the school bus  
294.25 is equipped and identified as provided in sections 169.441 and 169.442, subdivision 1, and  
294.26 the flashing red signals are activated and stop-signal arm is extended; and

294.27 (5) notwithstanding clause (1), the operator of a vehicle or combination of vehicles with  
294.28 a total length exceeding 40 feet or a total width exceeding ten feet may, with due regard for  
294.29 all other traffic, deviate from the lane in which the operator is driving to the extent necessary  
294.30 to approach and drive through a roundabout.

294.31 Sec. 40. Minnesota Statutes 2016, section 169.18, subdivision 10, is amended to read:

294.32 Subd. 10. **Slow-moving vehicle.** ~~Upon all roadways any~~ (a) A person operating a vehicle  
294.33 ~~proceeding~~ at less than the normal speed of traffic at the time and place and under the

295.1 ~~existing conditions then existing shall be driven~~ must drive in the right-hand lane ~~then~~  
 295.2 ~~available for traffic~~; or as close as practicable to the right-hand curb or edge of the roadway;  
 295.3 ~~except when~~. A person who violates this paragraph must pay a fine of not less than \$100.

295.4 (b) Paragraph (a) does not apply if:

295.5 (1) the vehicle is overtaking and passing another vehicle proceeding in the same direction;  
 295.6 ~~or when;~~

295.7 (2) the vehicle is preparing for a left to turn left at an intersection or into a private road  
 295.8 ~~or driveway; or when;~~

295.9 (3) a specific lane is designated and posted for a specific type of traffic; or

295.10 (4) the vehicle is preparing to exit a controlled access highway by using an exit on the  
 295.11 left side of the road.

295.12 Sec. 41. Minnesota Statutes 2016, section 169.18, subdivision 11, is amended to read:

295.13 **Subd. 11. Passing parked emergency vehicle; citation; probable cause.** (a) When  
 295.14 approaching and before passing an authorized emergency vehicle with its emergency lights  
 295.15 activated that is parked or otherwise stopped on or next to a street or highway having two  
 295.16 lanes in the same direction, the driver of a vehicle shall safely move the vehicle to the lane  
 295.17 farthest away from the emergency vehicle, if it is possible to do so. If a lane change under  
 295.18 this paragraph is impossible, the driver of the vehicle must reduce the speed of the motor  
 295.19 vehicle to a speed that is reasonable and prudent under the conditions until the motor vehicle  
 295.20 has completely passed the parked or stopped emergency vehicle, if it is possible to do so.

295.21 (b) When approaching and before passing an authorized emergency vehicle with its  
 295.22 emergency lights activated that is parked or otherwise stopped on or next to a street or  
 295.23 highway having more than two lanes in the same direction, the driver of a vehicle shall  
 295.24 safely move the vehicle so as to leave a full lane vacant between the driver and any lane in  
 295.25 which the emergency vehicle is completely or partially parked or otherwise stopped, if it is  
 295.26 possible to do so. If a lane change under this paragraph is impossible, the driver of the  
 295.27 vehicle must reduce the speed of the motor vehicle to a speed that is reasonable and prudent  
 295.28 under the conditions until the motor vehicle has completely passed the parked or stopped  
 295.29 emergency vehicle, if it is possible to do so.

295.30 (c) When approaching and before passing an authorized emergency vehicle with its  
 295.31 emergency lights activated that is parked or otherwise stopped on or next to a street or  
 295.32 highway having only one lane in the same direction, the driver of the vehicle must reduce  
 295.33 the speed of the motor vehicle to a speed that is reasonable and prudent under the conditions

296.1 until the motor vehicle has completely passed the parked or stopped emergency vehicle, if  
 296.2 it is possible to do so.

296.3 ~~(e)~~ (d) A peace officer may issue a citation to the driver of a motor vehicle if the peace  
 296.4 officer has probable cause to believe that the driver has operated the vehicle in violation of  
 296.5 this subdivision within the four-hour period following the termination of the incident or a  
 296.6 receipt of a report under paragraph ~~(d)~~ (e). The citation may be issued even though the  
 296.7 violation was not committed in the presence of the peace officer.

296.8 ~~(d)~~ (e) Although probable cause may be otherwise satisfied by other evidentiary elements  
 296.9 or factors, probable cause is sufficient for purposes of this subdivision when the person  
 296.10 cited is operating the vehicle described by a member of the crew of an authorized emergency  
 296.11 vehicle responding to an incident in a timely report of the violation of this subdivision,  
 296.12 which includes a description of the vehicle used to commit the offense and the vehicle's  
 296.13 license plate number. For the purposes of issuance of a citation under paragraph ~~(e)~~ (d),  
 296.14 "timely" means that the report must be made within a four-hour period following the  
 296.15 termination of the incident.

296.16 ~~(e)~~ (f) For purposes of paragraphs (a) ~~and (b) to (c)~~ only, the terms "authorized emergency  
 296.17 vehicle" and "emergency vehicle" include a towing vehicle defined in section 168B.011,  
 296.18 subdivision 12a, that has activated flashing lights authorized under section 169.64,  
 296.19 subdivision 3, in addition to the vehicles described in the definition for "authorized  
 296.20 emergency vehicle" in section 169.011, subdivision 3.

296.21 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to offenses  
 296.22 committed on or after that date.

296.23 Sec. 42. Minnesota Statutes 2016, section 169.18, subdivision 12, is amended to read:

296.24 Subd. 12. **Passing certain parked vehicles.** (a) When approaching and before passing  
 296.25 a freeway service patrol vehicle, road maintenance vehicle, utility company vehicle, or  
 296.26 construction vehicle with its warning lights activated that is parked or otherwise stopped  
 296.27 on or next to a street or highway having two lanes in the same direction, the driver of a  
 296.28 vehicle shall safely move the vehicle to the lane farthest away from the parked or stopped  
 296.29 vehicle, if it is possible to do so. If a lane change under this paragraph is impossible, the  
 296.30 driver of the vehicle must reduce the speed of the motor vehicle to a speed that is reasonable  
 296.31 and prudent under the conditions until the motor vehicle has completely passed the parked  
 296.32 or stopped freeway service patrol vehicle, road maintenance vehicle, utility company vehicle,  
 296.33 or construction vehicle, if it is possible to do so.

297.1 (b) When approaching and before passing a freeway service patrol vehicle, road  
 297.2 maintenance vehicle, utility company vehicle, or construction vehicle with its warning lights  
 297.3 activated that is parked or otherwise stopped on or next to a street or highway having more  
 297.4 than two lanes in the same direction, the driver of a vehicle shall safely move the vehicle  
 297.5 so as to leave a full lane vacant between the driver and any lane in which the vehicle is  
 297.6 completely or partially parked or otherwise stopped, if it is possible to do so. If a lane change  
 297.7 under this paragraph is impossible, the driver of the vehicle must reduce the speed of the  
 297.8 motor vehicle to a speed that is reasonable and prudent under the conditions until the motor  
 297.9 vehicle has completely passed the parked or stopped freeway service patrol vehicle, road  
 297.10 maintenance vehicle, utility company vehicle, or construction vehicle, if it is possible to do  
 297.11 so.

297.12 (c) When approaching and before passing a freeway service patrol vehicle, road  
 297.13 maintenance vehicle, utility company vehicle, or construction vehicle with its warning lights  
 297.14 activated that is parked or otherwise stopped on or next to a street or highway having only  
 297.15 one lane in the same direction, the driver of the vehicle must reduce the speed of the motor  
 297.16 vehicle to a speed that is reasonable and prudent under the conditions until the motor vehicle  
 297.17 has completely passed the parked or stopped freeway service patrol vehicle, road maintenance  
 297.18 vehicle, utility company vehicle, or construction vehicle, if it is possible to do so.

297.19 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to offenses  
 297.20 committed on or after that date.

297.21 Sec. 43. Minnesota Statutes 2016, section 169.20, is amended by adding a subdivision to  
 297.22 read:

297.23 **Subd. 8. Roundabouts.** If two vehicles or combinations of vehicles each having a total  
 297.24 length exceeding 40 feet or a total width exceeding ten feet approach or drive through a  
 297.25 roundabout at approximately the same time or so closely as to constitute a hazard of collision,  
 297.26 the operator of the vehicle or combination of vehicles on the right must yield the right-of-way  
 297.27 to the vehicle or combination of vehicles on the left and, if necessary, must reduce speed  
 297.28 or stop in order to so yield.

297.29 Sec. 44. Minnesota Statutes 2016, section 169.222, subdivision 1, is amended to read:

297.30 Subdivision 1. **Traffic laws apply.** (a) Every person operating a bicycle ~~shall have~~ has  
 297.31 all of the rights and duties applicable to the driver of any other vehicle by this chapter,  
 297.32 except in respect to those provisions in this chapter relating expressly to bicycles and in

298.1 respect to those provisions of this chapter which by their nature cannot reasonably be applied  
 298.2 to bicycles. This subdivision applies to a bicycle operating on the shoulder of a roadway.

298.3 (b) A person lawfully operating a bicycle (1) on a sidewalk, or (2) across a roadway or  
 298.4 shoulder on a crosswalk, has all the rights and duties applicable to a pedestrian under the  
 298.5 same circumstances.

298.6 Sec. 45. Minnesota Statutes 2016, section 169.222, subdivision 4, is amended to read:

298.7 Subd. 4. **Riding rules.** (a) Every person operating a bicycle ~~upon a roadway shall~~ on a  
 298.8 road must ride as close as practicable to the right-hand curb or edge of the roadway except  
 298.9 under any of the following situations road as the bicycle operator determines is safe. A  
 298.10 person operating a bicycle is not required to ride as close to the right-hand curb when:

298.11 (1) ~~when~~ overtaking and passing another vehicle proceeding in the same direction;

298.12 (2) ~~when~~ preparing for a left turn at an intersection or into a private road or driveway;

298.13 (3) ~~when~~ reasonably necessary to avoid conditions that make it unsafe to continue along  
 298.14 the right-hand curb or edge, including fixed or moving objects, vehicles, pedestrians, animals,  
 298.15 surface hazards, or narrow width lanes, ~~that make it unsafe to continue along the right-hand~~  
 298.16 ~~curb or edge; or~~

298.17 (4) ~~when~~ operating on the shoulder of a roadway or in a bicycle lane; or

298.18 (5) operating in a right-hand turn lane before entering an intersection.

298.19 (b) If a bicycle is traveling on a shoulder of a roadway, the bicycle ~~shall~~ operator must  
 298.20 travel in the same direction as adjacent vehicular traffic.

298.21 (c) Persons riding bicycles upon a roadway or shoulder ~~shall~~ must not ride more than  
 298.22 two abreast and ~~shall~~ must not impede the normal and reasonable movement of traffic and,  
 298.23 on a laned roadway, shall ride within a single lane.

298.24 (d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a  
 298.25 crosswalk, ~~shall~~ must yield the right-of-way to any pedestrian and ~~shall~~ give an audible  
 298.26 signal when necessary before overtaking and passing any pedestrian. ~~No~~ A person shall  
 298.27 must not ride a bicycle upon a sidewalk within a business district unless permitted by local  
 298.28 authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or  
 298.29 crosswalk under their jurisdiction.

298.30 (e) An individual operating a bicycle or other vehicle on a bikeway ~~shall~~ must leave a  
 298.31 safe distance when overtaking a bicycle or individual proceeding in the same direction on  
 298.32 the bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

299.1 ~~(f) A person lawfully operating a bicycle on a sidewalk, or across a roadway or shoulder~~  
 299.2 ~~on a crosswalk, shall have all the rights and duties applicable to a pedestrian under the same~~  
 299.3 ~~circumstances.~~

299.4 ~~(g)~~ (f) A person may operate an electric-assisted bicycle on the shoulder of a roadway,  
 299.5 on a bikeway, or on a bicycle trail if not otherwise prohibited under section 85.015,  
 299.6 subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph  
 299.7 (b), as applicable.

299.8 (g) Notwithstanding section 169.06, subdivision 4, a bicycle operator may cross an  
 299.9 intersection proceeding from a dedicated right-hand turn lane without turning right.

299.10 Sec. 46. Minnesota Statutes 2016, section 169.26, subdivision 1, is amended to read:

299.11 Subdivision 1. **Requirements.** (a) Except as provided in section 169.28, subdivision 1,  
 299.12 when any person driving a vehicle approaches a railroad grade crossing under any of the  
 299.13 circumstances stated in this paragraph, the driver ~~shall~~ must stop the vehicle not less than  
 299.14 ten feet from the nearest railroad track and shall not proceed until safe to do so and until  
 299.15 the roadway is clear of traffic so that the vehicle can proceed without stopping until the rear  
 299.16 of the vehicle is at least ten feet past the farthest railroad track. These requirements apply  
 299.17 when:

299.18 (1) a clearly visible electric or mechanical signal device warns of the immediate approach  
 299.19 of a railroad train; or

299.20 (2) an approaching railroad train is plainly visible and is in hazardous proximity.

299.21 (b) The fact that a moving railroad train approaching a railroad grade crossing is visible  
 299.22 from the crossing is prima facie evidence that it is not safe to proceed.

299.23 (c) The driver of a vehicle ~~shall~~ must stop and remain stopped and not traverse the grade  
 299.24 crossing when a human flagger signals the approach or passage of a railroad train or when  
 299.25 a crossing gate is lowered warning of the immediate approach or passage of a railroad train.  
 299.26 No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals  
 299.27 that the way is clear to proceed or drive a vehicle past a lowered crossing gate.

299.28 Sec. 47. Minnesota Statutes 2016, section 169.28, is amended to read:

299.29 **169.28 CERTAIN VEHICLES TO STOP AT RAILROAD CROSSING.**

299.30 Subdivision 1. **Requirements.** (a) The driver of any motor vehicle carrying passengers  
 299.31 for hire, or of any school bus whether carrying passengers or not, or of any Head Start bus

300.1 whether carrying passengers or not, or of any vehicle that is required to stop at railroad  
300.2 grade crossings under Code of Federal Regulations, title 49, section 392.10, before crossing  
300.3 at grade any track or tracks of a railroad, ~~shall~~ must stop the vehicle not less than 15 feet  
300.4 nor more than 50 feet from the nearest rail of the railroad and while so stopped ~~shall~~ must  
300.5 listen and look in both directions along the track for any approaching railroad train, and for  
300.6 signals indicating the approach of a railroad train, except as ~~hereinafter~~ otherwise provided;  
300.7 ~~and shall~~ in this section. The driver must not proceed until safe to do so and until the roadway  
300.8 is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle  
300.9 is at least ten feet past the farthest railroad track. The driver must not shift gears while  
300.10 crossing the railroad tracks.

300.11 (b) A school bus or Head Start bus ~~shall~~ must not be flagged across railroad grade  
300.12 crossings except at those railroad grade crossings that the local school administrative officer  
300.13 may designate.

300.14 (c) A type III vehicle, as defined in section 169.011, is exempt from the requirement of  
300.15 school buses to stop at railroad grade crossings.

300.16 (d) The requirements of this subdivision do not apply to the crossing of light rail vehicle  
300.17 track or tracks that are located in a public street when:

300.18 (1) the crossing occurs within the intersection of two or more public streets;

300.19 (2) the intersection is controlled by a traffic-control signal; and

300.20 (3) the intersection is marked with signs indicating to drivers that the requirements of  
300.21 this subdivision do not apply. Notwithstanding any other provision of law, the owner or  
300.22 operator of the track or tracks is authorized to place, maintain, and display the signs upon  
300.23 and in the view of the public street or streets.

300.24 Subd. 2. **Exempt crossing.** (a) The commissioner may designate a crossing as an exempt  
300.25 crossing:

300.26 (1) if the crossing is on a rail line on which service has been abandoned;

300.27 (2) if the crossing is on a rail line that carries fewer than five trains each year, traveling  
300.28 at speeds of ten miles per hour or less; or

300.29 (3) as agreed to by the operating railroad and the Department of Transportation, following  
300.30 a diagnostic review of the crossing.

301.1 (b) The commissioner ~~shall~~ must direct the railroad to erect at the crossing signs bearing  
 301.2 the word "Exempt" that conform to section 169.06. The installation or presence of an exempt  
 301.3 sign does not relieve a driver of the duty to use due care.

301.4 (c) A railroad train must not proceed across an exempt crossing unless a police officer  
 301.5 is present to direct traffic or a railroad employee is on the ground to warn traffic until the  
 301.6 railroad train enters the crossing.

301.7 ~~(e)~~ (d) A vehicle that must stop at grade crossings under subdivision 1 is not required  
 301.8 to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad  
 301.9 employee.

301.10 Sec. 48. Minnesota Statutes 2016, section 169.29, is amended to read:

301.11 **169.29 CROSSING RAILROAD TRACKS WITH CERTAIN EQUIPMENT.**

301.12 (a) ~~No~~ A person ~~shall~~ must not operate or move any caterpillar tractor, steam shovel,  
 301.13 derrick, roller, or any equipment or structure having a normal operating speed of six or less  
 301.14 miles per hour or a vertical body or load clearance of less than nine inches above the level  
 301.15 surface of a roadway upon or across any tracks at a railroad grade crossing without first  
 301.16 complying with this section.

301.17 (b) Before making any crossing, the person operating or moving any vehicle or equipment  
 301.18 set forth in this section ~~shall~~ must first stop the same not less than ten, nor more than 50,  
 301.19 feet from the nearest rail of the railway, and while ~~so~~ stopped ~~shall~~ must listen and look in  
 301.20 both directions along the track for any approaching railroad train and for signals indicating  
 301.21 the approach of a railroad train, and ~~shall~~ must not proceed until the crossing can be made  
 301.22 safely.

301.23 (c) ~~No~~ A crossing ~~shall~~ must not be made when warning is given by automatic signal  
 301.24 or crossing gates or a flagger or otherwise of the immediate approach of a railroad train or  
 301.25 car.

301.26 (d) ~~No~~ A stop ~~need be made~~ is not required at a crossing on a rail line on which service  
 301.27 has been abandoned and where a sign erected in conformance with section 169.06 and  
 301.28 bearing the word "Exempt" has been installed, unless directed otherwise by a flagger. The  
 301.29 installation or presence of an exempt sign shall not relieve any driver of the duty to use due  
 301.30 care.

302.1 Sec. 49. Minnesota Statutes 2017 Supplement, section 169.442, subdivision 5, is amended  
302.2 to read:

302.3 Subd. 5. **White strobe lamps on certain buses transporting children.** ~~Notwithstanding~~  
302.4 ~~section 169.55, subdivision 1, or 169.57, subdivision 3, paragraph (b), or other law to the~~  
302.5 ~~contrary,~~ A school bus ~~that is subject to and complies with the equipment requirements of~~  
302.6 ~~subdivision 1 and section 169.441, subdivision 1,~~ or a Head Start bus, may be equipped  
302.7 with a flashing strobe lamp under section 169.64, subdivision 8.

302.8 Sec. 50. Minnesota Statutes 2016, section 169.442, is amended by adding a subdivision  
302.9 to read:

302.10 Subd. 6. **Supplemental warning system.** In addition to the signals required under  
302.11 subdivision 1, a type A, B, C, or D school bus may be equipped with a supplemental warning  
302.12 system under section 169.4503, subdivision 31.

302.13 Sec. 51. Minnesota Statutes 2016, section 169.448, subdivision 1, is amended to read:

302.14 Subdivision 1. **Restrictions on appearance; misdemeanor.** (a) A bus that is not used  
302.15 as a school bus ~~may~~ must not be operated on a street or highway unless it is painted a color  
302.16 significantly different than national school bus glossy yellow.

302.17 (b) A bus that is not used as a school bus or Head Start bus may not be operated if it is  
302.18 equipped with school bus or Head Start bus-related equipment and printing.

302.19 (c) A violation of this subdivision is a misdemeanor.

302.20 (d) This subdivision does not apply to a school bus owned by or under contract to a  
302.21 school district operated as a charter or leased bus.

302.22 (e) This subdivision does not apply to a school bus operated by a licensed child care  
302.23 provider if:

302.24 (1) the ~~stop~~ stop-signal arm is removed;

302.25 (2) the ~~eight-light system~~ is lighting systems for prewarning flashing amber signals,  
302.26 flashing red signals, and supplemental warnings under section 169.4503, subdivision 31,  
302.27 are deactivated;

302.28 (3) the school bus is identified as a "child care bus" in letters at least eight inches high  
302.29 on the front and rear top of the bus;

302.30 (4) the name, address, and telephone number of the owner or operator of the bus is  
302.31 identified on each front door of the bus in letters not less than three inches high; and

303.1 (5) the conditions under section 171.02, subdivision 2a, paragraphs (a) ~~through to (j)~~;  
 303.2 and (l), and (n), have been met.

303.3 Sec. 52. Minnesota Statutes 2016, section 169.4503, subdivision 5, is amended to read:

303.4 Subd. 5. **Colors.** Fenderettes may be black. The beltline may be painted yellow over  
 303.5 black or black over yellow. The rub rails ~~shall~~ must be black or yellow. The area around  
 303.6 the lenses of alternately flashing signal lamps extending outward from the edge of the lamp  
 303.7 three inches, plus or minus one-quarter inch, to the sides and top and at least one inch to  
 303.8 the bottom, ~~shall~~ must be black. Visors or hoods, black in color, with a minimum of four  
 303.9 inches may be provided.

303.10 Sec. 53. Minnesota Statutes 2016, section 169.4503, subdivision 13, is amended to read:

303.11 Subd. 13. **Identification.** (a) Each bus ~~shall~~ must, in the beltline, identify the school  
 303.12 district serviced, or company name, or owner of the bus. Numbers necessary for identification  
 303.13 must appear on the sides and rear of the bus. Symbols or letters may be used on the outside  
 303.14 of the bus near the entrance door for student identification. A manufacturer's nameplate or  
 303.15 logo may be placed on the bus.

303.16 (b) ~~Effective December 31, 1994,~~ All type A, B, C, and D buses sold must display  
 303.17 lettering "Unlawful to pass when red lights are flashing" on the rear of the bus. The lettering  
 303.18 ~~shall~~ must be in two-inch black letters on school bus yellow background. This message ~~shall~~  
 303.19 must be displayed directly below the upper window of the rear door. On rear engine buses,  
 303.20 it ~~shall~~ must be centered at approximately the same location. Only signs and lettering  
 303.21 approved or required by state law ~~may~~ are permitted to be displayed.

303.22 (c) The requirements of paragraph (b) do not apply to a type A, B, C, or D school bus  
 303.23 that is equipped with a changeable electronic message sign on the rear of the bus that:

303.24 (1) displays one or more of the messages: "Caution / stopping," "Unlawful to pass,"  
 303.25 "Stop / do not pass," or similar messages approved by the commissioner;

303.26 (2) displays messages in conjunction with bus operation and activation of prewarning  
 303.27 flashing amber signals, flashing red signals, or stop-signal arm, as appropriate; and

303.28 (3) is a supplemental warning system under section 169.4503, subdivision 31.

304.1 Sec. 54. Minnesota Statutes 2016, section 169.4503, is amended by adding a subdivision  
304.2 to read:

304.3 Subd. 31. **Supplemental warning system; temporary authority.** (a) Prior to August  
304.4 1, 2021, the commissioner may approve a type A, B, C, or D school bus to be equipped  
304.5 with a supplemental warning system. On and after that date, a school bus may continue to  
304.6 be equipped with a previously approved supplemental warning system.

304.7 (b) To determine approval of a supplemental warning system, the commissioner must  
304.8 consider:

304.9 (1) signal colors, which are limited to one or more of the colors white, amber, and red;

304.10 (2) flashing patterns;

304.11 (3) vehicle mounting and placement;

304.12 (4) supplemental warning system activation in conjunction with activation of prewarning  
304.13 flashing amber signals, stop-signal arm, and flashing red signals;

304.14 (5) light intensity; and

304.15 (6) permissible text, signage, and graphics, if any.

304.16 (c) The commissioner must review relevant research findings and experience in other  
304.17 jurisdictions, and must consult with interested stakeholders, including but not limited to  
304.18 representatives from school district pupil transportation directors, private school bus  
304.19 operators, and pupil transportation and traffic safety associations.

304.20 Sec. 55. Minnesota Statutes 2016, section 169.475, subdivision 2, is amended to read:

304.21 Subd. 2. **Prohibition on use; penalty.** (a) ~~No~~ When a motor vehicle is in motion or a  
304.22 part of traffic, the person ~~may operate a motor~~ operating the vehicle ~~while~~ is prohibited  
304.23 from using a wireless communications device to compose, read, or send an electronic  
304.24 message, ~~when the vehicle is in motion or a part of traffic.~~

304.25 (b) Except as provided in section 169.89, subdivision 1, clause (1) or (2), a person who  
304.26 violates this subdivision is guilty of a petty misdemeanor. A person who violates this  
304.27 subdivision within five years of the first of two or more prior violations of this subdivision  
304.28 is guilty of a misdemeanor.

304.29 (c) A court must require a person who violates ~~paragraph (a)~~ this subdivision to pay the  
304.30 following fine:

304.31 (1) for a first offense, a fine of \$150;

305.1 (2) for a second or subsequent time must pay offense, a fine of ~~\$225~~ \$300, ~~plus the~~  
 305.2 ~~amount specified in the uniform fine schedule established by the Judicial Council;~~ or

305.3 (3) for an offense committed within five years of the first of two or more prior violations  
 305.4 under this subdivision, a fine of \$500.

305.5 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
 305.6 committed on or after that date.

305.7 Sec. 56. Minnesota Statutes 2016, section 169.55, subdivision 1, is amended to read:

305.8 Subdivision 1. **Lights or reflectors required.** At the times when lighted lamps on  
 305.9 vehicles are required each vehicle including an animal-drawn vehicle and any vehicle  
 305.10 specifically excepted in sections 169.47 to 169.79, with respect to equipment and not  
 305.11 ~~hereinbefore specifically~~ previously required to be equipped with lamps, ~~shall~~ must be  
 305.12 equipped with one or more lighted lamps or lanterns projecting a white light visible from  
 305.13 a distance of 500 feet to the front of the vehicle and with a lamp or lantern exhibiting a red  
 305.14 light visible from a distance of 500 feet to the rear, except that reflectors meeting the  
 305.15 maximum requirements of this chapter may be used in lieu of the lights required in this  
 305.16 subdivision. ~~It shall be unlawful except as otherwise provided in this subdivision, to project~~  
 305.17 ~~a white light to the rear of any such vehicle while traveling on any street or highway, unless~~  
 305.18 ~~such vehicle is moving in reverse. A lighting device mounted on top of a vehicle engaged~~  
 305.19 ~~in deliveries to residences may project a white light to the rear if the sign projects one or~~  
 305.20 ~~more additional colors to the rear. An authorized emergency vehicle may display an~~  
 305.21 ~~oscillating, alternating, or rotating white light used in connection with an oscillating,~~  
 305.22 ~~alternating, or rotating red light when responding to emergency calls.~~

305.23 Sec. 57. Minnesota Statutes 2016, section 169.57, subdivision 3, is amended to read:

305.24 Subd. 3. **Maintenance.** (a) When a vehicle is equipped with stop lamps or signal lamps,  
 305.25 ~~such~~ the lamps ~~shall~~ must at all times be maintained in good working condition.

305.26 (b) ~~No stop lamps or signal lamp shall project a glaring or dazzling light.~~

305.27 (e) All mechanical signal devices ~~shall~~ must be self-illuminated when in use at the times  
 305.28 when lighted lamps on vehicles are required.

305.29 Sec. 58. Minnesota Statutes 2016, section 169.64, subdivision 3, is amended to read:

305.30 Subd. 3. **Flashing lights; glaring lights.** (a) Flashing lights are prohibited, except:

306.1 (1) on an authorized emergency vehicle, school bus, bicycle as provided in section  
 306.2 169.222, subdivision 6, road maintenance equipment, tow truck or towing vehicle as provided  
 306.3 in section 168B.16, service vehicle, farm tractor, self-propelled farm equipment, rural mail  
 306.4 carrier vehicle, or funeral home vehicle, or;

306.5 (2) on any vehicle as a means of indicating a right or left turn, or the presence of a  
 306.6 vehicular traffic hazard requiring unusual care in approaching, overtaking, or passing; or

306.7 (3) as otherwise provided in this section.

306.8 (b) All flashing warning lights shall must be of the type authorized by section 169.59,  
 306.9 subdivision 4, unless otherwise permitted or required in this chapter.

306.10 (c) A stop lamp or signal lamp is prohibited from projecting a glaring or dazzling light,  
 306.11 except for:

306.12 (1) strobe lamps as provided under subdivision 8 or section 169.59, subdivision 4; or

306.13 (2) a school bus equipped with a supplemental warning system under section 169.4503,  
 306.14 subdivision 31.

306.15 Sec. 59. Minnesota Statutes 2016, section 169.64, is amended by adding a subdivision to  
 306.16 read:

306.17 Subd. 4a. **White light.** (a) It is unlawful to project a white light at the rear of a vehicle  
 306.18 while traveling on any street or highway, except:

306.19 (1) for a vehicle moving in reverse;

306.20 (2) for a school bus equipped with a supplemental warning system under section  
 306.21 169.4503, subdivision 31;

306.22 (3) for a strobe lamp as provided under subdivision 8;

306.23 (4) as required for license plate illumination under section 169.50, subdivision 2;

306.24 (5) as provided in section 169.59, subdivision 4; and

306.25 (6) as otherwise provided in this subdivision.

306.26 (b) A lighting device mounted on top of a vehicle engaged in deliveries to residences  
 306.27 may project a white light to the rear if the sign projects one or more additional colors to the  
 306.28 rear.

307.1 (c) An authorized emergency vehicle may display an oscillating, alternating, or rotating  
307.2 white light used in connection with an oscillating, alternating, or rotating red light when  
307.3 responding to emergency calls.

307.4 Sec. 60. Minnesota Statutes 2017 Supplement, section 169.64, subdivision 8, is amended  
307.5 to read:

307.6 Subd. 8. **Strobe lamp.** (a) Notwithstanding ~~sections 169.55, subdivision 1; 169.57,~~  
307.7 ~~subdivision 3, paragraph (b); or~~ any other law to the contrary, a vehicle may be equipped  
307.8 with a 360-degree flashing strobe lamp that emits a white light with a flash rate of 60 to  
307.9 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle  
307.10 is:

307.11 (1) a school bus that is subject to and complies with the equipment requirements of  
307.12 ~~sections 169.441, subdivision 1, and~~ section 169.442, subdivision 1, or a Head Start bus.  
307.13 The lamp must operate from a separate switch containing an indicator lamp to show when  
307.14 the strobe lamp is in use; or

307.15 (2) a road maintenance vehicle owned or under contract to the Department of  
307.16 Transportation or a road authority of a county, home rule or statutory city, or town, but the  
307.17 strobe lamp may only be operated while the vehicle is actually engaged in snow removal  
307.18 during daylight hours.

307.19 (b) Notwithstanding ~~sections 169.55, subdivision 1; 169.57, subdivision 3, paragraph~~  
307.20 ~~(b); or~~ any other law to the contrary, a vehicle may be equipped with a 360-degree flashing  
307.21 strobe lamp that emits an amber light with a flash rate of 60 to 120 flashes a minute, and  
307.22 the lamp may be used as provided in this subdivision, if the vehicle is a rural mail carrier  
307.23 vehicle, provided that the strobe lamp is mounted at the highest practicable point on the  
307.24 vehicle. The strobe lamp may only be operated while the vehicle is actually engaged during  
307.25 daylight hours in the delivery of mail to residents on a rural mail route.

307.26 (c) A strobe lamp authorized by this ~~section shall~~ subdivision must be of a double flash  
307.27 type certified to the commissioner of public safety by the manufacturer as being weatherproof  
307.28 and having ~~a minimum an~~ an effective light output of 200 candelas ~~as measured by the~~  
307.29 ~~Blondel-Rey formula~~ that meets or exceeds the most recent version of SAE International  
307.30 standard J845, Class 2, or a subsequent standard.

308.1 Sec. 61. Minnesota Statutes 2016, section 169.81, subdivision 5, is amended to read:

308.2 Subd. 5. **Manner of loading.** ~~No~~ (a) A vehicle shall ~~shall~~ must not be driven or moved on  
 308.3 any highway unless ~~such~~ the vehicle is so constructed, loaded, or the load securely covered  
 308.4 as to prevent any of its load from dropping, sifting, leaking, blowing, or otherwise escaping  
 308.5 therefrom, ~~except that.~~

308.6 (b) Notwithstanding paragraph (a), a vehicle or combination of vehicles may:

308.7 (1) drop sand ~~may be dropped for the purpose of securing~~ to secure traction, ~~or;~~

308.8 (2) sprinkle water or other substances ~~may be sprinkled on a roadway in cleaning or~~  
 308.9 ~~maintaining such~~ to clean or maintain the roadway; or

308.10 (3) leak liquid from thawing sugar beets, only if transporting unprocessed sugar beets.

308.11 (c) This subdivision ~~shall~~ does not apply to motor vehicles operated by a farmer or the  
 308.12 farmer's agent when transporting produce such as small grains, shelled corn, soybeans, or  
 308.13 other farm produce of a size and density not likely to cause injury to persons or damage to  
 308.14 property on escaping in small amounts from a vehicle.

308.15 (d) A violation of this subdivision by a vehicle that is carrying farm produce and that is  
 308.16 not exempted ~~by the preceding sentence~~ under paragraph (c) is a petty misdemeanor.

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

308.18 Sec. 62. Minnesota Statutes 2016, section 169.81, is amended by adding a subdivision to  
 308.19 read:

308.20 Subd. 11. **Automobile transporter.** (a) For purposes of this subdivision, the following  
 308.21 terms have the meanings given them:

308.22 (1) "automobile transporter" means any vehicle combination designed and used to  
 308.23 transport assembled highway vehicles, including truck camper units;

308.24 (2) "stinger-steered combination automobile transporter" means a truck tractor semitrailer  
 308.25 having the fifth wheel located on a drop frame located behind and below the rear-most axle  
 308.26 of the power unit; and

308.27 (3) "backhaul" means the return trip of a vehicle transporting cargo or general freight,  
 308.28 including when carrying goods back over all or part of the same route.

308.29 (b) Stinger-steered combination automobile transporters having a length of 80 feet or  
 308.30 less may be operated on interstate highways and other highways designated in this section,

309.1 and in addition may carry a load that extends the length by four feet or less in the front of  
309.2 the vehicle and six feet or less in the rear of the vehicle.

309.3 (c) An automobile transporter may transport cargo or general freight on a backhaul,  
309.4 provided it complies with weight limitations for a truck tractor and semitrailer combination  
309.5 under section 169.824.

309.6 Sec. 63. Minnesota Statutes 2016, section 169.8261, subdivision 2, is amended to read:

309.7 Subd. 2. **Conditions.** (a) A vehicle or combination of vehicles described in subdivision  
309.8 1 must:

309.9 (1) comply with seasonal load restrictions in effect between the dates set by the  
309.10 commissioner under section 169.87, subdivision 2;

309.11 (2) comply with bridge load limits posted under section 169.84;

309.12 (3) be equipped and operated with six or more axles and brakes on all wheels;

309.13 (4) not exceed 90,000 pounds gross vehicle weight, or 99,000 pounds gross vehicle  
309.14 weight during the time when seasonal increases are authorized under section 169.826;

309.15 (5) not be operated on interstate highways;

309.16 (6) obtain an annual permit from the commissioner of transportation;

309.17 (7) obey all road postings; and

309.18 (8) not exceed 20,000 pounds gross weight on any single axle.

309.19 (b) A vehicle operated under this section may exceed the legal axle weight limits listed  
309.20 in section 169.824 by not more than 12.5 percent; except that, the weight limits may be  
309.21 exceeded by not more than 23.75 percent during the time when seasonal increases are  
309.22 authorized under section 169.826, subdivision 1.

309.23 (c) Notwithstanding paragraph (a), clause (5), a vehicle or combination of vehicles  
309.24 hauling raw or unfinished forest products may operate on the segment of marked Interstate  
309.25 Highway 35 provided under United States Code, title 23, section 127(q)(2)(D).

309.26 Sec. 64. Minnesota Statutes 2017 Supplement, section 169.829, subdivision 4, is amended  
309.27 to read:

309.28 Subd. 4. **Certain emergency vehicles.** (a) The provisions of sections 169.80 to 169.88  
309.29 governing size, weight, and load do not apply to a fire apparatus, a law enforcement special  
309.30 response vehicle, or a licensed land emergency ambulance service vehicle.

310.1 (b) Emergency vehicles designed to transport personnel and equipment to support the  
310.2 suppression of fires and to mitigate other hazardous situations are subject to the following  
310.3 weight limitations when operated on an interstate highway: (1) 24,000 pounds on a single  
310.4 steering axle; (2) 33,500 pounds on a single drive axle; (3) 52,000 pounds on a tandem rear  
310.5 drive steer axle; and (4) 62,000 pounds on a tandem axle. The gross weight of an emergency  
310.6 vehicle operating on an interstate highway must not exceed 86,000 pounds.

310.7 Sec. 65. Minnesota Statutes 2016, section 169.829, is amended by adding a subdivision  
310.8 to read:

310.9 Subd. 5. Sewage septic tank trucks. (a) Sections 169.823 and 169.826 to 169.828 do  
310.10 not apply to a sewage septic tank truck used exclusively to transport sewage from septic or  
310.11 holding tanks.

310.12 (b) The weight limitations under section 169.824 are increased by ten percent for a  
310.13 single-unit vehicle transporting sewage from the point of service to (1) another point of  
310.14 service, or (2) the point of unloading.

310.15 (c) Notwithstanding sections 169.824, subdivision 1, paragraph (d); 169.826, subdivision  
310.16 3; or any other law to the contrary, a permit is not required to operate a vehicle under this  
310.17 subdivision.

310.18 (d) The seasonal weight increases under section 169.826, subdivision 1, do not apply to  
310.19 a vehicle operated under this subdivision.

310.20 (e) A vehicle operated under this subdivision is subject to bridge load limits posted under  
310.21 section 169.84.

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

310.23 Sec. 66. Minnesota Statutes 2016, section 169.87, subdivision 6, is amended to read:

310.24 Subd. 6. Recycling and garbage vehicles. (a) ~~Except as provided in paragraph (b)~~ While  
310.25 a vehicle is engaged in the type of collection the vehicle was designed to perform, weight  
310.26 restrictions imposed under subdivisions 1 and 2 do not apply to:

310.27 (1) a vehicle that does not exceed 20,000 pounds per single axle and is designed and  
310.28 used exclusively for recycling, while ~~engaged in recycling~~ operating in a political subdivision  
310.29 that mandates curbside recycling pickup;

311.1 ~~(b) Weight restrictions imposed under subdivisions 1 and 2 do not apply to: (1) (2) a~~  
 311.2 vehicle that does not exceed 14,000 pounds per single axle and is used exclusively for  
 311.3 recycling as described in paragraph (a);

311.4 ~~(2) (3) a vehicle that does not exceed 14,000 pounds per single axle and is designed and~~  
 311.5 used exclusively for collecting mixed municipal solid waste, as defined in section 115A.03,  
 311.6 subdivision 21, while engaged in such collection; or

311.7 ~~(3) (4) a portable toilet service vehicle that does not exceed 14,000 pounds per single~~  
 311.8 axle or 26,000 pounds gross vehicle weight, and is designed and used exclusively for  
 311.9 collecting liquid waste from portable toilets, while engaged in such collection; or

311.10 (5) a sewage septic tank truck that is designed and used exclusively to haul sewage from  
 311.11 septic or holding tanks.

311.12 ~~(e) (b) Notwithstanding section 169.80, subdivision 1, a violation of the owner or operator~~  
 311.13 of a vehicle that violates the weight restrictions imposed under subdivisions 1 and 2 by a  
 311.14 ~~vehicle designed and used exclusively for recycling while engaged in recycling in a political~~  
 311.15 ~~subdivision that mandates curbside recycling pickup while engaged in such collection, by~~  
 311.16 ~~a vehicle that is designed and used exclusively for collecting mixed municipal solid waste~~  
 311.17 ~~as defined in section 115A.03, subdivision 21, while engaged in such collection, or by a~~  
 311.18 ~~portable toilet service vehicle that is designed and used exclusively for collecting liquid~~  
 311.19 ~~waste from portable toilets, while engaged in such collection, is not subject to criminal~~  
 311.20 penalties but is subject to a civil penalty for excess weight under section 169.871 if the  
 311.21 vehicle (1) meets the requirements under paragraph (a), and (2) is engaged in the type of  
 311.22 collection the vehicle was designed to perform.

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

311.24 Sec. 67. Minnesota Statutes 2016, section 169.92, subdivision 4, is amended to read:

311.25 Subd. 4. **Suspension of driver's license.** (a) Upon receiving a report from the court, or  
 311.26 from the driver licensing authority of a state, district, territory, or possession of the United  
 311.27 States or a province of a foreign country which has an agreement in effect with this state  
 311.28 pursuant to section 169.91, that a resident of this state or a person licensed as a driver in  
 311.29 this state did not appear in court in compliance with the terms of a citation, the commissioner  
 311.30 of public safety ~~shall~~ must notify the driver that the driver's license will be suspended unless  
 311.31 the commissioner receives notice within 30 days that the driver has appeared in the  
 311.32 appropriate court ~~or, if the offense is a petty misdemeanor for which a guilty plea was~~  
 311.33 ~~entered under section 609.491, that the person has paid any fine imposed by the court.~~ If

312.1 the commissioner does not receive notice of the appearance in the appropriate court or  
 312.2 ~~payment of the fine~~ within 30 days of the date of the commissioner's notice to the driver,  
 312.3 the commissioner may suspend the driver's license, subject to the notice requirements of  
 312.4 section 171.18, subdivision 2. Notwithstanding the requirements in this section, the  
 312.5 commissioner is prohibited from suspending the driver's license of a person based solely  
 312.6 on the fact that the person did not appear in court (1) in compliance with the terms of a  
 312.7 citation for a petty misdemeanor, or (2) for a violation of section 171.24, subdivision 1.

312.8 (b) The order of suspension ~~shall~~ must indicate the reason for the order and ~~shall~~ must  
 312.9 notify the driver that the driver's license ~~shall remain~~ remains suspended until the driver  
 312.10 has furnished evidence, satisfactory to the commissioner, of compliance with any order  
 312.11 entered by the court.

312.12 (c) Suspension shall be ordered under this subdivision only when the report clearly  
 312.13 identifies the person arrested; describes the violation, specifying the section of the traffic  
 312.14 law, ordinance or rule violated; indicates the location and date of the offense; and describes  
 312.15 the vehicle involved and its registration number.

312.16 Sec. 68. Minnesota Statutes 2016, section 171.041, is amended to read:

312.17 **171.041 RESTRICTED LICENSE FOR FARM WORK.**

312.18 (a) Notwithstanding any provisions of section 171.04 relating to the age of an applicant  
 312.19 to the contrary, the commissioner may issue a restricted farm work license to operate a  
 312.20 motor vehicle to a person who has attained the age of 15 years and who, except for age, is  
 312.21 qualified to hold a driver's license. The applicant is not required to comply with the six-month  
 312.22 instruction permit possession provisions of sections 171.04, subdivision 1, clause (2), and  
 312.23 171.05, subdivision 2a, or with the 12-month provisional license possession provision of  
 312.24 section 171.04, subdivision 1, clause (1), item (i).

312.25 (b) The restricted license ~~shall~~ must be issued solely for the purpose of authorizing the  
 312.26 person to whom the restricted license is issued to assist the person's parents or guardians  
 312.27 with farm work. An individual may perform farm work under the restricted license for any  
 312.28 entity authorized to farm under section 500.24. A person holding this restricted license may  
 312.29 operate a motor vehicle only during daylight hours and only within a radius of ~~20~~ 40 miles  
 312.30 of the parent's or guardian's farmhouse; however, in no case may a person holding the  
 312.31 restricted license operate a motor vehicle in a city of the first class.

313.1 (c) An applicant for a restricted license ~~shall~~ must apply to the commissioner for the  
 313.2 license on forms prescribed by the commissioner. The application ~~shall~~ must be accompanied  
 313.3 by:

313.4 (1) a copy of a property tax statement showing that the applicant's parent or guardian  
 313.5 owns land that is classified as agricultural land or a copy of a rental statement or agreement  
 313.6 showing that the applicant's parent or guardian rents land classified as agricultural land; and

313.7 (2) a written verified statement by the applicant's parent or guardian setting forth the  
 313.8 necessity for the license.

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

313.10 Sec. 69. Minnesota Statutes 2017 Supplement, section 171.06, subdivision 2, is amended  
 313.11 to read:

313.12 Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

313.13 REAL ID Compliant or				
313.14 Noncompliant Classified				
313.15 Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
313.16 REAL ID Compliant or				
313.17 Noncompliant Classified				
313.18 Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
313.19 Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
313.20 REAL ID Compliant or				
313.21 Noncompliant Instruction				
313.22 Permit				\$5.25
313.23 Enhanced Instruction				
313.24 Permit				\$20.25
313.25 Commercial Learner's				
313.26 Permit				\$2.50
313.27 REAL ID Compliant or				
313.28 Noncompliant Provisional				
313.29 License				\$8.25
313.30 Enhanced Provisional				
313.31 License				\$23.25
313.32 Duplicate REAL ID				
313.33 Compliant or Noncompliant				
313.34 License or duplicate REAL				
313.35 ID Compliant or				
313.36 Noncompliant identification				
313.37 card				\$6.75
313.38 Enhanced Duplicate				
313.39 License or enhanced				
313.40 duplicate identification card				\$21.75

314.1 REAL ID Compliant or  
 314.2 Noncompliant Minnesota  
 314.3 identification card or REAL  
 314.4 ID Compliant or  
 314.5 Noncompliant Under-21  
 314.6 Minnesota identification  
 314.7 card, other than duplicate,  
 314.8 except as otherwise  
 314.9 provided in section 171.07,  
 314.10 subdivisions 3 and 3a \$11.25

314.11 Enhanced Minnesota  
 314.12 identification card \$26.25

314.13 ~~In addition to each fee required in this paragraph, the commissioner shall collect a surcharge~~  
 314.14 ~~of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30, 2016.~~

314.15 ~~Surcharges collected under this paragraph must be credited to the driver and vehicle services~~  
 314.16 ~~technology account in the special revenue fund under section 299A.705.~~

314.17 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and  
 314.18 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,  
 314.19 169A.35, sections 169A.50 to 169A.53, or section 171.177, (2) convictions for crash-related  
 314.20 moving violations, and (3) convictions for moving violations that are not crash related, ~~shall~~  
 314.21 must have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving  
 314.22 violation" has the meaning given it in section 171.04, subdivision 1.

314.23 (c) In addition to the driver's license fee required under paragraph (a), the commissioner  
 314.24 ~~shall~~ must collect an additional \$4 processing fee from each new applicant or individual  
 314.25 renewing a license with a school bus endorsement to cover the costs for processing an  
 314.26 applicant's initial and biennial physical examination certificate. The department ~~shall~~ must  
 314.27 not charge these applicants any other fee to receive or renew the endorsement.

314.28 (d) In addition to the fee required under paragraph (a), a driver's license agent may charge  
 314.29 and retain a filing fee as provided under section 171.061, subdivision 4.

314.30 (e) In addition to the fee required under paragraph (a), the commissioner ~~shall~~ must  
 314.31 charge a filing fee at the same amount as a driver's license agent under section 171.061,  
 314.32 subdivision 4. Revenue collected under this paragraph must be deposited in the driver  
 314.33 services operating account.

314.34 (f) An application for a Minnesota identification card, instruction permit, provisional  
 314.35 license, or driver's license, including an application for renewal, must contain a provision  
 314.36 that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes  
 314.37 of public information and education on anatomical gifts under section 171.075.

315.1 Sec. 70. Minnesota Statutes 2016, section 171.16, subdivision 2, is amended to read:

315.2 Subd. 2. **Commissioner shall suspend.** (a) The court may recommend the suspension  
315.3 of the driver's license of the person so convicted, and the commissioner ~~shall~~ must suspend  
315.4 such license as recommended by the court, without a hearing ~~as provided herein~~.

315.5 (b) The commissioner is prohibited from suspending a person's driver's license if the  
315.6 person was convicted only under section 171.24, subdivision 1 or 2.

315.7 Sec. 71. Minnesota Statutes 2016, section 171.16, subdivision 3, is amended to read:

315.8 Subd. 3. ~~Suspension for Failure to pay fine. When any court reports to~~ The  
315.9 commissioner must not suspend a person's driver's license based solely on the fact that a  
315.10 person: (1) has been convicted of violating a law of this state or an ordinance of a political  
315.11 subdivision which regulates the operation or parking of motor vehicles, (2) has been  
315.12 sentenced to the payment of a fine or had a surcharge levied against that person, or sentenced  
315.13 to a fine upon which a surcharge was levied, and (3) has refused or failed to comply with  
315.14 that sentence or to pay the surcharge, ~~notwithstanding the fact that the court has determined~~  
315.15 ~~that the person has the ability to pay the fine or surcharge, the commissioner shall suspend~~  
315.16 ~~the driver's license of such person for 30 days for a refusal or failure to pay or until notified~~  
315.17 ~~by the court that the fine or surcharge, or both if a fine and surcharge were not paid, has~~  
315.18 ~~been paid.~~

315.19 Sec. 72. Minnesota Statutes 2016, section 171.18, subdivision 1, is amended to read:

315.20 Subdivision 1. **Offenses.** (a) The commissioner may suspend the license of a driver  
315.21 without preliminary hearing upon a showing by department records or other sufficient  
315.22 evidence that the licensee:

315.23 (1) has committed an offense for which mandatory revocation of license is required upon  
315.24 conviction;

315.25 (2) has been convicted by a court for violating a provision of chapter 169 or an ordinance  
315.26 regulating traffic, other than a conviction for a petty misdemeanor, and department records  
315.27 show that the violation contributed in causing an accident resulting in the death or personal  
315.28 injury of another, or serious property damage;

315.29 (3) is an habitually reckless or negligent driver of a motor vehicle;

315.30 (4) is an habitual violator of the traffic laws;

315.31 (5) is incompetent to drive a motor vehicle as determined in a judicial proceeding;

316.1 (6) has permitted an unlawful or fraudulent use of the license;

316.2 (7) has committed an offense in another state that, if committed in this state, would be  
316.3 grounds for suspension;

316.4 (8) has committed a violation of section 169.444, subdivision 2, paragraph (a), within  
316.5 five years of a prior conviction under that section;

316.6 (9) has committed a violation of section 171.22, except that the commissioner may not  
316.7 suspend a person's driver's license based solely on the fact that the person possessed a  
316.8 fictitious or fraudulently altered Minnesota identification card;

316.9 (10) has failed to appear in court as provided in section 169.92, subdivision 4;

316.10 (11) has failed to report a medical condition that, if reported, would have resulted in  
316.11 cancellation of driving privileges;

316.12 (12) has been found to have committed an offense under section 169A.33; or

316.13 (13) has paid or attempted to pay a fee required under this chapter for a license or permit  
316.14 by means of a dishonored check issued to the state or a driver's license agent, which must  
316.15 be continued until the registrar determines or is informed by the agent that the dishonored  
316.16 check has been paid in full.

316.17 However, an action taken by the commissioner under clause (2) or (5) must conform to the  
316.18 recommendation of the court when made in connection with the prosecution of the licensee.

316.19 (b) Notwithstanding section 171.18, subdivision 1, paragraph (b), the commissioner may  
316.20 suspend the license of a driver when any court reports to the commissioner that a driver has  
316.21 eight unpaid parking tickets within a 12-month period or ten unpaid parking tickets within  
316.22 a 24-month period.

316.23 ~~(b)~~ (c) The commissioner ~~may not suspend~~ is prohibited from suspending the driver's  
316.24 license of an individual under paragraph (a) who was convicted of a violation of section  
316.25 171.24, subdivision 1, ~~whose license was under suspension at the time solely because of~~  
316.26 ~~the individual's failure to appear in court or failure to pay a fine or 2.~~

316.27 Sec. 73. Minnesota Statutes 2016, section 174.12, subdivision 8, is amended to read:

316.28 Subd. 8. **Legislative report.** (a) By February 1 of each odd-numbered year, the  
316.29 commissioner of transportation, with assistance from the commissioner of employment and  
316.30 economic development, ~~shall~~ must submit a report on the transportation economic  
316.31 development program to the chairs and ranking minority members of the legislative

317.1 committees with jurisdiction over transportation policy and finance and economic  
317.2 development policy and finance.

317.3 (b) At a minimum, the report must:

317.4 (1) summarize the requirements and implementation of the transportation economic  
317.5 development program established in this section;

317.6 (2) review the criteria and economic impact performance measures used for evaluation,  
317.7 prioritization, and selection of projects;

317.8 (3) provide a brief overview of each project that received financial assistance under the  
317.9 program, which must at a minimum identify:

317.10 (i) basic project characteristics, such as funding recipient, geographic location, and type  
317.11 of transportation modes served;

317.12 (ii) sources and respective amounts of project funding; and

317.13 (iii) the degree of economic benefit anticipated or observed, following the economic  
317.14 impact performance measures established under subdivision 4;

317.15 (4) identify the allocation of funds, including but not limited to a breakdown of total  
317.16 project funds by transportation mode, the amount expended for administrative costs, and  
317.17 the amount transferred to the transportation economic development assistance account;

317.18 (5) evaluate the overall economic impact of the program; and

317.19 (6) provide recommendations for any legislative changes related to the program.

317.20 (c) Notwithstanding paragraph (a), a report is not required in an odd-numbered year if  
317.21 no project received financial assistance during the preceding 24 months.

317.22 **Sec. 74. [174.13] TRIBAL TRAINING PROGRAM; COSTS.**

317.23 The commissioner must implement interagency billing to state agencies to pay costs  
317.24 related to each agency's participation in tribal training activities provided by the department.

317.25 **EFFECTIVE DATE.** This section is effective July 1, 2019.

317.26 Sec. 75. Minnesota Statutes 2016, section 174.66, is amended to read:

317.27 **174.66 CONTINUATION OF CARRIER RULES.**

317.28 (a) Orders and directives in force, issued, or promulgated under authority of chapters  
317.29 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed,

318.1 modified, or superseded by duly authorized orders or directives of the commissioner of  
 318.2 transportation. To the extent allowed under federal law or regulation, rules adopted under  
 318.3 authority of the following sections are transferred to the commissioner of transportation  
 318.4 and continue in force and effect until repealed, modified, or superseded by duly authorized  
 318.5 rules of the commissioner:

318.6 (1) section 218.041 except rules related to the form and manner of filing railroad rates,  
 318.7 railroad accounting rules, and safety rules;

318.8 (2) section 219.40;

318.9 (3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits  
 318.10 under section 221.031, subdivision 1; and

318.11 ~~(4) rules relating to rates, charges, and practices under section 221.161, subdivision 4;~~  
 318.12 ~~and~~

318.13 ~~(5) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under~~  
 318.14 ~~section 221.121.~~

318.15 (b) The commissioner ~~shall~~ must review the transferred rules, orders, and directives and,  
 318.16 when appropriate, develop and adopt new rules, orders, or directives.

318.17 Sec. 76. **[219.085] OPERATION OF ON-TRACK EQUIPMENT.**

318.18 An operator of equipment used on rails that does not activate automatic railroad-highway  
 318.19 grade crossing warning signals or gates must exercise due regard for the safety of persons  
 318.20 and vehicles using a railroad-highway grade crossing.

318.21 Sec. 77. Minnesota Statutes 2016, section 221.031, subdivision 2d, is amended to read:

318.22 Subd. 2d. **Hours of service exemptions; agricultural purposes.** The federal regulations  
 318.23 incorporated in section 221.0314, subdivision 9, for ~~maximum driving and on-duty time,~~  
 318.24 hours of service do not apply to drivers engaged in intrastate transportation within a  
 318.25 150-air-mile radius from the source of the commodities<sub>2</sub> or from the retail or wholesale  
 318.26 distribution point of the farm supplies<sub>2</sub> for:

318.27 (1) agricultural commodities<sub>2</sub> or

318.28 (2) farm supplies for agricultural purposes from March 15 to December 15 of each year;  
 318.29 ~~or.~~

318.30 ~~(2) sugar beets from September 1 to May 15 of each year.~~

319.1 Sec. 78. Minnesota Statutes 2016, section 221.031, is amended by adding a subdivision  
319.2 to read:

319.3 Subd. 2f. **Hours of service exemptions; utility construction.** (a) The federal regulations  
319.4 incorporated in section 221.0314, subdivision 9, for hours of service do not apply to drivers  
319.5 engaged in intrastate transportation of utility construction materials within a 50-mile radius  
319.6 from the site of a construction or maintenance project.

319.7 (b) For purposes of this subdivision, utility construction materials includes supplies and  
319.8 materials used in a project to construct or maintain (1) a street or highway; (2) equipment  
319.9 or facilities to furnish electric transmission service; (3) a telecommunications system or  
319.10 cable communications system; (4) a waterworks system, sanitary sewer, or storm sewer;  
319.11 (5) a gas heating service line; (6) a pipeline; and (7) a facility for other similar utility service.

319.12 Sec. 79. Minnesota Statutes 2016, section 221.0314, subdivision 9, is amended to read:

319.13 Subd. 9. **Hours of service of driver.** (a) Code of Federal Regulations, title 49, part 395,  
319.14 is incorporated by reference, except that paragraphs (a), (c), (d), (f), (h), (i), ~~(k)~~, (m), and  
319.15 (n) of section 395.1 of that part are not incorporated. In addition, cross-references to sections  
319.16 or paragraphs not incorporated in this subdivision are not incorporated by reference.

319.17 (b) For purposes of Code of Federal Regulations, title 49, part 395.1, paragraph (k), the  
319.18 planting and harvest period for Minnesota is from January 1 through December 31 each  
319.19 year.

319.20 (c) The requirements of Code of Federal Regulations, title 49, part 395, do not apply to  
319.21 drivers of lightweight vehicles.

319.22 Sec. 80. Minnesota Statutes 2016, section 221.036, subdivision 1, is amended to read:

319.23 Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be  
319.24 corrected and administratively assessing monetary penalties for a violation of (1) section  
319.25 221.021; (2) section 221.033, subdivision 2b; (3) section 221.171; (4) section 221.141; (5)  
319.26 a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway  
319.27 grade crossings; or (6) rules of the commissioner relating to the transportation of hazardous  
319.28 waste, motor carrier operations, or insurance, or tariffs and accounting. An order must be  
319.29 issued as provided in this section.

320.1 Sec. 81. Minnesota Statutes 2016, section 221.036, subdivision 3, is amended to read:

320.2 Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order  
320.3 assessing a penalty of up to \$5,000 for all violations identified during a single audit or  
320.4 investigation of (1) section 221.021 $\frac{1}{2}$ , 221.141 $\frac{1}{2}$  or 221.171, or (2) rules of the commissioner  
320.5 relating to motor carrier operations; or insurance, or tariffs and accounting, identified during  
320.6 a single inspection, audit, or investigation.

320.7 (b) The commissioner may issue an order assessing a penalty up to a maximum of  
320.8 \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single  
320.9 inspection or audit.

320.10 (c) In determining the amount of a penalty, the commissioner ~~shall~~ must consider:

320.11 (1) the willfulness of the violation;

320.12 (2) the gravity of the violation, including damage to humans, animals, air, water, land,  
320.13 or other natural resources of the state;

320.14 (3) the history of past violations, including the similarity of the most recent violation  
320.15 and the violation to be penalized, the time elapsed since the last violation, the number of  
320.16 previous violations, and the response of the person to the most recent violation identified;

320.17 (4) the economic benefit gained by the person by allowing or committing the violation;  
320.18 and

320.19 (5) other factors as justice may require, if the commissioner specifically identifies the  
320.20 additional factors in the commissioner's order.

320.21 (d) The commissioner ~~shall~~ must assess a penalty in accordance with Code of Federal  
320.22 Regulations, title 49, section 383.53, against:

320.23 (1) a driver who is convicted of a violation of an out-of-service order;

320.24 (2) an employer who knowingly allows or requires an employee to operate a commercial  
320.25 motor vehicle in violation of an out-of-service order; or

320.26 (3) an employer who knowingly allows or requires an employee to operate a commercial  
320.27 motor vehicle in violation of a federal, state, or local law or regulation pertaining to  
320.28 railroad-highway grade crossings.

320.29 Sec. 82. Minnesota Statutes 2016, section 221.122, subdivision 1, is amended to read:

320.30 Subdivision 1. **Registration, insurance, and filing requirements.** (a) An order issued  
320.31 by the commissioner which grants a certificate or permit must contain a service date.

321.1 (b) The person to whom the order granting the certificate or permit is issued shall do  
321.2 the following within 45 days from the service date of the order:

321.3 (1) register vehicles which will be used to provide transportation under the permit or  
321.4 certificate with the commissioner and pay the vehicle registration fees required by law; and

321.5 (2) file and maintain insurance or bond as required by section 221.141 and rules of the  
321.6 commissioner; and.

321.7 ~~(3) file rates and tariffs as required by section 221.161 and rules of the commissioner.~~

321.8 Sec. 83. Minnesota Statutes 2016, section 221.161, subdivision 1, is amended to read:

321.9 Subdivision 1. ~~**Filing; hearing upon commissioner initiative**~~ **Tariff maintenance and**  
321.10 **contents.** A household goods ~~carrier shall file and~~ mover must maintain with the  
321.11 ~~commissioner~~ a tariff showing rates and charges for transporting household goods. ~~Tariffs~~  
321.12 ~~must be prepared and filed in accordance with the rules of the commissioner. When tariffs~~  
321.13 ~~are filed in accordance with the rules and accepted by the commissioner, the filing constitutes~~  
321.14 ~~notice to the public and interested parties of the contents of the tariffs. The commissioner~~  
321.15 ~~shall not accept for filing tariffs that are unjust, unreasonable, unjustly discriminatory,~~  
321.16 ~~unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted~~  
321.17 ~~under this section. If the tariffs appear to be unjust, unreasonable, unjustly discriminatory,~~  
321.18 ~~unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted~~  
321.19 ~~under this section, after notification and investigation by the department, the commissioner~~  
321.20 ~~may suspend and postpone the effective date of the tariffs and assign the tariffs for hearing~~  
321.21 ~~upon notice to the household goods carrier filing the proposed tariffs and to other interested~~  
321.22 ~~parties, including users of the service and competitive carriers by motor vehicle and rail.~~  
321.23 ~~At the hearing, the burden of proof is on the household goods carrier filing the proposed~~  
321.24 ~~tariff to sustain the validity of the proposed schedule of rates and charges. The tariffs and~~  
321.25 ~~subsequent supplements to them or reissues of them must state the effective date, which~~  
321.26 ~~may not be less than ten days following the date of filing, unless the period of time is reduced~~  
321.27 ~~by special permission of the commissioner.~~ A household goods mover must prepare a tariff  
321.28 under this section that complies with Code of Federal Regulations, title 49, part 1310.3.

321.29 Sec. 84. Minnesota Statutes 2016, section 221.161, is amended by adding a subdivision  
321.30 to read:

321.31 Subd. 5. **Tariff availability.** (a) A household goods mover subject to this section must  
321.32 maintain all of its effective tariffs at its principal place of business and at each of its terminal  
321.33 locations, and must make the tariffs available to the public for inspection at all times the

322.1 household goods mover is open for business. Any publication referred to in a tariff must be  
 322.2 maintained with that tariff.

322.3 (b) Upon request, a household goods mover must provide copies of tariffs, specific tariff  
 322.4 provisions, or tariff subscriptions to the commissioner or any interested person.

322.5 Sec. 85. Minnesota Statutes 2016, section 221.171, subdivision 1, is amended to read:

322.6 Subdivision 1. **Compensation fixed by schedule on file.** ~~No~~ A household goods carrier  
 322.7 shall mover must not charge or receive a greater, lesser, or different compensation for the  
 322.8 transportation ~~of persons or property or for related service,~~ provided than the rates and  
 322.9 charges ~~named in the carrier's schedule on file and in effect with the commissioner including~~  
 322.10 ~~any rate fixed by the commissioner~~ specified in the tariff under section 221.161; ~~nor shall.~~  
 322.11 A household goods ~~carrier~~ mover must not refund or remit in any manner or by any device,  
 322.12 directly or indirectly, the rates and charges required to be collected by the ~~carrier~~ mover  
 322.13 under the ~~carrier's~~ mover's schedules ~~or under the rates, if any, fixed by the commissioner.~~

322.14 Sec. 86. Minnesota Statutes 2016, section 299A.01, is amended by adding a subdivision  
 322.15 to read:

322.16 Subd. 8. **Highway user tax distribution fund use limitation.** The commissioner is  
 322.17 prohibited from spending any money from the highway user tax distribution fund for the  
 322.18 public information center or comparable customer service positions elsewhere in the  
 322.19 department.

322.20 Sec. 87. **[299A.704] DRIVER AND VEHICLE SERVICES FUND.**

322.21 A driver and vehicle services fund is established within the state treasury. The fund  
 322.22 consists of accounts and money as specified by law, and any other money donated, allotted,  
 322.23 transferred, or otherwise provided to the fund.

322.24 Sec. 88. Minnesota Statutes 2016, section 299A.705, is amended to read:

322.25 **299A.705 DRIVER AND VEHICLE SERVICES ACCOUNTS.**

322.26 Subdivision 1. **Vehicle services operating account.** (a) The vehicle services operating  
 322.27 account is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all  
 322.28 money from the vehicle services fees specified in chapters 168, 168A, and 168D, and any  
 322.29 other money ~~otherwise~~ donated, allotted, appropriated, or legislated transferred, or otherwise  
 322.30 provided to this the account.

323.1 (b) Funds appropriated ~~are available~~ from the account must be used by the commissioner  
 323.2 of public safety to administer the vehicle services as specified in chapters 168, 168A, and  
 323.3 168D, and section 169.345, including:

323.4 (1) designing, producing, issuing, and mailing vehicle registrations, plates, emblems,  
 323.5 and titles;

323.6 (2) collecting title and registration taxes and fees;

323.7 (3) transferring vehicle registration plates and titles;

323.8 (4) maintaining vehicle records;

323.9 (5) issuing disability certificates and plates;

323.10 (6) licensing vehicle dealers;

323.11 (7) appointing, monitoring, and auditing deputy registrars; and

323.12 (8) inspecting vehicles when required by law.

323.13 Subd. 2. **Driver services operating account.** (a) The driver services operating account  
 323.14 is created in the ~~special revenue~~ driver and vehicle services fund, consisting of all money  
 323.15 collected under chapter 171 and any other money ~~otherwise~~ donated, allotted, ~~appropriated,~~  
 323.16 ~~or legislated~~ transferred, or otherwise provided to the account.

323.17 (b) ~~Money in the~~ Funds appropriated from the account must be used by the commissioner  
 323.18 of public safety to administer the driver services specified in chapters 169A and 171,  
 323.19 including the activities associated with producing and mailing drivers' licenses and  
 323.20 identification cards and notices relating to issuance, renewal, or withdrawal of driving and  
 323.21 identification card privileges for any fiscal year or years and for the testing and examination  
 323.22 of drivers.

323.23 Subd. 3. **Driver and vehicle services technology account.** (a) The driver and vehicle  
 323.24 services technology account is created in the ~~special revenue~~ driver and vehicle services  
 323.25 fund, consisting of the technology surcharge collected as specified in ~~chapters 168, 168A,~~  
 323.26 ~~and 171; the filing fee revenue collected under section 168.33, subdivision 7; section 168.33~~  
 323.27 and any other money ~~otherwise~~ donated, allotted, ~~appropriated, or legislated~~ transferred, or  
 323.28 otherwise provided to ~~this~~ the account.

323.29 (b) Money in the account is annually appropriated to the commissioner of public safety  
 323.30 to support the research, development, deployment, and maintenance of a driver and vehicle  
 323.31 services information system.

324.1 (c) ~~Following completion of the deposit of filing fee revenue into the driver and vehicle~~  
 324.2 ~~services technology account as provided under section 168.33, subdivision 7~~ Annually by  
 324.3 February 1, the commissioner ~~shall~~ must submit a ~~notification~~ report to the chairs and  
 324.4 ranking minority members of the legislative committees with jurisdiction over transportation  
 324.5 policy and finance ~~concerning driver and vehicle services information system implementation,~~  
 324.6 ~~which must include information~~ on (1) total revenue deposited in the driver and vehicle  
 324.7 services technology account for the previous calendar year, with a breakdown by sources  
 324.8 of funds; (2) total project costs incurred through December 31 of the previous calendar year,  
 324.9 with a breakdown by key project components; and (3) an estimate of ongoing system  
 324.10 maintenance costs.

324.11 Subd. 4. **Prohibited expenditures.** The commissioner is prohibited from expending  
 324.12 money from driver and vehicle services accounts created in the ~~special revenue~~ driver and  
 324.13 vehicle services fund for any purpose that is not specifically authorized in this section or in  
 324.14 the chapters specified in this section.

324.15 Sec. 89. Minnesota Statutes 2016, section 360.013, is amended by adding a subdivision  
 324.16 to read:

324.17 Subd. 46a. **Comprehensive plan.** "Comprehensive plan" has the meaning given in  
 324.18 section 394.22, subdivision 9, or 462.352, subdivision 5.

324.19 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018.

324.20 Sec. 90. Minnesota Statutes 2016, section 360.017, subdivision 1, is amended to read:

324.21 Subdivision 1. **Creation; authorized disbursements.** (a) There is hereby created a  
 324.22 fund to be known as the state airports fund. The fund shall consist of all money appropriated  
 324.23 to it, or directed to be paid into it, by the legislature.

324.24 (b) The state airports fund shall be paid out on authorization of the commissioner and  
 324.25 shall be used:

324.26 (1) to acquire, construct, improve, maintain, and operate airports and other air navigation  
 324.27 facilities;

324.28 (2) to assist municipalities in the planning, acquisition, construction, improvement, and  
 324.29 maintenance of airports and other air navigation facilities;

324.30 (3) to assist municipalities to initiate, enhance, and market scheduled air service at their  
 324.31 airports;

325.1 (4) to promote interest and safety in aeronautics through education and information; and

325.2 (5) to pay the salaries and expenses of the Department of Transportation related to  
 325.3 aeronautic planning, administration, and operation. All allotments of money from the state  
 325.4 airports fund for salaries and expenses shall be approved by the commissioner of management  
 325.5 and budget.

325.6 ~~(e) A municipality that adopts a comprehensive plan that the commissioner finds is~~  
 325.7 ~~incompatible with the state aviation plan is not eligible for assistance from the state airports~~  
 325.8 ~~fund.~~

325.9 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
 325.10 applies to airport sponsors that make or plan to make changes to runway lengths or  
 325.11 configurations on or after that date. Airport safety zoning ordinances that were approved  
 325.12 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
 325.13 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
 325.14 or (2) is required to update airport safety zoning ordinances.

325.15 Sec. 91. Minnesota Statutes 2016, section 360.021, subdivision 1, is amended to read:

325.16 Subdivision 1. **Authority to establish.** The commissioner is authorized and empowered,  
 325.17 on behalf of and in the name of this state, within the limitation of available appropriations,  
 325.18 to acquire, by purchase, gift, devise, lease, condemnation proceedings, or otherwise, property,  
 325.19 real or personal, for the purpose of establishing and constructing restricted landing areas  
 325.20 and other air navigation facilities and to acquire in like manner, own, control, establish,  
 325.21 construct, enlarge, improve, maintain, equip, operate, regulate, and police such restricted  
 325.22 landing areas and other air navigation facilities, either within or without this state; and to  
 325.23 make, prior to any such acquisition, investigations, surveys, and plans. The commissioner  
 325.24 may maintain, equip, operate, regulate, and police airports, either within or without this  
 325.25 state. The operation and maintenance of airports is an essential public service. The  
 325.26 commissioner may maintain at such airports facilities for the servicing of aircraft and for  
 325.27 the comfort and accommodation of air travelers. The commissioner may dispose of any  
 325.28 such property, airport, restricted landing area, or any other air navigation facility, by sale,  
 325.29 lease, or otherwise, in accordance with the laws of this state governing the disposition of  
 325.30 other like property of the state. The commissioner may not acquire or take over any restricted  
 325.31 landing area, or other air navigation facility without the consent of the owner. The  
 325.32 commissioner shall not acquire any additional state airports nor establish any additional  
 325.33 state-owned airports. The commissioner may erect, equip, operate, and maintain on any  
 325.34 airport buildings and equipment necessary and proper to maintain, and conduct such airport

326.1 and air navigation facilities connected therewith. The commissioner shall not expend money  
 326.2 for land acquisition, or for the construction, improvement, or maintenance of airports, or  
 326.3 for air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county,  
 326.4 or joint airport zoning board involved has or is establishing a zoning authority for that  
 326.5 airport, and the authority has made a good-faith showing that it is in the process of and will  
 326.6 complete with due diligence, an airport zoning ordinance in accordance with sections 360.061  
 326.7 to 360.074. The commissioner may provide funds to support airport safety projects that  
 326.8 maintain existing infrastructure, regardless of a zoning authority's efforts to complete a  
 326.9 zoning regulation. The commissioner may withhold funding from only the airport subject  
 326.10 to the proposed zoning ordinance. Notwithstanding the foregoing prohibition, the  
 326.11 commissioner may continue to maintain the state-owned airport at Pine Creek.

326.12 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
 326.13 applies to airport sponsors that make or plan to make changes to runway lengths or  
 326.14 configurations on or after that date. Airport safety zoning ordinances that were approved  
 326.15 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
 326.16 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
 326.17 or (2) is required to update airport safety zoning ordinances.

326.18 Sec. 92. Minnesota Statutes 2016, section 360.024, is amended to read:

326.19 **360.024 AIR TRANSPORTATION SERVICE CHARGE.**

326.20 Subdivision 1. Charges. (a) The commissioner ~~shall~~ must charge users of air  
 326.21 transportation services provided by the commissioner for direct operating costs, excluding  
 326.22 pilot salary ~~and~~.

326.23 (b) The commissioner must charge users for a portion of aircraft acquisition, replacement,  
 326.24 or leasing costs.

326.25 Subd. 2. Accounts; appropriation. (a) An air transportation services account is  
 326.26 established in the state airports fund. The account consists of money collected under  
 326.27 subdivision 1, paragraph (a), and any other money donated, allotted, transferred, or otherwise  
 326.28 provided to the account. All receipts for these services shall be deposited in the air  
 326.29 transportation services account in the state airports fund and are Money in the account is  
 326.30 annually appropriated to the commissioner to pay these direct air service operating costs.

326.31 (b) An aircraft capital account is established in the state airports fund. The account  
 326.32 consists of collections under subdivision 1, paragraph (b), proceeds from the sale of aircraft  
 326.33 under jurisdiction of the department, and any other money donated, allotted, transferred, or

327.1 otherwise provided to the account. Money in the account must be used for aircraft acquisition,  
 327.2 replacement, or leasing costs. Except as provided by law, the commissioner must not transfer  
 327.3 money into or out of the account.

327.4 **EFFECTIVE DATE.** This section is effective July 1, 2018.

327.5 Sec. 93. Minnesota Statutes 2016, section 360.062, is amended to read:

327.6 **360.062 AIRPORT HAZARD PREVENTION; PROTECTING EXISTING**  
 327.7 **NEIGHBORHOOD LAND USES.**

327.8 (a) It is hereby found that an airport hazard endangers the lives and property of users of  
 327.9 the airport and of occupants of land in its vicinity, and may reduce the size of the area  
 327.10 available for the landing, takeoff, and maneuvering of aircraft, thereby impairing the utility  
 327.11 of the airport and the public investment therein. It is also found that the social and financial  
 327.12 costs of disrupting existing land uses around airports ~~in built-up urban areas, particularly~~  
 327.13 ~~established residential neighborhoods,~~ often outweigh the benefits of a reduction in airport  
 327.14 hazards that might result from the elimination or removal of those uses.

327.15 (b) Accordingly, it is hereby declared: (1) ~~that~~ the creation or establishment of an airport  
 327.16 hazard is a public nuisance and an injury to the community served by the airport in question;  
 327.17 (2) ~~that~~ it is ~~therefor~~ necessary in the interest of the public health, public safety, and general  
 327.18 welfare that the creation or establishment of airport hazards be prevented and that this should  
 327.19 be accomplished to the extent legally possible, by exercise of the police power, without  
 327.20 compensation; and (3) ~~that~~ the elimination or removal of existing land uses, ~~particularly~~  
 327.21 ~~established residential neighborhoods in built-up urban areas,~~ or their designation as  
 327.22 nonconforming uses is not in the public interest and should be avoided whenever possible  
 327.23 consistent with reasonable standards of safety.

327.24 (c) It is further declared that the prevention of the creation or establishment of airport  
 327.25 hazards and the elimination, removal, alteration, mitigation, or marking and lighting of  
 327.26 existing airport hazards are essential public purposes services for which political subdivisions  
 327.27 may raise and expend public funds and acquire land or property interests therein.

327.28 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
 327.29 applies to airport sponsors that make or plan to make changes to runway lengths or  
 327.30 configurations on or after that date. Airport safety zoning ordinances that were approved  
 327.31 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
 327.32 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
 327.33 or (2) is required to update airport safety zoning ordinances.

328.1 Sec. 94. Minnesota Statutes 2016, section 360.063, subdivision 1, is amended to read:

328.2 Subdivision 1. **Enforcement under police power.** (a) In order to prevent the creation  
328.3 or establishment of airport hazards, every municipality having an airport hazard area within  
328.4 its territorial limits may, unless a joint airport zoning board is permitted under subdivision  
328.5 3, adopt, amend from time to time, administer, and enforce, under the police power and in  
328.6 the manner and upon the conditions hereinafter prescribed, airport zoning regulations for  
328.7 such airport hazard area, which regulations may divide such area into zones, and, within  
328.8 such zones, specify the land uses permitted and regulate and restrict the height to which  
328.9 structures and trees may be erected or allowed to grow.

328.10 (b) ~~For the purpose of promoting~~ In order to promote health, safety, order, convenience,  
328.11 prosperity, general welfare and ~~for conserving~~ to conserve property values and ~~encouraging~~  
328.12 encourage the most appropriate use of land, the municipality may regulate ~~the location, size~~  
328.13 ~~and use of buildings and the density of population in that portion of an airport hazard area~~  
328.14 ~~under approach zones for a distance not to exceed two miles from the airport boundary and~~  
328.15 ~~in other portions of an~~ in airport hazard area may regulate by land use zoning for a distance  
328.16 ~~not to exceed one mile from the airport boundary, and by height restriction zoning for a~~  
328.17 ~~distance not to exceed 1-1/2 miles from the airport boundary~~ areas: (1) land use; (2) height  
328.18 restrictions; (3) the location, size, and use of buildings; and (4) the density of population.

328.19 (c) The powers granted by this subdivision may be exercised by metropolitan airports  
328.20 commissions in contiguous cities of the first class in and for which they have been created.

328.21 (d) In the case of airports owned or operated by the state of Minnesota such powers shall  
328.22 be exercised by the state airport zoning boards or by the commissioner of transportation as  
328.23 authorized herein.

328.24 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
328.25 applies to airport sponsors that make or plan to make changes to runway lengths or  
328.26 configurations on or after that date. Airport safety zoning ordinances that were approved  
328.27 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
328.28 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
328.29 or (2) is required to update airport safety zoning ordinances.

328.30 Sec. 95. Minnesota Statutes 2016, section 360.063, subdivision 3, is amended to read:

328.31 Subd. 3. **Joint airport zoning board.** (a) Where an airport is owned or controlled by a  
328.32 municipality and an airport hazard area appertaining to the airport is located within the

329.1 territorial limits of another county or municipality, the municipality owning or controlling  
329.2 the airport may request a county or municipality in which an airport hazard area is located:

329.3 (1) to adopt and enforce airport zoning regulations for the area in question ~~that conform~~  
329.4 ~~to standards prescribed by the commissioner pursuant to subdivision 4~~ under sections  
329.5 360.0655 and 360.0656; or

329.6 (2) to join in creating a joint airport zoning board pursuant to paragraph (b). The owning  
329.7 or controlling municipality shall determine which of these actions it shall request, except  
329.8 as provided in paragraph (e) for the Metropolitan Airports Commission. The request shall  
329.9 be made by certified mail to the governing body of each county and municipality in which  
329.10 an airport hazard area is located.

329.11 (b) Where an airport is owned or controlled by a municipality and an airport hazard area  
329.12 appertaining to the airport is located within the territorial limits of another county or  
329.13 municipality, the municipality owning or controlling the airport and the county or other  
329.14 municipality within which the airport hazard area is located may, by ordinance or resolution  
329.15 duly adopted, create a joint airport zoning board, which board shall have the same power  
329.16 to adopt, administer, and enforce airport zoning regulations applicable to the airport hazard  
329.17 area in question as that vested by subdivision 1 in the municipality within which the area  
329.18 is located. A joint board shall have as members two representatives appointed by the  
329.19 municipality owning or controlling the airport and two from the county or municipality, or  
329.20 in case more than one county or municipality is involved two from each county or  
329.21 municipality, in which the airport hazard is located, and in addition a chair elected by a  
329.22 majority of the members so appointed. All members shall serve at the pleasure of their  
329.23 respective appointing authority. Notwithstanding any other provision of law to the contrary,  
329.24 if the owning and controlling municipality is a city of the first class it shall appoint four  
329.25 members to the board, and the chair of the board shall be elected from the membership of  
329.26 the board.

329.27 (c) If a county or municipality, within 60 days of receiving a request from an owning  
329.28 or controlling municipality pursuant to paragraph (a), fails to adopt, or thereafter fails to  
329.29 enforce, the zoning regulations or fails to join in creating a joint airport zoning board, the  
329.30 owning or controlling municipality, or a joint airport zoning board created without  
329.31 participation by the subdivisions which fail to join the board, may itself adopt, administer,  
329.32 and enforce airport zoning regulations for the airport hazard area in question. In the event  
329.33 of conflict between the regulations and airport zoning regulations adopted by the county or  
329.34 municipality within which the airport hazard area is located, section 360.064, subdivision  
329.35 2, applies.

330.1 (d) "Owning or controlling municipality," as used in this subdivision, includes:

330.2 (1) a joint airport operating board created pursuant to section 360.042 that has been  
330.3 granted all the powers of a municipality in zoning matters under the agreement creating the  
330.4 board;

330.5 (2) a joint airport operating board created pursuant to section 360.042 that has not been  
330.6 granted zoning powers under the agreement creating the board; provided that the board shall  
330.7 not itself adopt zoning regulations nor shall a joint airport zoning board created at its request  
330.8 adopt zoning regulations unless all municipalities that created the joint operating board join  
330.9 to create the joint zoning board; and

330.10 (3) the Metropolitan Airports Commission established and operated pursuant to chapter  
330.11 473.

330.12 (e) The Metropolitan Airports Commission shall request creation of one joint airport  
330.13 zoning board for each airport operated under its authority.

330.14 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
330.15 applies to airport sponsors that make or plan to make changes to runway lengths or  
330.16 configurations on or after that date. Airport safety zoning ordinances that were approved  
330.17 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
330.18 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
330.19 or (2) is required to update airport safety zoning ordinances.

330.20 Sec. 96. Minnesota Statutes 2016, section 360.064, subdivision 1, is amended to read:

330.21 Subdivision 1. **Comprehensive regulations.** In the event that a municipality has adopted,  
330.22 or hereafter adopts, a comprehensive zoning ordinance regulating, among other things the  
330.23 height of buildings, any airport zoning regulations applicable to the same area or portion  
330.24 thereof ~~may~~ must be incorporated by reference or incorporated in and made a part of such  
330.25 comprehensive zoning regulations and be administered and enforced in connection therewith.

330.26 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
330.27 applies to airport sponsors that make or plan to make changes to runway lengths or  
330.28 configurations on or after that date. Airport safety zoning ordinances that were approved  
330.29 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
330.30 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
330.31 or (2) is required to update airport safety zoning ordinances.

331.1 Sec. 97. Minnesota Statutes 2016, section 360.065, subdivision 1, is amended to read:

331.2 Subdivision 1. **Notice of proposed zoning regulations, hearing.** (a) No airport zoning  
 331.3 regulations shall be adopted, amended, or changed under sections 360.011 to 360.076,  
 331.4 except by action of the governing body of the municipality or, county in question, or joint  
 331.5 airport zoning board under section 360.0655 or 360.0656, or the boards provided for in  
 331.6 section 360.063, subdivisions 3 and 7, or by the commissioner as provided in subdivisions  
 331.7 6 and 8, after public hearings, at which parties in interest and citizens shall have an  
 331.8 opportunity to be heard.

331.9 (b) A public hearing shall must be held on the proposed airport zoning regulations  
 331.10 proposed by a municipality, county, or joint airport zoning board before they are submitted  
 331.11 for approval to the commissioner and after that approval but before final adoption by the  
 331.12 local zoning authority for approval. If any changes that alter the regulations placed on a  
 331.13 parcel of land are made to the proposed airport zoning regulations after the initial public  
 331.14 hearing, the municipality, county, or joint airport zoning board must hold a second public  
 331.15 hearing before final adoption of the regulation. The commissioner may require a second  
 331.16 hearing as determined necessary.

331.17 (c) Notice of a hearing required pursuant to this subdivision shall must be published by  
 331.18 the local zoning authority municipality, county, or joint airport zoning board at least three  
 331.19 times during the period between 15 days and five days before the hearing in an official  
 331.20 newspaper and in a second newspaper designated by that authority which has a wide general  
 331.21 circulation in the area affected by the proposed regulations: and posted on the municipality's,  
 331.22 county's, or joint airport zoning board's Web site. If there is not a second newspaper of wide  
 331.23 general circulation in the area that the municipality, county, or joint airport zoning board  
 331.24 can designate for the notice, the municipality, county, or joint airport zoning board is only  
 331.25 required to publish the notice once in the official newspaper of the jurisdiction. The notice  
 331.26 shall not be published in the legal notice section of a newspaper. The notice must specify  
 331.27 the time, location, and purpose of the hearing, and must identify any additional location and  
 331.28 time the proposed regulations will be available for public inspection. A copy of the published  
 331.29 notice must be added to the record of the proceedings.

331.30 (d) Notice of a hearing shall also be mailed to the governing body of each political  
 331.31 subdivision in which property affected by the regulations is located. Notice shall must be  
 331.32 given by mail at least 15 ten days before each hearing to any persons in municipalities that  
 331.33 own land proposed to be included in safety zone A or B as provided in the rules of the  
 331.34 Department of Transportation and landowners where the location or size of a building, or  
 331.35 the density of population, will be regulated. Mailed notice must also be provided at least

332.1 ten days before each hearing to persons or municipalities that have previously requested  
 332.2 such notice from the authority. ~~municipality, county, or joint airport zoning board.~~ The  
 332.3 notice must specify the time, location, and purpose of the hearing, and must identify any  
 332.4 additional location and time the proposed regulations will be made available for public  
 332.5 inspection. Mailed notice must also identify the property affected by the regulations. For  
 332.6 the purpose of ~~giving~~ providing mailed notice, the authority ~~municipality, county, or joint~~  
 332.7 airport zoning board may use any appropriate records to determine the names and addresses  
 332.8 of owners. A copy of the notice and a list of the owners and addresses to which the notice  
 332.9 was sent ~~shall be attested to by the responsible person and shall~~ must be made a part of  
 332.10 added to the records of the proceedings. The Failure to ~~give~~ provide mailed notice to  
 332.11 individual property owners; or ~~defeats~~ a defect in the notice, ~~shall~~ does not invalidate the  
 332.12 proceedings; ~~provided~~ if a bona fide attempt to comply with this subdivision ~~has been~~ was  
 332.13 made. A notice ~~shall describe the property affected by the proposed regulations and the~~  
 332.14 restrictions to be imposed on the property by the regulations and shall state the place and  
 332.15 time at which the proposed regulations are available for public inspection.

332.16 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
 332.17 applies to airport sponsors that make or plan to make changes to runway lengths or  
 332.18 configurations on or after that date. Airport safety zoning ordinances that were approved  
 332.19 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
 332.20 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
 332.21 or (2) is required to update airport safety zoning ordinances.

332.22 Sec. 98. **[360.0655] AIRPORT ZONING REGULATIONS BASED ON**  
 332.23 **COMMISSIONER'S STANDARDS; SUBMISSION PROCESS.**

332.24 **Subdivision 1. Submission to commissioner; review.** (a) Except as provided in section  
 332.25 360.0656, prior to adopting zoning regulations the municipality, county, or joint airport  
 332.26 zoning board must submit the proposed regulations to the commissioner for the commissioner  
 332.27 to determine whether the regulations conform to the standards prescribed by the  
 332.28 commissioner. The municipality, county, or joint airport zoning board may elect to complete  
 332.29 custom airport zoning under section 360.0656 instead of using the commissioner's standard,  
 332.30 but only after providing written notice to the commissioner.

332.31 (b) Notwithstanding section 15.99, the commissioner must examine the proposed  
 332.32 regulations within 90 days of receipt of the regulations and report to the municipality, county,  
 332.33 or joint airport zoning board the commissioner's approval or objections, if any. Failure to  
 332.34 respond within 90 days is deemed an approval. The commissioner may request additional

333.1 information from the municipality, county, or joint airport zoning board within the 90-day  
333.2 review period. If the commissioner requests additional information, the 90-day review period  
333.3 is tolled until the commissioner receives information and deems the information satisfactory.

333.4 (c) If the commissioner objects on the grounds that the regulations do not conform to  
333.5 the standards prescribed by the commissioner, the municipality, county, or joint airport  
333.6 zoning board must make amendments necessary to resolve the objections or provide written  
333.7 notice to the commissioner that the municipality, county, or joint airport zoning board has  
333.8 elected to proceed with zoning under section 360.0656.

333.9 (d) If the municipality, county, or joint airport zoning board makes revisions to the  
333.10 proposed regulations after its initial public hearing, the municipality, county, or joint airport  
333.11 zoning board must conduct a second public hearing on the revisions and resubmit the revised  
333.12 proposed regulations to the commissioner for review. The commissioner must examine the  
333.13 revised proposed regulations within 90 days of receipt to determine whether the revised  
333.14 proposed regulations conform to the standards prescribed by the commissioner.

333.15 (e) If, after a second review period, the commissioner determines that the municipality,  
333.16 county, or joint airport zoning board failed to submit proposed regulations that conform to  
333.17 the commissioner's standards, the commissioner must provide a final written decision to  
333.18 the municipality, county, or joint airport zoning board.

333.19 (f) The municipality, county, or joint airport zoning board must not adopt regulations  
333.20 or take other action until the proposed regulations are approved by the commissioner.

333.21 (g) The commissioner may approve local zoning ordinances that are more stringent than  
333.22 the commissioner's standards.

333.23 (h) If the commissioner approves the proposed regulations, the municipality, county, or  
333.24 joint airport zoning board may adopt the regulations.

333.25 (i) A copy of the adopted regulations must be filed with the county recorder in each  
333.26 county that contains a zoned area subject to the regulations.

333.27 (j) Substantive rights that existed and had been exercised prior to August 1, 2018, are  
333.28 not affected by the filing of the regulations.

333.29 **Subd. 2. Protection of existing land uses.** (a) In order to ensure minimum disruption  
333.30 of existing land uses, the commissioner's airport zoning standards and local airport zoning  
333.31 ordinances or regulations adopted under this section must distinguish between the creation  
333.32 or establishment of a use and the elimination of an existing use, and must avoid the  
333.33 elimination, removal, or reclassification of existing uses to the extent consistent with

334.1 reasonable safety standards. The commissioner's standards must include criteria for  
334.2 determining when an existing land use may constitute an airport hazard so severe that public  
334.3 safety considerations outweigh the public interest in preventing disruption to that land use.

334.4 (b) Airport zoning regulations that classify as a nonconforming use or require  
334.5 nonconforming use classification with respect to any existing low-density structure or  
334.6 existing isolated low-density building lots must be adopted under sections 360.061 to  
334.7 360.074.

334.8 (c) A local airport zoning authority may classify a land use described in paragraph (b)  
334.9 as an airport hazard if the authority finds that the classification is justified by public safety  
334.10 considerations and is consistent with the commissioner's airport zoning standards. Any land  
334.11 use described in paragraph (b) that is classified as an airport hazard must be acquired, altered,  
334.12 or removed at public expense.

334.13 (d) This subdivision must not be construed to affect the classification of any land use  
334.14 under any zoning ordinances or regulations not adopted under sections 360.061 to 360.074.

334.15 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
334.16 applies to airport sponsors that make or plan to make changes to runway lengths or  
334.17 configurations on or after that date. Airport safety zoning ordinances that were approved  
334.18 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
334.19 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
334.20 or (2) is required to update airport safety zoning ordinances.

334.21 **Sec. 99. [360.0656] CUSTOM AIRPORT ZONING STANDARDS.**

334.22 Subdivision 1. **Custom airport zoning standards; factors.** (a) Notwithstanding section  
334.23 360.0655, a municipality, county, or joint airport zoning board must provide notice to the  
334.24 commissioner when the municipality, county, or joint airport zoning board intends to establish  
334.25 and adopt custom airport zoning regulations under this section.

334.26 (b) Airport zoning regulations submitted to the commissioner under this subdivision are  
334.27 not subject to the commissioner's zoning regulations under section 360.0655 or Minnesota  
334.28 Rules, part 8800.2400.

334.29 (c) When developing and adopting custom airport zoning regulations under this section,  
334.30 the municipality, county, or joint airport zoning board must include in the record a detailed  
334.31 analysis that explains how the proposed custom airport zoning regulations addressed the  
334.32 following factors to ensure a reasonable level of safety:

- 335.1 (1) the location of the airport, the surrounding land uses, and the character of  
335.2 neighborhoods in the vicinity of the airport, including:
- 335.3 (i) the location of vulnerable populations, including schools, hospitals, and nursing  
335.4 homes, in the airport hazard area;
- 335.5 (ii) the location of land uses that attract large assemblies of people in the airport hazard  
335.6 area;
- 335.7 (iii) the availability of contiguous open spaces in the airport hazard area;
- 335.8 (iv) the location of wildlife attractants in the airport hazard area;
- 335.9 (v) airport ownership or control of the federal Runway Protection Zone and the  
335.10 department's Clear Zone;
- 335.11 (vi) land uses that create or cause interference with the operation of radio or electronic  
335.12 facilities used by the airport or aircraft;
- 335.13 (vii) land uses that make it difficult for pilots to distinguish between airport lights and  
335.14 other lights, result in glare in the eyes of pilots using the airport, or impair visibility in the  
335.15 vicinity of the airport;
- 335.16 (viii) land uses that otherwise inhibit a pilot's ability to land, take off, or maneuver the  
335.17 aircraft;
- 335.18 (ix) airspace protection to prevent the creation of air navigation hazards in the airport  
335.19 hazard area; and
- 335.20 (x) the social and economic costs of restricting land uses;
- 335.21 (2) the airport's type of operations and how the operations affect safety surrounding the  
335.22 airport;
- 335.23 (3) the accident rate at the airport compared to a statistically significant sample, including  
335.24 an analysis of accident distribution based on the rate with a higher accident incidence;
- 335.25 (4) the planned land uses within an airport hazard area, including any applicable platting,  
335.26 zoning, comprehensive plan, or transportation plan; and
- 335.27 (5) any other information relevant to safety or the airport.
- 335.28 Subd. 2. **Submission to commissioner; review.** (a) Except as provided in section  
335.29 360.0655, prior to adopting zoning regulations, the municipality, county, or joint airport  
335.30 zoning board must submit its proposed regulations and the supporting record to the  
335.31 commissioner for review. The commissioner must determine whether the proposed custom

336.1 airport zoning regulations and supporting record (1) evaluate the criteria under subdivision  
336.2 1, and (2) provide a reasonable level of safety.

336.3 (b) Notwithstanding section 15.99, the commissioner must examine the proposed  
336.4 regulations within 90 days of receipt of the regulations and report to the municipality, county,  
336.5 or joint airport zoning board the commissioner's approval or objections, if any. Failure to  
336.6 respond within 90 days is deemed an approval. The commissioner may request additional  
336.7 information from the municipality, county, or joint airport zoning board within the 90-day  
336.8 review period.

336.9 (c) If the commissioner objects on the grounds that the regulations do not provide a  
336.10 reasonable level of safety, the municipality, county, or joint airport zoning board must  
336.11 review, consider, and provide a detailed explanation demonstrating how it evaluated the  
336.12 objections and what action it took or did not take in response to the objections. If the  
336.13 municipality, county, or joint airport zoning board submits amended regulations after its  
336.14 initial public hearing, the municipality, county, or joint airport zoning board must conduct  
336.15 a second public hearing on the revisions and resubmit the revised proposed regulations to  
336.16 the commissioner for review. The commissioner must examine the revised proposed  
336.17 regulations within 90 days of receipt of the regulations. If the commissioner requests  
336.18 additional information, the 90-day review period is tolled until satisfactory information is  
336.19 received by the commissioner. Failure to respond within 90 days is deemed an approval.

336.20 (d) If, after the second review period, the commissioner determines that the municipality,  
336.21 county, or joint airport zoning board failed to submit proposed regulations that provide a  
336.22 reasonable safety level, the commissioner must provide a final written decision to the  
336.23 municipality, county, or joint airport zoning board.

336.24 (e) A municipality, county, or joint airport zoning board is prohibited from adopting  
336.25 custom regulations or taking other action until the proposed regulations are approved by  
336.26 the commissioner.

336.27 (f) If the commissioner approves the proposed regulations, the municipality, county, or  
336.28 joint airport zoning board may adopt the regulations.

336.29 (g) A copy of the adopted regulations must be filed with the county recorder in each  
336.30 county that contains a zoned area subject to the regulations.

336.31 (h) Substantive rights that existed and had been exercised prior to August 1, 2018, are  
336.32 not affected by the filing of the regulations.

337.1 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
 337.2 applies to airport sponsors that make or plan to make changes to runway lengths or  
 337.3 configurations on or after that date. Airport safety zoning ordinances that were approved  
 337.4 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
 337.5 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
 337.6 or (2) is required to update airport safety zoning ordinances.

337.7 Sec. 100. Minnesota Statutes 2016, section 360.066, subdivision 1, is amended to read:

337.8 Subdivision 1. **Reasonableness.** ~~Standards of the commissioner~~ Zoning standards defining  
 337.9 airport hazard areas and the categories of uses permitted and airport zoning regulations  
 337.10 adopted under sections 360.011 to 360.076, ~~shall~~ must be reasonable; and none shall impose  
 337.11 a requirement or restriction ~~which~~ that is not reasonably necessary to effectuate the purposes  
 337.12 of sections 360.011 to 360.076. ~~In determining what minimum airport zoning regulations~~  
 337.13 ~~may be adopted, the commissioner and a local airport zoning authority shall consider, among~~  
 337.14 ~~other things, the character of the flying operations expected to be conducted at the airport,~~  
 337.15 ~~the location of the airport, the nature of the terrain within the airport hazard area, the existing~~  
 337.16 ~~land uses and character of the neighborhood around the airport, the uses to which the property~~  
 337.17 ~~to be zoned are planned and adaptable, and the social and economic costs of restricting land~~  
 337.18 ~~uses versus the benefits derived from a strict application of the standards of the commissioner.~~

337.19 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
 337.20 applies to airport sponsors that make or plan to make changes to runway lengths or  
 337.21 configurations on or after that date. Airport safety zoning ordinances that were approved  
 337.22 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
 337.23 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
 337.24 or (2) is required to update airport safety zoning ordinances.

337.25 Sec. 101. Minnesota Statutes 2016, section 360.067, is amended by adding a subdivision  
 337.26 to read:

337.27 Subd. 5. **Federal no hazard determination.** (a) Notwithstanding subdivisions 1 and 2,  
 337.28 a municipality, county, or joint airport zoning board may include in its custom airport zoning  
 337.29 regulations adopted under section 360.0656 an option to permit construction of a structure,  
 337.30 an increase or alteration of the height of a structure, or the growth of an existing tree without  
 337.31 a variance from height restrictions if the Federal Aviation Administration has analyzed the  
 337.32 proposed construction, alteration, or growth under Code of Federal Regulations, title 14,  
 337.33 part 77, and has determined the proposed construction, alteration, or growth does not:

338.1 (1) pose a hazard to air navigation;  
 338.2 (2) require changes to airport or aircraft operations; or  
 338.3 (3) require any mitigation conditions by the Federal Aviation Administration that cannot  
 338.4 be satisfied by the landowner.

338.5 (b) A municipality, county, or joint airport zoning board that permits an exception to  
 338.6 height restrictions under this subdivision must require the applicant to file the Federal  
 338.7 Aviation Administration's no hazard determination with the applicable zoning administrator.  
 338.8 The applicant must obtain written approval of the zoning administrator before construction,  
 338.9 alteration, or growth may occur. Failure of the administrator to respond within 60 days to  
 338.10 a filing under this subdivision is deemed a denial. The Federal Aviation Administration's  
 338.11 no hazard determination does not apply to requests for variation from land use, density, or  
 338.12 any other requirement unrelated to the height of structures or the growth of trees.

338.13 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
 338.14 applies to airport sponsors that make or plan to make changes to runway lengths or  
 338.15 configurations on or after that date. Airport safety zoning ordinances that were approved  
 338.16 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
 338.17 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
 338.18 or (2) is required to update airport safety zoning ordinances.

338.19 Sec. 102. Minnesota Statutes 2016, section 360.071, subdivision 2, is amended to read:

338.20 Subd. 2. **Membership.** (a) Where a zoning board of appeals or adjustment already exists,  
 338.21 it may be appointed as the board of adjustment. Otherwise, the board of adjustment shall  
 338.22 consist of five members, each to be appointed for a term of three years by the authority  
 338.23 adopting the regulations and to be removable by the appointing authority for cause, upon  
 338.24 written charges and after public hearing. The length of initial appointments may be staggered.

338.25 (b) In the case of a Metropolitan Airports Commission, five members shall be appointed  
 338.26 by the commission chair from the area in and for which the commission was created, any  
 338.27 of whom may be members of the commission. In the case of an airport owned or operated  
 338.28 by the state of Minnesota, the board of commissioners of the county, or counties, in which  
 338.29 the airport hazard area is located shall constitute the airport board of adjustment and shall  
 338.30 exercise the powers and duties of such board as provided herein.

338.31 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
 338.32 applies to airport sponsors that make or plan to make changes to runway lengths or  
 338.33 configurations on or after that date. Airport safety zoning ordinances that were approved

339.1 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
 339.2 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
 339.3 or (2) is required to update airport safety zoning ordinances.

339.4 Sec. 103. Minnesota Statutes 2016, section 360.305, subdivision 6, is amended to read:

339.5 Subd. 6. **Zoning required.** The commissioner ~~shall~~ must not expend money for planning  
 339.6 or land acquisition, or for the construction, improvement, or maintenance of airports, or for  
 339.7 air navigation facilities for an airport, unless the ~~governmental unit~~ municipality, county,  
 339.8 or joint airport zoning board involved has or is establishing a zoning authority for that  
 339.9 airport, and the authority has made a good-faith showing that it is in the process of and will  
 339.10 complete with due diligence, an airport zoning ordinance in accordance with sections 360.061  
 339.11 to 360.074. The commissioner may provide funds to support airport safety projects that  
 339.12 maintain existing infrastructure, regardless of a zoning authority's efforts to complete a  
 339.13 zoning regulation. The commissioner ~~shall~~ must make maximum use of zoning and easements  
 339.14 to eliminate runway and other potential airport hazards rather than land acquisition in fee.

339.15 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
 339.16 applies to airport sponsors that make or plan to make changes to runway lengths or  
 339.17 configurations on or after that date. Airport safety zoning ordinances that were approved  
 339.18 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
 339.19 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
 339.20 or (2) is required to update airport safety zoning ordinances.

339.21 Sec. 104. Minnesota Statutes 2016, section 394.22, is amended by adding a subdivision  
 339.22 to read:

339.23 Subd. 1a. **Airport safety zone.** "Airport safety zone" means an area subject to land use  
 339.24 zoning controls adopted under sections 360.061 to 360.074 if the zoning controls regulate  
 339.25 (1) the size or location of buildings, or (2) the density of population.

339.26 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018.

339.27 Sec. 105. Minnesota Statutes 2016, section 394.23, is amended to read:

339.28 **394.23 COMPREHENSIVE PLAN.**

339.29 The board has the power and authority to prepare and adopt by ordinance, a  
 339.30 comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be  
 339.31 the basis for official controls adopted under the provisions of sections 394.21 to 394.37.  
 339.32 The commissioner of natural resources must provide the natural heritage data from the

340.1 county biological survey, if available, to each county for use in the comprehensive plan.  
 340.2 When adopting or updating the comprehensive plan, the board must, if the data is available  
 340.3 to the county, consider natural heritage data resulting from the county biological survey. In  
 340.4 a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision  
 340.5 10b, the board must consider adopting goals and objectives that will protect open space and  
 340.6 the environment. The board must consider the location and dimensions of airport safety  
 340.7 zones in any portion of the county, and of any airport improvements, identified in the airport's  
 340.8 most recent approved airport layout plan.

340.9 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
 340.10 applies to airport sponsors that make or plan to make changes to runway lengths or  
 340.11 configurations on or after that date. Airport safety zoning ordinances that were approved  
 340.12 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
 340.13 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
 340.14 or (2) is required to update airport safety zoning ordinances.

340.15 Sec. 106. Minnesota Statutes 2016, section 394.231, is amended to read:

340.16 **394.231 COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.**

340.17 A county adopting or updating a comprehensive plan in a county outside the metropolitan  
 340.18 area as defined by section 473.121, subdivision 2, and that is not a greater than 80 percent  
 340.19 area, as defined in section 103G.005, subdivision 10b, shall consider adopting goals and  
 340.20 objectives for the preservation of agricultural, forest, wildlife, and open space land, and  
 340.21 minimizing development in sensitive shoreland areas. Within three years of updating the  
 340.22 comprehensive plan, the county shall consider adopting ordinances as part of the county's  
 340.23 official controls that encourage the implementation of the goals and objectives. The county  
 340.24 shall consider the following goals and objectives:

340.25 (1) minimizing the fragmentation and development of agricultural, forest, wildlife, and  
 340.26 open space lands, including consideration of appropriate minimum lot sizes;

340.27 (2) minimizing further development in sensitive shoreland areas;

340.28 (3) minimizing development near wildlife management areas, scientific and natural  
 340.29 areas, and nature centers;

340.30 (4) encouraging land uses in airport safety zones that are compatible with the safe  
 340.31 operation of the airport and the safety of people in the vicinity of the airport;

340.32 ~~(4)~~ (5) identification of areas of preference for higher density, including consideration  
 340.33 of existing and necessary water and wastewater services, infrastructure, other services, and

341.1 to the extent feasible, encouraging full development of areas previously zoned for  
 341.2 nonagricultural uses;

341.3 ~~(5)~~ (6) encouraging development close to places of employment, shopping centers,  
 341.4 schools, mass transit, and other public and private service centers;

341.5 ~~(6)~~ (7) identification of areas where other developments are appropriate; and

341.6 ~~(7)~~ (8) other goals and objectives a county may identify.

341.7 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
 341.8 applies to airport sponsors that make or plan to make changes to runway lengths or  
 341.9 configurations on or after that date. Airport safety zoning ordinances that were approved  
 341.10 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
 341.11 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
 341.12 or (2) is required to update airport safety zoning ordinances.

341.13 Sec. 107. Minnesota Statutes 2016, section 394.25, subdivision 3, is amended to read:

341.14 Subd. 3. **In district zoning, maps.** Within each such district zoning ordinances or maps  
 341.15 may also be adopted designating or limiting the location, height, width, bulk, type of  
 341.16 foundation, number of stories, size of, and the specific uses for which dwellings, buildings,  
 341.17 and structures may be erected or altered; the minimum and maximum size of yards, courts,  
 341.18 or other open spaces; setback from existing roads and highways and roads and highways  
 341.19 designated on an official map; protective measures necessary to protect the public interest  
 341.20 including but not limited to controls relating to appearance, signs, lighting, hours of operation  
 341.21 and other aesthetic performance characteristics including but not limited to noise, heat,  
 341.22 glare, vibrations and smoke; the area required to provide for off street loading and parking  
 341.23 facilities; heights of trees and structures near airports; and to avoid too great concentration  
 341.24 or scattering of the population. All such provisions shall be uniform for each class of land  
 341.25 or building throughout each district, but the provisions in one district may differ from those  
 341.26 in other districts. No provision may prohibit earth sheltered construction as defined in section  
 341.27 216C.06, subdivision 14, or manufactured homes built in conformance with sections 327.31  
 341.28 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section.  
 341.29 Airport safety zones must be included on maps that illustrate boundaries of zoning districts  
 341.30 and that are adopted as official controls.

341.31 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to maps  
 341.32 created or updated under this section on or after that date.

342.1 Sec. 108. Minnesota Statutes 2016, section 462.352, is amended by adding a subdivision  
342.2 to read:

342.3 Subd. 1a. **Airport safety zone.** "Airport safety zone" has the meaning given in section  
342.4 394.22, subdivision 1a.

342.5 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018.

342.6 Sec. 109. Minnesota Statutes 2016, section 462.355, subdivision 1, is amended to read:

342.7 Subdivision 1. **Preparation and review.** The planning agency shall prepare the  
342.8 comprehensive municipal plan. In discharging this duty the planning agency shall consult  
342.9 with and coordinate the planning activities of other departments and agencies of the  
342.10 municipality to insure conformity with and to assist in the development of the comprehensive  
342.11 municipal plan. In its planning activities the planning agency shall take due cognizance of  
342.12 the planning activities of adjacent units of government and other affected public agencies.  
342.13 The planning agency shall periodically review the plan and recommend amendments  
342.14 whenever necessary. When preparing or recommending amendments to the comprehensive  
342.15 plan, the planning agency of a municipality located within a county that is not a greater than  
342.16 80 percent area, as defined in section 103G.005, subdivision 10b, must consider adopting  
342.17 goals and objectives that will protect open space and the environment. When preparing or  
342.18 recommending amendments to the comprehensive plan, the planning agency must consider  
342.19 (1) the location and dimensions of airport safety zones in any portion of the municipality,  
342.20 and (2) any airport improvements identified in the airport's most recent approved airport  
342.21 layout plan.

342.22 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
342.23 applies to airport sponsors that make or plan to make changes to runway lengths or  
342.24 configurations on or after that date. Airport safety zoning ordinances that were approved  
342.25 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
342.26 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
342.27 or (2) is required to update airport safety zoning ordinances.

342.28 Sec. 110. Minnesota Statutes 2016, section 462.357, is amended by adding a subdivision  
342.29 to read:

342.30 Subd. 1i. **Airport safety zones on zoning maps.** Airport safety zones must be included  
342.31 on maps that illustrate boundaries of zoning districts and that are adopted as official controls.

343.1 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to maps  
 343.2 created or updated under this section on or after that date.

343.3 Sec. 111. Minnesota Statutes 2016, section 462.357, subdivision 9, is amended to read:

343.4 Subd. 9. **Development goals and objectives.** In adopting official controls after July 1,  
 343.5 2008, in a municipality outside the metropolitan area, as defined by section 473.121,  
 343.6 subdivision 2, the municipality shall consider restricting new residential, commercial, and  
 343.7 industrial development so that the new development takes place in areas subject to the  
 343.8 following goals and objectives:

343.9 (1) minimizing the fragmentation and development of agricultural, forest, wildlife, and  
 343.10 open space lands, including consideration of appropriate minimum lot sizes;

343.11 (2) minimizing further development in sensitive shoreland areas;

343.12 (3) minimizing development near wildlife management areas, scientific and natural  
 343.13 areas, and nature centers;

343.14 (4) encouraging land uses in airport safety zones that are compatible with the safe  
 343.15 operation of the airport and the safety of people in the vicinity of the airport;

343.16 ~~(4)~~ (5) identification of areas of preference for higher density, including consideration  
 343.17 of existing and necessary water and wastewater services, infrastructure, other services, and  
 343.18 to the extent feasible, encouraging full development of areas previously zoned for  
 343.19 nonagricultural uses;

343.20 ~~(5)~~ (6) encouraging development close to places of employment, shopping centers,  
 343.21 schools, mass transit, and other public and private service centers;

343.22 ~~(6)~~ (7) identification of areas where other developments are appropriate; and

343.23 ~~(7)~~ (8) other goals and objectives a municipality may identify.

343.24 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2018, and  
 343.25 applies to airport sponsors that make or plan to make changes to runway lengths or  
 343.26 configurations on or after that date. Airport safety zoning ordinances that were approved  
 343.27 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
 343.28 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
 343.29 or (2) is required to update airport safety zoning ordinances.

344.1 Sec. 112. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision  
344.2 to read:

344.3 Subd. 1d. **Budget changes or variances; reports.** At least quarterly by January 1, April  
344.4 1, July 1, and October 1, the council must submit a summary to the chairs and ranking  
344.5 minority members of the house of representatives and senate committees with jurisdiction  
344.6 over transportation policy and finance and to the Legislative Commission on Metropolitan  
344.7 Government on any changes to or variances from the budget adopted under subdivision 1.

344.8 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and  
344.9 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

344.10 Sec. 113. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision  
344.11 to read:

344.12 Subd. 6. **Overview of revenues and expenditures; forecast.** (a) In cooperation with  
344.13 the Department of Management and Budget and in conjunction with the release of each  
344.14 forecast required by section 16A.103, the council must prepare a financial overview and  
344.15 forecast of revenues and expenditures for the transportation components of the council's  
344.16 budget.

344.17 (b) At a minimum, the financial overview and forecast must identify:

344.18 (1) actual revenues, expenditures, transfers, reserves, and balances for each of the previous  
344.19 four budget years;

344.20 (2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances  
344.21 for each year within the state forecast period; and

344.22 (3) a comparison of the information under clause (2) to the prior forecast, including any  
344.23 changes made.

344.24 (c) The information under paragraph (b), clauses (1) and (2), must include:

344.25 (1) a breakdown for each transportation operating budget category established by the  
344.26 council, including but not limited to bus, light rail transit, commuter rail, planning, special  
344.27 transportation service under section 473.386, and assistance to replacement service providers  
344.28 under section 473.388;

344.29 (2) data for both transportation operating and capital expenditures; and

344.30 (3) fund balances for each replacement service provider under section 473.388.

345.1 (d) The financial overview and forecast must summarize reserve policies, identify the  
345.2 methodology for cost allocation, and review revenue assumptions and variables affecting  
345.3 the assumptions.

345.4 (e) The council must review the financial overview and forecast information with the  
345.5 chairs, ranking minority members, and staff of the legislative committees with jurisdiction  
345.6 over finance, ways and means, and transportation finance no later than two weeks following  
345.7 the release of the forecast.

345.8 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and  
345.9 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

345.10 Sec. 114. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision  
345.11 to read:

345.12 Subd. 7. **Budget assumptions.** (a) As part of the budget submission to the legislature  
345.13 under section 16A.11, the council must explicitly identify the assumptions used (1) to prepare  
345.14 the budget submission, and (2) for any underlying documentation or plans regarding  
345.15 transportation and transit.

345.16 (b) As part of the budget submission to the legislature under section 16A.11, the council  
345.17 must include copies of any report, application, or related document submitted to the Federal  
345.18 Transit Administration since the previous budget submission was provided to the legislature.  
345.19 In the budget submission, the council must explicitly identify the assumptions used to  
345.20 prepare each of the reports, applications, or related documents.

345.21 (c) In the budget submission to the legislature under section 16A.11, the council must  
345.22 include a section that provides a detailed explanation of the impact each assumption identified  
345.23 in paragraphs (a) and (b) has on the council's financial forecast.

345.24 **APPLICATION.** This section applies in the counties of Anoka, Carver, Dakota,  
345.25 Hennepin, Ramsey, Scott, and Washington.

345.26 Sec. 115. Minnesota Statutes 2016, section 473.386, subdivision 3, is amended to read:

345.27 Subd. 3. **Duties of council.** In implementing the special transportation service, the council  
345.28 ~~shall~~ must:

345.29 ~~(a)~~ (1) encourage participation in the service by public, private, and private nonprofit  
345.30 providers of special transportation currently receiving capital or operating assistance from  
345.31 a public agency;

346.1 ~~(b)~~ (2) when feasible and cost-efficient, contract with public, private, and private nonprofit  
 346.2 providers that have demonstrated their ability to effectively provide service at a reasonable  
 346.3 cost;

346.4 ~~(e)~~ (3) encourage individuals using special transportation to use the type of service most  
 346.5 appropriate to their particular needs;

346.6 ~~(d)~~ (4) encourage shared rides to the greatest extent practicable;

346.7 ~~(e)~~ (5) encourage public agencies that provide transportation to eligible individuals as  
 346.8 a component of human services and educational programs to coordinate with this service  
 346.9 and to allow reimbursement for transportation provided through the service at rates that  
 346.10 reflect the public cost of providing that transportation;

346.11 ~~(f)~~ (6) establish criteria to be used in determining individual eligibility for special  
 346.12 transportation services;

346.13 ~~(g)~~ (7) consult with the Transportation Accessibility Advisory Committee in a timely  
 346.14 manner before changes are made in the provision of special transportation services;

346.15 ~~(h)~~ (8) provide for effective administration and enforcement of council policies and  
 346.16 standards; and

346.17 ~~(i)~~ (9) ensure that, taken as a whole including contracts with public, private, and private  
 346.18 nonprofit providers, the geographic coverage area of the special transportation service is  
 346.19 continuous within the boundaries of the transit taxing district, as defined as of March 1,  
 346.20 2006, in section 473.446, subdivision 2, and any area added to the transit taxing district  
 346.21 under section 473.4461 that received capital improvements financed in part under the United  
 346.22 States Department of Transportation Urban Partnership Agreement program.

346.23 **EFFECTIVE DATE; APPLICATION.** This section is effective July 1, 2019, and  
 346.24 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

346.25 Sec. 116. Minnesota Statutes 2016, section 473.386, is amended by adding a subdivision  
 346.26 to read:

346.27 **Subd. 9. Data practices.** (a) For purposes of administering this section, and only with  
 346.28 the consent of the data subject, the commissioner of human services and the Metropolitan  
 346.29 Council may share the following private data on individuals eligible for special transportation  
 346.30 services:

346.31 (1) name;

346.32 (2) date of birth;

347.1 (3) residential address; and

347.2 (4) program eligibility status with expiration date, to inform the other party of program  
347.3 eligibility.

347.4 (b) The commissioner of human services and the Metropolitan Council must provide  
347.5 notice regarding data sharing to each individual applying for or renewing eligibility to use  
347.6 special transportation services. The notice must seek consent to engage in data sharing under  
347.7 paragraph (a), and must state how and for what purposes the individual's private data will  
347.8 be shared between the commissioner of human services and the Metropolitan Council. A  
347.9 consent to engage in data sharing is effective until the individual's eligibility expires, but  
347.10 may be renewed if the individual applies to renew eligibility.

347.11 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and  
347.12 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.  
347.13 Within 60 days of this section's effective date, the commissioner of human services and the  
347.14 Metropolitan Council must provide notice regarding data sharing to each individual who is  
347.15 currently receiving special transportation services under Minnesota Statutes, section 473.386.  
347.16 The notice must provide an opportunity to opt out of data sharing under paragraph (a) of  
347.17 this section, and must state how and for what purposes the individual's private data will be  
347.18 shared between the commissioner of human services and the Metropolitan Council. An  
347.19 individual who is currently receiving special transportation services on this section's effective  
347.20 date is presumed to have consented to data sharing under paragraph (a) unless, within 60  
347.21 days of the dissemination of the notice, the individual appropriately informs the commissioner  
347.22 of human services or the Metropolitan Council that the individual opts out of data sharing.

347.23 Sec. 117. Minnesota Statutes 2017 Supplement, section 473.4051, subdivision 2, is amended  
347.24 to read:

347.25 Subd. 2. **Operating costs.** (a) After operating revenue and federal money have been  
347.26 used to pay for light rail transit operations, 50 percent of the remaining operating costs must  
347.27 be paid by the state.

347.28 (b) Notwithstanding paragraph (a), all operating and ongoing capital maintenance costs  
347.29 must be paid from nonstate sources for a segment of a light rail transit line or line extension  
347.30 project that formally entered the engineering phase of the Federal Transit Administration's  
347.31 "New Starts" capital investment grant program between August 1, 2016, and December 31,  
347.32 2016.

348.1 (c) For purposes of this subdivision, operating costs consist of the costs associated with  
348.2 light rail system daily operations and the maintenance costs associated with keeping light  
348.3 rail services and facilities operating. Operating costs do not include costs incurred to construct  
348.4 new buildings or facilities, purchase new vehicles, or make technology improvements.

348.5 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, and  
348.6 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

348.7 Sec. 118. Minnesota Statutes 2016, section 473.4051, subdivision 3, is amended to read:

348.8 Subd. 3. **Capital costs.** State money ~~may~~ must not be used ~~to pay more than ten percent~~  
348.9 ~~of~~ for the ~~total~~ capital cost of a light rail transit project.

348.10 **EFFECTIVE DATE; APPLICATION.** This section is effective June 1, 2018, for  
348.11 appropriations encumbered on or after that date and applies in the counties of Anoka, Carver,  
348.12 Dakota, Hennepin, Ramsey, Scott, and Washington.

348.13 Sec. 119. Minnesota Statutes 2017 Supplement, section 473.4485, subdivision 2, is amended  
348.14 to read:

348.15 Subd. 2. **Legislative report.** (a) By October 15 in every even-numbered year, the council  
348.16 must prepare, in collaboration with the commissioner, a report on comprehensive transit  
348.17 finance in the metropolitan area. The council must submit the report electronically to the  
348.18 chairs and ranking minority members of the legislative committees with jurisdiction over  
348.19 transportation policy and finance.

348.20 (b) The report must be structured to provide financial information in six-month increments  
348.21 corresponding to state and local fiscal years, and must use consistent assumptions and  
348.22 methodologies. The report must explicitly identify and explain the assumptions and  
348.23 methodologies used to prepare the report. The report must comprehensively identify all  
348.24 funding sources and expenditures related to transit in the metropolitan area, including but  
348.25 not limited to:

348.26 (1) sources and uses of funds from regional railroad authorities, joint powers agreements,  
348.27 counties, and cities;

348.28 (2) expenditures for transit planning, feasibility studies, alternatives analysis, and other  
348.29 transit project development; and

348.30 (3) expenditures for guideways, busways, regular route bus service, demand-response  
348.31 service, and special transportation service under section 473.386.

349.1 (c) The report must include a section that summarizes the status of (1) guideways in  
349.2 revenue operation, and (2) guideway projects (i) currently in study, planning, development,  
349.3 or construction; (ii) identified in the transportation policy plan under section 473.146; or  
349.4 (iii) identified in the comprehensive statewide freight and passenger rail plan under section  
349.5 174.03, subdivision 1b.

349.6 (d) At a minimum, the guideways status section of the report must provide for each  
349.7 guideway project wholly or partially in the metropolitan area:

349.8 (1) a brief description of the project, including projected ridership;

349.9 (2) a summary of the overall status and current phase of the project;

349.10 (3) a timeline that includes (i) project phases or milestones, including any federal  
349.11 approvals; (ii) expected and known dates of commencement of each phase or milestone;  
349.12 and (iii) expected and known dates of completion of each phase or milestone;

349.13 (4) a brief progress update on specific project phases or milestones completed since the  
349.14 last previous submission of a report under this subdivision; and

349.15 (5) a summary financial plan that identifies, as reflected by the data and level of detail  
349.16 available in the latest phase of project development and to the extent available:

349.17 (i) capital expenditures, including expenditures to date and total projected expenditures,  
349.18 with a breakdown by committed and proposed sources of funds for the project;

349.19 (ii) estimated annual operations and maintenance expenditures reflecting the level of  
349.20 detail available in the current phase of the project development, with a breakdown by  
349.21 committed and proposed sources of funds for the project; and

349.22 (iii) if feasible, project expenditures by budget activity.

349.23 (e) The report must include a section that summarizes the status of (1) busways in revenue  
349.24 operation, and (2) busway projects currently in study, planning, development, or construction.

349.25 (f) The report must include a section that identifies the total ridership, farebox recovery  
349.26 ratio, and per-passenger operating subsidy for (1) each route and line in revenue operation  
349.27 by a transit provider, including guideways, busways, and regular route bus service; and (2)  
349.28 demand-response service and special transportation service. The section must provide data,  
349.29 as available on a per-passenger mile basis and must provide information for at least the  
349.30 previous three years. The section must identify performance standards for farebox recovery  
349.31 and identify each route and line that does not meet the standards.

350.1 (g) The report must also include a systemwide capacity analysis for transit operations  
 350.2 and investment in expansion and maintenance that:

350.3 (1) provides a funding projection, annually over the ensuing ten years, and with a  
 350.4 breakdown by committed and proposed sources of funds, of:

350.5 (i) total capital expenditures for guideways and for busways;

350.6 (ii) total operations and maintenance expenditures for guideways and for busways;

350.7 (iii) total funding available for guideways and for busways, including from projected or  
 350.8 estimated farebox recovery; and

350.9 (iv) total funding available for transit service in the metropolitan area; and

350.10 (2) evaluates the availability of funds and distribution of sources of funds for guideway  
 350.11 and for busway investments.

350.12 (h) The capacity analysis under paragraph (g) must include all guideway and busway  
 350.13 lines for which public funds are reasonably expected to be expended in planning,  
 350.14 development, construction, revenue operation, or capital maintenance during the ensuing  
 350.15 ten years.

350.16 (i) Local units of government must provide assistance and information in a timely manner  
 350.17 as requested by the commissioner or council for completion of the report.

350.18 **APPLICATION.** This section applies in the counties of Anoka, Carver, Dakota,  
 350.19 Hennepin, Ramsey, Scott, and Washington.

350.20 Sec. 120. Minnesota Statutes 2016, section 473.606, subdivision 5, is amended to read:

350.21 Subd. 5. **Employees, others, affirmative action; prevailing wage.** The corporation  
 350.22 ~~shall have~~ has the power to appoint engineers and other consultants, attorneys, and ~~such~~  
 350.23 other officers, agents, and employees as it may see fit, who ~~shall~~ must perform such duties  
 350.24 and receive such compensation as the corporation may determine notwithstanding the  
 350.25 provisions of section 43A.17, subdivision 9, and be removable at the pleasure of the  
 350.26 corporation. The corporation must adopt an affirmative action plan, which ~~shall~~ must be  
 350.27 submitted to the appropriate agency or office of the state for review and approval. The plan  
 350.28 must include a yearly progress report to the agency or office. Whenever the corporation  
 350.29 performs any work within the limits of a city of the first class, or establishes a minimum  
 350.30 wage for skilled or unskilled labor in the specifications or any contract for work within one  
 350.31 of the cities, the rate of pay to such skilled and unskilled labor must be the prevailing rate  
 350.32 of wage for such labor in that city.

351.1 Sec. 121. Minnesota Statutes 2016, section 574.26, subdivision 1a, is amended to read:

351.2 Subd. 1a. **Exemptions: certain manufacturers; commissioner of transportation;**  
 351.3 **road maintenance.** (a) Sections 574.26 to 574.32 do not apply to a manufacturer of public  
 351.4 transit buses that manufactures at least 100 public transit buses in a calendar year. For  
 351.5 purposes of this section, "public transit bus" means a motor vehicle designed to transport  
 351.6 people, with a design capacity for carrying more than 40 passengers, including the driver.  
 351.7 The term "public transit bus" does not include a school bus, as defined in section 169.011,  
 351.8 subdivision 71.

351.9 (b) At the discretion of the commissioner of transportation, sections 574.26 to 574.32  
 351.10 do not apply to any projects of the Department of Transportation (1) costing less than the  
 351.11 amount in section 471.345, subdivision 3, ~~or~~ (2) involving the permanent or semipermanent  
 351.12 installation of heavy machinery, fixtures, or other capital equipment to be used primarily  
 351.13 for maintenance or repair, or (3) awarded under section 161.32, subdivision 2.

351.14 (c) Sections 574.26 to 574.32 do not apply to contracts for snow removal, ice removal,  
 351.15 grading, or other similar routine road maintenance on town roads.

351.16 Sec. 122. Laws 2014, chapter 312, article 11, section 38, subdivision 5, is amended to  
 351.17 read:

351.18 Subd. 5. **Pilot program evaluation.** In coordination with the city, the commissioner of  
 351.19 transportation shall evaluate effectiveness of the pilot program under this section, which  
 351.20 must include analysis of traffic safety impacts, utility to motorists and tourists, costs and  
 351.21 expenditures, extent of community support, and pilot program termination or continuation.  
 351.22 By January 15, ~~2021~~ 2024, the commissioner shall submit a report on the evaluation to the  
 351.23 ~~chairs and ranking minority members and staff~~ of the legislative committees with jurisdiction  
 351.24 over transportation policy and finance.

351.25 Sec. 123. Laws 2014, chapter 312, article 11, section 38, subdivision 6, is amended to  
 351.26 read:

351.27 Subd. 6. **Expiration.** The pilot program under this section expires January 1, ~~2022~~ 2025.

351.28 Sec. 124. **EDITING MNLARS TRANSACTIONS.**

351.29 (a) The commissioner of public safety must ensure deputy registrars are able to edit, at  
 351.30 a minimum, the following information as part of a Minnesota Licensing and Registration  
 351.31 System (MNLARS) transaction:

352.1 (1) personal information of the applicant;

352.2 (2) vehicle classification and information about a vehicle or trailer;

352.3 (3) sale price of a vehicle or trailer;

352.4 (4) the amount of taxes and fees; and

352.5 (5) the base value of a vehicle or trailer.

352.6 (b) The ability to edit the transactions under paragraph (a) must be available until the

352.7 end of the business day following the day the transaction was initially completed.

352.8 (c) For each transaction edited, MNLARS must (1) record which individual edited the

352.9 record, the date and time the record was edited, and what information was edited, and (2)

352.10 include a notation that the transaction was edited.

352.11 **EFFECTIVE DATE.** This section is effective July 1, 2019.

352.12 Sec. 125. **LEGISLATIVE ROUTE NO. 180 TURNBACK; SPEED LIMIT.**

352.13 If the commissioner of transportation turns back any portion of Legislative Route No.

352.14 180 to Grant County, the speed limit on that portion of the road after it is turned back must

352.15 remain 60 miles per hour.

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

352.17 Sec. 126. **LEGISLATIVE ROUTE NO. 222 REMOVED.**

352.18 (a) Minnesota Statutes, section 161.115, subdivision 153, is repealed effective the day

352.19 after the commissioner of transportation receives a copy of the agreement between the

352.20 commissioner and the governing body of Red Lake County to transfer jurisdiction of

352.21 Legislative Route No. 222 and after the commissioner notifies the revisor of statutes under

352.22 paragraph (b).

352.23 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota

352.24 Statutes when the commissioner of transportation sends notice to the revisor electronically

352.25 or in writing that the conditions required to transfer the route have been satisfied.

352.26 Sec. 127. **LEGISLATIVE ROUTE NO. 253 REMOVED.**

352.27 (a) Minnesota Statutes, section 161.115, subdivision 184, is repealed effective the day

352.28 after the commissioner of transportation receives a copy of the agreement between the

352.29 commissioner and the governing body of Faribault County to transfer jurisdiction of

353.1 Legislative Route No. 253 and after the commissioner notifies the revisor of statutes under  
353.2 paragraph (b).

353.3 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
353.4 Statutes when the commissioner of transportation sends notice to the revisor electronically  
353.5 or in writing that the conditions required to transfer the route have been satisfied.

353.6 **Sec. 128. LEGISLATIVE ROUTE NO. 254 REMOVED.**

353.7 (a) Minnesota Statutes, section 161.115, subdivision 185, is repealed effective the day  
353.8 after the commissioner of transportation receives a copy of the agreement between the  
353.9 commissioner and the governing body of Faribault County to transfer jurisdiction of  
353.10 Legislative Route No. 254 and after the commissioner notifies the revisor of statutes under  
353.11 paragraph (b).

353.12 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
353.13 Statutes when the commissioner of transportation sends notice to the revisor electronically  
353.14 or in writing that the conditions required to transfer the route have been satisfied.

353.15 **Sec. 129. LEGISLATIVE ROUTE NO. 277 REMOVED.**

353.16 (a) Minnesota Statutes, section 161.115, subdivision 208, is repealed effective June 1,  
353.17 2018, or the day after the commissioner of transportation receives a copy of the agreement  
353.18 between the commissioner and the governing body of Chippewa County to transfer  
353.19 jurisdiction of Legislative Route No. 277 and after the commissioner notifies the revisor of  
353.20 statutes under paragraph (b), whichever is later.

353.21 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
353.22 Statutes when the commissioner of transportation sends notice to the revisor electronically  
353.23 or in writing that the conditions required to transfer the route have been satisfied.

353.24 **Sec. 130. LEGISLATIVE ROUTE NO. 298 REMOVED.**

353.25 (a) Minnesota Statutes, section 161.115, subdivision 229, is repealed effective the day  
353.26 after the commissioner of transportation receives a copy of the agreement between the  
353.27 commissioner and the governing body of the city of Faribault to transfer jurisdiction of  
353.28 Legislative Route No. 298 and after the commissioner notifies the revisor of statutes under  
353.29 paragraph (b).

354.1 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
354.2 Statutes when the commissioner of transportation sends notice to the revisor electronically  
354.3 or in writing that the conditions required to transfer the route have been satisfied.

354.4 **Sec. 131. LEGISLATIVE ROUTE NO. 299 REMOVED.**

354.5 (a) Minnesota Statutes, section 161.115, subdivision 230, is repealed effective the day  
354.6 after the commissioner of transportation receives a copy of the agreement between the  
354.7 commissioner and the governing body of the city of Faribault to transfer jurisdiction of  
354.8 Legislative Route No. 299 and after the commissioner notifies the revisor of statutes under  
354.9 paragraph (b).

354.10 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
354.11 Statutes when the commissioner of transportation sends notice to the revisor electronically  
354.12 or in writing that the conditions required to transfer the route have been satisfied.

354.13 **Sec. 132. LEGISLATIVE ROUTE NO. 323 REMOVED.**

354.14 (a) Minnesota Statutes, section 161.115, subdivision 254, is repealed effective the day  
354.15 after the commissioner of transportation receives a copy of the agreement between the  
354.16 commissioner and the governing body of the city of Faribault to transfer jurisdiction of  
354.17 Legislative Route No. 323 and after the commissioner notifies the revisor of statutes under  
354.18 paragraph (b).

354.19 (b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota  
354.20 Statutes when the commissioner of transportation sends notice to the revisor electronically  
354.21 or in writing that the conditions required to transfer the route have been satisfied.

354.22 **Sec. 133. DEPARTMENT OF TRANSPORTATION LOAN CONVERSION AND**  
354.23 **LIEN RELEASE.**

354.24 The commissioner of transportation must (1) convert to a grant the remaining balance  
354.25 on Minnesota Department of Transportation Contract No. 1000714, originally executed as  
354.26 of June 1, 2015, with Minnesota Commercial Railway Company; (2) cancel all future  
354.27 payments under the contract; (3) release liens on the locomotives designated as MNNR 49  
354.28 and MNNR 84; and (4) perform the appropriate filing. The commissioner is prohibited from  
354.29 requiring or accepting additional payments under the contract as of the effective date of this  
354.30 section. Notwithstanding the loan conversion and payment cancellation under this section,  
354.31 all other terms and conditions under Contract No. 1000714 remain effective for the duration  
354.32 of the period specified in the contract.

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

355.2 Sec. 134. **NORTHSTAR CORRIDOR EXTENSION; NEGOTIATIONS.**

355.3 The Department of Transportation must contact Burlington Northern Santa Fe Railway  
355.4 (BNSF) to negotiate an extension of the Northstar Corridor between Big Lake and St. Cloud.

355.5 Negotiations under this section are subject to the following conditions:

355.6 (1) the Northstar Corridor will add at least one morning round trip departure between  
355.7 the St. Cloud Amtrak Depot and Big Lake Station with continuing service to Target Station  
355.8 each weekday, plus one evening round trip between Big Lake Station and St. Cloud Amtrak  
355.9 Depot that must begin at Target Station, with the departure and arrival times set so that  
355.10 approximately ten or more hours elapse between the morning departure and evening return  
355.11 each day for both round trips. The Department of Transportation may also negotiate weekend  
355.12 departures and arrivals between St. Cloud and Target Station;

355.13 (2) the Department of Transportation may negotiate for fewer round trip departures from  
355.14 Big Lake to Target Station each weekday, and fewer round trip departures on weekends;

355.15 (3) BNSF must continue to crew and dispatch all trains and provide other track-related  
355.16 services;

355.17 (4) the St. Cloud Metropolitan Transit Commission (MTC) must be responsible for fare  
355.18 collection in St. Cloud and must negotiate with Amtrak for using the Amtrak station. The  
355.19 MTC must negotiate an agreement with the Metropolitan Council, which is subject to  
355.20 approval by the city of St. Cloud, regarding the sharing of revenues and expenses related  
355.21 to the Amtrak Depot, fare collection, and advertising. The MTC, city of St. Cloud, and  
355.22 Stearns, Benton, and Sherburne Counties are prohibited from entering into agreements with  
355.23 the Metropolitan Council on any subject other than the operation of the Northstar Corridor;

355.24 (5) the Department of Transportation is prohibited from committing to spend any state  
355.25 funds on capital expenditures;

355.26 (6) the Department of Transportation is prohibited from committing to spend any more  
355.27 state funds on operating costs than the total sum it and the Metropolitan Council have  
355.28 budgeted for the Northstar Corridor; and

355.29 (7) the Department of Transportation may negotiate with the federal government, counties  
355.30 and cities, or the Northstar Corridor Development Authority to provide additional funding  
355.31 for services necessary to extend the Northstar Corridor.

356.1 Sec. 135. **NORTHSTAR COMMUTER RAIL OPERATING COSTS; EXCEPTION.**

356.2 (a) Minnesota Statutes, section 398A.10, subdivision 2, does not apply for reserve funds  
356.3 available to the Anoka County Regional Railroad Authority as of June 30, 2018, that are  
356.4 used to pay operating and maintenance costs of Northstar Commuter Rail.

356.5 (b) This section expires on January 1, 2021.

356.6 Sec. 136. **MARKED INTERSTATE HIGHWAY 35 SIGNS.**

356.7 The commissioner of transportation must erect signs that identify and direct motorists  
356.8 to the campuses of Minnesota State Academy for the Deaf and Minnesota State Academy  
356.9 for the Blind under Minnesota Statutes, sections 125A.61 to 125A.73. At least one sign in  
356.10 each direction of travel must be placed on marked Interstate Highway 35, located as near  
356.11 as practical to exits that reasonably access the campuses. The commissioner is prohibited  
356.12 from removing signs for the campuses posted on marked Trunk Highway 60.

356.13 Sec. 137. **MOTOR VEHICLE TITLE AND REGISTRATION ADVISORY**  
356.14 **COMMITTEE; FIRST APPOINTMENTS; FIRST MEETING.**

356.15 Subdivision 1. **First appointments.** Appointment authorities must make first  
356.16 appointments to the Motor Vehicle Title and Registration Advisory Committee by September  
356.17 15, 2018.

356.18 Subd. 2. **First meeting.** The commissioner of public safety or a designee must convene  
356.19 the first meeting of the advisory committee by November 1, 2018.

356.20 Sec. 138. **PUBLIC AWARENESS CAMPAIGN.**

356.21 The commissioner of public safety must conduct a public awareness campaign to increase  
356.22 public knowledge about Minnesota Statutes, section 169.18, subdivision 10.

356.23 Sec. 139. **RETROACTIVE DRIVER'S LICENSE REINSTATEMENT.**

356.24 (a) The commissioner of public safety must make an individual's driver's license eligible  
356.25 for reinstatement if the license is solely suspended pursuant to:

356.26 (1) Minnesota Statutes 2016, section 171.16, subdivision 2, if the person was convicted  
356.27 only under Minnesota Statutes, section 171.24, subdivision 1 or 2;

356.28 (2) Minnesota Statutes 2016, section 171.16, subdivision 3; or

356.29 (3) both clauses (1) and (2).

357.1 (b) By May 1, 2019, the commissioner must provide written notice to an individual  
357.2 whose license has been made eligible for reinstatement under paragraph (a), addressed to  
357.3 the licensee at the licensee's last known address.

357.4 (c) Before the license is reinstated, an individual whose driver's license is eligible for  
357.5 reinstatement under paragraph (a) must pay the reinstatement fee under Minnesota Statutes,  
357.6 section 171.20, subdivision 4.

357.7 (d) The following applies for an individual who is eligible for reinstatement under  
357.8 paragraph (a), clause (1), (2), or (3), and whose license was suspended, revoked, or canceled  
357.9 under any other provision in Minnesota Statutes:

357.10 (1) the suspension, revocation, or cancellation under any other provision in Minnesota  
357.11 Statutes remains in effect;

357.12 (2) subject to clause (1), the individual may become eligible for reinstatement under  
357.13 paragraph (a), clause (1), (2), or (3); and

357.14 (3) the commissioner is not required to send the notice described in paragraph (b).

357.15 (e) Paragraph (a) applies notwithstanding Minnesota Statutes 2016, sections 169.92,  
357.16 subdivision 4; 171.16, subdivision 2 or 3; or any other law to the contrary.

357.17 **EFFECTIVE DATE.** This section is effective April 1, 2019.

357.18 **Sec. 140. COMMERCIAL DRIVER'S LICENSE FEDERAL REGULATION**

357.19 **WAIVER REQUEST.**

357.20 For the sole purpose of authorizing a person to drive a bus with no passengers to deliver  
357.21 the bus to the purchaser, the commissioner of public safety must apply to the Federal Motor  
357.22 Carrier Safety Administration for a waiver from Code of Federal Regulations, title 49,  
357.23 section 383.93, and any other federal rule or regulation that requires a person to have a  
357.24 passenger endorsement.

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

357.26 **Sec. 141. REVISOR INSTRUCTIONS.**

357.27 (a) The revisor of statutes shall renumber Minnesota Statutes, section 160.02, subdivision  
357.28 27a, as Minnesota Statutes, section 169.011, subdivision 73a. The revisor shall correct any  
357.29 cross-references made necessary by this renumbering.

358.1 (b) The revisor of statutes shall change the term "special revenue fund" to "driver and  
 358.2 vehicle services fund" wherever the term appears in Minnesota Statutes when referring to  
 358.3 the accounts under Minnesota Statutes, section 299A.705.

358.4 Sec. 142. **REPEALER.**

358.5 (a) Minnesota Statutes 2016, section 168.013, subdivision 21, is repealed.

358.6 (b) Minnesota Statutes 2016, section 221.161, subdivisions 2, 3, and 4, are repealed.

358.7 (c) Minnesota Statutes 2016, sections 360.063, subdivision 4; 360.065, subdivision 2;  
 358.8 and 360.066, subdivisions 1a and 1b, are repealed.

358.9 **EFFECTIVE DATE; APPLICATION.** Paragraph (c) is effective August 1, 2018, and  
 358.10 applies to airport sponsors that make or plan to make changes to runway lengths or  
 358.11 configurations on or after that date. Airport safety zoning ordinances that were approved  
 358.12 by the commissioner and effective before August 1, 2018, remain valid until or unless the  
 358.13 airport sponsor (1) makes or plans to make changes to runway lengths or configurations,  
 358.14 or (2) is required to update airport safety zoning ordinances.

358.15

## ARTICLE 25

358.16

### AGRICULTURE APPROPRIATIONS

358.17 Section 1. Laws 2007, chapter 45, article 1, section 4, is amended to read:

358.18 Sec. 4. **BOARD OF ANIMAL HEALTH**                    \$            **3,574,000** \$            **3,455,000**

358.19 \$448,000 the first year and \$363,000 the

358.20 second year are for bovine tuberculosis

358.21 eradication and surveillance in cattle herds.

358.22 Of this amount, \$159,000 is permanent.

358.23 \$100,000 the first year is for reimbursements

358.24 under Minnesota Statutes, section 35.085. This

358.25 appropriation is available until ~~spent~~ June 30,

358.26 2021, at which time any remaining balance

358.27 shall be transferred to the agricultural

358.28 emergency account under Minnesota Statutes,

358.29 section 17.041.

358.30 \$200,000 the first year and \$200,000 the

358.31 second year are for a program to control

359.1 paratuberculosis (Johne's disease) in domestic  
359.2 bovine herds.

359.3 \$80,000 the first year and \$80,000 the second  
359.4 year are for a program to investigate the avian  
359.5 pneumovirus disease and to identify the  
359.6 infected flocks. This appropriation must be  
359.7 matched on a dollar-for-dollar or in-kind basis  
359.8 with nonstate sources and is in addition to  
359.9 money currently designated for turkey disease  
359.10 research. Costs of blood sample collection,  
359.11 handling, and transportation, in addition to  
359.12 costs associated with early diagnosis tests and  
359.13 the expenses of vaccine research trials, may  
359.14 be credited to the match.

359.15 \$400,000 the first year and \$400,000 the  
359.16 second year are for the purposes of cervidae  
359.17 inspection as authorized in Minnesota Statutes,  
359.18 section 35.155.

359.19 Sec. 2. Laws 2017, chapter 88, article 1, section 2, subdivision 2, is amended to read:

359.20	Subd. 2. <b>Protection Services</b>	17,821,000	17,825,000
--------	-------------------------------------	------------	------------

359.21	Appropriations by Fund		
359.22		2018	2019
359.23	General	17,428,000	17,428,000
359.24	Remediation	393,000	397,000

359.25 (a) \$25,000 the first year and \$25,000 the  
359.26 second year are to develop and maintain  
359.27 cottage food license exemption outreach and  
359.28 training materials.

359.29 (b) \$75,000 the first year and \$75,000 the  
359.30 second year are to coordinate the correctional  
359.31 facility vocational training program and to  
359.32 assist entities that have explored the feasibility  
359.33 of establishing a USDA-certified or state  
359.34 "equal to" food processing facility within 30

360.1 miles of the Northeast Regional Corrections  
360.2 Center.

360.3 (c) \$125,000 the first year and \$125,000 the  
360.4 second year are for additional funding for the  
360.5 noxious weed and invasive plant program.  
360.6 These are onetime appropriations.

360.7 (d) \$250,000 the first year and \$250,000 the  
360.8 second year are for transfer to the pollinator  
360.9 habitat and research account in the agricultural  
360.10 fund. These are onetime transfers.

360.11 (e) \$393,000 the first year and \$397,000 the  
360.12 second year are from the remediation fund for  
360.13 administrative funding for the voluntary  
360.14 cleanup program.

360.15 (f) \$200,000 the first year and \$200,000 the  
360.16 second year are for the industrial hemp pilot  
360.17 program under Minnesota Statutes, section  
360.18 18K.09. These are onetime appropriations.

360.19 (g) \$175,000 the first year and \$175,000 the  
360.20 second year are for compensation for  
360.21 destroyed or crippled livestock under  
360.22 Minnesota Statutes, section 3.737. This  
360.23 appropriation may be spent to compensate for  
360.24 livestock that were destroyed or crippled  
360.25 during fiscal year 2017. If the amount in the  
360.26 first year is insufficient, the amount in the  
360.27 second year is available in the first year. The  
360.28 commissioner may use up to \$5,000 of this  
360.29 appropriation the second year to reimburse  
360.30 expenses incurred by university extension  
360.31 agents to provide fair market values of  
360.32 destroyed or crippled livestock.

360.33 (h) \$155,000 the first year and \$155,000 the  
360.34 second year are for compensation for crop

361.1 damage under Minnesota Statutes, section  
361.2 3.7371. If the amount in the first year is  
361.3 insufficient, the amount in the second year is  
361.4 available in the first year. The commissioner  
361.5 may use up to \$30,000 of the appropriation  
361.6 each year to reimburse expenses incurred by  
361.7 the commissioner or the commissioner's  
361.8 approved agent to investigate and resolve  
361.9 claims.

361.10 If the commissioner determines that claims  
361.11 made under Minnesota Statutes, section 3.737  
361.12 or 3.7371, are unusually high, amounts  
361.13 appropriated for either program may be  
361.14 transferred to the appropriation for the other  
361.15 program.

361.16 (i) \$250,000 the first year and \$250,000 the  
361.17 second year are to expand current capabilities  
361.18 for rapid detection, identification, containment,  
361.19 control, and management of high priority plant  
361.20 pests and pathogens. These are onetime  
361.21 appropriations.

361.22 (j) \$300,000 the first year and \$300,000 the  
361.23 second year are for transfer to the noxious  
361.24 weed and invasive plant species assistance  
361.25 account in the agricultural fund to award  
361.26 grants to local units of government under  
361.27 Minnesota Statutes, section 18.90, with  
361.28 preference given to local units of government  
361.29 responding to Palmer amaranth or other weeds  
361.30 on the eradicate list. These are onetime  
361.31 transfers.

361.32 (k) \$120,000 the first year and \$120,000 the  
361.33 second year are for wolf-livestock conflict  
361.34 prevention grants under article 2, section 89.  
361.35 The commissioner must submit a report to the

362.1 chairs and ranking minority members of the  
 362.2 legislative committees with jurisdiction over  
 362.3 agriculture policy and finance by January 15,  
 362.4 2020, on the outcomes of the wolf-livestock  
 362.5 conflict prevention grants and whether  
 362.6 livestock compensation claims were reduced  
 362.7 in the areas that grants were awarded. These  
 362.8 are onetime appropriations.

362.9 Sec. 3. Laws 2017, chapter 88, article 1, section 2, subdivision 4, is amended to read:

362.10	Subd. 4. <b>Agriculture, Bioenergy, and Bioproduct</b>		<del>22,636,000</del>
362.11	<b>Advancement</b>	22,581,000	<u>22,386,000</u>

362.12 (a) \$9,300,000 the first year and \$9,300,000  
 362.13 the second year are for transfer to the  
 362.14 agriculture research, education, extension, and  
 362.15 technology transfer account under Minnesota  
 362.16 Statutes, section 41A.14, subdivision 3. Of  
 362.17 these amounts: at least \$600,000 the first year  
 362.18 and \$600,000 the second year are for the  
 362.19 Minnesota Agricultural Experiment Station's  
 362.20 agriculture rapid response fund under  
 362.21 Minnesota Statutes, section 41A.14,  
 362.22 subdivision 1, clause (2); \$2,000,000 the first  
 362.23 year and \$2,000,000 the second year are for  
 362.24 grants to the Minnesota Agriculture Education  
 362.25 Leadership Council to enhance agricultural  
 362.26 education with priority given to Farm Business  
 362.27 Management challenge grants; \$350,000 the  
 362.28 first year and \$350,000 the second year are  
 362.29 for potato breeding; and \$450,000 the first  
 362.30 year and \$450,000 the second year are for the  
 362.31 cultivated wild rice breeding project at the  
 362.32 North Central Research and Outreach Center  
 362.33 to include a tenure track/research associate  
 362.34 plant breeder. The commissioner shall transfer  
 362.35 the remaining funds in this appropriation each

363.1 year to the Board of Regents of the University  
363.2 of Minnesota for purposes of Minnesota  
363.3 Statutes, section 41A.14. Of the amount  
363.4 transferred to the Board of Regents, up to  
363.5 \$1,000,000 each year is for research on avian  
363.6 influenza, including prevention measures that  
363.7 can be taken.

363.8 To the extent practicable, funds expended  
363.9 under Minnesota Statutes, section 41A.14,  
363.10 subdivision 1, clauses (1) and (2), must  
363.11 supplement and not supplant existing sources  
363.12 and levels of funding. The commissioner may  
363.13 use up to one percent of this appropriation for  
363.14 costs incurred to administer the program.

363.15 (b) \$13,256,000 the first year and ~~\$13,311,000~~  
363.16 \$13,061,000 the second year are for the  
363.17 agricultural growth, research, and innovation  
363.18 program in Minnesota Statutes, section  
363.19 41A.12. Except as provided below, the  
363.20 commissioner may allocate the appropriation  
363.21 each year among the following areas:  
363.22 facilitating the start-up, modernization, or  
363.23 expansion of livestock operations including  
363.24 beginning and transitioning livestock  
363.25 operations; developing new markets for  
363.26 Minnesota farmers by providing more fruits,  
363.27 vegetables, meat, grain, and dairy for  
363.28 Minnesota school children; assisting  
363.29 value-added agricultural businesses to begin  
363.30 or expand, access new markets, or diversify;  
363.31 providing funding not to exceed \$250,000  
363.32 each year for urban youth agricultural  
363.33 education or urban agriculture community  
363.34 development; providing funding not to exceed  
363.35 \$250,000 each year for the good food access

364.1 program under Minnesota Statutes, section  
364.2 17.1017; facilitating the start-up,  
364.3 modernization, or expansion of other  
364.4 beginning and transitioning farms including  
364.5 by providing loans under Minnesota Statutes,  
364.6 section 41B.056; sustainable agriculture  
364.7 on-farm research and demonstration;  
364.8 development or expansion of food hubs and  
364.9 other alternative community-based food  
364.10 distribution systems; enhancing renewable  
364.11 energy infrastructure and use; crop research;  
364.12 Farm Business Management tuition assistance;  
364.13 good agricultural practices/good handling  
364.14 practices certification assistance; establishing  
364.15 and supporting farmer-led water management  
364.16 councils; and implementing farmer-led water  
364.17 quality improvement practices. For fiscal year  
364.18 2019, the commissioner shall reduce by a total  
364.19 of \$250,000 the planned expenditures for  
364.20 urban youth agricultural education, urban  
364.21 agriculture community development, the good  
364.22 food access program, and the farm-to-school  
364.23 program. The commissioner may use up to 6.5  
364.24 percent of this appropriation for costs incurred  
364.25 to administer the program.

364.26 Of the amount appropriated for the agricultural  
364.27 growth, research, and innovation program in  
364.28 Minnesota Statutes, section 41A.12:

364.29 (1) \$1,000,000 the first year and \$1,000,000  
364.30 the second year are for distribution in equal  
364.31 amounts to each of the state's county fairs to  
364.32 preserve and promote Minnesota agriculture;  
364.33 and

364.34 (2) \$1,500,000 the first year and \$1,500,000  
364.35 the second year are for incentive payments

365.1 under Minnesota Statutes, sections 41A.16,  
365.2 41A.17, and 41A.18. Notwithstanding  
365.3 Minnesota Statutes, section 16A.28, the first  
365.4 year appropriation is available until June 30,  
365.5 2019, and the second year appropriation is  
365.6 available until June 30, 2020. If this  
365.7 appropriation exceeds the total amount for  
365.8 which all producers are eligible in a fiscal  
365.9 year, the balance of the appropriation is  
365.10 available for the agricultural growth, research,  
365.11 and innovation program.

365.12 The commissioner may use funds appropriated  
365.13 under this subdivision to award up to two  
365.14 value-added agriculture grants per year of up  
365.15 to \$1,000,000 per grant for new or expanding  
365.16 agricultural production or processing facilities  
365.17 that provide significant economic impact to  
365.18 the region. The commissioner may use funds  
365.19 appropriated under this subdivision for  
365.20 additional value-added agriculture grants for  
365.21 awards between \$1,000 and \$200,000 per  
365.22 grant.

365.23 Appropriations in clauses (1) and (2) are  
365.24 onetime. Any unencumbered balance does not  
365.25 cancel at the end of the first year and is  
365.26 available for the second year. Notwithstanding  
365.27 Minnesota Statutes, section 16A.28,  
365.28 appropriations encumbered under contract on  
365.29 or before June 30, 2019, for agricultural  
365.30 growth, research, and innovation grants are  
365.31 available until June 30, 2021.

365.32 The base budget for the agricultural growth,  
365.33 research, and innovation program is  
365.34 ~~\$14,275,000~~ \$14,025,000 for fiscal years 2020  
365.35 and 2021 and includes funding for incentive

366.1 payments under Minnesota Statutes, sections  
366.2 41A.16, 41A.17, 41A.18, and 41A.20.

366.3 The commissioner must develop additional  
366.4 innovative production incentive programs to  
366.5 be funded by the agricultural growth, research,  
366.6 and innovation program.

366.7 The commissioner must consult with the  
366.8 commissioner of transportation, the  
366.9 commissioner of administration, and local  
366.10 units of government to identify parcels of  
366.11 publicly owned land that are suitable for urban  
366.12 agriculture.

366.13 (c) \$25,000 the first year and \$25,000 the  
366.14 second year are for grants to the Southern  
366.15 Minnesota Initiative Foundation to promote  
366.16 local foods through an annual event that raises  
366.17 public awareness of local foods and connects  
366.18 local food producers and processors with  
366.19 potential buyers.

366.20 Sec. 4. Laws 2017, chapter 88, article 1, section 2, subdivision 5, is amended to read:

366.21		8,691,000
366.22	<b>Subd. 5. Administration and Financial Assistance</b>	<b>8,698,000</b> <u>8,938,000</u>

366.23 (a) \$474,000 the first year and \$474,000 the  
366.24 second year are for payments to county and  
366.25 district agricultural societies and associations  
366.26 under Minnesota Statutes, section 38.02,  
366.27 subdivision 1. Aid payments to county and  
366.28 district agricultural societies and associations  
366.29 shall be disbursed no later than July 15 of each  
366.30 year. These payments are the amount of aid  
366.31 from the state for an annual fair held in the  
366.32 previous calendar year.

- 367.1 (b) \$1,000 the first year and \$1,000 the second  
367.2 year are for grants to the Minnesota State  
367.3 Poultry Association.
- 367.4 (c) \$18,000 the first year and \$18,000 the  
367.5 second year are for grants to the Minnesota  
367.6 Livestock Breeders Association.
- 367.7 (d) \$47,000 the first year and \$47,000 the  
367.8 second year are for the Northern Crops  
367.9 Institute. These appropriations may be spent  
367.10 to purchase equipment.
- 367.11 (e) \$220,000 the first year and ~~\$220,000~~  
367.12 \$250,000 the second year are for farm  
367.13 advocate services.
- 367.14 (f) \$17,000 the first year and \$17,000 the  
367.15 second year are for grants to the Minnesota  
367.16 Horticultural Society.
- 367.17 (g) \$108,000 the first year and \$108,000 the  
367.18 second year are for annual grants to the  
367.19 Minnesota Turf Seed Council for basic and  
367.20 applied research on: (1) the improved  
367.21 production of forage and turf seed related to  
367.22 new and improved varieties; and (2) native  
367.23 plants, including plant breeding, nutrient  
367.24 management, pest management, disease  
367.25 management, yield, and viability. The grant  
367.26 recipient may subcontract with a qualified  
367.27 third party for some or all of the basic or  
367.28 applied research. Any unencumbered balance  
367.29 does not cancel at the end of the first year and  
367.30 is available for the second year. These are  
367.31 onetime appropriations.
- 367.32 (h) \$113,000 the first year and ~~\$113,000~~  
367.33 \$330,000 the second year are for transfer to  
367.34 the Board of Trustees of the Minnesota State

368.1 Colleges and Universities for statewide mental  
368.2 health counseling support to farm families and  
368.3 business operators through the Minnesota State  
368.4 Agricultural Centers of Excellence. South  
368.5 Central College and Central Lakes College  
368.6 shall serve as the fiscal ~~agent~~ agents.

368.7 (i) \$550,000 the first year and \$550,000 the  
368.8 second year are for grants to Second Harvest  
368.9 Heartland on behalf of Minnesota's six  
368.10 Feeding America food banks for the purchase  
368.11 of milk for distribution to Minnesota's food  
368.12 shelves and other charitable organizations that  
368.13 are eligible to receive food from the food  
368.14 banks. Milk purchased under the grants must  
368.15 be acquired from Minnesota milk processors  
368.16 and based on low-cost bids. The milk must be  
368.17 allocated to each Feeding America food bank  
368.18 serving Minnesota according to the formula  
368.19 used in the distribution of United States  
368.20 Department of Agriculture commodities under  
368.21 The Emergency Food Assistance Program  
368.22 (TEFAP). Second Harvest Heartland must  
368.23 submit quarterly reports to the commissioner  
368.24 on forms prescribed by the commissioner. The  
368.25 reports must include, but are not limited to,  
368.26 information on the expenditure of funds, the  
368.27 amount of milk purchased, and the  
368.28 organizations to which the milk was  
368.29 distributed. Second Harvest Heartland may  
368.30 enter into contracts or agreements with food  
368.31 banks for shared funding or reimbursement of  
368.32 the direct purchase of milk. Each food bank  
368.33 receiving money from this appropriation may  
368.34 use up to two percent of the grant for  
368.35 administrative expenses. Any unencumbered

369.1 balance does not cancel at the end of the first  
369.2 year and is available for the second year.

369.3 (j) \$1,100,000 the first year and \$1,100,000  
369.4 the second year are for grants to Second  
369.5 Harvest Heartland on behalf of the six Feeding  
369.6 America food banks that serve Minnesota to  
369.7 compensate agricultural producers and  
369.8 processors for costs incurred to harvest and  
369.9 package for transfer surplus fruits, vegetables,  
369.10 and other agricultural commodities that would  
369.11 otherwise go unharvested, be discarded, or  
369.12 sold in a secondary market. Surplus  
369.13 commodities must be distributed statewide to  
369.14 food shelves and other charitable organizations  
369.15 that are eligible to receive food from the food  
369.16 banks. Surplus food acquired under this  
369.17 appropriation must be from Minnesota  
369.18 producers and processors. Second Harvest  
369.19 Heartland must report in the form prescribed  
369.20 by the commissioner. Second Harvest  
369.21 Heartland may use up to 15 percent of each  
369.22 grant for ~~matching~~ administrative and  
369.23 transportation expenses. Any unencumbered  
369.24 balance does not cancel at the end of the first  
369.25 year and is available for the second year.

369.26 (k) \$150,000 the first year and \$150,000 the  
369.27 second year are for grants to the Center for  
369.28 Rural Policy and Development.

369.29 (l) \$235,000 the first year and \$235,000 the  
369.30 second year are for grants to the Minnesota  
369.31 Agricultural Education and Leadership  
369.32 Council for programs of the council under  
369.33 Minnesota Statutes, chapter 41D.

369.34 (m) \$600,000 the first year and \$600,000 the  
369.35 second year are for grants to the Board of

370.1 Regents of the University of Minnesota to  
370.2 develop, in consultation with the  
370.3 commissioner of agriculture and the Board of  
370.4 Animal Health, a software tool or application  
370.5 through the Veterinary Diagnostic Laboratory  
370.6 that empowers veterinarians and producers to  
370.7 understand the movement of unique pathogen  
370.8 strains in livestock and poultry production  
370.9 systems, monitor antibiotic resistance, and  
370.10 implement effective biosecurity measures that  
370.11 promote animal health and limit production  
370.12 losses. These are onetime appropriations.

370.13 (n) \$150,000 the first year is for the tractor  
370.14 rollover protection pilot program under  
370.15 Minnesota Statutes, section 17.119. This is a  
370.16 onetime appropriation and is available until  
370.17 June 30, 2019.

370.18 (o) \$400,000 the first year is for a grant to the  
370.19 Board of Trustees of the Minnesota State  
370.20 Colleges and Universities to expand and  
370.21 renovate the GROW-IT Center at Metropolitan  
370.22 State University. This is a onetime  
370.23 appropriation.

370.24 By January 15, 2018, the commissioner shall  
370.25 submit a report to the chairs and ranking  
370.26 minority members of the legislative  
370.27 committees with jurisdiction over agricultural  
370.28 policy and finance with a list of inspections  
370.29 the department conducts at more frequent  
370.30 intervals than federal law requires, an  
370.31 explanation of why the additional inspections  
370.32 are necessary, and provide recommendations  
370.33 for eliminating any unnecessary inspections.

371.1

**ARTICLE 26**

371.2

**AGRICULTURE STATUTORY CHANGES**

371.3 Section 1. Minnesota Statutes 2016, section 18C.425, subdivision 6, is amended to read:

371.4 Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the  
371.5 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall  
371.6 pay the inspection fee to the commissioner.

371.7 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person  
371.8 not required to be so licensed shall pay the inspection fee to the commissioner, except as  
371.9 exempted under section 18C.421, subdivision 1, paragraph (b).

371.10 (c) The person responsible for payment of the inspection fees for fertilizers, soil  
371.11 amendments, or plant amendments sold and used in this state must pay an inspection fee of  
371.12 39 cents per ton, and until June 30, ~~2019~~ 2029, an additional 40 cents per ton, of fertilizer,  
371.13 soil amendment, and plant amendment sold or distributed in this state, with a minimum of  
371.14 \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit  
371.15 all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and  
371.16 education account in section 18C.80. Products sold or distributed to manufacturers or  
371.17 exchanged between them are exempt from the inspection fee imposed by this subdivision  
371.18 if the products are used exclusively for manufacturing purposes.

371.19 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant  
371.20 amendment, or soil amendment distribution amounts and inspection fees paid for a period  
371.21 of three years.

371.22 Sec. 2. Minnesota Statutes 2017 Supplement, section 18C.70, subdivision 5, is amended  
371.23 to read:

371.24 Subd. 5. **Expiration.** This section expires June 30, ~~2020~~ 2030.

371.25 Sec. 3. Minnesota Statutes 2017 Supplement, section 18C.71, subdivision 4, is amended  
371.26 to read:

371.27 Subd. 4. **Expiration.** This section expires June 30, ~~2020~~ 2030.

371.28 Sec. 4. Minnesota Statutes 2016, section 18C.80, subdivision 2, is amended to read:

371.29 Subd. 2. **Expiration.** This section expires June 30, ~~2020~~ 2030.

372.1 Sec. 5. Minnesota Statutes 2016, section 21.89, subdivision 2, is amended to read:

372.2 Subd. 2. **Permits; issuance and revocation.** The commissioner shall issue a permit to  
372.3 the initial labeler of agricultural, vegetable, flower, and wildflower seeds which are sold  
372.4 for use in Minnesota and which conform to and are labeled under sections 21.80 to 21.92.

372.5 The categories of permits are as follows:

372.6 (1) for initial labelers who sell 50,000 pounds or less of agricultural seed each calendar  
372.7 year, an annual permit issued for a fee established in section 21.891, subdivision 2, paragraph

372.8 (b);

372.9 (2) for initial labelers who sell vegetable, flower, and wildflower seed packed for use  
372.10 in home gardens or household plantings, ~~and initial labelers who sell native grasses and~~  
372.11 ~~wildflower seed in commercial or agricultural quantities~~, an annual permit issued for a fee  
372.12 established in section 21.891, subdivision 2, paragraph (c), based upon the gross sales from  
372.13 the previous year; and

372.14 (3) for initial labelers who sell more than 50,000 pounds of agricultural seed each calendar  
372.15 year, a permanent permit issued for a fee established in section 21.891, subdivision 2,  
372.16 paragraph (d).

372.17 In addition, the person shall furnish to the commissioner an itemized statement of all  
372.18 seeds sold in Minnesota for the periods established by the commissioner. This statement  
372.19 shall be delivered, along with the payment of the fee, based upon the amount and type of  
372.20 seed sold, to the commissioner no later than 30 days after the end of each reporting period.  
372.21 Any person holding a permit shall show as part of the analysis labels or invoices on all  
372.22 agricultural, vegetable, flower, wildflower, tree, or shrub seeds all information the  
372.23 commissioner requires. The commissioner may revoke any permit in the event of failure to  
372.24 comply with applicable laws and rules.

372.25 Sec. 6. Minnesota Statutes 2016, section 28A.16, is amended to read:

372.26 **28A.16 PERSONS SELLING LIQUOR.**

372.27 (a) The provisions of the Minnesota consolidated food licensing law, sections 28A.01  
372.28 to 28A.16 and acts amendatory thereto, shall not apply to persons licensed to sell 3.2 percent  
372.29 malt liquor "on-sale" as provided in section 340A.403, or to persons licensed to sell  
372.30 intoxicating liquors "on-sale" or "off-sale" as provided in sections 340A.404 to 340A.407,  
372.31 provided that these persons sell only ice manufactured and packaged by another, or bottled  
372.32 or canned soft drinks and prepacked candy at retail.

373.1 (b) When an exclusive liquor store is not exempt under paragraph (a), the commissioner  
 373.2 must exclude all gross sales of off-sale alcoholic beverages when determining the applicable  
 373.3 license fee under section 28A.08, subdivision 3. For purposes of this paragraph, "exclusive  
 373.4 liquor store" and "alcoholic beverage" have the meanings given in section 340A.101.

373.5 Sec. 7. Minnesota Statutes 2016, section 41A.15, is amended by adding a subdivision to  
 373.6 read:

373.7 Subd. 2e. **Biomass.** "Biomass" means any organic matter that is available on a renewable  
 373.8 or recurring basis, including agricultural crops and trees, wood and wood waste and residues,  
 373.9 plants including aquatic plants, grasses, residues, fibers, animal waste, and the organic  
 373.10 portion of solid wastes.

373.11 Sec. 8. Minnesota Statutes 2016, section 41A.15, subdivision 10, is amended to read:

373.12 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical ~~with biobased~~  
 373.13 ~~content,~~ polymer, monomer, plastic, or composite material that is entirely produced from  
 373.14 biomass.

373.15 Sec. 9. Minnesota Statutes 2016, section 41A.16, subdivision 1, is amended to read:

373.16 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must  
 373.17 source ~~from Minnesota~~ at least 80 percent ~~raw materials from Minnesota.~~ of the biomass  
 373.18 used to produce an advanced biofuel, except that, if a facility is sited 50 miles or less from  
 373.19 the state border, ~~raw materials~~ biomass used to produce an advanced biofuel may be sourced  
 373.20 from ~~outside of Minnesota,~~ but only if at least 80 percent of the biomass is sourced from  
 373.21 within a 100-mile radius ~~of the facility or from within Minnesota.~~ Raw materials must be  
 373.22 ~~from agricultural or forestry sources or from solid waste.~~ The facility must be located in  
 373.23 Minnesota, must begin production at a specific location by June 30, 2025, and must not  
 373.24 begin operating above 23,750 MMbtu of quarterly advanced biofuel production before July  
 373.25 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced  
 373.26 biofuel production capacity, or retrofitting existing capacity, as well as new companies and  
 373.27 facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible.  
 373.28 Eligible advanced biofuel facilities must produce at least ~~23,750~~ 1,500 MMbtu of advanced  
 373.29 biofuel quarterly.

373.30 (b) No payments shall be made for advanced biofuel production that occurs after June  
 373.31 30, 2035, for those eligible biofuel producers under paragraph (a).

374.1 (c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility  
374.2 for payments under this section to an advanced biofuel facility at a different location.

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

374.5 (e) Renewable chemical production for which payment has been received under section  
374.6 41A.17, and biomass thermal production for which payment has been received under section  
374.7 41A.18, are not eligible for payment under this section.

374.8 (f) Biobutanol is eligible under this section.

374.9 Sec. 10. Minnesota Statutes 2016, section 41A.16, subdivision 2, is amended to read:

374.10 Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to  
374.11 eligible producers of advanced biofuel. The amount of the payment for each eligible  
374.12 producer's annual production is \$2.1053 per MMbtu for advanced biofuel production from  
374.13 cellulosic biomass, and \$1.053 per MMbtu for advanced biofuel production from sugar ~~or~~  
374.14 starch, oil, or animal fat at a specific location for ten years after the start of production.

374.15 (b) Total payments under this section to an eligible biofuel producer in a fiscal year may  
374.16 not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments  
374.17 under this section to all eligible biofuel producers in a fiscal year may not exceed the amount  
374.18 necessary for 17,100,000 MMbtu of biofuel production. The commissioner shall award  
374.19 payments on a first-come, first-served basis within the limits of available funding.

374.20 (c) For purposes of this section, an entity that holds a controlling interest in more than  
374.21 one advanced biofuel facility is considered a single eligible producer.

374.22 Sec. 11. Minnesota Statutes 2016, section 41A.17, subdivision 1, is amended to read:

374.23 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this ~~program~~ section  
374.24 must source from Minnesota at least 80 percent ~~biobased content from Minnesota.~~ of the  
374.25 biomass used to produce a renewable chemical, except that, if a facility is sited 50 miles or  
374.26 less from the state border, ~~biobased content must~~ biomass used to produce a renewable  
374.27 chemical may be sourced from outside of Minnesota, but only if at least 80 percent of the  
374.28 biomass is sourced from within a 100-mile radius of the facility or from within Minnesota.  
374.29 ~~Biobased content must be from agricultural or forestry sources or from solid waste.~~ The  
374.30 facility must be located in Minnesota, must begin production at a specific location by June  
374.31 30, 2025, and must not begin production of ~~750,000~~ 250,000 pounds of chemicals quarterly  
374.32 before January 1, 2015. Eligible facilities include existing companies and facilities that are

375.1 adding production capacity, or retrofitting existing capacity, as well as new companies and  
 375.2 facilities. Eligible renewable chemical facilities must produce at least ~~750,000~~ 250,000  
 375.3 pounds of renewable chemicals quarterly. Renewable chemicals produced through processes  
 375.4 that are fully commercial before January 1, 2000, are not eligible.

375.5 (b) No payments shall be made for renewable chemical production that occurs after June  
 375.6 30, 2035, for those eligible renewable chemical producers under paragraph (a).

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

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

375.11 (e) Advanced biofuel production for which payment has been received under section  
 375.12 41A.16, and biomass thermal production for which payment has been received under section  
 375.13 41A.18, are not eligible for payment under this section.

375.14 Sec. 12. Minnesota Statutes 2016, section 41A.18, subdivision 1, is amended to read:

375.15 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must  
 375.16 source from Minnesota at least 80 percent ~~raw materials from Minnesota.~~ of the biomass  
 375.17 used for biomass thermal production, except that, if a facility is sited 50 miles or less from  
 375.18 the state border, raw materials should biomass used for biomass thermal production may  
 375.19 be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is  
 375.20 sourced from within a 100-mile radius of the facility, or from within Minnesota. ~~Raw~~  
 375.21 ~~materials~~ Biomass must be from agricultural or forestry sources. The facility must be located  
 375.22 in Minnesota, must have begun production at a specific location by June 30, 2025, and must  
 375.23 not begin before July 1, 2015. Eligible facilities include existing companies and facilities  
 375.24 that are adding production capacity, or retrofitting existing capacity, as well as new  
 375.25 companies and facilities. Eligible biomass thermal production facilities must produce at  
 375.26 least 250 MMbtu of biomass thermal quarterly.

375.27 (b) No payments shall be made for biomass thermal production that occurs after June  
 375.28 30, 2035, for those eligible biomass thermal producers under paragraph (a).

375.29 (c) An eligible producer of biomass thermal production shall not transfer the producer's  
 375.30 eligibility for payments under this section to a biomass thermal production facility at a  
 375.31 different location.

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

376.1 (e) Biofuel production for which payment has been received under section 41A.16, and  
376.2 renewable chemical production for which payment has been received under section 41A.17,  
376.3 are not eligible for payment under this section.

376.4 Sec. 13. Minnesota Statutes 2016, section 41B.056, subdivision 2, is amended to read:

376.5 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

376.6 (b) "Intermediary" means any lending institution or other organization of a for-profit or  
376.7 nonprofit nature that is in good standing with the state of Minnesota that has the appropriate  
376.8 business structure and trained personnel suitable to providing efficient disbursement of loan  
376.9 funds and the servicing and collection of loans.

376.10 (c) "Specialty crops" means crops produced in an aquaculture system and agricultural  
376.11 crops, such as annuals, flowers, perennials, and other horticultural products, that are  
376.12 intensively cultivated.

376.13 (d) "Eligible livestock" means fish produced in an aquaculture system, beef cattle, dairy  
376.14 cattle, swine, poultry, goats, mules, farmed Cervidae, Ratitae, bison, sheep, horses, and  
376.15 llamas.

## 376.16 ARTICLE 27

### 376.17 HOUSING

376.18 Section 1. Minnesota Statutes 2016, section 299D.085, is amended by adding a subdivision  
376.19 to read:

376.20 Subd. 3a. **Trailer use.** A vehicle or a combination of vehicles may tow a trailer during  
376.21 the movement of an overdimensional load if:

376.22 (1) the party involved is a building mover licensed by the commissioner of transportation  
376.23 under section 221.81;

376.24 (2) the building being moved is not a temporary structure;

376.25 (3) the overdimensional load is a manufactured home, as defined under section 327.31;

376.26 or

376.27 (4) the overdimensional load is a modular home, as defined under section 297A.668,  
376.28 subdivision 8, paragraph (b).

377.1 Sec. 2. Minnesota Statutes 2016, section 327.31, is amended by adding a subdivision to  
377.2 read:

377.3 Subd. 23. **Modular home.** "Modular home" means a building or structural unit of closed  
377.4 construction that has been substantially manufactured or constructed, in whole or in part,  
377.5 at an off-site location, with the final assembly occurring on site alone or with other units  
377.6 and attached to a foundation designed to the State Building Code and occupied as a  
377.7 single-family dwelling. Modular home construction must comply with applicable standards  
377.8 adopted in Minnesota Rules, chapter 1360 or 1361.

377.9 Sec. 3. **[327.335] PLACEMENT OF MODULAR HOMES.**

377.10 A modular home may be placed in a manufactured home park as defined in section  
377.11 327.14, subdivision 3. A modular home placed in a manufactured home park is a  
377.12 manufactured home for purposes of chapters 327C and 504B and all rights, obligations, and  
377.13 duties, under those chapters apply. A modular home may not be placed in a manufactured  
377.14 home park without prior written approval of the park owner. Nothing in this section shall  
377.15 be construed to inhibit the application of zoning, subdivision, architectural, or esthetic  
377.16 requirements pursuant to chapters 394 and 462 that otherwise apply to manufactured homes  
377.17 and manufactured home parks. A modular home placed in a manufactured home park under  
377.18 this section shall be assessed and taxed as a manufactured home.

377.19 Sec. 4. Minnesota Statutes 2016, section 327C.095, subdivision 4, is amended to read:

377.20 Subd. 4. **Public hearing; relocation compensation; neutral third party.** Within 60  
377.21 days after receiving notice of a closure statement, the governing body of the affected  
377.22 municipality shall hold a public hearing to review the closure statement and any impact that  
377.23 the park closing may have on the displaced residents and the park owner. At the time of,  
377.24 and in the notice for, the public hearing, displaced residents must be informed that they may  
377.25 be eligible for payments from the Minnesota manufactured home relocation trust fund under  
377.26 section 462A.35 as compensation for reasonable relocation costs under subdivision 13,  
377.27 paragraphs (a) and (e).

377.28 The governing body of the municipality may also require that other parties, including  
377.29 the municipality, but excluding the park owner or its purchaser, involved in the park closing  
377.30 provide additional compensation to residents to mitigate the adverse financial impact of the  
377.31 park closing upon the residents.

377.32 At the public hearing, the municipality shall appoint a qualified neutral third party, to  
377.33 be agreed upon by both the manufactured home park owner and manufactured home owners,

378.1 whose hourly cost must be reasonable and paid from the Minnesota manufactured home  
378.2 relocation trust fund. The neutral third party shall act as a paymaster and arbitrator, with  
378.3 decision-making authority to resolve any questions or disputes regarding any contributions  
378.4 or disbursements to and from the Minnesota manufactured home relocation trust fund by  
378.5 either the manufactured home park owner or the manufactured home owners. If the parties  
378.6 cannot agree on a neutral third party, the municipality will ~~make a determination~~ determine  
378.7 who shall act as the neutral third party.

378.8 The qualified neutral third party shall be familiar with manufactured housing and the  
378.9 requirements of this section. The neutral third party shall keep an overall receipts and cost  
378.10 summary together with a detailed accounting, for each manufactured lot, of the payments  
378.11 received by the manufactured home park owner, and expenses approved and payments  
378.12 disbursed to the manufactured home owners, pursuant to subdivisions 12 and 13, as well  
378.13 as a record of all services and hours it provided and at what hourly rate it charged to the  
378.14 Minnesota manufactured home trust fund. This detailed accounting shall be provided to the  
378.15 manufactured home park owner, the municipality, and the Minnesota Housing Finance  
378.16 Agency to be included in its yearly October 15 report as required in subdivision 13, paragraph  
378.17 (h), not later than 30 days after the expiration of the nine-month notice provided in the  
378.18 closure statement.

378.19 Sec. 5. Minnesota Statutes 2016, section 327C.095, subdivision 6, is amended to read:

378.20 Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of  
378.21 an agreement to purchase a manufactured home park, the purchaser must notify the park  
378.22 owner, in writing, if the purchaser intends to close the manufactured home park or convert  
378.23 it to another use within one year of the execution of the agreement. The park owner shall  
378.24 provide a resident of each manufactured home with a 45-day written notice of the purchaser's  
378.25 intent to close the park or convert it to another use. The notice must state that the park owner  
378.26 will provide information on the cash price and the terms and conditions of the purchaser's  
378.27 offer to residents requesting the information. The notice must be sent by first class mail to  
378.28 a resident of each manufactured home in the park. The notice period begins on the postmark  
378.29 date affixed to the notice and ends 45 days after it begins. During the notice period required  
378.30 in this subdivision, the owners of at least 51 percent of the manufactured homes in the park  
378.31 or a nonprofit organization which has the written permission of the owners of at least 51  
378.32 percent of the manufactured homes in the park to represent them in the acquisition of the  
378.33 park shall have the right to meet the cash price and execute an agreement to purchase the  
378.34 park for the purposes of keeping the park as a manufactured housing community, provided  
378.35 that the owners or nonprofit organization will covenant and warrant to the park owner in

379.1 the agreement that they will continue to operate the park for not less than six years from  
379.2 the date of closing. The park owner must accept the offer if it meets the cash price and the  
379.3 same terms and conditions set forth in the purchaser's offer except that the seller is not  
379.4 obligated to provide owner financing. For purposes of this section, cash price means the  
379.5 cash price offer or equivalent cash offer as defined in section 500.245, subdivision 1,  
379.6 paragraph (d).

379.7 Sec. 6. Minnesota Statutes 2016, section 327C.095, subdivision 12, is amended to read:

379.8 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a)  
379.9 If a manufactured home owner is required to move due to the conversion of all or a portion  
379.10 of a manufactured home park to another use, the closure of a park, or cessation of use of  
379.11 the land as a manufactured home park, the manufactured park owner shall, upon the change  
379.12 in use, pay to the commissioner of management and budget for deposit in the Minnesota  
379.13 manufactured home relocation trust fund under section 462A.35, the lesser amount of the  
379.14 actual costs of moving or purchasing the manufactured home approved by the neutral third  
379.15 party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph  
379.16 (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each  
379.17 multisection manufactured home, for which a manufactured home owner has made  
379.18 application for payment of relocation costs under subdivision 13, paragraph (c). The  
379.19 manufactured home park owner shall make payments required under this section to the  
379.20 Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice  
379.21 from the neutral third party.

379.22 (b) A manufactured home park owner is not required to make the payment prescribed  
379.23 under paragraph (a), nor is a manufactured home owner entitled to compensation under  
379.24 subdivision 13, paragraph (a) or (e), if:

379.25 (1) the manufactured home park owner relocates the manufactured home owner to  
379.26 another space in the manufactured home park or to another manufactured home park at the  
379.27 park owner's expense;

379.28 (2) the manufactured home owner is vacating the premises and has informed the  
379.29 manufactured home park owner or manager of this prior to the mailing date of the closure  
379.30 statement under subdivision 1;

379.31 (3) a manufactured home owner has abandoned the manufactured home, or the  
379.32 manufactured home owner is not current on the monthly lot rental, personal property taxes;

380.1 (4) the manufactured home owner has a pending eviction action for nonpayment of lot  
380.2 rental amount under section 327C.09, which was filed against the manufactured home owner  
380.3 prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery  
380.4 has been ordered by the district court;

380.5 (5) the conversion of all or a portion of a manufactured home park to another use, the  
380.6 closure of a park, or cessation of use of the land as a manufactured home park is the result  
380.7 of a taking or exercise of the power of eminent domain by a governmental entity or public  
380.8 utility; or

380.9 (6) the owner of the manufactured home is not a resident of the manufactured home  
380.10 park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home  
380.11 is a resident, but came to reside in the manufactured home park after the mailing date of  
380.12 the closure statement under subdivision 1.

380.13 (c) If the unencumbered fund balance in the manufactured home relocation trust fund  
380.14 is less than ~~\$1,000,000~~ \$3,000,000 as of June 30 of each year, the commissioner of  
380.15 management and budget shall assess each manufactured home park owner by mail the total  
380.16 amount of \$15 for each licensed lot in their park, payable on or before ~~September~~ November  
380.17 15 of that year. Failure to notify and budget shall deposit  
380.18 any payments in the Minnesota ~~timely assess the manufactured home relocation trust fund.~~  
380.19 ~~On or before July 15 of~~ park owner by August 30 of any year shall waive the assessment  
380.20 and payment obligations of the manufactured home park owner for that year. Together with  
380.21 said assessment notice, each year; the commissioner of management and budget shall prepare  
380.22 and distribute to park owners a letter explaining whether funds are being collected for that  
380.23 year, information about the collection, an invoice for all licensed lots, and a sample form  
380.24 for the park owners to collect information on which park residents have been accounted  
380.25 for. If assessed under this paragraph, the park owner may recoup the cost of the \$15  
380.26 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park  
380.27 residents together with monthly lot rent as provided in section 327C.03, subdivision 6. Park  
380.28 owners may adjust payment for lots in their park that are vacant or otherwise not eligible  
380.29 for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b),  
380.30 and for park residents who have not paid the \$15 assessment to the park owner by October  
380.31 15, and deduct from the assessment accordingly. The commissioner of management and  
380.32 budget shall deposit any payments in the Minnesota manufactured home relocation trust  
380.33 fund.

380.34 (d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by  
380.35 the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action

381.1 in a court of appropriate jurisdiction. The court may award a prevailing party reasonable  
381.2 attorney fees, court costs, and disbursements.

381.3 Sec. 7. Minnesota Statutes 2016, section 327C.095, subdivision 13, is amended to read:

381.4 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a  
381.5 manufactured home owner is required to relocate due to the conversion of all or a portion  
381.6 of a manufactured home park to another use, the closure of a manufactured home park, or  
381.7 cessation of use of the land as a manufactured home park under subdivision 1, and the  
381.8 manufactured home owner complies with the requirements of this section, the manufactured  
381.9 home owner is entitled to payment from the Minnesota manufactured home relocation trust  
381.10 fund equal to the manufactured home owner's actual relocation costs for relocating the  
381.11 manufactured home to a new location within a ~~25~~ 50-mile radius of the park that is being  
381.12 closed, up to a maximum of \$7,000 for a single-section and \$12,500 for a multisection  
381.13 manufactured home. The actual relocation costs must include the reasonable cost of taking  
381.14 down, moving, and setting up the manufactured home, including equipment rental, utility  
381.15 connection and disconnection charges, minor repairs, modifications necessary for  
381.16 transportation of the home, necessary moving permits and insurance, moving costs for any  
381.17 appurtenances, which meet applicable local, state, and federal building and construction  
381.18 codes.

381.19 (b) A manufactured home owner is not entitled to compensation under paragraph (a) if  
381.20 the manufactured home park owner is not required to make a payment to the Minnesota  
381.21 manufactured home relocation trust fund under subdivision 12, paragraph (b).

381.22 (c) Except as provided in paragraph (e), in order to obtain payment from the Minnesota  
381.23 manufactured home relocation trust fund, the manufactured home owner shall submit to the  
381.24 neutral third party and the Minnesota Housing Finance Agency, with a copy to the park  
381.25 owner, an application for payment, which includes:

381.26 (1) a copy of the closure statement under subdivision 1;

381.27 (2) a copy of the contract with a moving or towing contractor, which includes the  
381.28 relocation costs for relocating the manufactured home;

381.29 (3) a statement with supporting materials of any additional relocation costs as outlined  
381.30 in subdivision 1;

381.31 (4) a statement certifying that none of the exceptions to receipt of compensation under  
381.32 subdivision 12, paragraph (b), apply to the manufactured home owner;

382.1 (5) a statement from the manufactured park owner that the lot rental is current and that  
382.2 the annual \$15 ~~payments~~ payment to the Minnesota manufactured home relocation trust  
382.3 fund ~~have~~ has been paid when due; and

382.4 (6) a statement from the county where the manufactured home is located certifying that  
382.5 personal property taxes for the manufactured home are paid through the end of that year.

382.6 (d) The neutral third party shall promptly process all payments for completed applications  
382.7 within 14 days. If the neutral third party has acted reasonably and does not approve or deny  
382.8 payment within 45 days after receipt of the information set forth in paragraph (c), the  
382.9 payment is deemed approved. Upon approval and request by the neutral third party, the  
382.10 Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent  
382.11 of the contract price payable to the mover and towing contractor for relocating the  
382.12 manufactured home in the amount of the actual relocation cost, plus a check to the home  
382.13 owner for additional certified costs associated with third-party vendors, that were necessary  
382.14 in relocating the manufactured home. The moving or towing contractor shall receive 50  
382.15 percent upon execution of the contract and 50 percent upon completion of the relocation  
382.16 and approval by the manufactured home owner. The moving or towing contractor may not  
382.17 apply the funds to any other purpose other than relocation of the manufactured home as  
382.18 provided in the contract. A copy of the approval must be forwarded by the neutral third  
382.19 party to the park owner with an invoice for payment of the amount specified in subdivision  
382.20 12, paragraph (a).

382.21 (e) In lieu of collecting a relocation payment from the Minnesota manufactured home  
382.22 relocation trust fund under paragraph (a), the manufactured home owner may collect an  
382.23 amount from the fund after reasonable efforts to relocate the manufactured home have failed  
382.24 due to the age or condition of the manufactured home, or because there are no manufactured  
382.25 home parks willing or able to accept the manufactured home within a 25-mile radius. A  
382.26 manufactured home owner may tender title of the manufactured home in the manufactured  
382.27 home park to the manufactured home park owner, and collect an amount to be determined  
382.28 by an independent appraisal. The appraiser must be agreed to by both the manufactured  
382.29 home park owner and the manufactured home owner. If the appraised market value cannot  
382.30 be determined, the tax market value, averaged over a period of five years, can be used as a  
382.31 substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a  
382.32 single-section and \$14,500 for a multisection manufactured home. The minimum amount  
382.33 that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a  
382.34 multisection manufactured home. The manufactured home owner shall deliver to the  
382.35 manufactured home park owner the current certificate of title to the manufactured home

383.1 duly endorsed by the owner of record, and valid releases of all liens shown on the certificate  
383.2 of title, and a statement from the county where the manufactured home is located evidencing  
383.3 that the personal property taxes have been paid. The manufactured home owner's application  
383.4 for funds under this paragraph must include a document certifying that the manufactured  
383.5 home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the  
383.6 Minnesota manufactured home relocation trust fund have been paid when due, that the  
383.7 manufactured home owner has chosen to tender title under this section, and that the park  
383.8 owner agrees to make a payment to the commissioner of management and budget in the  
383.9 amount established in subdivision 12, paragraph (a), less any documented costs submitted  
383.10 to the neutral third party, required for demolition and removal of the home, and any debris  
383.11 or refuse left on the lot, not to exceed \$1,000. The manufactured home owner must also  
383.12 provide a copy of the certificate of title endorsed by the owner of record, and certify to the  
383.13 neutral third party, with a copy to the park owner, that none of the exceptions to receipt of  
383.14 compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the  
383.15 manufactured home owner, and that the home owner will vacate the home within 60 days  
383.16 after receipt of payment or the date of park closure, whichever is earlier, provided that the  
383.17 monthly lot rent is kept current.

383.18 (f) The Minnesota Housing Finance Agency must make a determination of the amount  
383.19 of payment a manufactured home owner would have been entitled to under a local ordinance  
383.20 in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured home owner's  
383.21 compensation for relocation costs from the fund under section 462A.35, is the greater of  
383.22 the amount provided under this subdivision, or the amount under the local ordinance in  
383.23 effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this  
383.24 paragraph is intended to increase the liability of the park owner.

383.25 (g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall be  
383.26 liable to any person for recovery if the funds in the Minnesota manufactured home relocation  
383.27 trust fund are insufficient to pay the amounts claimed. The Minnesota Housing Finance  
383.28 Agency shall keep a record of the time and date of its approval of payment to a claimant.

383.29 (h)(1) By October 15, 2018, the Minnesota Housing Finance Agency shall post on its  
383.30 Web site and report to the chairs of the senate Finance Committee and house of  
383.31 representatives Ways and Means Committee on the Minnesota manufactured home relocation  
383.32 trust fund, including the account balance, payments to claimants, the amount of any advances  
383.33 to the fund, the amount of any insufficiencies encountered during the previous calendar  
383.34 year, and any itemized administrative charges or expenses deducted from the trust fund  
383.35 balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall

384.1 pay the manufactured home owner whose unpaid claim is the earliest by time and date of  
 384.2 approval.

384.3 ~~(h)~~ (2) Beginning in 2019, the Minnesota Housing Finance Agency shall post on its Web  
 384.4 site and report to the chairs of the senate Finance Committee and house of representatives  
 384.5 Ways and Means Committee by ~~January~~ October 15 of each year on the Minnesota  
 384.6 manufactured home relocation trust fund, including the aggregate account balance, the  
 384.7 aggregate assessment payments received, summary information regarding each closed park  
 384.8 including the total payments to claimants and payments received from each closed park,  
 384.9 the amount of any advances to the fund, the amount of any insufficiencies encountered  
 384.10 during the previous ~~calendar~~ fiscal year, reports of neutral third parties provided pursuant  
 384.11 to subdivision 4, and any itemized administrative charges or expenses deducted from the  
 384.12 trust fund balance, all of which should be reconciled to the previous year's trust fund balance.  
 384.13 If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the  
 384.14 manufactured home owner whose unpaid claim is the earliest by time and date of approval.

384.15 Sec. 8. Minnesota Statutes 2016, section 327C.095, is amended by adding a subdivision  
 384.16 to read:

384.17 Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health  
 384.18 or, if applicable, local units of government that have entered into a delegation of authority  
 384.19 agreement with the Department of Health as provided in section 145A.07 shall provide, by  
 384.20 March 31 of each year, a list of names and addresses of the manufactured home parks  
 384.21 licensed in the previous year, and for each manufactured home park, the current licensed  
 384.22 owner, the owner's address, the number of licensed manufactured home lots, and other data  
 384.23 as they may request for the Department of Management and Budget to invoice each licensed  
 384.24 manufactured home park in the state of Minnesota.

384.25 Sec. 9. Minnesota Statutes 2017 Supplement, section 462A.2035, subdivision 1, is amended  
 384.26 to read:

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

385.1 Sec. 10. Minnesota Statutes 2017 Supplement, section 462A.2035, subdivision 1b, is  
385.2 amended to read:

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

385.5 (1) acquisition of and improvements in manufactured home parks; and

385.6 (2) infrastructure, including storm shelters and community facilities.

385.7 Sec. 11. Minnesota Statutes 2016, section 462A.33, subdivision 1, is amended to read:

385.8 Subdivision 1. **Created.** The economic development and housing challenge program is  
385.9 created to be administered by the agency.

385.10 (a) The program shall provide grants or loans for the purpose of construction, acquisition,  
385.11 rehabilitation, demolition or removal of existing structures, construction financing, permanent  
385.12 financing, interest rate reduction, refinancing, and gap financing of housing or manufactured  
385.13 home parks, as defined in section 327C.01, to support economic development and  
385.14 redevelopment activities or job creation or job preservation within a community or region  
385.15 by meeting locally identified housing needs.

385.16 Gap financing is either:

385.17 (1) the difference between the costs of the property, including acquisition, demolition,  
385.18 rehabilitation, and construction, and the market value of the property upon sale; or

385.19 (2) the difference between the cost of the property and the amount the targeted household  
385.20 can afford for housing, based on industry standards and practices.

385.21 (b) Preference for grants and loans shall be given to comparable proposals that include  
385.22 regulatory changes or waivers that result in identifiable cost avoidance or cost reductions,  
385.23 such as increased density, flexibility in site development standards, or zoning code  
385.24 requirements. Preference must also be given among comparable proposals to proposals for  
385.25 projects that are accessible to transportation systems, jobs, schools, and other services.

385.26 (c) If a grant or loan is used for demolition or removal of existing structures, the cleared  
385.27 land must be used for the construction of housing to be owned or rented by persons who  
385.28 meet the income limits of this section or for other housing-related purposes that primarily  
385.29 benefit the persons residing in the adjacent housing. In making selections for grants or loans  
385.30 for projects that demolish affordable housing units, the agency must review the potential  
385.31 displacement of residents and consider the extent to which displacement of residents is  
385.32 minimized.

386.1 Sec. 12. Minnesota Statutes 2016, section 462A.33, subdivision 2, is amended to read:

386.2 Subd. 2. **Eligible recipients.** Challenge grants or loans may be made to a city, a federally  
386.3 recognized American Indian tribe or subdivision located in Minnesota, a tribal housing  
386.4 corporation, a private developer, a nonprofit organization, or the owner of the housing or  
386.5 the manufactured home park, including individuals. For the purpose of this section, "city"  
386.6 has the meaning given it in section 462A.03, subdivision 21. To the extent practicable,  
386.7 grants and loans shall be made so that an approximately equal number of housing units are  
386.8 financed in the metropolitan area and in the nonmetropolitan area.

386.9 Sec. 13. Minnesota Statutes 2016, section 462A.37, subdivision 1, is amended to read:

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

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

386.13 (c) "Community land trust" means an entity that meets the requirements of section  
386.14 462A.31, subdivisions 1 and 2.

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

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

386.21 (f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter  
386.22 that are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the Internal  
386.23 Revenue Code, finance qualified residential rental projects within the meaning of Section  
386.24 142(d) of the Internal Revenue Code, or are tax-exempt bonds that are not private activity  
386.25 bonds, within the meaning of Section 141(a) of the Internal Revenue Code, for the purpose  
386.26 of financing or refinancing affordable housing authorized under this chapter.

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

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

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

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

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

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

387.10 Sec. 14. Minnesota Statutes 2016, section 462A.37, subdivision 2, is amended to read:

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

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

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

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

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

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

387.31 (6) to finance the costs of acquisition and rehabilitation of federally assisted rental  
 387.32 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation  
 387.33 of federally assisted rental housing, including providing funds to refund, in whole or in part,

388.1 outstanding bonds previously issued by the agency or another government unit to finance  
388.2 or refinance such costs.

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

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

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

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

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

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

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

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

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

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

389.1 Sec. 15. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
389.2 to read:

389.3 Subd. 1a. **Aggregate bond limitation.** "Aggregate bond limitation" means up to 55  
389.4 percent of the reasonably expected aggregate basis of a residential rental project and the  
389.5 land on which the project is or will be located.

389.6 Sec. 16. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
389.7 to read:

389.8 Subd. 1b. **AMI.** "AMI" means the area median income for the applicable county or  
389.9 metropolitan area as published by the Department of Housing and Urban Development, as  
389.10 adjusted for household size.

389.11 Sec. 17. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
389.12 to read:

389.13 Subd. 12a. **LIHTC.** "LIHTC" means low-income housing tax credits under section 42  
389.14 of the Internal Revenue Code of 1986, as amended.

389.15 Sec. 18. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
389.16 to read:

389.17 Subd. 21a. **Preservation project.** "Preservation project" means any residential rental  
389.18 project, regardless of whether or not such project is restricted to persons of a certain age or  
389.19 older, that is expected to generate low-income housing tax credits under section 42 of the  
389.20 Internal Revenue Code of 1986, as amended, and (1) receives federal project-based rental  
389.21 assistance, or (2) is funded through a loan from or guaranteed by the United States  
389.22 Department of Agriculture's Rural Development Program. In addition, to qualify as a  
389.23 preservation project, the amount of bonds requested in the application must not exceed the  
389.24 aggregate bond limitation.

389.25 Sec. 19. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
389.26 to read:

389.27 Subd. 30. **30 percent AMI residential rental project.** "30 percent AMI residential  
389.28 rental project" means a residential rental project that does not otherwise qualify as a  
389.29 preservation project, is expected to generate low-income housing tax credits under section  
389.30 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential  
389.31 units, and in which:

- 390.1 (1) all the residential units of the project:
- 390.2 (i) are reserved for tenants whose income, on average, is 30 percent of AMI or less;
- 390.3 (ii) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code
- 390.4 of 1986, as amended; and
- 390.5 (iii) are subject to rent and income restrictions for a period of not less than 30 years; or
- 390.6 (2)(i) is located outside of the metropolitan area as defined in section 473.121, subdivision
- 390.7 2, and within a county or metropolitan area that has a current median area gross income
- 390.8 that is less than the statewide area median income for Minnesota;
- 390.9 (ii) all of the units of the project are rent-restricted in accordance with section 42(g)(2)
- 390.10 of the Internal Revenue Code of 1986, as amended; and
- 390.11 (iii) all of the units of the project are subject to the applicable rent and income restrictions
- 390.12 for a period of not less than 30 years.
- 390.13 In addition, to qualify as a 30 percent AMI residential project, the amount of bonds
- 390.14 requested in the application must not exceed the aggregate bond limitation.

390.15 Sec. 20. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision

390.16 to read:

390.17 Subd. 31. **50 percent AMI residential rental project.** "50 percent AMI residential

390.18 rental project," means a residential rental project that does not qualify as a preservation

390.19 project or 30 percent AMI residential rental project, is expected to generate low-income

390.20 housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended,

390.21 from 100 percent of its residential units, and in which all the residential units of the project:

- 390.22 (1) are reserved for tenants whose income, on average, is 50 percent of AMI or less;
- 390.23 (2) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code
- 390.24 of 1986, as amended; and
- 390.25 (3) are subject to rent and income restrictions for a period of not less than 30 years.

390.26 In addition, to qualify as a 50 percent AMI residential rental project, the amount of bonds

390.27 requested in the application must not exceed the aggregate bond limitation.

391.1 Sec. 21. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
391.2 to read:

391.3 Subd. 32. **100 percent LIHTC project.** "100 percent LIHTC project" means a residential  
391.4 rental project that is expected to generate low-income housing tax credits under section 42  
391.5 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units  
391.6 and does not otherwise qualify as a preservation project, 30 percent AMI residential rental  
391.7 project, or 50 percent AMI residential rental project. In addition, to qualify as a 100 percent  
391.8 LIHTC project, the amount of bonds requested in the application must not exceed the  
391.9 aggregate bond limitation.

391.10 Sec. 22. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision  
391.11 to read:

391.12 Subd. 33. **20 percent LIHTC project.** "20 percent LIHTC project" means a residential  
391.13 rental project that is expected to generate low-income housing tax credits under section 42  
391.14 of the Internal Revenue Code of 1986, as amended, from at least 20 percent of its residential  
391.15 units and does not otherwise qualify as a preservation project, 30 percent AMI residential  
391.16 rental project, 50 percent AMI residential rental project, or 100 percent LIHTC project. In  
391.17 addition, to qualify as a 20 percent LIHTC project, the amount of bonds requested in the  
391.18 application must not exceed the aggregate bond limitation.

391.19 Sec. 23. Minnesota Statutes 2016, section 474A.03, subdivision 1, is amended to read:

391.20 Subdivision 1. **Under federal tax law; allocations.** At the beginning of each calendar  
391.21 year after December 31, 2001, the commissioner shall determine the aggregate dollar amount  
391.22 of the annual volume cap under federal tax law for the calendar year, and of this amount  
391.23 the commissioner shall make the following allocation:

391.24 (1) \$74,530,000 to the small issue pool;

391.25 (2) \$122,060,000 to the housing pool in calendar years 2019 and 2020, and starting in  
391.26 calendar year 2021, \$122,060,000 to the housing pool, of which 31 percent of the adjusted  
391.27 allocation is reserved until the last Monday in ~~July~~ June for single-family housing programs;

391.28 (3) \$12,750,000 to the public facilities pool; and

391.29 (4) amounts to be allocated as provided in subdivision 2a.

391.30 If the annual volume cap is greater or less than the amount of bonding authority allocated  
391.31 under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (4), the allocation

392.1 must be adjusted so that each adjusted allocation is the same percentage of the annual volume  
 392.2 cap as each original allocation is of the total bonding authority originally allocated.

392.3 Sec. 24. Minnesota Statutes 2016, section 474A.04, subdivision 1a, is amended to read:

392.4 Subd. 1a. **Entitlement reservations.** Any amount returned by an entitlement issuer  
 392.5 before ~~July~~ June 15 shall be reallocated through the housing pool. Any amount returned on  
 392.6 or after July 15 1 shall be reallocated through the unified pool. An amount returned after  
 392.7 the last Monday in November shall be reallocated to the Minnesota Housing Finance Agency.

392.8 Sec. 25. Minnesota Statutes 2016, section 474A.047, subdivision 1, is amended to read:

392.9 Subdivision 1. **Eligibility.** (a) An issuer may only use the proceeds from residential  
 392.10 rental bonds if the proposed project meets the following requirements:

392.11 (1) the proposed residential rental project meets the requirements of section 142(d) of  
 392.12 the Internal Revenue Code regarding the incomes of the occupants of the housing; and

392.13 (2) the maximum rent for at least 20 percent of the units in the proposed residential rental  
 392.14 project do not exceed the area fair market rent or exception fair market rents for existing  
 392.15 housing, if applicable, as established by the federal Department of Housing and Urban  
 392.16 Development. The rental rates of units in a residential rental project for which project-based  
 392.17 federal assistance payments are made are deemed to be within the rent limitations of this  
 392.18 clause.

392.19 (b) The proceeds from residential rental bonds may be used for a project for which  
 392.20 project-based federal rental assistance payments are made only if: the owner of the project  
 392.21 enters into a binding agreement with the issuer under which the owner is obligated to extend  
 392.22 any existing low-income affordability restrictions and any contract or agreement for rental  
 392.23 assistance payments for the maximum term permitted, including any renewals thereof.

392.24 ~~(1) the owner of the project enters into a binding agreement with the Minnesota Housing~~  
 392.25 ~~Finance Agency under which the owner is obligated to extend any existing low-income~~  
 392.26 ~~affordability restrictions and any contract or agreement for rental assistance payments for~~  
 392.27 ~~the maximum term permitted, including any renewals thereof; and~~

392.28 ~~(2) the Minnesota Housing Finance Agency certifies that project reserves will be~~  
 392.29 ~~maintained at closing of the bond issue and budgeted in future years at the lesser of:~~

392.30 ~~(i) the level described in Minnesota Rules, part 4900.0010, subpart 7, item A, subitem~~  
 392.31 ~~(2), effective May 1, 1997; or~~

393.1 ~~(ii) the level of project reserves available prior to the bond issue, provided that additional~~  
 393.2 ~~money is available to accomplish repairs and replacements needed at the time of bond issue.~~

393.3 Sec. 26. Minnesota Statutes 2016, section 474A.047, subdivision 2, is amended to read:

393.4 Subd. 2. **15-year agreement.** Prior to the issuance of residential rental bonds, the  
 393.5 developer of the project for which the bond proceeds will be used must enter into a 15-year  
 393.6 agreement with the issuer that specifies the maximum rental rates of the rent-restricted units  
 393.7 in the project and the income levels of the residents of the project occupying income-restricted  
 393.8 units- and in which the developer will agree to maintain the project as a preservation project,  
 393.9 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100  
 393.10 percent LIHTC project, or 20 percent LIHTC project, as applicable and as described in its  
 393.11 application. Such rental rates and income levels must be within the limitations established  
 393.12 under subdivision 1. The developer must annually certify to the issuer over the term of the  
 393.13 agreement that the rental rates for the rent-restricted units are within the limitations under  
 393.14 subdivision 1. The issuer may request individual certification of the income of residents of  
 393.15 the income-restricted units. The commissioner may request from the issuer a copy of the  
 393.16 annual certification prepared by the developer. The commissioner may require the issuer  
 393.17 to request individual certification of all residents of the income-restricted units.

393.18 Sec. 27. Minnesota Statutes 2016, section 474A.061, is amended to read:

393.19 **474A.061 MANUFACTURING, HOUSING, AND PUBLIC FACILITIES POOLS.**

393.20 Subdivision 1. **Allocation application; small issue pool and public facilities pool.** (a)  
 393.21 For any requested allocations from the small issue pool and the public facilities pool, an  
 393.22 issuer may apply for an allocation under this section by submitting to the department an  
 393.23 application on forms provided by the department, accompanied by (1) a preliminary  
 393.24 resolution, (2) a statement of bond counsel that the proposed issue of obligations requires  
 393.25 an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified  
 393.26 bonds to be issued, (4) an application deposit in the amount of one percent of the requested  
 393.27 allocation before the last Monday in ~~July~~ June, or in the amount of two percent of the  
 393.28 requested allocation on or after the last Monday in ~~July~~, June, and (5) a public purpose  
 393.29 scoring worksheet for manufacturing project and enterprise zone facility project applications;  
 393.30 ~~and (6) for residential rental projects, a statement from the applicant or bond counsel as to~~  
 393.31 ~~whether the project preserves existing federally subsidized housing for residential rental~~  
 393.32 ~~project applications and whether the project is restricted to persons who are 55 years of age~~  
 393.33 ~~or older.~~ The issuer must pay the application deposit by a ~~check made payable to the~~

394.1 Department of Management and Budget. The Minnesota Housing Finance Agency, the  
 394.2 Minnesota Rural Finance Authority, and the Minnesota Office of Higher Education may  
 394.3 apply for and receive an allocation under this section without submitting an application  
 394.4 deposit.

394.5 (b) An entitlement issuer may not apply for an allocation ~~from the public facilities pool~~  
 394.6 under this subdivision unless it has either permanently issued bonds equal to the amount of  
 394.7 its entitlement allocation for the current year plus any amount of bonding authority carried  
 394.8 forward from previous years or returned for reallocation all of its unused entitlement  
 394.9 allocation. ~~An entitlement issuer may not apply for an allocation from the housing pool~~  
 394.10 ~~unless it either has permanently issued bonds equal to any amount of bonding authority~~  
 394.11 ~~carried forward from a previous year or has returned for reallocation any unused bonding~~  
 394.12 ~~authority carried forward from a previous year.~~ For purposes of this subdivision, its  
 394.13 entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.  
 394.14 ~~This paragraph does not apply to an application from the Minnesota Housing Finance Agency~~  
 394.15 ~~for an allocation under subdivision 2a for cities who choose to have the agency issue bonds~~  
 394.16 ~~on their behalf.~~

394.17 (c) If an application is rejected under this section, the commissioner must notify the  
 394.18 applicant and return the application deposit to the applicant within 30 days unless the  
 394.19 applicant requests in writing that the application be resubmitted. The granting of an allocation  
 394.20 of bonding authority under this section must be evidenced by a certificate of allocation.

394.21 Subd. 1a. Allocation application; housing pool. (a) For any requested allocations from  
 394.22 the housing pool, an issuer may apply for an allocation under this section by submitting to  
 394.23 the department an application on forms provided by the department, accompanied by (1) a  
 394.24 preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations  
 394.25 requires an allocation under this chapter and the Internal Revenue Code, (3) an application  
 394.26 deposit in the amount of two percent of the requested allocation, (4) a sworn statement from  
 394.27 the applicant identifying the project as either a preservation project, 30 percent AMI  
 394.28 residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC  
 394.29 project, 20 percent LIHTC project, or any other residential rental project, and (5) a  
 394.30 certification from the applicant or its accountant stating whether the requested allocation  
 394.31 exceeds the aggregate bond limitation. The issuer must pay the application deposit to the  
 394.32 Department of Management and Budget. The Minnesota Housing Finance Agency may  
 394.33 apply for and receive an allocation under this section without submitting an application  
 394.34 deposit.

395.1 (b) An entitlement issuer may not apply for an allocation from the housing pool unless  
 395.2 it either has permanently issued bonds equal to any amount of bonding authority carried  
 395.3 forward from a previous year or has returned for reallocation any unused bonding authority  
 395.4 carried forward from a previous year. For purposes of this subdivision, its entitlement  
 395.5 allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph  
 395.6 does not apply to an application from the Minnesota Housing Finance Agency for an  
 395.7 allocation under subdivision 2a for cities who choose to have the agency issue bonds on the  
 395.8 city's behalf.

395.9 (c) If an application is rejected under this section, the commissioner must notify the  
 395.10 applicant and return the application deposit to the applicant within 30 days unless the  
 395.11 applicant requests in writing that the application be resubmitted. The granting of an allocation  
 395.12 of bonding authority under this section must be evidenced by a certificate of allocation.

395.13 **Subd. 2a. Housing pool allocation.** (a) Commencing on the second Tuesday in January  
 395.14 and continuing on each Monday through ~~July~~ June 15, the commissioner shall allocate  
 395.15 available bonding authority from the housing pool to applications received on or before the  
 395.16 Monday of the preceding week for residential rental projects that meet the eligibility criteria  
 395.17 under section 474A.047. Allocations of available bonding authority from the housing pool  
 395.18 for eligible residential rental projects shall be awarded in the following order of priority:  
 395.19 ~~(1) projects that preserve existing federally subsidized housing; (2) projects that are not~~  
 395.20 ~~restricted to persons who are 55 years of age or older; and (3) other residential rental projects.~~  
 395.21 ~~Prior to May 15, no allocation shall be made to a project restricted to persons who are 55~~  
 395.22 ~~years of age or older.~~

395.23 (1) preservation projects;

395.24 (2) 30 percent AMI residential rental projects;

395.25 (3) 50 percent AMI residential rental projects;

395.26 (4) 100 percent LIHTC projects;

395.27 (5) 20 percent LIHTC projects;

395.28 (6) single-family housing programs after June 1 in calendar years 2019 and 2020, and  
 395.29 after January 1 starting in calendar year 2021; and

395.30 (7) other residential rental projects for which the amount of bonds requested in their  
 395.31 respective applications do not exceed the aggregate bond limitation.

395.32 If there are two or more applications for residential rental projects at the same priority level  
 395.33 and there is insufficient bonding authority to provide allocations for all such projects in any

396.1 one allocation period, available bonding authority shall be randomly awarded by lot. If a  
 396.2 residential rental project is selected by lot, but the remaining bonding authority is insufficient  
 396.3 to provide the full amount of the requested allocation, the project shall be allocated the  
 396.4 remaining available housing pool bonding authority and if the project applies for an allocation  
 396.5 of bonds again in the same calendar year or to the next successive housing pool, the project  
 396.6 shall be awarded the lesser of the available bonding authority or the remainder of its full  
 396.7 allocation request before any new project applying in the same allocation period with an  
 396.8 equal or lower priority shall receive bonding authority. The project shall continue to receive  
 396.9 priority over other projects applying with an equal or lower priority during the time period  
 396.10 specified in this paragraph until the project has been awarded its full allocation amount.

396.11 ~~If an issuer that receives an allocation under this paragraph does not issue obligations equal~~  
 396.12 ~~to all or a portion of the allocation received subdivision within 120 days of the allocation~~  
 396.13 ~~or~~ returns the allocation to the commissioner, the amount of the allocation is canceled and  
 396.14 returned for reallocation through the housing pool or to the unified pool after ~~July~~ June 15  
 396.15 but only if the return occurs in the same calendar year as the original allocation.

396.16 If an issuer that receives an allocation under this subdivision does not issue obligations  
 396.17 equal to all or a portion of the allocation by the last business day in December, the issuer  
 396.18 may elect to carry forward its allocation by submitting notice to the commissioner by the  
 396.19 last business day in December, including a resolution of intent to carry forward from its  
 396.20 local governing body, and paying an additional application deposit equal to one percent of  
 396.21 the allocation amount.

396.22 (b) ~~After January 1, and through January 15,~~ The Minnesota Housing Finance Agency  
 396.23 may accept applications, according to the schedule in paragraph (c), from cities for  
 396.24 single-family housing programs which meet program requirements as follows:

396.25 (1) the housing program must meet a locally identified housing need and be economically  
 396.26 viable;

396.27 (2) the adjusted income of home buyers may not exceed 80 percent of the greater of  
 396.28 statewide or area median income as published by the Department of Housing and Urban  
 396.29 Development, adjusted for household size;

396.30 (3) house price limits may not exceed the federal price limits established for mortgage  
 396.31 revenue bond programs. Data on the home purchase price amount, mortgage amount, income,  
 396.32 household size, and race of the households served in the previous year's single-family  
 396.33 housing program, if any, must be included in each application; and

397.1 (4) for applicants who choose to have the agency issue bonds on their behalf, an  
397.2 application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal  
397.3 to one percent of the requested allocation must be submitted to the Minnesota Housing  
397.4 Finance Agency before the agency forwards the list specifying the amounts allocated to the  
397.5 commissioner under paragraph ~~(d)~~ (e). The agency shall submit the city's application fee  
397.6 and application deposit to the commissioner when requesting an allocation from the housing  
397.7 pool.

397.8 Applications by a consortium shall include the name of each member of the consortium  
397.9 and the amount of allocation requested by each member.

397.10 (c) The Minnesota Housing Finance Agency may accept applications under paragraph  
397.11 (b) after June 1 in calendar years 2019 and 2020, and after January 1 and through January  
397.12 15 starting in calendar year 2021.

397.13 ~~(e) Any amounts remaining in the housing pool after July 15 are available for~~  
397.14 ~~single-family housing programs for cities that applied in January and received an allocation~~  
397.15 ~~under this section in the same calendar year.~~ (d) For a city that chooses to issue bonds on  
397.16 its own behalf or pursuant to a joint powers agreement, the agency must allot available  
397.17 bonding authority based on the formula in paragraphs ~~(d)~~ (e) and ~~(f)~~ (g). Allocations will  
397.18 be made loan by loan, on a first-come, first-served basis among cities on whose behalf the  
397.19 Minnesota Housing Finance Agency issues bonds.

397.20 Any city that received an allocation pursuant to paragraph ~~(f)~~ (g) in the same calendar  
397.21 year that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement  
397.22 for an amount becoming available for single-family housing programs after ~~July 15~~ June 1  
397.23 shall notify the Minnesota Housing Finance Agency by ~~July 15~~ June 1. The Minnesota  
397.24 Housing Finance Agency shall notify each city making a request of the amount of its  
397.25 allocation within three business days after ~~July 15~~ June 1. The city must comply with  
397.26 paragraph ~~(f)~~ (g).

397.27 For purposes of ~~paragraphs (a) to (h)~~ this subdivision, "city" means a county or a  
397.28 consortium of local government units that agree through a joint powers agreement to apply  
397.29 together for single-family housing programs, and has the meaning given it in section 462C.02,  
397.30 subdivision 6. "Agency" means the Minnesota Housing Finance Agency.

397.31 ~~(d)~~ (e) The total amount of allocation for mortgage bonds for one city is limited to the  
397.32 lesser of: (i) the amount requested, or (ii) the product of the total amount available for  
397.33 mortgage bonds from the housing pool, multiplied by the ratio of each applicant's population  
397.34 as determined by the most recent estimate of the city's population released by the state

398.1 demographer's office to the total of all the applicants' population, except that each applicant  
 398.2 shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount  
 398.3 determined under the formula in clause (ii). If a city applying for an allocation is located  
 398.4 within a county that has also applied for an allocation, the city's population will be deducted  
 398.5 from the county's population in calculating the amount of allocations under this paragraph.

398.6 Upon determining the amount of each applicant's allocation, the agency shall forward  
 398.7 to the commissioner a list specifying the amounts allotted to each application with all  
 398.8 application fees and deposits from applicants who choose to have the agency issue bonds  
 398.9 on their behalf.

398.10 Total allocations from the housing pool for single-family housing programs may not  
 398.11 exceed 31 percent of the adjusted allocation to the housing pool ~~until after July 15~~.

398.12 ~~(e)~~ (f) The agency may issue bonds on behalf of participating cities. The agency shall  
 398.13 request an allocation from the commissioner for all applicants who choose to have the  
 398.14 agency issue bonds on their behalf and the commissioner shall allocate the requested amount  
 398.15 to the agency. The agency may request an allocation at any time after June 1 in calendar  
 398.16 years 2019 and 2020, and after the second Tuesday in January and through the last Monday  
 398.17 in July June starting in calendar year 2021. After awarding an allocation and receiving a  
 398.18 notice of issuance for the mortgage bonds issued on behalf of the participating cities, the  
 398.19 commissioner shall transfer the application deposits to the Minnesota Housing Finance  
 398.20 Agency to be returned to the participating cities. The Minnesota Housing Finance Agency  
 398.21 shall return any application deposit to a city that paid an application deposit under paragraph  
 398.22 (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph  
 398.23 ~~(d)~~ (e).

398.24 ~~(f)~~ (g) A city may choose to issue bonds on its own behalf or through a joint powers  
 398.25 agreement and may request an allocation from the commissioner by forwarding an application  
 398.26 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent  
 398.27 application deposit to the commissioner no later than the Monday of the week preceding  
 398.28 an allocation. If the total amount requested by all applicants exceeds the amount available  
 398.29 in the pool, the city may not receive a greater allocation than the amount it would have  
 398.30 received under the list forwarded by the Minnesota Housing Finance Agency to the  
 398.31 commissioner. No city may request or receive an allocation from the commissioner until  
 398.32 the list under paragraph ~~(d)~~ (e) has been forwarded to the commissioner. A city must request  
 398.33 an allocation from the commissioner no later than the last Monday in July June. No city  
 398.34 may receive an allocation from the housing pool for mortgage bonds which has not first

399.1 applied to the Minnesota Housing Finance Agency. The commissioner shall allocate the  
399.2 requested amount to the city or cities subject to the limitations under this paragraph.

399.3 If a city issues mortgage bonds from an allocation received under this paragraph, the  
399.4 issuer must provide for the recycling of funds into new loans. If the issuer is not able to  
399.5 provide for recycling, the issuer must notify the commissioner in writing of the reason that  
399.6 recycling was not possible and the reason the issuer elected not to have the Minnesota  
399.7 Housing Finance Agency issue the bonds. "Recycling" means the use of money generated  
399.8 from the repayment and prepayment of loans for further eligible loans or for the redemption  
399.9 of bonds and the issuance of current refunding bonds.

399.10 ~~(g)~~ (h) No entitlement city or county or city in an entitlement county may apply for or  
399.11 be allocated authority to issue mortgage bonds or use mortgage credit certificates from the  
399.12 housing pool. No city in an entitlement county may apply for or be allocated authority to  
399.13 issue residential rental bonds from the housing pool or the unified pool.

399.14 ~~(h)~~ (i) A city that does not use at least 50 percent of its allotment by the date applications  
399.15 are due for the first allocation that is made from the housing pool for single-family housing  
399.16 programs in the immediately succeeding calendar year may not apply to the housing pool  
399.17 for a single-family mortgage bond or mortgage credit certificate program allocation that  
399.18 exceeds the amount of its allotment for the preceding year that was used by the city in the  
399.19 immediately preceding year or receive an allotment from the housing pool in the succeeding  
399.20 calendar year that exceeds the amount of its allotment for the preceding year that was used  
399.21 in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to  
399.22 July ~~15~~ 1, regardless of the amount used in the preceding calendar year, except that a city  
399.23 whose allocation in the preceding year was the minimum amount of \$100,000 and who did  
399.24 not use at least 50 percent of its allocation from the preceding year is ineligible for an  
399.25 allocation in the immediate succeeding calendar year. Each local government unit in a  
399.26 consortium must meet the requirements of this paragraph.

399.27 Subd. 2b. **Small issue pool allocation.** Commencing on the second Tuesday in January  
399.28 and continuing on each Monday through the last Monday in ~~July~~ June, the commissioner  
399.29 shall allocate available bonding authority from the small issue pool to applications received  
399.30 on or before the Monday of the preceding week for manufacturing projects and enterprise  
399.31 zone facility projects. From the second Tuesday in January through the last Monday in ~~July~~  
399.32 June, the commissioner shall reserve \$5,000,000 of the available bonding authority from  
399.33 the small issue pool for applications for agricultural development bond loan projects of the  
399.34 Minnesota Rural Finance Authority.

400.1 Beginning in calendar year 2002, on the second Tuesday in January through the last  
400.2 Monday in ~~July~~ June, the commissioner shall reserve \$10,000,000 of available bonding  
400.3 authority in the small issue pool for applications for student loan bonds of or on behalf of  
400.4 the Minnesota Office of Higher Education. The total amount of allocations for student loan  
400.5 bonds from the small issue pool may not exceed \$10,000,000 per year.

400.6 The commissioner shall reserve \$10,000,000 until the day after the last Monday in  
400.7 February, \$10,000,000 until the day after the last Monday in April, and \$10,000,000 until  
400.8 the day after the last Monday in June in the small issue pool for enterprise zone facility  
400.9 projects and manufacturing projects. The amount of allocation provided to an issuer for a  
400.10 specific enterprise zone facility project or manufacturing project will be based on the number  
400.11 of points received for the proposed project under the scoring system under section 474A.045.

400.12 If there are two or more applications for manufacturing and enterprise zone facility  
400.13 projects from the small issue pool and there is insufficient bonding authority to provide  
400.14 allocations for all projects in any one week, the available bonding authority shall be awarded  
400.15 based on the number of points awarded a project under section 474A.045, with those projects  
400.16 receiving the greatest number of points receiving allocation first. If two or more applications  
400.17 receive an equal number of points, available bonding authority shall be awarded by lot  
400.18 unless otherwise agreed to by the respective issuers.

400.19 Subd. 2c. **Public facilities pool allocation.** From the beginning of the calendar year and  
400.20 continuing for a period of 120 days, the commissioner shall reserve \$5,000,000 of the  
400.21 available bonding authority from the public facilities pool for applications for public facilities  
400.22 projects to be financed by the Western Lake Superior Sanitary District. Commencing on  
400.23 the second Tuesday in January and continuing on each Monday through the last Monday  
400.24 in ~~July~~ June, the commissioner shall allocate available bonding authority from the public  
400.25 facilities pool to applications for eligible public facilities projects received on or before the  
400.26 Monday of the preceding week. If there are two or more applications for public facilities  
400.27 projects from the pool and there is insufficient available bonding authority to provide  
400.28 allocations for all projects in any one week, the available bonding authority shall be awarded  
400.29 by lot unless otherwise agreed to by the respective issuers.

400.30 Subd. 4. **Return of allocation; deposit refund for small issue pool or public facilities**  
400.31 **pool.** (a) For any requested allocation from the small issue pool or the public facilities pool,  
400.32 if an issuer that receives an allocation under this section determines that it will not issue  
400.33 obligations equal to all or a portion of the allocation received under this section within 120  
400.34 days of allocation or within the time period permitted by federal tax law, whichever is less,  
400.35 the issuer must notify the department. If the issuer notifies the department or the 120-day

401.1 period since allocation has expired prior to the last Monday in ~~July~~ June, the amount of  
 401.2 allocation is canceled and returned for reallocation through the pool from which it was  
 401.3 originally allocated. If the issuer notifies the department or the 120-day period since allocation  
 401.4 has expired on or after the last Monday in ~~July~~ June, the amount of allocation is canceled  
 401.5 and returned for reallocation through the unified pool. If the issuer notifies the department  
 401.6 after the last Monday in November, the amount of allocation is canceled and returned for  
 401.7 reallocation to the Minnesota Housing Finance Agency. To encourage a competitive  
 401.8 application process, the commissioner shall reserve, for new applications, the amount of  
 401.9 allocation that is canceled and returned for reallocation under this section for a minimum  
 401.10 of seven calendar days.

401.11 (b) An issuer that returns for reallocation all or a portion of an allocation received under  
 401.12 this ~~section~~ subdivision within 120 days of allocation shall receive within 30 days a refund  
 401.13 equal to:

401.14 (1) one-half of the application deposit for the amount of bonding authority returned  
 401.15 within 30 days of receiving allocation;

401.16 (2) one-fourth of the application deposit for the amount of bonding authority returned  
 401.17 between 31 and 60 days of receiving allocation; and

401.18 (3) one-eighth of the application deposit for the amount of bonding authority returned  
 401.19 between 61 and 120 days of receiving allocation.

401.20 (c) No refund shall be available for allocations returned 120 or more days after receiving  
 401.21 the allocation or beyond the last Monday in November.

401.22 **Subd. 4a. Return of allocation; deposit refund for housing pool.** (a) For any requested  
 401.23 allocations from the housing pool, if an issuer that receives an allocation under this section  
 401.24 determines that it will not (1) issue obligations equal to all or a portion of the allocation  
 401.25 received under this section within the time period permitted by this section or (2) carry  
 401.26 forward its allocation under section 474A.061, subdivision 2a, the issuer must notify the  
 401.27 department as soon as possible, but no later than the last business day in December. If the  
 401.28 issuer notifies the department prior to the last Monday in June, the amount of allocation is  
 401.29 canceled and returned for reallocation through the housing pool. If the issuer notifies the  
 401.30 department on or after the last Monday in June, but during the same calendar year as the  
 401.31 original allocation, the amount of the allocation is canceled and returned for reallocation  
 401.32 through the unified pool. If the issuer notifies the department after the last Monday in  
 401.33 November, the amount of allocation is canceled and returned for reallocation to the Minnesota  
 401.34 Housing Finance Agency. To encourage a competitive application process, the commissioner

402.1 shall reserve, for new applications, the amount of allocation that is canceled and returned  
 402.2 for reallocation under this section for a minimum of seven calendar days.

402.3 (b) An issuer that returns for reallocation all or a portion of an allocation received under  
 402.4 this subdivision by the last Monday in November shall receive within 30 days a refund  
 402.5 equal to:

402.6 (1) one-half of the application deposit for the amount of bonding authority returned  
 402.7 within 45 days of receiving allocation;

402.8 (2) one-fourth of the allocation deposit for the amount of bonding authority returned  
 402.9 between 46 and 90 days of receiving allocation; and

402.10 (3) one-eighth of the application deposit for the amount of bonding authority returned  
 402.11 between 91 and 180 days of receiving allocation.

402.12 (c) No refund shall be available for allocations returned 180 or more days after receiving  
 402.13 the allocation or beyond the last Monday in November.

402.14 Sec. 28. Minnesota Statutes 2016, section 474A.062, is amended to read:

402.15 **474A.062 MINNESOTA OFFICE OF HIGHER EDUCATION ~~120-DAY~~ ISSUANCE**  
 402.16 **EXEMPTION.**

402.17 The Minnesota Office of Higher Education is exempt from ~~the 120-day issuance~~  
 402.18 ~~requirements~~ any time limitation on issuance of bonds set forth in this chapter and may  
 402.19 carry forward allocations for student loan bonds, subject to carryforward notice requirements  
 402.20 of section 474A.131, subdivision 2.

402.21 Sec. 29. Minnesota Statutes 2016, section 474A.091, is amended to read:

402.22 **474A.091 ALLOCATION OF UNIFIED POOL.**

402.23 Subdivision 1. **Unified pool amount.** On the day after the last Monday in ~~July~~ June any  
 402.24 bonding authority remaining unallocated from the small issue pool, the housing pool, and  
 402.25 the public facilities pool is transferred to the unified pool and must be reallocated as provided  
 402.26 in this section.

402.27 Subd. 2. **Application for residential rental projects.** (a) Issuers may apply for an  
 402.28 allocation for residential rental bonds under this section by submitting to the department an  
 402.29 application on forms provided by the department accompanied by:

402.30 (1) a preliminary resolution;<sub>2</sub>

403.1 (2) a statement of bond counsel that the proposed issue of obligations requires an  
403.2 allocation under this chapter and the Internal Revenue Code;

403.3 ~~(3) the type of qualified bonds to be issued, (4) an application deposit in the amount of~~  
403.4 ~~two percent of the requested allocation; (5) a public purpose scoring worksheet for~~  
403.5 ~~manufacturing and enterprise zone applications, and (6) for residential rental projects, a~~  
403.6 ~~statement from the applicant or bond counsel as to whether the project preserves existing~~  
403.7 ~~federally subsidized housing and whether the project is restricted to persons who are 55~~  
403.8 ~~years of age or older.~~

403.9 (4) a sworn statement from the applicant identifying the project as either a preservation  
403.10 project, 30 percent AMI residential rental project, 50 percent AMI residential rental project,  
403.11 100 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project;  
403.12 and

403.13 (5) a certification from the applicant or its accountant stating whether the requested  
403.14 allocation exceeds the aggregate bond limitation. Applications for projects requesting bonds  
403.15 in excess of the aggregate bond limitation may not apply or be allocated bonding authority  
403.16 until after September 1 each year.

403.17 The issuer must pay the application deposit ~~by check~~ to the Department of Management  
403.18 and Budget. An entitlement issuer may not apply for an allocation for ~~public facility bonds,~~  
403.19 ~~residential rental project bonds, or mortgage bonds~~ under this section unless it has either  
403.20 permanently issued bonds equal to the amount of its entitlement allocation for the current  
403.21 year plus any amount carried forward from previous years or returned for reallocation all  
403.22 of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation  
403.23 includes an amount obtained under section 474A.04, subdivision 6.

403.24 (b) If an issuer that receives an allocation under this subdivision returns the allocation  
403.25 to the commissioner, the amount of the allocation is canceled and returned for reallocation  
403.26 through the unified pool only if the return occurs prior to the last Monday in November and  
403.27 within the same calendar year as the original allocation. If an issuer that receives an allocation  
403.28 under this subdivision does not issue obligations equal to all or a portion of the allocation  
403.29 by the last business day in December, the issuer may elect to carry forward its allocation  
403.30 by submitting notice to the commissioner by the last business day in December, including  
403.31 a resolution of intent to carry forward from its local governing body, and paying an additional  
403.32 application deposit equal to one percent of the allocation amount.

403.33 (c) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,  
403.34 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds

404.1 under this section prior to the first Monday in October, but may be awarded allocations for  
 404.2 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota  
 404.3 Housing Finance Agency, ~~the Minnesota Office of Higher Education, and the Minnesota~~  
 404.4 ~~Rural Finance Authority~~ may apply for and receive an allocation under this section without  
 404.5 submitting an application deposit.

404.6 Subd. 2a. **Application for all other types of qualified bonds.** Issuers may apply for an  
 404.7 allocation for all types of qualified bonds other than residential rental bonds under this  
 404.8 section by submitting to the department an application on forms provided by the department  
 404.9 accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the  
 404.10 proposed issue of obligations requires an allocation under this chapter and the Internal  
 404.11 Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in  
 404.12 the amount of two percent of the requested allocation, and (5) a public purpose scoring  
 404.13 worksheet for manufacturing and enterprise zone applications. The issuer must pay the  
 404.14 application deposit to the Department of Management and Budget. An entitlement issuer  
 404.15 may not apply for an allocation for public facility bonds or mortgage bonds under this  
 404.16 section unless it has either permanently issued bonds equal to the amount of its entitlement  
 404.17 allocation for the current year plus any amount carried forward from previous years or  
 404.18 returned for reallocation all of its unused entitlement allocation. For purposes of this  
 404.19 subdivision, its entitlement allocation includes an amount obtained under section 474A.04,  
 404.20 subdivision 6.

404.21 Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,  
 404.22 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds  
 404.23 under this section prior to the first Monday in October, but may be awarded allocations for  
 404.24 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota  
 404.25 Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota  
 404.26 Rural Finance Authority may apply for and receive an allocation under this section without  
 404.27 submitting an application deposit.

404.28 **Subd. 3. Allocation procedure.** (a) The commissioner shall allocate available bonding  
 404.29 authority under this section on the Monday of every other week beginning with the first  
 404.30 Monday in ~~August~~ July through and on the last Monday in November. Applications for  
 404.31 allocations must be received by the department by 4:30 p.m. on the Monday preceding the  
 404.32 Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation  
 404.33 will be made or the applications must be received by the next business day after the holiday.

404.34 (b) Prior to October 1, only the following applications shall be awarded allocations from  
 404.35 the unified pool. Allocations shall be awarded in the following order of priority:

- 405.1 (1) applications for residential rental project bonds;
- 405.2 (2) applications for small issue bonds for manufacturing projects; and
- 405.3 (3) applications for small issue bonds for agricultural development bond loan projects.
- 405.4 (c) On the first Monday in October through the last Monday in November, allocations
- 405.5 shall be awarded from the unified pool in the following order of priority:
- 405.6 (1) applications for student loan bonds issued by or on behalf of the Minnesota Office
- 405.7 of Higher Education;
- 405.8 (2) applications for mortgage bonds;
- 405.9 (3) applications for public facility projects funded by public facility bonds;
- 405.10 (4) applications for small issue bonds for manufacturing projects;
- 405.11 (5) applications for small issue bonds for agricultural development bond loan projects;
- 405.12 (6) applications for residential rental project bonds;
- 405.13 (7) applications for enterprise zone facility bonds;
- 405.14 (8) applications for governmental bonds; and
- 405.15 (9) applications for redevelopment bonds.
- 405.16 (d) If there are two or more applications for manufacturing projects from the unified
- 405.17 pool and there is insufficient bonding authority to provide allocations for all manufacturing
- 405.18 projects in any one allocation period, the available bonding authority shall be awarded based
- 405.19 on the number of points awarded a project under section 474A.045 with those projects
- 405.20 receiving the greatest number of points receiving allocation first. If two or more applications
- 405.21 for manufacturing projects receive an equal amount of points, available bonding authority
- 405.22 shall be awarded by lot unless otherwise agreed to by the respective issuers.
- 405.23 (e) If there are two or more applications for enterprise zone facility projects from the
- 405.24 unified pool and there is insufficient bonding authority to provide allocations for all enterprise
- 405.25 zone facility projects in any one allocation period, the available bonding authority shall be
- 405.26 awarded based on the number of points awarded a project under section 474A.045 with
- 405.27 those projects receiving the greatest number of points receiving allocation first. If two or
- 405.28 more applications for enterprise zone facility projects receive an equal amount of points,
- 405.29 available bonding authority shall be awarded by lot unless otherwise agreed to by the
- 405.30 respective issuers.

406.1 (f) If there are two or more applications for residential rental projects from the unified  
406.2 pool and there is insufficient bonding authority to provide allocations for all residential  
406.3 rental projects in any one allocation period, the available bonding authority shall be awarded  
406.4 in the following order of priority: (1) ~~projects that preserve existing federally subsidized~~  
406.5 ~~housing; (2) projects that are not restricted to persons who are 55 years of age or older; and~~  
406.6 ~~(3) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI~~  
406.7 ~~residential rental projects; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects;~~  
406.8 (6) other residential rental projects for which the amount of bonds requested in their  
406.9 respective applications do not exceed the aggregate bond limitation; and (7) other residential  
406.10 rental projects for which the amount of bonds requested in their respective applications  
406.11 exceeds the aggregate bond limitation and which apply on or after September 1 of a calendar  
406.12 year. If there are two or more applications for residential rental projects at the same priority  
406.13 level and there is insufficient bonding authority to provide allocations for all such projects  
406.14 in any one allocation period, available bonding authority shall be randomly awarded by lot.  
406.15 If a residential rental project is selected by lot, but the remaining bonding authority is  
406.16 insufficient to provide the full amount of its requested allocation, the project shall be allocated  
406.17 the remaining available unified pool bonding authority, and if the project applies for any  
406.18 additional available allocation within that calendar year or applies in the next successive  
406.19 housing pool or the next successive unified pool for an allocation of bonds, the project shall  
406.20 be awarded the lesser of the available bonding authority or the remainder of its full allocation  
406.21 before any new project applying in the same allocation period with an equal or lower priority  
406.22 shall receive bonding authority. The project shall continue to receive priority over other  
406.23 projects applying with an equal or lower priority during the time period specified in this  
406.24 paragraph until the project has been awarded its full allocation amount.

406.25 (g) From the ~~first Monday in August~~ date the unified pool is created through the last  
406.26 ~~Monday in November~~ August, \$20,000,000 of bonding authority or an amount equal to the  
406.27 total annual amount of bonding authority allocated to the small issue pool under section  
406.28 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for  
406.29 that year, whichever is less, is reserved within the unified pool for small issue bonds to the  
406.30 extent such amounts are available within the unified pool.

406.31 (h) The total amount of allocations for mortgage bonds from the housing pool and the  
406.32 unified pool may not exceed:

406.33 (1) \$10,000,000 for any one city; or

406.34 (2) \$20,000,000 for any number of cities in any one county.

407.1 (i) The total amount of allocations for student loan bonds from the unified pool may not  
407.2 exceed \$25,000,000 per year.

407.3 (j) If there is insufficient bonding authority to fund all projects within any qualified bond  
407.4 category other than enterprise zone facility projects, manufacturing projects, and residential  
407.5 rental projects, allocations shall be awarded by lot unless otherwise agreed to by the  
407.6 respective issuers.

407.7 (k) If an application is rejected, the commissioner must notify the applicant and return  
407.8 the application deposit to the applicant within 30 days unless the applicant requests in writing  
407.9 that the application be resubmitted.

407.10 (l) The granting of an allocation of bonding authority under this section must be evidenced  
407.11 by issuance of a certificate of allocation.

407.12 Subd. 3a. **Mortgage bonds.** (a) Bonding authority remaining in the unified pool on  
407.13 October 1 is available for single-family housing programs for cities that applied in January  
407.14 or June and received an allocation under section 474A.061, subdivision 2a, in the same  
407.15 calendar year. The Minnesota Housing Finance Agency shall receive an allocation for  
407.16 mortgage bonds pursuant to this section, minus any amounts for a city or consortium that  
407.17 intends to issue bonds on its own behalf under paragraph (c).

407.18 (b) The agency may issue bonds on behalf of participating cities. The agency shall request  
407.19 an allocation from the commissioner for all applicants who choose to have the agency issue  
407.20 bonds on their behalf and the commissioner shall allocate the requested amount to the  
407.21 agency. Allocations shall be awarded by the commissioner each Monday commencing on  
407.22 the first Monday in October through the last Monday in November for applications received  
407.23 by 4:30 p.m. on the Monday of the week preceding an allocation.

407.24 For cities who choose to have the agency issue bonds on their behalf, allocations will  
407.25 be made loan by loan, on a first-come, first-served basis among the cities. The agency shall  
407.26 submit an application fee pursuant to section 474A.03, subdivision 4, and an application  
407.27 deposit equal to two percent of the requested allocation to the commissioner when requesting  
407.28 an allocation from the unified pool. After awarding an allocation and receiving a notice of  
407.29 issuance for mortgage bonds issued on behalf of the participating cities, the commissioner  
407.30 shall transfer the application deposit to the Minnesota Housing Finance Agency.

407.31 For purposes of paragraphs (a) to (d), "city" means a county or a consortium of local  
407.32 government units that agree through a joint powers agreement to apply together for  
407.33 single-family housing programs, and has the meaning given it in section 462C.02, subdivision  
407.34 6. "Agency" means the Minnesota Housing Finance Agency.

408.1 (c) Any city that received an allocation pursuant to section 474A.061, subdivision 2a,  
408.2 paragraph (f), in the current year that wishes to receive an additional allocation from the  
408.3 unified pool and issue bonds on its own behalf or pursuant to a joint powers agreement shall  
408.4 notify the Minnesota Housing Finance Agency by the third Monday in September. The total  
408.5 amount of allocation for mortgage bonds for a city choosing to issue bonds on its own behalf  
408.6 or through a joint powers agreement is limited to the lesser of: (i) the amount requested, or  
408.7 (ii) the product of the total amount available for mortgage bonds from the unified pool,  
408.8 multiplied by the ratio of the population of each city that applied in January and received  
408.9 an allocation under section 474A.061, subdivision 2a, in the same calendar year, as  
408.10 determined by the most recent estimate of the city's population released by the state  
408.11 demographer's office to the total of the population of all the cities that applied in January  
408.12 and received an allocation under section 474A.061, subdivision 2a, in the same calendar  
408.13 year. If a city choosing to issue bonds on its own behalf or through a joint powers agreement  
408.14 is located within a county that has also chosen to issue bonds on its own behalf or through  
408.15 a joint powers agreement, the city's population will be deducted from the county's population  
408.16 in calculating the amount of allocations under this paragraph.

408.17 The Minnesota Housing Finance Agency shall notify each city choosing to issue bonds  
408.18 on its own behalf or pursuant to a joint powers agreement of the amount of its allocation  
408.19 by October 15. Upon determining the amount of the allocation of each choosing to issue  
408.20 bonds on its own behalf or through a joint powers agreement, the agency shall forward a  
408.21 list specifying the amounts allotted to each city.

408.22 A city that chooses to issue bonds on its own behalf or through a joint powers agreement  
408.23 may request an allocation from the commissioner by forwarding an application with an  
408.24 application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal  
408.25 to two percent of the requested amount to the commissioner no later than 4:30 p.m. on the  
408.26 Monday of the week preceding an allocation. Allocations to cities that choose to issue bonds  
408.27 on their own behalf shall be awarded by the commissioner on the first Monday after October  
408.28 15 through the last Monday in November. No city may receive an allocation from the  
408.29 commissioner after the last Monday in November. The commissioner shall allocate the  
408.30 requested amount to the city or cities subject to the limitations under this subdivision.

408.31 If a city issues mortgage bonds from an allocation received under this paragraph, the  
408.32 issuer must provide for the recycling of funds into new loans. If the issuer is not able to  
408.33 provide for recycling, the issuer must notify the commissioner in writing of the reason that  
408.34 recycling was not possible and the reason the issuer elected not to have the Minnesota  
408.35 Housing Finance Agency issue the bonds. "Recycling" means the use of money generated

409.1 from the repayment and prepayment of loans for further eligible loans or for the redemption  
409.2 of bonds and the issuance of current refunding bonds.

409.3 (d) No entitlement city or county or city in an entitlement county may apply for or be  
409.4 allocated authority to issue mortgage bonds or use mortgage credit certificates from the  
409.5 unified pool.

409.6 (e) An allocation awarded to the agency for mortgage bonds under this section may be  
409.7 carried forward by the agency subject to notice requirements under section 474A.131.

409.8 Subd. 4. **Remaining bonding authority.** All remaining bonding authority available for  
409.9 allocation under this section on December 1, is allocated to the Minnesota Housing Finance  
409.10 Agency.

409.11 Subd. 5. **Return of allocation; deposit refund.** (a) If an issuer that receives an allocation  
409.12 under this section determines that it will not (1) issue obligations equal to all or a portion  
409.13 of the allocation received under this section within ~~120 days~~ the time period permitted by  
409.14 this section or (2) carry forward its allocation under section 474A.091, subdivision 2, by  
409.15 the last business day in December of the allocation or within the time period permitted by  
409.16 ~~federal tax law, whichever is less~~, the issuer must notify the department as soon as possible  
409.17 but no later than the last business day in December. If the issuer notifies the department ~~or~~  
409.18 ~~the 120-day period since allocation has expired~~ prior to the last Monday in November, the  
409.19 amount of allocation is canceled and returned for reallocation through the unified pool. If  
409.20 the issuer notifies the department on or after the last Monday in November, the amount of  
409.21 allocation is canceled and returned for reallocation to the Minnesota Housing Finance  
409.22 Agency. To encourage a competitive application process, the commissioner shall reserve,  
409.23 for new applications, the amount of allocation that is canceled and returned for reallocation  
409.24 under this section for a minimum of seven calendar days.

409.25 (b) An issuer that returns for reallocation all or a portion of an allocation for all types  
409.26 of bonds other than residential rental project bonds received under this section within 120  
409.27 days of the allocation shall receive within 30 days a refund equal to:

409.28 (1) one-half of the application deposit for the amount of bonding authority returned  
409.29 within 30 days of receiving the allocation;

409.30 (2) one-fourth of the application deposit for the amount of bonding authority returned  
409.31 between 31 and 60 days of receiving the allocation; and

409.32 (3) one-eighth of the application deposit for the amount of bonding authority returned  
409.33 between 61 and 120 days of receiving the allocation.

410.1 ~~(e)~~ No refund of the application deposit shall be available for allocations returned on or  
 410.2 after the last Monday in November.

410.3 (c) An issuer that returns for reallocation all or a portion of an allocation for residential  
 410.4 rental project bonds received under this section by the last Monday in November shall  
 410.5 receive within 30 days a refund equal to:

410.6 (1) one-half of the application deposit for the amount of bonding authority returned  
 410.7 within 45 days of receiving the allocation;

410.8 (2) one-fourth of the application deposit for the amount of bonding authority returned  
 410.9 between 46 and 90 days of receiving the allocation; and

410.10 (3) one-eighth of the application deposit for the amount of bonding authority returned  
 410.11 between 91 and 180 days of receiving the allocation.

410.12 No refund of the application deposit shall be available for allocations returned on or after  
 410.13 the last Monday in November.

410.14 Subd. 6. **Final allocation; carryforward.** Notwithstanding the notice requirements of  
 410.15 section 474A.131, subdivision 2, any bonding authority remaining unissued by the Minnesota  
 410.16 Housing Finance Agency on the last business day in December shall be carried forward  
 410.17 into the next calendar year by the commissioner for the Minnesota Housing Finance Agency.

410.18 **EFFECTIVE DATE.** This section is effective January 1, 2019, except for subdivision  
 410.19 3, paragraph (g), which is effective the day following final enactment.

410.20 Sec. 30. Minnesota Statutes 2016, section 474A.131, is amended to read:

410.21 **474A.131 NOTICE OF ISSUE AND NOTICE OF CARRYFORWARD.**

410.22 Subdivision 1. **Notice of issue.** (a) Each issuer ~~that issues bonds~~ with an allocation  
 410.23 received under this chapter shall provide a notice of issue to the department on forms  
 410.24 provided by the department stating:

410.25 (1) the date of issuance of the bonds;

410.26 (2) the title of the issue;

410.27 (3) the principal amount of the bonds;

410.28 (4) the type of qualified bonds under federal tax law;

410.29 (5) the dollar amount of the bonds issued that were subject to the annual volume cap;

410.30 and

411.1 (6) for entitlement issuers and issuers of residential rental housing obligations that have  
411.2 elected to carry forward an allocation, whether the allocation is from current year entitlement  
411.3 authority or is from carryforward authority.

411.4 (b) For obligations that are issued as a part of a series of obligations, a notice must be  
411.5 provided for each series. A penalty of one-half of the amount of the application deposit not  
411.6 to exceed \$5,000 shall apply to any issue of obligations for which a notice of issue is not  
411.7 provided to the department within five business days after issuance or before 4:30 p.m. on  
411.8 the last business day in December, whichever occurs first. Within 30 days after receipt of  
411.9 a notice of issue the department shall refund a portion of the application deposit equal to  
411.10 one percent of the amount of the bonding authority actually issued if a one percent application  
411.11 deposit was made, or equal to two percent of the amount of the bonding authority actually  
411.12 issued if a two percent application deposit was made, less any penalty amount.

411.13 (c) If an issuer that receives an allocation under this chapter for a residential rental project  
411.14 issues obligations as provided in this chapter, the commissioner shall refund 50 percent of  
411.15 any application deposit previously paid within 30 days of the issuance of the obligations  
411.16 and the remaining 50 percent will be refunded within 30 days after the date on which (1)  
411.17 final Internal Revenue Service Forms 8609 are provided to the commissioner with respect  
411.18 to preservation projects, 30 percent AMI residential rental projects, 50 percent AMI  
411.19 residential rental projects, 100 percent LIHTC projects, or 20 percent LIHTC projects, or  
411.20 (2) the issuer provides a certification and any other reasonable documentation requested by  
411.21 the commissioner evidencing that construction of the project has been completed. If the  
411.22 issuer receives an allocation under this chapter for a residential rental project and fails to  
411.23 issue the bonds within the time permitted by federal law, the application deposit shall be  
411.24 forfeited.

411.25 Subd. 1a. **Certificate of notice.** If an allocation received under this chapter is used for  
411.26 mortgage credit certificates, a certificate notice must be submitted to the department on  
411.27 forms provided by the department stating the date of the filing of the election not to issue  
411.28 bonds as provided under section 25, paragraph (c), of the Internal Revenue Code and the  
411.29 amount of allocation authority to be used under the program.

411.30 A penalty of one-half of the amount of the application deposit not to exceed \$5,000 shall  
411.31 apply to any mortgage credit certificate program for which a certificate notice is not provided  
411.32 to the department within five days of the date of the filing of the election not to issue bonds  
411.33 or before the last Monday in December, whichever occurs first. Within 30 days after receipt  
411.34 of a certificate notice the department shall refund a portion of the application deposit equal

412.1 to one percent of the amount of the bonding authority to be used for the mortgage credit  
412.2 certificate program, less any penalty amount.

412.3 Subd. 1b. **Deadline for issuance of qualified bonds.** If an issuer fails to notify the  
412.4 department before 4:30 p.m. on the last business day in December of issuance of obligations  
412.5 pursuant to an allocation received for any qualified bond project, election to carry forward  
412.6 an allocation for a residential rental project, or issuance of an entitlement allocation, the  
412.7 allocation is canceled and the bonding authority is allocated to the Minnesota Housing  
412.8 Finance Agency for carryforward by the commissioner under section 474A.091, subdivision  
412.9 6.

412.10 Subd. 2. **Carryforward notice.** If an issuer intends to carry forward an allocation received  
412.11 under this chapter, it must notify the department in writing before 4:30 p.m. on the last  
412.12 business day in December. This notice requirement does not apply to the Minnesota Housing  
412.13 Finance Agency for the carryforward of unallocated unified pool balances.

412.14 Subd. 3. **Irrevocable allocation.** The department may not revoke an allocation received  
412.15 under this chapter after receiving a notice of issue or certificate notice from the issuer.

412.16 Subd. 4. **Allocation plan.** By January 15 of each year, the commissioner of the Minnesota  
412.17 Housing Finance Agency shall annually prepare a tax-exempt bond allocation plan that  
412.18 identifies the amount of tax-exempt bonds allocated to the Minnesota Housing Finance  
412.19 Agency during the previous calendar year, identifies the amount of carryforward bonds and  
412.20 the respective issuers pursuant to subdivision 1b, and for all other bond carryforward,  
412.21 whether or not the Minnesota Housing Finance Agency intends to carryforward such bonds  
412.22 not otherwise allocated in the previous year as qualified residential rental bonds or qualified  
412.23 mortgage bonds or mortgage credit certificates consistent with the requirements of Internal  
412.24 Revenue Service Form 8328, identifies the carryforward balance of any tax-exempt bonds  
412.25 allocated to the Minnesota Housing Finance Agency including those bonds carried forward  
412.26 as qualified residential rental bonds and qualified mortgage bonds or mortgage credit  
412.27 certificates. Prior to January 15 of each year, the Minnesota Housing Finance Agency must  
412.28 post on its official Web site the tax-exempt bond allocation plan and invite public comment  
412.29 until February 1. The Minnesota Housing Finance Agency shall not file the Internal Revenue  
412.30 Service Form 8328 until the public comment period had closed on February 1 unless  
412.31 otherwise required by federal law.

412.32 Sec. 31. Minnesota Statutes 2016, section 474A.14, is amended to read:

412.33 **474A.14 NOTICE OF AVAILABLE AUTHORITY.**

413.1 The department shall provide at its official Web site a written notice of the amount of  
 413.2 bonding authority in the housing, small issue, and public facilities pools as soon after January  
 413.3 1 as possible. The department shall provide at its official Web site a written notice of the  
 413.4 amount of bonding authority available for allocation in the unified pool as soon after ~~August~~  
 413.5 July 1 as possible.

413.6 Sec. 32. Minnesota Statutes 2016, section 474A.21, is amended to read:

413.7 **474A.21 APPROPRIATION; RECEIPTS.**

413.8 Any fees collected by the department under sections 474A.01 to 474A.21 must be  
 413.9 deposited in a separate account in the general fund. The amount necessary to refund  
 413.10 application deposits is appropriated to the department from the separate account in the  
 413.11 general fund for that purpose. The interest accruing on application deposits and any  
 413.12 application deposit not refunded as provided under section 474A.061, subdivision 4 or  
 413.13 subdivision 4a, or 474A.091, subdivision 5, or forfeited as provided under section 474A.131,  
 413.14 subdivision 1, paragraph (c), or subdivision 2, must be deposited in the housing trust fund  
 413.15 account under section 462A.201.

413.16 Sec. 33. Minnesota Statutes 2016, section 507.18, subdivision 2, is amended to read:

413.17 Subd. 2. **Restriction only is void.** Every provision referred to in subdivision 1 shall be  
 413.18 void, regardless of the year the written instrument was executed, but the instrument shall  
 413.19 have full force in all other respects and shall be construed as if no such provision were  
 413.20 contained therein.

413.21 Sec. 34. Minnesota Statutes 2016, section 507.18, is amended by adding a subdivision to  
 413.22 read:

413.23 Subd. 5. **Discharge of restrictive covenants related to protected classes.** The owner  
 413.24 of any real property may file the statutory form provided in this section in any county where  
 413.25 the property is located to discharge a restrictive covenant related to a protected class  
 413.26 permanently from the title. This subdivision does not apply to real property registered under  
 413.27 chapter 508 or 508A. The discharge of the restrictive covenant is valid and enforceable  
 413.28 under the law of Minnesota when the statutory form, or a substantially similar form, is  
 413.29 properly recorded. For the purposes of this subdivision and subdivision 6, a "protected class"  
 413.30 means a group defined by one of the characteristics listed in section 363A.09, subdivision  
 413.31 1, clause (1), but does not include the exceptions provided in section 363A.21.

414.1 Sec. 35. Minnesota Statutes 2016, section 507.18, is amended by adding a subdivision to  
414.2 read:

414.3 Subd. 6. Filing; recording. (a) The county recorder must accept the statutory form  
414.4 provided in this subdivision for recording when:

414.5 (1) the form has been executed before a notary;

414.6 (2) the form contains the legal description of the property;

414.7 (3) the form contains the name and address of the person who drafted the form; and

414.8 (4) the form complies with the standards for recorded documents in section 507.093.

414.9 (b) The commissioner of commerce must provide electronic copies of the statutory form  
414.10 in this subdivision to the public free of cost.

414.11 (c) The filing of this form does not alter or affect the duration or expiration of covenants,  
414.12 conditions, or restrictions under section 500.20 and may not be used to extend the effect of  
414.13 a covenant.

414.14 (d) The statutory form that follows may be used to discharge restrictive covenants on  
414.15 property that limit the ownership, occupancy, use, or financing based on protected class:

414.16 DISCHARGE OF RESTRICTIVE COVENANT AFFECTING PROTECTED CLASSES

414.17 Pursuant to Minnesota Statutes, section 507.18, any restrictive covenant affecting a  
414.18 protected class, including covenants which were placed on the property with the intent of  
414.19 restricting the use, occupancy, ownership, or financing because of a person's protected class,  
414.20 is discharged and released from the land described herein.

414.21 I/we, ....., solemnly swear that  
414.22 the contents of this form are true to the best of my/our knowledge, except as to those matters  
414.23 stated on information and belief, and that as to those matters I/we believe them to be true.

414.24 Name and Address of Owner(s) .....

414.25 The real property owned by owner(s) is located in ..... County,  
414.26 Minnesota, and is legally described as follows:

414.27 OWNER(s), ....., swears and affirms  
414.28 that Owner(s) is/are 18 years of age or older and is/are not under any legal incapacity and  
414.29 that the information provided in this form is true and correct based on the information  
414.30 available and based on reasonable information and belief:

415.1 (1) a restrictive covenant which had the intent to restrict the use, occupancy, ownership,  
415.2 or financing of this property based on a protected class existed at one time related to the  
415.3 property described in this form;

415.4 (2) restrictive covenants relating to or affecting protected classes are unenforceable and  
415.5 void pursuant to Minnesota Statutes, sections 507.18 and 363A.09, the United States  
415.6 Constitution, and the Minnesota Constitution;

415.7 (3) Minnesota Statutes, section 507.18, allows for the discharge of a restrictive covenant  
415.8 of the nature described herein through the use of this statutory form to permanently discharge  
415.9 such covenants from the land described herein and release the current and future landowner(s)  
415.10 from any such restrictive covenant related to or affecting protected classes;

415.11 (4) any covenant not related to protected classes but related to the real property described  
415.12 herein shall have full force in all other respects; and

415.13 (5) the filing of this form does not alter or change the duration or expiration of covenants,  
415.14 conditions, or restrictions under Minnesota Statutes, section 500.20.

415.15 The affiant(s) know(s) the matters herein stated are true and make(s) this affidavit for  
415.16 the purpose of documenting the discharge of the illegal and unenforceable restrictive  
415.17 covenants affecting protected classes.

415.18 .....  
415.19 Affiant (Owner(s) Signature)

415.20 Signed and sworn before me on  
415.21 ..... (Date), by  
415.22 ..... (Affiant/Owner)

415.23 .....  
415.24 Signature of Notary

415.25 Stamp  
415.26 My commission expires .....

415.27 This instrument was drafted by: .....  
415.28 Name

415.29 .....  
415.30 Address

415.31 Sec. 36. Laws 2014, chapter 312, article 2, section 14, as amended by Laws 2016, chapter  
415.32 189, article 7, section 8, and Laws 2017, chapter 94, article 6, section 17, is amended to  
415.33 read:

415.34 **Sec. 14. ASSIGNED RISK TRANSFER.**

416.1 (a) By June 30, 2015, if the commissioner of commerce determines on the basis of an  
416.2 audit that there is an excess surplus in the assigned risk plan created under Minnesota  
416.3 Statutes, section 79.252, the commissioner of management and budget shall transfer the  
416.4 amount of the excess surplus, not to exceed \$10,500,000, to the general fund. This transfer  
416.5 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,  
416.6 paragraph (a), clause (1). This is a onetime transfer.

416.7 (b) By June 30, 2015, and each year thereafter, if the commissioner of commerce  
416.8 determines on the basis of an audit that there is an excess surplus in the assigned risk plan  
416.9 created under Minnesota Statutes, section 79.252, the commissioner of management and  
416.10 budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000 each year,  
416.11 to the Minnesota minerals 21st century fund under Minnesota Statutes, section 116J.423.  
416.12 This transfer occurs prior to any transfer under Minnesota Statutes, section 79.251,  
416.13 subdivision 1, paragraph (a), clause (1), but after the transfers authorized in paragraphs (a)  
416.14 and (f). The total amount authorized for all transfers under this paragraph must not exceed  
416.15 \$24,100,000. This paragraph expires the day following the transfer in which the total amount  
416.16 transferred under this paragraph to the Minnesota minerals 21st century fund equals  
416.17 \$24,100,000.

416.18 (c) By June 30, 2015, if the commissioner of commerce determines on the basis of an  
416.19 audit that there is an excess surplus in the assigned risk plan created under Minnesota  
416.20 Statutes, section 79.252, the commissioner of management and budget shall transfer the  
416.21 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer  
416.22 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,  
416.23 paragraph (a), clause (1), but after any transfers authorized in paragraphs (a) and (b). If a  
416.24 transfer occurs under this paragraph, the amount transferred is appropriated from the general  
416.25 fund in fiscal year 2015 to the commissioner of labor and industry for the purposes of section  
416.26 15. Both the transfer and appropriation under this paragraph are onetime.

416.27 (d) By June 30, 2016, if the commissioner of commerce determines on the basis of an  
416.28 audit that there is an excess surplus in the assigned risk plan created under Minnesota  
416.29 Statutes, section 79.252, the commissioner of management and budget shall transfer the  
416.30 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer  
416.31 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,  
416.32 paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (b). If a  
416.33 transfer occurs under this paragraph, the amount transferred is appropriated from the general  
416.34 fund in fiscal year 2016 to the commissioner of labor and industry for the purposes of section  
416.35 15. Both the transfer and appropriation under this paragraph are onetime.

417.1 (e) Notwithstanding Minnesota Statutes, section 16A.28, the commissioner of  
 417.2 management and budget shall transfer to the general fund, any unencumbered or unexpended  
 417.3 balance of the appropriations under paragraphs (c) and (d) remaining on June 30, 2016, or  
 417.4 the date the commissioner of commerce determines that an excess surplus in the assigned  
 417.5 risk plan does not exist, whichever occurs earlier.

417.6 (f) By June 30, ~~2017~~ 2018, and each year thereafter, if the commissioner of commerce  
 417.7 determines on the basis of an audit that there is an excess surplus in the assigned risk plan  
 417.8 created under Minnesota Statutes, section 79.252, the commissioner of management and  
 417.9 budget shall transfer the amount of the excess surplus, not to exceed ~~\$2,000,000~~ \$3,000,000  
 417.10 each year, to the ~~rural policy and development center fund under Minnesota Statutes, section~~  
 417.11 ~~116J.4221~~ Minnesota manufactured home relocation trust fund established in Minnesota  
 417.12 Statutes, section 462A.35, subdivision 1. This transfer occurs prior to any transfer under  
 417.13 paragraph (b) or under Minnesota Statutes, section 79.251, subdivision 1, paragraph (a),  
 417.14 clause (1). The total amount authorized for all transfers under this paragraph must not exceed  
 417.15 ~~\$2,000,000~~ \$3,000,000. This paragraph expires the day following the transfer in which the  
 417.16 total amount transferred under this paragraph to the ~~rural policy and development center~~  
 417.17 ~~fund~~ Minnesota manufactured home relocation trust fund equals ~~\$2,000,000~~ \$3,000,000.

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

417.19 **Sec. 37. ADVANCES TO THE MINNESOTA MANUFACTURED HOME**  
 417.20 **RELOCATION TRUST FUND.**

417.21 (a) Until June 30, 2020, the Minnesota Housing Finance Agency or Department of  
 417.22 Management and Budget as determined by the commissioner of management and budget,  
 417.23 is authorized to advance up to \$400,000 from state appropriations or other resources to the  
 417.24 Minnesota manufactured home relocation trust fund established under Minnesota Statutes,  
 417.25 section 462A.35, if the account balance in the Minnesota manufactured home relocation  
 417.26 trust fund is insufficient to pay the amounts claimed under Minnesota Statutes, section  
 417.27 327C.095, subdivision 13.

417.28 (b) The Minnesota Housing Finance Agency or Department of Management and Budget  
 417.29 shall be reimbursed from the Minnesota manufactured home relocation trust fund for any  
 417.30 money advanced by the agency under paragraph (a) to the fund. Approved claims for payment  
 417.31 to manufactured home owners shall be paid prior to the money being advanced by the agency  
 417.32 or the department to the fund.

418.1 Sec. 38. **HOUSING AFFORDABILITY FUND; 2019 ALLOCATIONS.**

418.2 Allocations from the Housing Finance Agency's housing affordability fund, pool 3, in  
 418.3 2019, may include a set-aside of ten percent for single-family home ownership development  
 418.4 and rental housing for up to a four-plex in municipalities with a population under 10,000,  
 418.5 or for manufactured housing projects. Any such set-aside shall remain until June 1, 2019,  
 418.6 after which any money remaining in the set-aside shall be available to all eligible projects.

418.7 Sec. 39. **REPEALER.**

418.8 Minnesota Statutes 2016, section 471.9996, subdivision 2, is repealed.

418.9 Sec. 40. **EFFECTIVE DATE.**

418.10 Except as otherwise noted, sections 15 to 32 are effective January 1, 2019.

418.11 **ARTICLE 28**418.12 **PUBLIC SAFETY APPROPRIATIONS**418.13 Section 1. **APPROPRIATIONS.**

418.14 The sums shown in the column under "Appropriations" are added to the appropriations  
 418.15 in Laws 2017, chapter 95, article 1, to the agencies and for the purposes specified in this  
 418.16 article. The appropriations are from the general fund, or another named fund, and are  
 418.17 available for the fiscal year indicated for each purpose.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2018</u></b>	<b><u>2019</u></b>

418.22 Sec. 2. **GUARDIAN AD LITEM BOARD**                    **\$**                    **0** **\$**                    **2,940,000**

418.23 This appropriation is to hire additional  
 418.24 guardians ad litem to comply with federal and  
 418.25 state mandates and court orders for  
 418.26 representing the best interests of children in  
 418.27 juvenile and family court proceedings. The  
 418.28 appropriation in this section is available until  
 418.29 June 30, 2021. The general fund base for this  
 418.30 appropriation is \$1,871,000 beginning in fiscal  
 418.31 year 2020.

419.1 **Sec. 3. PUBLIC SAFETY**419.2 **Subdivision 1. Total Appropriation** \$ 0 \$ 423,000419.3 Appropriations by Fund

419.4	<u>2018</u>	<u>2019</u>
419.5 <u>General</u>	<u>0</u>	<u>323,000</u>
419.6 <u>Driver and Vehicle</u>		
419.7 <u>Services Fund</u>	<u>0</u>	<u>100,000</u>

419.8 **Subd. 2. Task Force on Missing and Murdered**  
419.9 **Indigenous Women**

419.10 \$48,000 is from the general fund for the Task  
419.11 Force on Missing and Murdered Indigenous  
419.12 Women. The general fund base for this  
419.13 appropriation shall be \$45,000 in fiscal year  
419.14 2020 and \$0 in fiscal year 2021.

419.15 **Subd. 3. Ignition Interlock**

419.16 \$100,000 is from the driver services operating  
419.17 account under Minnesota Statutes, section  
419.18 299A.705, for increased use of ignition  
419.19 interlock. The base for this appropriation shall  
419.20 be \$125,000 beginning in fiscal year 2020.

419.21 **Subd. 4. Forensic Scientists**

419.22 \$275,000 is from the general fund for two  
419.23 Bureau of Criminal Apprehension forensic  
419.24 scientists and laboratory supplies. This is an  
419.25 ongoing appropriation.

419.26 **Sec. 4. CORRECTIONS** \$ 0 \$ 6,600,000

419.27 This appropriation is to fund the offender  
419.28 health care contract. \$1,968,000 is added to  
419.29 the base in fiscal year 2020 and \$3,168,000 is  
419.30 added to the base in fiscal year 2021 and  
419.31 beyond.

419.32 **Sec. 5. HUMAN SERVICES** \$ 0 \$ 12,000

420.1 This appropriation is for state costs to update  
 420.2 a paternity training video. This is a onetime  
 420.3 appropriation.

420.4 Sec. 6. **TRANSFER; PEACE OFFICER TRAINING ACCOUNT DEFICIENCY.**

420.5 \$125,000 is transferred in fiscal year 2019 from the general fund to the peace officer  
 420.6 training account in the special revenue fund to pay for a projected deficiency in the peace  
 420.7 officer training account. This is a onetime transfer.

420.8 Sec. 7. **TRANSFER; FEDERAL DISASTER, DR-4069.**

420.9 The commissioner of management and budget must transfer any unexpended balance  
 420.10 appropriated to the Department of Public Safety for Federal Disaster DR-4069 under Laws  
 420.11 2012, First Special Session chapter 1, article 1, section 3, subdivision 2, as amended by  
 420.12 Laws 2013, First Special Session chapter 1, section 2, paragraph (a), to the disaster  
 420.13 contingency account in Minnesota Statutes, section 12.221, subdivision 6. This is a onetime  
 420.14 transfer.

## 420.15 ARTICLE 29

### 420.16 COURTS

420.17 Section 1. Minnesota Statutes 2016, section 257.57, subdivision 1, is amended to read:

420.18 Subdivision 1. **Actions under section 257.55, subdivision 1, paragraph (a), (b), or**  
 420.19 **(c).** A child, the child's biological mother, or a man presumed to be the child's father under  
 420.20 section 257.55, subdivision 1, paragraph (a), (b), or (c) may bring an action:

420.21 (1) at any time for the purpose of declaring the existence of the father and child  
 420.22 relationship presumed under section 257.55, subdivision 1, paragraph (a), (b), or (c); or

420.23 (2) for the purpose of declaring the nonexistence of the father and child relationship  
 420.24 presumed under section 257.55, subdivision 1, paragraph (a), (b), or (c), only if the action  
 420.25 is brought within ~~two~~ three years after the person bringing the action has reason to believe  
 420.26 that the presumed father is not the father of the child, ~~but in no event later than three years~~  
 420.27 ~~after the child's birth.~~ However, if the presumed father was divorced from the child's mother  
 420.28 and if, on or before the 280th day after the judgment and decree of divorce or dissolution  
 420.29 became final, he did not know that the child was born during the marriage or within 280  
 420.30 days after the marriage was terminated, the action is not barred until ~~one year after the child~~  
 420.31 ~~reaches the age of majority or one year~~ three years after the presumed father knows or

421.1 reasonably should have known of the birth of the child, ~~whichever is earlier~~. After the  
 421.2 presumption has been rebutted, paternity of the child by another man may be determined  
 421.3 in the same action, if he has been made a party.

421.4 Sec. 2. Minnesota Statutes 2016, section 257.57, subdivision 2, is amended to read:

421.5 Subd. 2. **Actions under other paragraphs of section 257.55, subdivision 1.** The child,  
 421.6 the mother, or personal representative of the child, the public authority chargeable by law  
 421.7 with the support of the child, the personal representative or a parent of the mother if the  
 421.8 mother has died or is a minor, a man alleged or alleging himself to be the father, or the  
 421.9 personal representative or a parent of the alleged father if the alleged father has died or is  
 421.10 a minor may bring an action:

421.11 (1) at any time for the purpose of declaring the existence of the father and child  
 421.12 relationship presumed under sections 257.55, subdivision 1, paragraph (d), (e), (g), or (h),  
 421.13 and 257.62, subdivision 5, paragraph (b), ~~or the nonexistence of the father and child~~  
 421.14 ~~relationship presumed under section 257.55, subdivision 1, clause (d);~~

421.15 (2) for the purpose of declaring the nonexistence of the father and child relationship  
 421.16 presumed under section 257.55, subdivision 1, paragraph (d), only if the action is brought  
 421.17 within three years from when the presumed father began holding the child out as his own;

421.18 (3) for the purpose of declaring the nonexistence of the father and child relationship  
 421.19 presumed under section 257.55, subdivision 1, paragraph (e) or (g), only if the action is  
 421.20 brought within ~~six months~~ three years after the person bringing the action obtains the results  
 421.21 of blood or genetic tests that indicate that the presumed father is not the father of the child  
 421.22 has reason to believe that the presumed father is not the biological father;

421.23 ~~(3)~~ (4) for the purpose of declaring the nonexistence of the father and child relationship  
 421.24 presumed under section 257.62, subdivision 5, paragraph (b), only if the action is brought  
 421.25 within three years after the party bringing the action, or the party's attorney of record, has  
 421.26 been provided the blood or genetic test results; or

421.27 ~~(4)~~ (5) for the purpose of declaring the nonexistence of the father and child relationship  
 421.28 presumed under section 257.75, subdivision 9, only if the action is brought by the minor  
 421.29 signatory within ~~six months~~ three years after the youngest minor signatory reaches the age  
 421.30 of 18 or three years after the person bringing the action has reason to believe that the father  
 421.31 is not the biological father of the child, whichever is later. ~~In the case of a recognition of~~  
 421.32 parentage executed by two minor signatories, the action to declare the nonexistence of the

422.1 ~~father and child relationship must be brought within six months after the youngest signatory~~  
422.2 ~~reaches the age of 18.~~

422.3 Sec. 3. Minnesota Statutes 2016, section 257.57, is amended by adding a subdivision to  
422.4 read:

422.5 Subd. 7. **Nonexistence of father-child relationship.** (a) An action to declare the  
422.6 nonexistence of the father-child relationship must be personally served on all parties and  
422.7 meet the requirements of either subdivision 1 or 2. An action must be brought by a petition,  
422.8 except that a motion may be filed in an underlying action regarding parentage, custody, or  
422.9 parenting time.

422.10 (b) An action to declare the nonexistence of the father-child relationship cannot proceed  
422.11 if the court finds that in a previous proceeding:

422.12 (1) the father-child relationship was contested and a court order determined the existence  
422.13 of the father-child relationship; or

422.14 (2) the father-child relationship was determined based upon a court order as a result of  
422.15 a stipulation or joint petition of the parties.

422.16 (c) Nothing in this subdivision precludes a party from relief under section 518.145,  
422.17 subdivision 2, clauses (1) to (3), if applicable, or the Minnesota Rules of Civil Procedure.

422.18 (d) In evaluating whether or not to declare the nonexistence of the father-child  
422.19 relationship, the court must consider, evaluate, and make written findings on the following  
422.20 factors:

422.21 (1) the length of time between the paternity adjudication or presumption of paternity  
422.22 and the time that the moving party knew or should have known that the presumed or  
422.23 adjudicated father might not be the biological father;

422.24 (2) the length of time during which the presumed or adjudicated father has assumed the  
422.25 role of father of the child;

422.26 (3) the facts surrounding the moving party's discovery of the presumed or adjudicated  
422.27 father's possible nonpaternity;

422.28 (4) the nature of the relationship between the child and the presumed or adjudicated  
422.29 father;

422.30 (5) the current age of the child;

423.1 (6) the harm or benefit that may result to the child if the court ends the father-child  
423.2 relationship of the current presumed or adjudicated father;

423.3 (7) the nature of the relationship between the child and any presumed or adjudicated  
423.4 father;

423.5 (8) the parties' agreement to the nonexistence of the father-child relationship and  
423.6 adjudication of paternity in the same action;

423.7 (9) the extent to which the passage of time reduces the chances of establishing paternity  
423.8 of another man and a child support order for that parent;

423.9 (10) the likelihood of adjudication of the biological father if not already joined in this  
423.10 action; and

423.11 (11) any additional factors deemed to be relevant by the court.

423.12 (e) The burden of proof shall be on the petitioner to show by clear and convincing  
423.13 evidence that, after consideration of the factors in paragraph (d), declaring the nonexistence  
423.14 of the father-child relationship is in the child's best interests.

423.15 (f) The court may grant the relief in the petition or motion upon finding that:

423.16 (1) the moving party has met the requirements of this section;

423.17 (2) the genetic testing results were properly conducted in accordance with section 257.62;

423.18 (3) the presumed or adjudicated father has not adopted the child;

423.19 (4) the child was not conceived by artificial insemination that meets the requirements  
423.20 under section 257.56 or that the presumed or adjudicated father voluntarily agreed to the  
423.21 artificial insemination; and

423.22 (5) the presumed or adjudicated father did not act to prevent the biological father of the  
423.23 child from asserting his parental rights with respect to the child.

423.24 (g) Upon granting the relief sought in the petition or motion, the court shall order the  
423.25 following:

423.26 (1) the father-child relationship has ended and the presumed or adjudicated father's  
423.27 parental rights and responsibilities end upon the granting of the petition;

423.28 (2) the presumed or adjudicated father's name shall be removed from the minor child's  
423.29 birth record and a new birth certificate shall be issued upon the payment of any fees;

423.30 (3) the presumed or adjudicated father's obligation to pay ongoing child support shall  
423.31 be terminated, effective on the first of the month after the petition or motion was served;

424.1 (4) any unpaid child support due prior to service of the petition or motion remains due  
424.2 and owing absent an agreement of all parties including the public authority, or the court  
424.3 determines other relief is appropriate under the Rules of Civil Procedure; and

424.4 (5) the presumed or adjudicated father has no right to reimbursement of past child support  
424.5 paid to the mother, the public authority, or any other assignee of child support.

424.6 The order must include the provisions of section 257.66 if another party to the action is  
424.7 adjudicated as the father of the child.

424.8 Sec. 4. Minnesota Statutes 2016, section 257.75, subdivision 4, is amended to read:

424.9 Subd. 4. **Action to vacate recognition.** (a) An action to vacate a recognition of paternity  
424.10 may be brought by the mother, father, husband or former husband who executed a joinder,  
424.11 or the child. An action to vacate a recognition of parentage may be brought by the public  
424.12 authority. A mother, father, or husband or former husband who executed a joinder must  
424.13 bring the action within ~~one year of the execution of the recognition or within six months~~  
424.14 ~~after the person bringing the action obtains the results of blood or genetic tests that indicate~~  
424.15 ~~that the man who executed the recognition is not the father of the child~~ three years after the  
424.16 person bringing the action has reason to believe that the father is not the biological father  
424.17 of the child. A child must bring an action to vacate within ~~six months~~ three years after the  
424.18 ~~child obtains the result of blood or genetic tests that indicate that~~ has reason to believe the  
424.19 ~~man who executed the recognition is not the biological father of the child, or within one~~  
424.20 ~~year of reaching the age of majority, whichever is later. If the court finds a prima facie basis~~  
424.21 ~~for vacating the recognition, the court shall order the child, mother, father, and husband or~~  
424.22 ~~former husband who executed a joinder to submit to blood genetic tests. If the court issues~~  
424.23 ~~an order for the taking of blood genetic tests, the court shall require the party seeking to~~  
424.24 ~~vacate the recognition to make advance payment for the costs of the blood genetic tests,~~  
424.25 unless the parties agree and the court finds that the previous genetic test results exclude the  
424.26 man who executed the recognition as the biological father of the child. If the party fails to  
424.27 ~~pay for the costs of the blood genetic tests, the court shall dismiss the action to vacate with~~  
424.28 ~~prejudice. The court may also order the party seeking to vacate the recognition to pay the~~  
424.29 ~~other party's reasonable attorney fees, costs, and disbursements. If the results of the blood~~  
424.30 ~~genetic tests establish that the man who executed the recognition is not the father, the court~~  
424.31 ~~shall vacate the recognition. Notwithstanding the vacation of the recognition, the court may~~  
424.32 adjudicate the man who executed the recognition under any other applicable paternity  
424.33 presumption under section 257.55. If a recognition is vacated, any joinder in the recognition  
424.34 under subdivision 1a is also vacated. The court shall terminate the obligation of a party to

425.1 pay ongoing child support based on the recognition. A modification of child support based  
425.2 on a recognition may be made retroactive with respect to any period during which the  
425.3 moving party has pending a motion to vacate the recognition but only from the date of  
425.4 service of notice of the motion on the responding party.

425.5 (b) The burden of proof in an action to vacate the recognition is on the moving party.  
425.6 The moving party must request the vacation on the basis of fraud, duress, or material mistake  
425.7 of fact. The legal responsibilities in existence at the time of an action to vacate, including  
425.8 child support obligations, may not be suspended during the proceeding, except for good  
425.9 cause shown.

425.10 **EFFECTIVE DATE.** This section is effective July 1, 2018, and applies to recognition  
425.11 of parentage signed on or after that date.

425.12 Sec. 5. Minnesota Statutes 2016, section 357.021, subdivision 2b, is amended to read:

425.13 Subd. 2b. **Court technology fund.** (a) In addition to any other filing fee under this  
425.14 chapter, the court administrator shall collect a \$2 technology fee on filings made under  
425.15 subdivision 2, clauses (1) to (13). The court administrator shall transmit the fee monthly to  
425.16 the commissioner of management and budget for deposit in the court technology account  
425.17 in the special revenue fund.

425.18 (b) A court technology account is established as a special account in the state treasury  
425.19 and funds deposited in the account are appropriated to the Supreme Court for distribution  
425.20 of technology funds as provided in paragraph (d). Technology funds may be used for the  
425.21 following purposes: acquisition, development, support, maintenance, and upgrades to  
425.22 computer systems, equipment and devices, network systems, electronic records, filings and  
425.23 payment systems, interactive video teleconferencing, and online services, to be used by the  
425.24 state courts and their justice partners.

425.25 (c) The Judicial Council may establish a board consisting of members from the judicial  
425.26 branch, prosecutors, public defenders, corrections, and civil legal services to distribute funds  
425.27 collected under paragraph (a). The Judicial Council may adopt policies and procedures for  
425.28 the operation of the board, including but not limited to policies and procedures governing  
425.29 membership terms, removal of members, and the filling of membership vacancies.

425.30 (d) Applications for the expenditure of technology funds shall be accepted from the  
425.31 judicial branch, county and city attorney offices, the Board of Public Defense, qualified  
425.32 legal services programs as defined under section 480.24, corrections agencies, and part-time  
425.33 public defender offices. The applications shall be reviewed by the Judicial Council and, if

426.1 established, the board. In accordance with any recommendations from the board, the Judicial  
426.2 Council shall distribute the funds available for this expenditure to selected recipients.

426.3 (e) By January 15, ~~2015~~ 2019, January 15, 2021, January 15, 2023, and ~~by~~ January 15,  
426.4 ~~2017~~ 2024, the Judicial Council shall submit a report to the chairs and ranking minority  
426.5 members of the house of representatives and senate committees with jurisdiction over  
426.6 judiciary finance providing an accounting on the amounts collected and expended in the  
426.7 previous biennium, including a list of fund recipients, the amounts awarded to each recipient,  
426.8 and the technology purpose funded.

426.9 (f) ~~This subdivision~~ The fee collected under paragraph (a) expires June 30, 2018 2023.  
426.10 This subdivision expires December 31, 2023.

426.11 Sec. 6. Minnesota Statutes 2016, section 518.145, subdivision 2, is amended to read:

426.12 Subd. 2. **Reopening.** On motion and upon terms as are just, the court may relieve a party  
426.13 from a judgment and decree, order, or proceeding under this chapter, except for provisions  
426.14 dissolving the bonds of marriage, annulling the marriage, or directing that the parties are  
426.15 legally separated, and may order a new trial or grant other relief as may be just for the  
426.16 following reasons:

426.17 (1) mistake, inadvertence, surprise, or excusable neglect;

426.18 (2) newly discovered evidence which by due diligence could not have been discovered  
426.19 in time to move for a new trial under the Rules of Civil Procedure, rule 59.03;

426.20 (3) fraud, whether denominated intrinsic or extrinsic, misrepresentation, or other  
426.21 misconduct of an adverse party;

426.22 (4) the judgment and decree or order is void; or

426.23 (5) the judgment has been satisfied, released, or discharged, or a prior judgment and  
426.24 decree or order upon which it is based has been reversed or otherwise vacated, or it is no  
426.25 longer equitable that the judgment and decree or order should have prospective application.

426.26 The motion must be made within a reasonable time, and for a reason under clause (1),  
426.27 (2), or (3), other than a motion to declare the nonexistence of the father-child relationship,  
426.28 not more than one year after the judgment and decree, order, or proceeding was entered or  
426.29 taken. An action to declare the nonexistence of the father-child relationship must be made  
426.30 within a reasonable time under clause (1), (2), or (3), and not more than three years after  
426.31 the person bringing the action has reason to believe that the father is not the father of the  
426.32 child. A motion under this subdivision does not affect the finality of a judgment and decree

427.1 or order or suspend its operation. This subdivision does not limit the power of a court to  
 427.2 entertain an independent action to relieve a party from a judgment and decree, order, or  
 427.3 proceeding or to grant relief to a party not actually personally notified as provided in the  
 427.4 Rules of Civil Procedure, or to set aside a judgment for fraud upon the court.

427.5 Sec. 7. Minnesota Statutes 2016, section 590.11, subdivision 1, is amended to read:

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

427.8 (b) "Exonerated" means that:

427.9 (1) a court ~~of this state~~:

427.10 (i) vacated or, reversed, or set aside a judgment of conviction on grounds consistent with  
 427.11 innocence and there are no remaining felony charges in effect against the petitioner from  
 427.12 the same behavioral incident, or if there are remaining felony charges against the petitioner  
 427.13 from the same behavioral incident, the prosecutor dismissed the dismisses those remaining  
 427.14 felony charges; or

427.15 (ii) ordered a new trial on grounds consistent with innocence and the prosecutor dismissed  
 427.16 the charges or the petitioner was found not guilty at the new trial all felony charges against  
 427.17 the petitioner arising from the same behavioral incident or the petitioner was found not  
 427.18 guilty of all felony charges arising from the same behavioral incident at the new trial; and

427.19 (2) the time for appeal of the order resulting in exoneration has expired or the order has  
 427.20 been affirmed and is final; and

427.21 (3) 60 days has passed since the judgment of conviction was reversed or vacated, and  
 427.22 the prosecutor has not filed any felony charges against the petitioner from the same behavioral  
 427.23 incident, or if the prosecutor did file felony charges against the petitioner from the same  
 427.24 behavioral incident, those felony charges were dismissed or the defendant was found not  
 427.25 guilty of those charges at the new trial.

427.26 (c) "On grounds consistent with innocence" means either:

427.27 (1) exonerated, through a pardon or sentence commutation, based on factual innocence;  
 427.28 or

427.29 (2) exonerated because the judgment of conviction was vacated or reversed, or a new  
 427.30 trial was ordered, and there is any evidence of factual innocence whether it was available  
 427.31 at the time of investigation or trial or is newly discovered evidence.

428.1 Sec. 8. Minnesota Statutes 2016, section 590.11, subdivision 2, is amended to read:

428.2 Subd. 2. **Procedure.** A petition for an order declaring eligibility for compensation based  
 428.3 on exoneration under sections 611.362 to 611.368 must be brought before the district court  
 428.4 where the original conviction was obtained. The state must be represented by the office of  
 428.5 the prosecutor that obtained the conviction or the prosecutor's successor. Within 60 days  
 428.6 after the filing of the petition, the prosecutor must respond to the petition. A petition must  
 428.7 be brought within two years, but no less than 60 days after the petitioner is exonerated.

428.8 ~~Persons released from custody after being exonerated before July 1, 2014, must commence~~  
 428.9 ~~an action under this section within two years of July 1, 2014. If, before July 1, 2018, a person~~  
 428.10 did not meet both requirements of Minnesota Statutes 2016, section 590.11, subdivision 1,  
 428.11 paragraph (b), clause (1), item (i), and did not file a petition or the petition was denied, that  
 428.12 person may commence an action meeting the requirements under section 7, subdivision 1,  
 428.13 paragraph (b), clause (1), item (i), on or after July 1, 2018, and before July 1, 2020.

428.14 Sec. 9. Minnesota Statutes 2016, section 590.11, subdivision 5, is amended to read:

428.15 Subd. 5. **Elements.** (a) A claim for compensation arises if a person is eligible for  
 428.16 compensation under subdivision 3 and:

428.17 (1) the person was convicted of a felony and served any part of the imposed sentence  
 428.18 ~~in prison;~~

428.19 (2) in cases where the person was convicted of multiple charges arising out of the same  
 428.20 behavioral incident, the person was exonerated for all of those charges;

428.21 (3) the person did not commit or induce another person to commit perjury or fabricate  
 428.22 evidence to cause or bring about the conviction; and

428.23 (4) the person was not serving a term of ~~imprisonment~~ incarceration for another crime  
 428.24 at the same time, ~~provided that~~ except:

428.25 (i) if the person served additional time in prison due to the conviction that is the basis  
 428.26 of the claim, the person may make a claim for that portion of time served in prison during  
 428.27 which the person was serving no other sentence; or

428.28 (ii) if the person served additional executed sentences that had been previously stayed,  
 428.29 and the reason the additional stayed sentences were executed was due to the conviction that  
 428.30 is the basis for the claim.

429.1 (b) A claimant may make a claim only for that portion of time served in prison during  
429.2 which the claimant was serving no other sentence unless the other sentence arose from the  
429.3 circumstances described in paragraph (a), clause (4), item (ii).

429.4 (c) A confession or admission later found to be false or a guilty plea to a crime the  
429.5 claimant did not commit does not constitute bringing about the claimant's conviction for  
429.6 purposes of paragraph (a), clause (3).

429.7 Sec. 10. Minnesota Statutes 2016, section 590.11, subdivision 7, is amended to read:

429.8 Subd. 7. **Order.** If, after considering all the files and records admitted and any evidence  
429.9 admitted at a hearing held pursuant to subdivision 4, the court determines that the petitioner  
429.10 is eligible for compensation, the court shall issue an order containing its findings and, if  
429.11 applicable, indicate the portion of the term of ~~imprisonment~~ incarceration for which the  
429.12 petitioner is entitled to make a claim. The court shall notify the petitioner of the right to file  
429.13 a claim for compensation under sections 611.362 to 611.368 and provide the petitioner with  
429.14 a copy of those sections. The petitioner must acknowledge receipt of the notice and a copy  
429.15 of those sections in writing or on the record before the court.

429.16 Sec. 11. Minnesota Statutes 2016, section 609.015, subdivision 1, is amended to read:

429.17 Subdivision 1. **Common law crimes abolished.** Common law crimes are abolished and  
429.18 no act or omission is a crime unless made so by this chapter or by other applicable statute,  
429.19 ~~but~~. This does not prevent the use of common law rules in the construction or interpretation  
429.20 of the provisions of this chapter or other statute except that a law reducing a sentence does  
429.21 not apply to crimes committed prior to the date on which the change takes effect unless the  
429.22 statute specifically states otherwise. Crimes committed prior to September 1, 1963, are not  
429.23 affected thereby.

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

429.25 Sec. 12. Minnesota Statutes 2016, section 611.365, subdivision 2, is amended to read:

429.26 Subd. 2. **Reimbursement; monetary damages; attorney fees.** (a) The claimant is  
429.27 entitled to reimbursement for all restitution, assessments, fees, court costs, and other sums  
429.28 paid by the claimant as required by the judgment and sentence. In addition, the claimant is  
429.29 entitled to monetary damages of not less than \$50,000 for each year of ~~imprisonment~~  
429.30 incarceration, and not less than \$25,000 for each year served on supervised release or as a  
429.31 registered predatory offender, to be prorated for partial years served. In calculating additional  
429.32 monetary damages, the panel shall consider:

430.1 (1) economic damages, including reasonable attorney fees, lost wages, reimbursement  
430.2 for costs associated with the claimant's criminal defense;

430.3 (2) reimbursement for medical and dental expenses that the claimant already incurred  
430.4 and future unpaid expenses expected to be incurred as a result of the claimant's ~~imprisonment~~  
430.5 incarceration;

430.6 (3) noneconomic damages for personal physical injuries or sickness and any nonphysical  
430.7 injuries or sickness incurred as a result of ~~imprisonment~~ incarceration;

430.8 (4) reimbursement for any tuition and fees paid for each semester successfully completed  
430.9 by the claimant in an educational program or for employment skills and development training,  
430.10 up to the equivalent value of a four-year degree at a public university, and reasonable  
430.11 payment for future unpaid costs for education and training, not to exceed the anticipated  
430.12 cost of a four-year degree at a public university;

430.13 (5) reimbursement for paid or unpaid child support payments owed by the claimant that  
430.14 became due, and interest on child support arrearages that accrued, during the time served  
430.15 in prison provided that there shall be no reimbursement for any child support payments  
430.16 already owed before the claimant's incarceration; and

430.17 (6) reimbursement for reasonable costs of paid or unpaid reintegrative expenses for  
430.18 immediate services secured by the claimant upon exoneration and release, including housing,  
430.19 transportation and subsistence, reintegrative services, and medical and dental health care  
430.20 costs.

430.21 (b) The panel shall award the claimant reasonable attorney fees incurred in bringing a  
430.22 claim under sections 611.362 to 611.368 and in obtaining an order of eligibility for  
430.23 compensation based on exoneration under chapter 590.

430.24 Sec. 13. Minnesota Statutes 2016, section 611.365, subdivision 3, is amended to read:

430.25 Subd. 3. **Limits on damages.** There is no limit on the aggregate amount of damages  
430.26 that may be awarded under this section. Damages that may be awarded under subdivision  
430.27 2, paragraph (a), clauses (1) and (4) to (6), are limited to \$100,000 per year of ~~imprisonment~~  
430.28 incarceration and \$50,000 per year served on supervised release or as a registered predatory  
430.29 offender.

430.30 Sec. 14. Minnesota Statutes 2016, section 611.367, is amended to read:

430.31 **611.367 COMPENSATING EXONERATED PERSONS; APPROPRIATIONS**  
430.32 **PROCESS.**

431.1 The compensation panel established in section 611.363 shall forward an award of damages  
431.2 under section 611.365 to the commissioner of management and budget. The commissioner  
431.3 shall submit the amount of the award to the legislature for consideration as an appropriation  
431.4 ~~during the next session of the legislature.~~

431.5 Sec. 15. Minnesota Statutes 2016, section 611.368, is amended to read:

431.6 **611.368 SHORT TITLE.**

431.7 Sections 611.362 to 611.368 shall be cited as the "~~Imprisonment~~ Incarceration and  
431.8 Exoneration Remedies Act."

431.9 Sec. 16. Minnesota Statutes 2016, section 626A.08, subdivision 2, is amended to read:

431.10 Subd. 2. **Application and orders.** (a) Applications made and warrants issued under this  
431.11 chapter shall be sealed by the judge. Custody of the applications and orders shall be wherever  
431.12 the judge directs. Such applications and orders shall be disclosed only upon a showing of  
431.13 good cause before a judge of the district court and shall not be destroyed except on order  
431.14 of the issuing or denying judge, and in any event shall be kept for ten years.

431.15 (b) Notwithstanding paragraph (a), the filing, sealing, and reporting requirements for  
431.16 applications made and warrants issued under this chapter that involve location information  
431.17 of electronic devices, as defined in section 626A.42, are governed by section 626A.42,  
431.18 subdivision 4. However, applications and warrants, or portions of applications and warrants,  
431.19 that do not involve location information of electronic devices continue to be governed by  
431.20 paragraph (a).

431.21 Sec. 17. Minnesota Statutes 2016, section 626A.37, subdivision 4, is amended to read:

431.22 Subd. 4. **Nondisclosure of existence of pen register, trap and trace device, or mobile**  
431.23 **tracking device.** (a) An order authorizing or approving the installation and use of a pen  
431.24 register, trap and trace device, or a mobile tracking device must direct that:

431.25 (1) the order be sealed until otherwise ordered by the court; and

431.26 (2) the person owning or leasing the line to which the pen register or a trap and trace  
431.27 device is attached, or who has been ordered by the court to provide assistance to the applicant,  
431.28 not disclose the existence of the pen register, trap and trace device, mobile tracking device,  
431.29 or the existence of the investigation to the listed subscriber, or to any other person, unless  
431.30 or until otherwise ordered by the court.

432.1 (b) Paragraph (a) does not apply to an order that involves location information of  
432.2 electronic devices, as defined in section 626A.42. Instead, the filing, sealing, and reporting  
432.3 requirements for those orders are governed by section 626A.42, subdivision 4. However,  
432.4 any portion of an order that does not involve location information of electronic devices  
432.5 continues to be governed by paragraph (a).

## 432.6 **ARTICLE 30**

### 432.7 **PUBLIC SAFETY, CORRECTIONS, AND GENERAL CRIME**

432.8 Section 1. Minnesota Statutes 2016, section 171.24, is amended to read:

#### 432.9 **171.24 VIOLATIONS; DRIVING WITHOUT VALID LICENSE.**

432.10 Subdivision 1. **Driving after suspension; misdemeanor.** Except as otherwise provided  
432.11 in subdivision 5, a person is guilty of a misdemeanor if:

432.12 (1) the person's driver's license or driving privilege has been suspended;

432.13 (2) the person has been given notice of or reasonably should know of the suspension;

432.14 and

432.15 (3) the person disobeys the order by operating in this state any motor vehicle, the  
432.16 operation of which requires a driver's license, while the person's license or privilege is  
432.17 suspended.

432.18 Subd. 2. **Driving after revocation; misdemeanor.** Except as otherwise provided in  
432.19 subdivision 5, a person is guilty of a misdemeanor if:

432.20 (1) the person's driver's license or driving privilege has been revoked;

432.21 (2) the person has been given notice of or reasonably should know of the revocation;

432.22 and

432.23 (3) the person disobeys the order by operating in this state any motor vehicle, the  
432.24 operation of which requires a driver's license, while the person's license or privilege is  
432.25 revoked.

432.26 Subd. 3. **Driving after cancellation; misdemeanor.** Except as otherwise provided in  
432.27 subdivision 5, a person is guilty of a misdemeanor if:

432.28 (1) the person's driver's license or driving privilege has been canceled;

432.29 (2) the person has been given notice of or reasonably should know of the cancellation;

432.30 and

433.1 (3) the person disobeys the order by operating in this state any motor vehicle, the  
 433.2 operation of which requires a driver's license, while the person's license or privilege is  
 433.3 canceled.

433.4 Subd. 4. **Driving after disqualification; misdemeanor.** Except as otherwise provided  
 433.5 in subdivision 5, a person is guilty of a misdemeanor if the person:

433.6 (1) has been disqualified from holding a commercial driver's license or been denied the  
 433.7 privilege to operate a commercial motor vehicle;

433.8 (2) has been given notice of or reasonably should know of the disqualification; and

433.9 (3) disobeys the order by operating in this state a commercial motor vehicle while the  
 433.10 person is disqualified to hold the license or privilege.

433.11 Subd. 5. **Gross misdemeanor violations.** (a) A person is guilty of a gross misdemeanor  
 433.12 if:

433.13 (1) the person's driver's license or driving privilege has been canceled or denied under  
 433.14 section 171.04, subdivision 1, clause (10);

433.15 (2) the person has been given notice of or reasonably should know of the cancellation  
 433.16 or denial; and

433.17 (3) the person disobeys the order by operating in this state any motor vehicle, the  
 433.18 operation of which requires a driver's license, while the person's license or privilege is  
 433.19 canceled or denied.

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

433.21 (1) violates this section;

433.22 (i) and causes a collision resulting in substantial bodily harm, as defined in section  
 433.23 609.02, subdivision 7a, or death to another; or

433.24 (ii) within ten years of the first of two prior convictions under this section; and

433.25 (2) at the time of the violation the person's driver's license or driving privilege has been  
 433.26 suspended, revoked, or canceled, or the person has been disqualified from holding a  
 433.27 commercial driver's license or been denied the privilege to operate a commercial motor  
 433.28 vehicle, pursuant to:

433.29 (i) section 169.89, subdivision 5; 169A.52; 169A.54; 171.05, subdivision 2b, paragraph  
 433.30 (d); 171.13, subdivision 3 or 4; 171.17, subdivision 1, clause (1) or (10); 171.177; 171.18,  
 433.31 subdivision 1, clause (2), (3), (4), (5), or (11); 171.32; or 260B.225, subdivision 9; or a

434.1 violation of section 169.13; 169.21; 169.444; 609.19, subdivision 1, clause (2); or 609.487,  
434.2 subdivisions 3 to 5; or any violation of chapter 169A; or

434.3 (ii) a law from another state similar to those described in item (i).

434.4 **Subd. 6. Responsibility for prosecution.** (a) The attorney in the jurisdiction in which  
434.5 the violation occurred who is responsible for prosecution of misdemeanor violations of this  
434.6 section is also responsible for prosecution of gross misdemeanor violations of this section.

434.7 (b) Nothing in this section or section 609.035 or 609.04 shall limit the power of the state  
434.8 to prosecute or punish a person for conduct that constitutes any other crime under any other  
434.9 law of this state.

434.10 **Subd. 7. Sufficiency of notice.** (a) Notice of revocation, suspension, cancellation, or  
434.11 disqualification is sufficient if personally served, or if mailed by first class mail to the  
434.12 person's last known address or to the address listed on the person's driver's license. Notice  
434.13 is also sufficient if the person was informed that revocation, suspension, cancellation, or  
434.14 disqualification would be imposed upon a condition occurring or failing to occur, and where  
434.15 the condition has in fact occurred or failed to occur.

434.16 (b) It is not a defense that a person failed to file a change of address with the post office,  
434.17 or failed to notify the Department of Public Safety of a change of name or address as required  
434.18 under section 171.11.

434.19 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
434.20 committed on or after that date.

434.21 **Sec. 2.** Minnesota Statutes 2017 Supplement, section 171.3215, subdivision 2, is amended  
434.22 to read:

434.23 **Subd. 2. Cancellation for disqualifying and other offenses.** Within ten days of receiving  
434.24 notice under section 631.40, subdivision 1a, or otherwise receiving notice for a nonresident  
434.25 driver, that a school bus driver has been convicted of, or received a stay of adjudication for,  
434.26 a disqualifying offense, the commissioner shall permanently cancel the school bus driver's  
434.27 endorsement on the offender's driver's license and in the case of a nonresident, the driver's  
434.28 privilege to operate a school bus in Minnesota. A school bus driver whose endorsement or  
434.29 privilege to operate a school bus in Minnesota has been permanently canceled may not  
434.30 apply for reinstatement. Within ten days of receiving notice under section 631.40, subdivision  
434.31 1a, or otherwise receiving notice for a nonresident driver, that a school bus driver has been  
434.32 convicted of a violation of section 169A.20, or a similar statute or ordinance from another  
434.33 state, and within ten days of revoking a school bus driver's license under section 169A.52

435.1 or 171.177, the commissioner shall cancel the school bus driver's endorsement on the  
435.2 offender's driver's license or the nonresident's privilege to operate a school bus in Minnesota  
435.3 for five years. After five years, a school bus driver may apply to the commissioner for  
435.4 reinstatement. Even after five years, cancellation of a school bus driver's endorsement or a  
435.5 nonresident's privilege to operate a school bus in Minnesota for a violation under section  
435.6 169A.20, sections 169A.50 to 169A.53, section 171.177, or a similar statute or ordinance  
435.7 from another state, shall remain in effect until the driver provides proof of successful  
435.8 completion of an alcohol or controlled substance treatment program. For a first offense,  
435.9 proof of completion is required only if treatment was ordered as part of a chemical use  
435.10 assessment. Within ten days of receiving notice under section 631.40, subdivision 1a, or  
435.11 otherwise receiving notice for a nonresident driver, that a school bus driver has been  
435.12 convicted of a fourth moving violation in the last three years, the commissioner shall cancel  
435.13 the school bus driver's endorsement on the offender's driver's license or the nonresident's  
435.14 privilege to operate a school bus in Minnesota until one year has elapsed since the last  
435.15 conviction. A school bus driver who has no new convictions after one year may apply for  
435.16 reinstatement. Upon canceling the offender's school bus driver's endorsement, the  
435.17 commissioner shall immediately notify the licensed offender of the cancellation in writing,  
435.18 by depositing in the United States post office a notice addressed to the licensed offender at  
435.19 the licensed offender's last known address, with postage prepaid thereon.

435.20 Sec. 3. Minnesota Statutes 2017 Supplement, section 171.3215, subdivision 3, is amended  
435.21 to read:

435.22 Subd. 3. **Background check.** Before issuing or renewing a driver's license with a school  
435.23 bus driver's endorsement, the commissioner shall conduct an investigation to determine if  
435.24 the applicant has been convicted of, or received a stay of adjudication for, committing a  
435.25 disqualifying offense, four moving violations in the previous three years, a violation of  
435.26 section 169A.20 or a similar statute or ordinance from another state, a gross misdemeanor,  
435.27 or if the applicant's driver's license has been revoked under section 169A.52 or 171.177.  
435.28 The commissioner shall not issue a new bus driver's endorsement and shall not renew an  
435.29 existing bus driver's endorsement if the applicant has been convicted of committing a  
435.30 disqualifying offense. The commissioner shall not issue a new bus driver's endorsement  
435.31 and shall not renew an existing bus driver's endorsement if, within the previous five years,  
435.32 the applicant has been convicted of committing a violation of section 169A.20, or a similar  
435.33 statute or ordinance from another state, a gross misdemeanor, or if the applicant's driver's  
435.34 license has been revoked under section 169A.52 or 171.177, or if, within the previous three  
435.35 years, the applicant has been convicted of four moving violations. An applicant who has

436.1 been convicted of violating section 169A.20, or a similar statute or ordinance from another  
436.2 state, or who has had a license revocation under section 169A.52 or 171.177 within the  
436.3 previous ten years must show proof of successful completion of an alcohol or controlled  
436.4 substance treatment program in order to receive a bus driver's endorsement. For a first  
436.5 offense, proof of completion is required only if treatment was ordered as part of a chemical  
436.6 use assessment. A school district or contractor that employs a nonresident school bus driver  
436.7 must conduct a background check of the employee's driving record and criminal history in  
436.8 both Minnesota and the driver's state of residence. Convictions for disqualifying offenses,  
436.9 gross misdemeanors, a fourth moving violation within the previous three years, or violations  
436.10 of section 169A.20, or a similar statute or ordinance in another state, must be reported to  
436.11 the Department of Public Safety.

436.12 Sec. 4. Minnesota Statutes 2016, section 242.192, is amended to read:

436.13 **242.192 CHARGES TO COUNTIES.**

436.14 The commissioner shall charge counties or other appropriate jurisdictions 65 percent of  
436.15 the per diem cost of confinement, excluding educational costs and nonbillable service, of  
436.16 juveniles at the Minnesota Correctional Facility-Red Wing and of juvenile females committed  
436.17 to the commissioner of corrections. This charge applies to juveniles committed to the  
436.18 commissioner of corrections and juveniles admitted to the Minnesota Correctional  
436.19 Facility-Red Wing under established admissions criteria. This charge applies to both counties  
436.20 that participate in the Community Corrections Act and those that do not. The commissioner  
436.21 shall determine the per diem cost of confinement based on projected population, pricing  
436.22 incentives, and market conditions, ~~and the requirement that expense and revenue balance~~  
436.23 ~~out over a period of two years~~. All money received under this section must be deposited in  
436.24 the state treasury and credited to the general fund.

436.25 Sec. 5. Minnesota Statutes 2016, section 299A.707, is amended by adding a subdivision  
436.26 to read:

436.27 Subd. 6. **Annual transfer.** In fiscal year 2018 and each year thereafter, the commissioner  
436.28 of management and budget shall transfer \$461,000 from the general fund to the community  
436.29 justice reinvestment account.

437.1 Sec. 6. Minnesota Statutes 2016, section 626.8452, is amended by adding a subdivision  
437.2 to read:

437.3 Subd. 6. **Prohibition on disarming local law enforcement officers.** Unless expressly  
437.4 authorized under another section of law, a mayor, city council, county board, or chief law  
437.5 enforcement officer may not disarm a peace officer who is in good standing and not currently  
437.6 under investigation or subject to disciplinary action.

437.7 Sec. 7. Minnesota Statutes 2016, section 631.40, subdivision 1a, is amended to read:

437.8 Subd. 1a. **Certified copy of disqualifying offense convictions sent to public safety**  
437.9 **and school districts.** When a person is convicted of, or receives a stay of adjudication for,  
437.10 committing a disqualifying offense, as defined in section 171.3215, subdivision 1, a gross  
437.11 misdemeanor, a fourth moving violation within the previous three years, or a violation of  
437.12 section 169A.20, or a similar statute or ordinance from another state, the court shall determine  
437.13 whether the offender is a school bus driver as defined in section 171.3215, subdivision 1,  
437.14 whether the offender possesses a school bus driver's endorsement on the offender's driver's  
437.15 license and in what school districts the offender drives a school bus. If the offender is a  
437.16 school bus driver or possesses a school bus driver's endorsement, the court administrator  
437.17 shall send a certified copy of the conviction or stay of adjudication to the Department of  
437.18 Public Safety and to the school districts in which the offender drives a school bus within  
437.19 ten days after the conviction or stay of adjudication.

437.20 Sec. 8. **TASK FORCE ON MISSING AND MURDERED INDIGENOUS WOMEN.**

437.21 Subdivision 1. **Creation and duties.** (a) By September 1, 2018, the commissioner, in  
437.22 consultation with the Minnesota Indian Affairs Council, shall appoint members to the Task  
437.23 Force on Missing and Murdered Indigenous Women to advise the commissioner and report  
437.24 to the legislature on recommendations to reduce and end violence against indigenous women  
437.25 and girls in Minnesota. The task force shall also serve as a liaison between the commissioner  
437.26 and agencies and nongovernmental organizations that provide services to victims, victims'  
437.27 families, and victims' communities. Task force members may receive expense reimbursement  
437.28 as specified in Minnesota Statutes, section 15.059, subdivision 6.

437.29 (b) The Task Force on Missing and Murdered Indigenous Women must examine and  
437.30 report on the following:

437.31 (1) the systemic causes behind violence that indigenous women and girls experience,  
437.32 including patterns and underlying factors that explain why disproportionately high levels

438.1 of violence occur against indigenous women and girls, including underlying historical,  
 438.2 social, economic, institutional, and cultural factors which may contribute to the violence;

438.3 (2) appropriate methods for tracking and collecting data on violence against indigenous  
 438.4 women and girls, including data on missing and murdered indigenous women and girls;

438.5 (3) policies and institutions such as policing, child welfare, coroner practices, and other  
 438.6 governmental practices that impact violence against indigenous women and girls and the  
 438.7 investigation and prosecution of crimes of gender violence against indigenous people;

438.8 (4) measures necessary to address and reduce violence against indigenous women and  
 438.9 girls; and

438.10 (5) measures to help victims, victims' families, and victims' communities prevent and  
 438.11 heal from violence that occurs against indigenous women and girls.

438.12 (c) For the purposes of this section, "commissioner" means the commissioner of public  
 438.13 safety and "nongovernmental organizations" means nonprofit, nongovernmental organizations  
 438.14 that provide legal, social, or other community services.

438.15 Subd. 2. **Membership.** (a) To the extent practicable, the Task Force on Missing and  
 438.16 Murdered Indigenous Women shall consist of the following individuals, or their designees,  
 438.17 who are knowledgeable in crime victims' rights or violence protection and, unless otherwise  
 438.18 specified, members shall be appointed by the commissioner:

438.19 (1) two members of the senate, one appointed by the majority leader and one appointed  
 438.20 by the minority leader;

438.21 (2) two members of the house of representatives, one appointed by the speaker of the  
 438.22 house and one appointed by the minority leader;

438.23 (3) two representatives from among the following:

438.24 (i) the Minnesota Chiefs of Police Association;

438.25 (ii) the Minnesota Sheriffs' Association;

438.26 (iii) the Bureau of Criminal Apprehension;

438.27 (iv) the Minnesota Police and Peace Officers Association; or

438.28 (v) a peace officer who works for and resides on a federally recognized American Indian  
 438.29 reservation in Minnesota;

438.30 (4) a representative from among the following:

438.31 (i) the Minnesota County Attorneys Association;

- 439.1 (ii) the United States Attorney's Office; or
- 439.2 (iii) a judge or attorney working in juvenile court;
- 439.3 (5) a county coroner or a representative from a statewide coroner's association or a
- 439.4 representative of the Department of Health;
- 439.5 (6) two representatives for tribal governments, with a focus on individuals who work
- 439.6 with victims of violence or their families; and
- 439.7 (7) four representatives from among the following:
- 439.8 (i) a tribal, statewide, or local organization that provides legal services to indigenous
- 439.9 women and girls;
- 439.10 (ii) a tribal, statewide, or local organization that provides advocacy or counseling for
- 439.11 indigenous women and girls who have been victims of violence;
- 439.12 (iii) a tribal, statewide, or local organization that provides services to indigenous women
- 439.13 and girls;
- 439.14 (iv) a representative from the Minnesota Indian Women's Sexual Assault Coalition;
- 439.15 (v) a representative from Mending the Sacred Hoop;
- 439.16 (vi) a representative from an Indian health organization or agency; or
- 439.17 (vii) an indigenous woman who is a survivor of gender violence.
- 439.18 (b) Members of the task force serve at the pleasure of the appointing authority or until
- 439.19 the task force expires. Vacancies shall be filled by the commissioner consistent with the
- 439.20 qualifications of the vacating member required by this subdivision.
- 439.21 Subd. 3. **Officers; meetings.** (a) The task force shall be chaired by one of the task force's
- 439.22 legislative members. The legislative members shall annually elect a chair and vice-chair
- 439.23 from among the task force's legislative members, and may elect other officers as necessary.
- 439.24 The task force shall meet at least quarterly, or upon the call of its chair. The task force shall
- 439.25 meet sufficiently enough to accomplish the tasks identified in this section. Meetings of the
- 439.26 task force are subject to Minnesota Statutes, chapter 13D. The task force shall seek out and
- 439.27 enlist the cooperation and assistance of nongovernmental organizations, community and
- 439.28 advocacy organizations working with the American Indian community, and academic
- 439.29 researchers and experts, specifically those specializing in violence against indigenous women
- 439.30 and girls, representing diverse communities disproportionately affected by violence against
- 439.31 women and girls, or focusing on issues related to gender violence and violence against
- 439.32 indigenous women and girls.

440.1 (b) The commissioner shall convene the first meeting of the task force no later than  
440.2 October 1, 2018, and shall provide meeting space and administrative assistance as necessary  
440.3 for the task force to conduct its work.

440.4 Subd. 4. **Report.** The task force shall report to the chairs and ranking minority members  
440.5 of the legislative committees with jurisdiction over public safety, human services, and state  
440.6 government on the work of the task force, including but not limited to the issues to be  
440.7 examined in subdivision 1, and shall include in the report institutional policies and practices  
440.8 or proposed institutional policies and practices that are effective in reducing gender violence  
440.9 and increasing the safety of indigenous women and girls. The report shall include  
440.10 recommendations to reduce and end violence against indigenous women and girls and help  
440.11 victims and communities heal from gender violence and violence against indigenous women  
440.12 and girls. The report shall be submitted to the legislative committees by June 30, 2020.

440.13 Subd. 5. **Expiration.** Notwithstanding Minnesota Statutes, section 15.059, the task force  
440.14 expires June 30, 2020.

440.15 **Sec. 9. SUPERSEDING AMENDMENT.**

440.16 The amendment to Minnesota Statutes, section 631.40, subdivision 1a, in section 7  
440.17 supersedes any other amendment to Minnesota Statutes, section 631.40, subdivision 1a,  
440.18 enacted in this act.

440.19 **Sec. 10. REVISOR'S INSTRUCTION.**

440.20 The revisor of statutes shall make necessary cross-reference changes in Minnesota  
440.21 Statutes and Minnesota Rules resulting from the amendments to Minnesota Statutes, sections  
440.22 609.2112, subdivision 1, and 609.2114, subdivision 1, in Laws 2016, chapter 109.

440.23 **Sec. 11. REPEALER.**

440.24 Minnesota Statutes 2016, section 401.13, is repealed.

## 440.25 **ARTICLE 31**

### 440.26 **SEX OFFENDERS**

440.27 Section 1. Minnesota Statutes 2016, section 260.012, is amended to read:

440.28 **260.012 DUTY TO ENSURE PLACEMENT PREVENTION AND FAMILY**  
440.29 **REUNIFICATION; REASONABLE EFFORTS.**

441.1 (a) Once a child alleged to be in need of protection or services is under the court's  
441.2 jurisdiction, the court shall ensure that reasonable efforts, including culturally appropriate  
441.3 services, by the social services agency are made to prevent placement or to eliminate the  
441.4 need for removal and to reunite the child with the child's family at the earliest possible time,  
441.5 and the court must ensure that the responsible social services agency makes reasonable  
441.6 efforts to finalize an alternative permanent plan for the child as provided in paragraph (e).  
441.7 In determining reasonable efforts to be made with respect to a child and in making those  
441.8 reasonable efforts, the child's best interests, health, and safety must be of paramount concern.  
441.9 Reasonable efforts to prevent placement and for rehabilitation and reunification are always  
441.10 required except upon a determination by the court that a petition has been filed stating a  
441.11 prima facie case that:

441.12 (1) the parent has subjected a child to egregious harm as defined in section 260C.007,  
441.13 subdivision 14;

441.14 (2) the parental rights of the parent to another child have been terminated involuntarily;

441.15 (3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph  
441.16 (a), clause (2);

441.17 (4) the parent's custodial rights to another child have been involuntarily transferred to a  
441.18 relative under Minnesota Statutes 2010, section 260C.201, subdivision 11, paragraph (d),  
441.19 clause (1), section 260C.515, subdivision 4, or a similar law of another jurisdiction;

441.20 (5) the parent has committed sexual abuse as defined in section 626.556, subdivision 2,  
441.21 against the child or another child of the parent;

441.22 (6) the parent has committed an offense that requires registration as a predatory offender  
441.23 under section 243.166, subdivision 1b, paragraph (a) or (b); or

441.24 (7) the provision of services or further services for the purpose of reunification is futile  
441.25 and therefore unreasonable under the circumstances.

441.26 (b) When the court makes one of the prima facie determinations under paragraph (a),  
441.27 either permanency pleadings under section 260C.505, or a termination of parental rights  
441.28 petition under sections 260C.141 and 260C.301 must be filed. A permanency hearing under  
441.29 sections 260C.503 to 260C.521 must be held within 30 days of this determination.

441.30 (c) In the case of an Indian child, in proceedings under sections 260B.178, 260C.178,  
441.31 260C.201, 260C.202, 260C.204, 260C.301, or 260C.503 to 260C.521, the juvenile court  
441.32 must make findings and conclusions consistent with the Indian Child Welfare Act of 1978,  
441.33 United States Code, title 25, section 1901 et seq., as to the provision of active efforts. In

442.1 cases governed by the Indian Child Welfare Act of 1978, United States Code, title 25, section  
442.2 1901, the responsible social services agency must provide active efforts as required under  
442.3 United States Code, title 25, section 1911(d).

442.4 (d) "Reasonable efforts to prevent placement" means:

442.5 (1) the agency has made reasonable efforts to prevent the placement of the child in foster  
442.6 care by working with the family to develop and implement a safety plan; or

442.7 (2) given the particular circumstances of the child and family at the time of the child's  
442.8 removal, there are no services or efforts available which could allow the child to safely  
442.9 remain in the home.

442.10 (e) "Reasonable efforts to finalize a permanent plan for the child" means due diligence  
442.11 by the responsible social services agency to:

442.12 (1) reunify the child with the parent or guardian from whom the child was removed;

442.13 (2) assess a noncustodial parent's ability to provide day-to-day care for the child and,  
442.14 where appropriate, provide services necessary to enable the noncustodial parent to safely  
442.15 provide the care, as required by section 260C.219;

442.16 (3) conduct a relative search to identify and provide notice to adult relatives as required  
442.17 under section 260C.221;

442.18 (4) place siblings removed from their home in the same home for foster care or adoption,  
442.19 or transfer permanent legal and physical custody to a relative. Visitation between siblings  
442.20 who are not in the same foster care, adoption, or custodial placement or facility shall be  
442.21 consistent with section 260C.212, subdivision 2; and

442.22 (5) when the child cannot return to the parent or guardian from whom the child was  
442.23 removed, to plan for and finalize a safe and legally permanent alternative home for the child,  
442.24 and considers permanent alternative homes for the child inside or outside of the state,  
442.25 preferably through adoption or transfer of permanent legal and physical custody of the child.

442.26 (f) Reasonable efforts are made upon the exercise of due diligence by the responsible  
442.27 social services agency to use culturally appropriate and available services to meet the needs  
442.28 of the child and the child's family. Services may include those provided by the responsible  
442.29 social services agency and other culturally appropriate services available in the community.  
442.30 At each stage of the proceedings where the court is required to review the appropriateness  
442.31 of the responsible social services agency's reasonable efforts as described in paragraphs (a),  
442.32 (d), and (e), the social services agency has the burden of demonstrating that:

443.1 (1) it has made reasonable efforts to prevent placement of the child in foster care;

443.2 (2) it has made reasonable efforts to eliminate the need for removal of the child from  
443.3 the child's home and to reunify the child with the child's family at the earliest possible time;

443.4 (3) it has made reasonable efforts to finalize an alternative permanent home for the child,  
443.5 and considers permanent alternative homes for the child inside or outside of the state; or

443.6 (4) reasonable efforts to prevent placement and to reunify the child with the parent or  
443.7 guardian are not required. The agency may meet this burden by stating facts in a sworn  
443.8 petition filed under section 260C.141, by filing an affidavit summarizing the agency's  
443.9 reasonable efforts or facts the agency believes demonstrate there is no need for reasonable  
443.10 efforts to reunify the parent and child, or through testimony or a certified report required  
443.11 under juvenile court rules.

443.12 (g) Once the court determines that reasonable efforts for reunification are not required  
443.13 because the court has made one of the prima facie determinations under paragraph (a), the  
443.14 court may only require reasonable efforts for reunification after a hearing according to  
443.15 section 260C.163, where the court finds there is not clear and convincing evidence of the  
443.16 facts upon which the court based its prima facie determination. In this case when there is  
443.17 clear and convincing evidence that the child is in need of protection or services, the court  
443.18 may find the child in need of protection or services and order any of the dispositions available  
443.19 under section 260C.201, subdivision 1. Reunification of a child with a parent is not required  
443.20 if the parent has been convicted of:

443.21 (1) a violation of, or an attempt or conspiracy to commit a violation of, sections 609.185  
443.22 to 609.20; 609.222, subdivision 2; or 609.223 in regard to another child of the parent;

443.23 (2) a violation of section 609.222, subdivision 2; or 609.223, in regard to the child;

443.24 (3) a violation of, or an attempt or conspiracy to commit a violation of, United States  
443.25 Code, title 18, section 1111(a) or 1112(a), in regard to another child of the parent;

443.26 (4) committing an offense that constitutes sexual abuse as defined in section 626.556,  
443.27 subdivision 2, against the child or another child of the parent; or

443.28 (5) an offense that requires registration as a predatory offender under section 243.166,  
443.29 subdivision 1b, paragraph (a) or (b).

443.30 Reunification is also not required when a parent receives a stay of adjudication pursuant to  
443.31 section 609.095, paragraph (b), for an offense that constitutes sexual abuse under clause  
443.32 (4).

444.1 (h) The juvenile court, in proceedings under sections 260B.178, 260C.178, 260C.201,  
444.2 260C.202, 260C.204, 260C.301, or 260C.503 to 260C.521, shall make findings and  
444.3 conclusions as to the provision of reasonable efforts. When determining whether reasonable  
444.4 efforts have been made, the court shall consider whether services to the child and family  
444.5 were:

- 444.6 (1) relevant to the safety and protection of the child;
- 444.7 (2) adequate to meet the needs of the child and family;
- 444.8 (3) culturally appropriate;
- 444.9 (4) available and accessible;
- 444.10 (5) consistent and timely; and
- 444.11 (6) realistic under the circumstances.

444.12 In the alternative, the court may determine that provision of services or further services  
444.13 for the purpose of rehabilitation is futile and therefore unreasonable under the circumstances  
444.14 or that reasonable efforts are not required as provided in paragraph (a).

444.15 (i) This section does not prevent out-of-home placement for treatment of a child with a  
444.16 mental disability when it is determined to be medically necessary as a result of the child's  
444.17 diagnostic assessment or individual treatment plan indicates that appropriate and necessary  
444.18 treatment cannot be effectively provided outside of a residential or inpatient treatment  
444.19 program and the level or intensity of supervision and treatment cannot be effectively and  
444.20 safely provided in the child's home or community and it is determined that a residential  
444.21 treatment setting is the least restrictive setting that is appropriate to the needs of the child.

444.22 (j) If continuation of reasonable efforts to prevent placement or reunify the child with  
444.23 the parent or guardian from whom the child was removed is determined by the court to be  
444.24 inconsistent with the permanent plan for the child or upon the court making one of the prima  
444.25 facie determinations under paragraph (a), reasonable efforts must be made to place the child  
444.26 in a timely manner in a safe and permanent home and to complete whatever steps are  
444.27 necessary to legally finalize the permanent placement of the child.

444.28 (k) Reasonable efforts to place a child for adoption or in another permanent placement  
444.29 may be made concurrently with reasonable efforts to prevent placement or to reunify the  
444.30 child with the parent or guardian from whom the child was removed. When the responsible  
444.31 social services agency decides to concurrently make reasonable efforts for both reunification  
444.32 and permanent placement away from the parent under paragraph (a), the agency shall disclose  
444.33 its decision and both plans for concurrent reasonable efforts to all parties and the court.

445.1 When the agency discloses its decision to proceed on both plans for reunification and  
445.2 permanent placement away from the parent, the court's review of the agency's reasonable  
445.3 efforts shall include the agency's efforts under both plans.

445.4 Sec. 2. Minnesota Statutes 2016, section 609.095, is amended to read:

445.5 **609.095 LIMITS OF SENTENCES.**

445.6 (a) The legislature has the exclusive authority to define crimes and offenses and the  
445.7 range of the sentences or punishments for their violation. No other or different sentence or  
445.8 punishment shall be imposed for the commission of a crime than is authorized by this chapter  
445.9 or other applicable law.

445.10 (b) Except as provided in section 152.18 or 609.375, or upon agreement of the parties,  
445.11 a court may not refuse to adjudicate the guilt of a defendant who tenders a guilty plea in  
445.12 accordance with Minnesota Rules of Criminal Procedure, rule 15, or who has been found  
445.13 guilty by a court or jury following a trial. A decision by the court to issue a stay of  
445.14 adjudication under this paragraph for a charge of violating section 243.166, 609.342, 609.343,  
445.15 609.344, 609.345, 609.3451, subdivision 3, or 609.3453, must be justified in writing and  
445.16 on the record.

445.17 (c) Paragraph (b) does not supersede Minnesota Rules of Criminal Procedure, rule 26.04.

445.18 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
445.19 committed on or after that date.

445.20 Sec. 3. Minnesota Statutes 2016, section 609.341, subdivision 10, is amended to read:

445.21 Subd. 10. **Current or recent position of authority.** "Current or recent position of  
445.22 authority" includes but is not limited to any person who is a parent or acting in the place of  
445.23 a parent and charged with or assumes any of a parent's rights, duties or responsibilities to  
445.24 a child, or a person who is charged with or assumes any duty or responsibility for the health,  
445.25 welfare, or supervision of a child, either independently or through another, no matter how  
445.26 brief, at the time of or within 120 days immediately preceding the act. For the purposes of  
445.27 subdivision 11, "position of authority" includes a psychotherapist.

445.28 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
445.29 committed on or after that date.

446.1 Sec. 4. Minnesota Statutes 2016, section 609.342, subdivision 1, is amended to read:

446.2 Subdivision 1. **Crime defined.** A person who engages in sexual penetration with another  
446.3 person, or in sexual contact with a person under 13 years of age as defined in section 609.341,  
446.4 subdivision 11, paragraph (c), is guilty of criminal sexual conduct in the first degree if any  
446.5 of the following circumstances exists:

446.6 (a) the complainant is under 13 years of age and the actor is more than 36 months older  
446.7 than the complainant. Neither mistake as to the complainant's age nor consent to the act by  
446.8 the complainant is a defense;

446.9 (b) the complainant is at least 13 years of age but less than 16 years of age and the actor  
446.10 is more than 48 months older than the complainant and in a current or recent position of  
446.11 authority over the complainant. Neither mistake as to the complainant's age nor consent to  
446.12 the act by the complainant is a defense;

446.13 (c) circumstances existing at the time of the act cause the complainant to have a  
446.14 reasonable fear of imminent great bodily harm to the complainant or another;

446.15 (d) the actor is armed with a dangerous weapon or any article used or fashioned in a  
446.16 manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses  
446.17 or threatens to use the weapon or article to cause the complainant to submit;

446.18 (e) the actor causes personal injury to the complainant, and either of the following  
446.19 circumstances exist:

446.20 (i) the actor uses force or coercion to accomplish sexual penetration; or

446.21 (ii) the actor knows or has reason to know that the complainant is mentally impaired,  
446.22 mentally incapacitated, or physically helpless;

446.23 (f) the actor is aided or abetted by one or more accomplices within the meaning of section  
446.24 609.05, and either of the following circumstances exists:

446.25 (i) an accomplice uses force or coercion to cause the complainant to submit; or

446.26 (ii) an accomplice is armed with a dangerous weapon or any article used or fashioned  
446.27 in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and  
446.28 uses or threatens to use the weapon or article to cause the complainant to submit;

446.29 (g) the actor has a significant relationship to the complainant and the complainant was  
446.30 under 16 years of age at the time of the sexual penetration. Neither mistake as to the  
446.31 complainant's age nor consent to the act by the complainant is a defense; or

447.1 (h) the actor has a significant relationship to the complainant, the complainant was under  
447.2 16 years of age at the time of the sexual penetration, and:

447.3 (i) the actor or an accomplice used force or coercion to accomplish the penetration;

447.4 (ii) the complainant suffered personal injury; or

447.5 (iii) the sexual abuse involved multiple acts committed over an extended period of time.

447.6 Neither mistake as to the complainant's age nor consent to the act by the complainant is  
447.7 a defense.

447.8 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
447.9 committed on or after that date.

447.10 Sec. 5. Minnesota Statutes 2016, section 609.343, subdivision 1, is amended to read:

447.11 Subdivision 1. **Crime defined.** A person who engages in sexual contact with another  
447.12 person is guilty of criminal sexual conduct in the second degree if any of the following  
447.13 circumstances exists:

447.14 (a) the complainant is under 13 years of age and the actor is more than 36 months older  
447.15 than the complainant. Neither mistake as to the complainant's age nor consent to the act by  
447.16 the complainant is a defense. In a prosecution under this clause, the state is not required to  
447.17 prove that the sexual contact was coerced;

447.18 (b) the complainant is at least 13 but less than 16 years of age and the actor is more than  
447.19 48 months older than the complainant and in a current or recent position of authority over  
447.20 the complainant. Neither mistake as to the complainant's age nor consent to the act by the  
447.21 complainant is a defense;

447.22 (c) circumstances existing at the time of the act cause the complainant to have a  
447.23 reasonable fear of imminent great bodily harm to the complainant or another;

447.24 (d) the actor is armed with a dangerous weapon or any article used or fashioned in a  
447.25 manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses  
447.26 or threatens to use the dangerous weapon to cause the complainant to submit;

447.27 (e) the actor causes personal injury to the complainant, and either of the following  
447.28 circumstances exist:

447.29 (i) the actor uses force or coercion to accomplish the sexual contact; or

447.30 (ii) the actor knows or has reason to know that the complainant is mentally impaired,  
447.31 mentally incapacitated, or physically helpless;

448.1 (f) the actor is aided or abetted by one or more accomplices within the meaning of section  
448.2 609.05, and either of the following circumstances exists:

448.3 (i) an accomplice uses force or coercion to cause the complainant to submit; or

448.4 (ii) an accomplice is armed with a dangerous weapon or any article used or fashioned  
448.5 in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and  
448.6 uses or threatens to use the weapon or article to cause the complainant to submit;

448.7 (g) the actor has a significant relationship to the complainant and the complainant was  
448.8 under 16 years of age at the time of the sexual contact. Neither mistake as to the complainant's  
448.9 age nor consent to the act by the complainant is a defense; or

448.10 (h) the actor has a significant relationship to the complainant, the complainant was under  
448.11 16 years of age at the time of the sexual contact, and:

448.12 (i) the actor or an accomplice used force or coercion to accomplish the contact;

448.13 (ii) the complainant suffered personal injury; or

448.14 (iii) the sexual abuse involved multiple acts committed over an extended period of time.

448.15 Neither mistake as to the complainant's age nor consent to the act by the complainant is  
448.16 a defense.

448.17 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
448.18 committed on or after that date.

448.19 Sec. 6. Minnesota Statutes 2016, section 609.344, subdivision 1, is amended to read:

448.20 Subdivision 1. **Crime defined.** A person who engages in sexual penetration with another  
448.21 person is guilty of criminal sexual conduct in the third degree if any of the following  
448.22 circumstances exists:

448.23 (a) the complainant is under 13 years of age and the actor is no more than 36 months  
448.24 older than the complainant. Neither mistake as to the complainant's age nor consent to the  
448.25 act by the complainant shall be a defense;

448.26 (b) the complainant is at least 13 but less than 16 years of age and the actor is more than  
448.27 24 months older than the complainant. In any such case if the actor is no more than 120  
448.28 months older than the complainant, it shall be an affirmative defense, which must be proved  
448.29 by a preponderance of the evidence, that the actor reasonably believes the complainant to  
448.30 be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not  
448.31 be a defense. Consent by the complainant is not a defense;

449.1 (c) the actor uses force or coercion to accomplish the penetration;

449.2 (d) the actor knows or has reason to know that the complainant is mentally impaired,  
449.3 mentally incapacitated, or physically helpless;

449.4 (e) the complainant is at least 16 but less than 18 years of age and the actor is more than  
449.5 48 months older than the complainant and in a current or recent position of authority over  
449.6 the complainant. Neither mistake as to the complainant's age nor consent to the act by the  
449.7 complainant is a defense;

449.8 (f) the actor has a significant relationship to the complainant and the complainant was  
449.9 at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake  
449.10 as to the complainant's age nor consent to the act by the complainant is a defense;

449.11 (g) the actor has a significant relationship to the complainant, the complainant was at  
449.12 least 16 but under 18 years of age at the time of the sexual penetration, and:

449.13 (i) the actor or an accomplice used force or coercion to accomplish the penetration;

449.14 (ii) the complainant suffered personal injury; or

449.15 (iii) the sexual abuse involved multiple acts committed over an extended period of time.

449.16 Neither mistake as to the complainant's age nor consent to the act by the complainant is  
449.17 a defense;

449.18 (h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist  
449.19 and the sexual penetration occurred:

449.20 (i) during the psychotherapy session; or

449.21 (ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship  
449.22 exists.

449.23 Consent by the complainant is not a defense;

449.24 (i) the actor is a psychotherapist and the complainant is a former patient of the  
449.25 psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

449.26 (j) the actor is a psychotherapist and the complainant is a patient or former patient and  
449.27 the sexual penetration occurred by means of therapeutic deception. Consent by the  
449.28 complainant is not a defense;

449.29 (k) the actor accomplishes the sexual penetration by means of deception or false  
449.30 representation that the penetration is for a bona fide medical purpose. Consent by the  
449.31 complainant is not a defense;

450.1 (1) the actor is or purports to be a member of the clergy, the complainant is not married  
450.2 to the actor, and:

450.3 (i) the sexual penetration occurred during the course of a meeting in which the  
450.4 complainant sought or received religious or spiritual advice, aid, or comfort from the actor  
450.5 in private; or

450.6 (ii) the sexual penetration occurred during a period of time in which the complainant  
450.7 was meeting on an ongoing basis with the actor to seek or receive religious or spiritual  
450.8 advice, aid, or comfort in private. Consent by the complainant is not a defense;

450.9 (m) the actor is an employee, independent contractor, or volunteer of a state, county,  
450.10 city, or privately operated adult or juvenile correctional system, or secure treatment facility,  
450.11 or treatment facility providing services to clients civilly committed as mentally ill and  
450.12 dangerous, sexually dangerous persons, or sexual psychopathic personalities, including, but  
450.13 not limited to, jails, prisons, detention centers, or work release facilities, and the complainant  
450.14 is a resident of a facility or under supervision of the correctional system. Consent by the  
450.15 complainant is not a defense;

450.16 (n) the actor provides or is an agent of an entity that provides special transportation  
450.17 service, the complainant used the special transportation service, and the sexual penetration  
450.18 occurred during or immediately before or after the actor transported the complainant. Consent  
450.19 by the complainant is not a defense; ~~or~~

450.20 (o) the actor performs massage or other bodywork for hire, the complainant was a user  
450.21 of one of those services, and nonconsensual sexual penetration occurred during or  
450.22 immediately before or after the actor performed or was hired to perform one of those services  
450.23 for the complainant; or

450.24 (p) the actor is a peace officer, as defined in section 626.84, and the officer physically  
450.25 or constructively restrains the complainant or the complainant does not reasonably feel free  
450.26 to leave the officer's presence. Consent by the complainant is not a defense. This paragraph  
450.27 does not apply to any penetration of the mouth, genitals, or anus during a lawful search.

450.28 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
450.29 committed on or after that date.

450.30 Sec. 7. Minnesota Statutes 2016, section 609.345, subdivision 1, is amended to read:

450.31 Subdivision 1. **Crime defined.** A person who engages in sexual contact with another  
450.32 person is guilty of criminal sexual conduct in the fourth degree if any of the following  
450.33 circumstances exists:

451.1 (a) the complainant is under 13 years of age and the actor is no more than 36 months  
451.2 older than the complainant. Neither mistake as to the complainant's age or consent to the  
451.3 act by the complainant is a defense. In a prosecution under this clause, the state is not  
451.4 required to prove that the sexual contact was coerced;

451.5 (b) the complainant is at least 13 but less than 16 years of age and the actor is more than  
451.6 48 months older than the complainant or in a current or recent position of authority over  
451.7 the complainant. Consent by the complainant to the act is not a defense. In any such case,  
451.8 if the actor is no more than 120 months older than the complainant, it shall be an affirmative  
451.9 defense which must be proved by a preponderance of the evidence that the actor reasonably  
451.10 believes the complainant to be 16 years of age or older. In all other cases, mistake as to the  
451.11 complainant's age shall not be a defense;

451.12 (c) the actor uses force or coercion to accomplish the sexual contact;

451.13 (d) the actor knows or has reason to know that the complainant is mentally impaired,  
451.14 mentally incapacitated, or physically helpless;

451.15 (e) the complainant is at least 16 but less than 18 years of age and the actor is more than  
451.16 48 months older than the complainant and in a current or recent position of authority over  
451.17 the complainant. Neither mistake as to the complainant's age nor consent to the act by the  
451.18 complainant is a defense;

451.19 (f) the actor has a significant relationship to the complainant and the complainant was  
451.20 at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to  
451.21 the complainant's age nor consent to the act by the complainant is a defense;

451.22 (g) the actor has a significant relationship to the complainant, the complainant was at  
451.23 least 16 but under 18 years of age at the time of the sexual contact, and:

451.24 (i) the actor or an accomplice used force or coercion to accomplish the contact;

451.25 (ii) the complainant suffered personal injury; or

451.26 (iii) the sexual abuse involved multiple acts committed over an extended period of time.

451.27 Neither mistake as to the complainant's age nor consent to the act by the complainant is  
451.28 a defense;

451.29 (h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist  
451.30 and the sexual contact occurred:

451.31 (i) during the psychotherapy session; or

452.1 (ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship  
452.2 exists. Consent by the complainant is not a defense;

452.3 (i) the actor is a psychotherapist and the complainant is a former patient of the  
452.4 psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

452.5 (j) the actor is a psychotherapist and the complainant is a patient or former patient and  
452.6 the sexual contact occurred by means of therapeutic deception. Consent by the complainant  
452.7 is not a defense;

452.8 (k) the actor accomplishes the sexual contact by means of deception or false representation  
452.9 that the contact is for a bona fide medical purpose. Consent by the complainant is not a  
452.10 defense;

452.11 (l) the actor is or purports to be a member of the clergy, the complainant is not married  
452.12 to the actor, and:

452.13 (i) the sexual contact occurred during the course of a meeting in which the complainant  
452.14 sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

452.15 (ii) the sexual contact occurred during a period of time in which the complainant was  
452.16 meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice,  
452.17 aid, or comfort in private. Consent by the complainant is not a defense;

452.18 (m) the actor is an employee, independent contractor, or volunteer of a state, county,  
452.19 city, or privately operated adult or juvenile correctional system, or secure treatment facility,  
452.20 or treatment facility providing services to clients civilly committed as mentally ill and  
452.21 dangerous, sexually dangerous persons, or sexual psychopathic personalities, including, but  
452.22 not limited to, jails, prisons, detention centers, or work release facilities, and the complainant  
452.23 is a resident of a facility or under supervision of the correctional system. Consent by the  
452.24 complainant is not a defense;

452.25 (n) the actor provides or is an agent of an entity that provides special transportation  
452.26 service, the complainant used the special transportation service, ~~the complainant is not~~  
452.27 ~~married to the actor~~, and the sexual contact occurred during or immediately before or after  
452.28 the actor transported the complainant. Consent by the complainant is not a defense; ~~or~~

452.29 (o) the actor performs massage or other bodywork for hire, the complainant was a user  
452.30 of one of those services, and nonconsensual sexual contact occurred during or immediately  
452.31 before or after the actor performed or was hired to perform one of those services for the  
452.32 complainant; or

453.1 (p) the actor is a peace officer, as defined in section 626.84, and the officer physically  
453.2 or constructively restrains the complainant or the complainant does not reasonably feel free  
453.3 to leave the officer's presence. Consent by the complainant is not a defense.

453.4 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
453.5 committed on or after that date.

453.6 Sec. 8. Minnesota Statutes 2016, section 609.3451, subdivision 1, is amended to read:

453.7 Subdivision 1. **Crime defined.** A person is guilty of criminal sexual conduct in the fifth  
453.8 degree:

453.9 (1) if the person engages in nonconsensual sexual contact; or

453.10 (2) the person engages in masturbation or lewd exhibition of the genitals in the presence  
453.11 of a minor under the age of 16, knowing or having reason to know the minor is present.

453.12 For purposes of this section, "sexual contact" has the meaning given in section 609.341,  
453.13 subdivision 11, paragraph (a), clauses (i), (iv), and (v), ~~but does not include the intentional~~  
453.14 ~~touching of the clothing covering the immediate area of the buttocks.~~ Sexual contact also  
453.15 includes the intentional removal or attempted removal of clothing covering the complainant's  
453.16 intimate parts or undergarments, and the nonconsensual touching by the complainant of the  
453.17 actor's intimate parts, effected by the actor, if the action is performed with sexual or  
453.18 aggressive intent.

453.19 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
453.20 committed on or after that date.

453.21 Sec. 9. Minnesota Statutes 2016, section 609.746, subdivision 1, is amended to read:

453.22 Subdivision 1. **Surreptitious intrusion; observation device.** (a) A person is guilty of  
453.23 a gross misdemeanor who:

453.24 (1) enters upon another's property;

453.25 (2) surreptitiously gazes, stares, or peeps in the window or any other aperture of a house  
453.26 or place of dwelling of another; and

453.27 (3) does so with intent to intrude upon or interfere with the privacy of a member of the  
453.28 household.

453.29 (b) A person is guilty of a gross misdemeanor who:

453.30 (1) enters upon another's property;

454.1 (2) surreptitiously installs or uses any device for observing, photographing, recording,  
454.2 amplifying, or broadcasting sounds or events through the window or any other aperture of  
454.3 a house or place of dwelling of another; and

454.4 (3) does so with intent to intrude upon or interfere with the privacy of a member of the  
454.5 household.

454.6 (c) A person is guilty of a gross misdemeanor who:

454.7 (1) surreptitiously gazes, stares, or peeps in the window or other aperture of a sleeping  
454.8 room in a hotel, as defined in section 327.70, subdivision 3, a tanning booth, or other place  
454.9 where a reasonable person would have an expectation of privacy and has exposed or is  
454.10 likely to expose their intimate parts, as defined in section 609.341, subdivision 5, or the  
454.11 clothing covering the immediate area of the intimate parts; and

454.12 (2) does so with intent to intrude upon or interfere with the privacy of the occupant.

454.13 (d) A person is guilty of a gross misdemeanor who:

454.14 (1) surreptitiously installs or uses any device for observing, photographing, recording,  
454.15 amplifying, or broadcasting sounds or events through the window or other aperture of a  
454.16 sleeping room in a hotel, as defined in section 327.70, subdivision 3, a tanning booth, or  
454.17 other place where a reasonable person would have an expectation of privacy and has exposed  
454.18 or is likely to expose their intimate parts, as defined in section 609.341, subdivision 5, or  
454.19 the clothing covering the immediate area of the intimate parts; and

454.20 (2) does so with intent to intrude upon or interfere with the privacy of the occupant.

454.21 (e) A person is guilty of a felony and may be sentenced to imprisonment for not more  
454.22 than two years or to payment of a fine of not more than \$5,000, or both, if the person:

454.23 (1) violates this subdivision after a previous conviction under this subdivision or section  
454.24 609.749; or

454.25 (2) violates this subdivision against a minor under the age of 18, knowing or having  
454.26 reason to know that the minor is present.

454.27 (f) A person is guilty of a felony and may be sentenced to imprisonment for not more  
454.28 than four years or to payment of a fine of not more than \$5,000, or both, if: (1) the person  
454.29 violates paragraph (b) or (d) against a minor victim under the age of 18; (2) the person is  
454.30 more than 36 months older than the minor victim; (3) the person knows or has reason to  
454.31 know that the minor victim is present; and (4) the violation is committed with sexual intent.

455.1 (g) Paragraphs (b) and (d) do not apply to law enforcement officers or corrections  
455.2 investigators, or to those acting under their direction, while engaged in the performance of  
455.3 their lawful duties. Paragraphs (c) and (d) do not apply to conduct in: (1) a medical facility;  
455.4 or (2) a commercial establishment if the owner of the establishment has posted conspicuous  
455.5 signs warning that the premises are under surveillance by the owner or the owner's employees.

455.6 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
455.7 committed on or after that date.

455.8 Sec. 10. Minnesota Statutes 2016, section 617.246, subdivision 2, is amended to read:

455.9 Subd. 2. **Use of minor.** (a) It is unlawful for a person to promote, employ, use or permit  
455.10 a minor to engage in or assist others to engage minors in posing or modeling alone or with  
455.11 others in any sexual performance or pornographic work if the person knows or has reason  
455.12 to know that the conduct intended is a sexual performance or a pornographic work.

455.13 Any person who violates this ~~subdivision~~ paragraph is guilty of a felony and may be  
455.14 sentenced to imprisonment for not more than ten years or to payment of a fine of not more  
455.15 than \$20,000 ~~for the first offense and \$40,000 for a second or subsequent offense~~, or both.

455.16 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to  
455.17 imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000,  
455.18 or both, if:

455.19 (1) the person has a prior conviction or delinquency adjudication for violating this section  
455.20 or section 617.247;

455.21 (2) the violation occurs when the person is a registered predatory offender under section  
455.22 243.166; or

455.23 (3) the violation involved a minor under the age of 13 years.

455.24 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
455.25 committed on or after that date.

455.26 Sec. 11. Minnesota Statutes 2016, section 617.246, subdivision 3, is amended to read:

455.27 Subd. 3. **Operation or ownership of business.** (a) A person who owns or operates a  
455.28 business in which a pornographic work, as defined in this section, is disseminated to an  
455.29 adult or a minor or is reproduced, and who knows the content and character of the  
455.30 pornographic work disseminated or reproduced, is guilty of a felony and may be sentenced

456.1 to imprisonment for not more than ten years, or to payment of a fine of not more than  
456.2 \$20,000 ~~for the first offense and \$40,000 for a second or subsequent offense~~, or both.

456.3 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to  
456.4 imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000,  
456.5 or both, if:

456.6 (1) the person has a prior conviction or delinquency adjudication for violating this section  
456.7 or section 617.247;

456.8 (2) the violation occurs when the person is a registered predatory offender under section  
456.9 243.166; or

456.10 (3) the violation involved a minor under the age of 13 years.

456.11 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
456.12 committed on or after that date.

456.13 Sec. 12. Minnesota Statutes 2016, section 617.246, subdivision 4, is amended to read:

456.14 Subd. 4. **Dissemination.** (a) A person who, knowing or with reason to know its content  
456.15 and character, disseminates for profit to an adult or a minor a pornographic work, as defined  
456.16 in this section, is guilty of a felony and may be sentenced to imprisonment for not more  
456.17 than ten years, or to payment of a fine of not more than \$20,000 ~~for the first offense and~~  
456.18 ~~\$40,000 for a second or subsequent offense~~, or both.

456.19 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to  
456.20 imprisonment for not more than 15 years or to payment of a fine of not more than \$40,000,  
456.21 or both, if:

456.22 (1) the person has a prior conviction or delinquency adjudication for violating this section  
456.23 or section 617.247;

456.24 (2) the violation occurs when the person is a registered predatory offender under section  
456.25 243.166; or

456.26 (3) the violation involved a minor under the age of 13 years.

456.27 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
456.28 committed on or after that date.

457.1 Sec. 13. Minnesota Statutes 2016, section 617.246, subdivision 7, is amended to read:

457.2 Subd. 7. **Conditional release term.** Notwithstanding the statutory maximum sentence  
457.3 otherwise applicable to the offense or any provision of the sentencing guidelines, when a  
457.4 court commits a person to the custody of the commissioner of corrections for violating this  
457.5 section, the court shall provide that after the person has been released from prison, the  
457.6 commissioner shall place the person on conditional release for five years. If the person has  
457.7 previously been convicted of a violation of this section, section 609.342, 609.343, 609.344,  
457.8 609.345, 609.3451, 609.3453, or 617.247, or any similar statute of the United States, this  
457.9 state, or any state, the commissioner shall place the person on conditional release for ~~ten~~  
457.10 15 years. The terms of conditional release are governed by section 609.3455, subdivision  
457.11 8.

457.12 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
457.13 committed on or after that date.

457.14 Sec. 14. Minnesota Statutes 2016, section 617.247, subdivision 3, is amended to read:

457.15 Subd. 3. **Dissemination prohibited.** (a) A person who disseminates pornographic work  
457.16 to an adult or a minor, knowing or with reason to know its content and character, is guilty  
457.17 of a felony and may be sentenced to imprisonment for not more than seven years ~~and or to~~  
457.18 payment of a fine of not more than \$10,000 for a first offense and for not more than 15  
457.19 years and a fine of not more than \$20,000 for a second or subsequent offense, or both.

457.20 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to  
457.21 imprisonment for not more than 15 years or to payment of a fine of not more than \$20,000,  
457.22 or both, if:

457.23 (1) the person has a prior conviction or delinquency adjudication for violating this section  
457.24 or section 617.246;

457.25 (2) the violation occurs when the person is a registered predatory offender under section  
457.26 243.166; or

457.27 (3) the violation involved a minor under the age of 13 years.

457.28 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
457.29 committed on or after that date.

458.1 Sec. 15. Minnesota Statutes 2016, section 617.247, subdivision 4, is amended to read:

458.2 Subd. 4. **Possession prohibited.** (a) A person who possesses a pornographic work or a  
458.3 computer disk or computer or other electronic, magnetic, or optical storage system or a  
458.4 storage system of any other type, containing a pornographic work, knowing or with reason  
458.5 to know its content and character, is guilty of a felony and may be sentenced to imprisonment  
458.6 for not more than five years ~~and~~ or to payment of a fine of not more than \$5,000 for a first  
458.7 ~~offense and for not more than ten years and a fine of not more than \$10,000 for a second~~  
458.8 ~~or subsequent offense, or both.~~

458.9 (b) A person who violates paragraph (a) is guilty of a felony and may be sentenced to  
458.10 imprisonment for not more than ten years or to payment of a fine of not more than \$10,000,  
458.11 or both, if:

458.12 (1) the person has a prior conviction or delinquency adjudication for violating this section  
458.13 or section 617.246;

458.14 (2) the violation occurs when the person is a registered predatory offender under section  
458.15 243.166; or

458.16 (3) the violation involved a minor under the age of 13 years.

458.17 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
458.18 committed on or after that date.

458.19 Sec. 16. Minnesota Statutes 2016, section 617.247, subdivision 9, is amended to read:

458.20 Subd. 9. **Conditional release term.** Notwithstanding the statutory maximum sentence  
458.21 otherwise applicable to the offense or any provision of the sentencing guidelines, when a  
458.22 court commits a person to the custody of the commissioner of corrections for violating this  
458.23 section, the court shall provide that after the person has been released from prison, the  
458.24 commissioner shall place the person on conditional release for five years. If the person has  
458.25 previously been convicted of a violation of this section, section 609.342, 609.343, 609.344,  
458.26 609.345, 609.3451, 609.3453, or 617.246, or any similar statute of the United States, this  
458.27 state, or any state, the commissioner shall place the person on conditional release for ~~ten~~  
458.28 15 years. The terms of conditional release are governed by section 609.3455, subdivision  
458.29 8.

458.30 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
458.31 committed on or after that date.

459.1 Sec. 17. **SENTENCING GUIDELINES MODIFICATION.**

459.2 The Sentencing Guidelines Commission shall comprehensively review and consider  
459.3 modifying how the Sentencing Guidelines and the sex offender grid address the crimes  
459.4 described in Minnesota Statutes, sections 617.246 and 617.247, as compared to similar  
459.5 crimes, including other sex offenses and other offenses with similar maximum penalties.

459.6 Sec. 18. **REPEALER.**

459.7 Minnesota Statutes 2016, section 609.349, is repealed.

459.8 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
459.9 committed on or after that date.

459.10

## ARTICLE 32

459.11

### PREDATORY OFFENDERS

459.12 Section 1. Minnesota Statutes 2016, section 171.07, subdivision 1a, is amended to read:

459.13 Subd. 1a. **Filing photograph or image; data classification.** The department shall file,  
459.14 or contract to file, all photographs or electronically produced images obtained in the process  
459.15 of issuing drivers' licenses or Minnesota identification cards. The photographs or  
459.16 electronically produced images shall be private data pursuant to section 13.02, subdivision  
459.17 12. Notwithstanding section 13.04, subdivision 3, the department shall not be required to  
459.18 provide copies of photographs or electronically produced images to data subjects. The use  
459.19 of the files is restricted:

459.20 (1) to the issuance and control of drivers' licenses;

459.21 (2) to criminal justice agencies, as defined in section 299C.46, subdivision 2, for the  
459.22 investigation and prosecution of crimes, service of process, enforcement of no contact  
459.23 orders, location of missing persons, investigation and preparation of cases for criminal,  
459.24 juvenile, and traffic court, location of individuals required to register under section 243.166  
459.25 or 243.167, and supervision of offenders;

459.26 (3) to public defenders, as defined in section 611.272, for the investigation and preparation  
459.27 of cases for criminal, juvenile, and traffic courts;

459.28 (4) to child support enforcement purposes under section 256.978; and

459.29 (5) to a county medical examiner or coroner as required by section 390.005 as necessary  
459.30 to fulfill the duties under sections 390.11 and 390.25.

460.1 Sec. 2. Minnesota Statutes 2016, section 243.166, subdivision 1b, is amended to read:

460.2 Subd. 1b. **Registration required.** (a) A person shall register under this section if:

460.3 (1) the person was charged with or petitioned for a felony violation of or attempt to  
460.4 violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted  
460.5 of or adjudicated delinquent for that offense or another offense arising out of the same set  
460.6 of circumstances:

460.7 (i) murder under section 609.185, paragraph (a), clause (2);

460.8 (ii) kidnapping under section 609.25;

460.9 (iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; 609.3451,  
460.10 subdivision 3; or 609.3453; ~~or~~

460.11 (iv) indecent exposure under section 617.23, subdivision 3; or

460.12 (v) surreptitious intrusion under the circumstances described in section 609.746,  
460.13 subdivision 1, paragraph (f);

460.14 (2) the person was charged with or petitioned for a violation of, or attempt to violate, or  
460.15 aiding, abetting, or conspiring to commit criminal abuse in violation of section 609.2325,  
460.16 subdivision 1, paragraph (b); false imprisonment in violation of section 609.255, subdivision  
460.17 2; solicitation, inducement, or promotion of the prostitution of a minor or engaging in the  
460.18 sex trafficking of a minor in violation of section 609.322; a prostitution offense in violation  
460.19 of section 609.324, subdivision 1, paragraph (a); soliciting a minor to engage in sexual  
460.20 conduct in violation of section 609.352, subdivision 2 or 2a, clause (1); using a minor in a  
460.21 sexual performance in violation of section 617.246; or possessing pornographic work  
460.22 involving a minor in violation of section 617.247, and convicted of or adjudicated delinquent  
460.23 for that offense or another offense arising out of the same set of circumstances;

460.24 (3) the person was sentenced as a patterned sex offender under section 609.3455,  
460.25 subdivision 3a; or

460.26 (4) the person was charged with or petitioned for, including pursuant to a court martial,  
460.27 violating a law of the United States, including the Uniform Code of Military Justice, similar  
460.28 to the offenses described in clause (1), (2), or (3), and convicted of or adjudicated delinquent  
460.29 for that offense or another offense arising out of the same set of circumstances.

460.30 (b) A person also shall register under this section if:

460.31 (1) the person was charged with or petitioned for an offense in another state that would  
460.32 be a violation of a law described in paragraph (a) if committed in this state and convicted

461.1 of or adjudicated delinquent for that offense or another offense arising out of the same set  
461.2 of circumstances;

461.3 (2) the person enters this state to reside, work, or attend school, or enters this state and  
461.4 remains for 14 days or longer; and

461.5 (3) ten years have not elapsed since the person was released from confinement or, if the  
461.6 person was not confined, since the person was convicted of or adjudicated delinquent for  
461.7 the offense that triggers registration, unless the person is subject to a longer registration  
461.8 period under the laws of another state in which the person has been convicted or adjudicated,  
461.9 or is subject to lifetime registration.

461.10 If a person described in this paragraph is subject to a longer registration period in another  
461.11 state or is subject to lifetime registration, the person shall register for that time period  
461.12 regardless of when the person was released from confinement, convicted, or adjudicated  
461.13 delinquent.

461.14 (c) A person also shall register under this section if the person was committed pursuant  
461.15 to a court commitment order under Minnesota Statutes 2012, section 253B.185, chapter  
461.16 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the  
461.17 United States, regardless of whether the person was convicted of any offense.

461.18 (d) A person also shall register under this section if:

461.19 (1) the person was charged with or petitioned for a felony violation or attempt to violate  
461.20 any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or  
461.21 the United States, or the person was charged with or petitioned for a violation of any of the  
461.22 offenses listed in paragraph (a), clause (2), or a similar law of another state or the United  
461.23 States;

461.24 (2) the person was found not guilty by reason of mental illness or mental deficiency  
461.25 after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in  
461.26 states with a guilty but mentally ill verdict; and

461.27 (3) the person was committed pursuant to a court commitment order under section  
461.28 253B.18 or a similar law of another state or the United States.

461.29 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
461.30 committed on or after that date.

462.1 Sec. 3. Minnesota Statutes 2016, section 243.166, subdivision 2, is amended to read:

462.2 Subd. 2. **Notice.** When a person who is required to register under subdivision 1b,  
462.3 paragraph (a), is sentenced or becomes subject to a juvenile court disposition order, the  
462.4 court shall tell the person of the duty to register under this section and that, if the person  
462.5 fails to comply with the registration requirements, information about the offender may be  
462.6 made available to the public through electronic, computerized, or other accessible means.  
462.7 The court may not modify the person's duty to register in the pronounced sentence or  
462.8 disposition order. The court shall require the person to read and sign a form stating that the  
462.9 duty of the person to register under this section has been explained. The court shall forward  
462.10 the signed ~~sex-offender registration~~ court notification form, the complaint, and sentencing  
462.11 documents to the bureau. If a person required to register under subdivision 1b, paragraph  
462.12 (a), was not notified by the court of the registration requirement at the time of sentencing  
462.13 or disposition, the assigned corrections agent shall notify the person of the requirements of  
462.14 this section. If a person does not have a corrections agent, the local law enforcement authority  
462.15 with jurisdiction over the person's primary address shall notify the person of the requirements.  
462.16 When a person who is required to register under subdivision 1b, paragraph (c) or (d), is  
462.17 released from commitment, the treatment facility shall notify the person of the requirements  
462.18 of this section. The treatment facility shall also obtain the registration information required  
462.19 under this section and forward it to the bureau.

462.20 Sec. 4. Minnesota Statutes 2016, section 243.166, subdivision 4, is amended to read:

462.21 Subd. 4. **Contents of registration.** (a) The registration provided to the corrections agent  
462.22 or law enforcement authority, must consist of a statement in writing signed by the person,  
462.23 giving information required by the bureau, fingerprints, biological specimen for DNA  
462.24 analysis as defined under section 299C.155, subdivision 1, and photograph of the person  
462.25 taken at the time of the person's release from incarceration or, if the person was not  
462.26 incarcerated, at the time the person initially registered under this section. The registration  
462.27 information also must include a written consent form signed by the person allowing a  
462.28 treatment facility or residential housing unit or shelter to release information to a law  
462.29 enforcement officer about the person's admission to, or residence in, a treatment facility or  
462.30 residential housing unit or shelter. Registration information on adults and juveniles may be  
462.31 maintained together notwithstanding section 260B.171, subdivision 3.

462.32 (b) For persons required to register under subdivision 1b, paragraph (c), following  
462.33 commitment pursuant to a court commitment under Minnesota Statutes 2012, section  
462.34 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of

463.1 another state or the United States, in addition to other information required by this section,  
463.2 the registration provided to the corrections agent or law enforcement authority must include  
463.3 the person's offense history and documentation of treatment received during the person's  
463.4 commitment. This documentation is limited to a statement of how far the person progressed  
463.5 in treatment during commitment.

463.6 (c) Within three days of receipt, the corrections agent or law enforcement authority shall  
463.7 forward the registration information to the bureau. The bureau shall ascertain whether the  
463.8 person has registered with the law enforcement authority in the area of the person's primary  
463.9 address, if any, or if the person lacks a primary address, where the person is staying, as  
463.10 required by subdivision 3a. If the person has not registered with the law enforcement  
463.11 authority, the bureau shall ~~send one copy to~~ notify that authority.

463.12 (d) The corrections agent or law enforcement authority may require that a person required  
463.13 to register under this section appear before the agent or authority to be photographed. The  
463.14 agent or authority shall forward the photograph to the bureau.

463.15 (1) Except as provided in clause (2), the agent or authority may photograph any offender  
463.16 at a time and frequency chosen by the agent or authority.

463.17 (2) The requirements of this paragraph shall not apply during any period where the  
463.18 person to be photographed is: (i) committed to the commissioner of corrections and  
463.19 incarcerated, (ii) incarcerated in a regional jail or county jail, or (iii) committed to the  
463.20 commissioner of human services and receiving treatment in a secure treatment facility.

463.21 (e) During the period a person is required to register under this section, the following  
463.22 provisions apply:

463.23 (1) Except for persons registering under subdivision 3a, the bureau shall mail a  
463.24 verification form to the person's last reported primary address. This verification form must  
463.25 provide notice to the offender that, if the offender does not return the verification form as  
463.26 required, information about the offender may be made available to the public through  
463.27 electronic, computerized, or other accessible means. For persons who are registered under  
463.28 subdivision 3a, the bureau shall mail an annual verification form to the law enforcement  
463.29 authority where the offender most recently reported. The authority shall provide the  
463.30 verification form to the person at the next weekly meeting and ensure that the person  
463.31 completes and signs the form and returns it to the bureau. Notice is sufficient under this  
463.32 paragraph, if the verification form is sent by first class mail to the person's last reported  
463.33 primary address, or for persons registered under subdivision 3a, to the law enforcement  
463.34 authority where the offender most recently reported.

464.1 (2) The person shall mail the signed verification form back to the bureau within ten days  
464.2 after receipt of the form, stating on the form the current and last address of the person's  
464.3 residence and the other information required under subdivision 4a.

464.4 (3) In addition to the requirements listed in this section, an offender who is no longer  
464.5 under correctional supervision for a registration offense, or a failure to register offense, but  
464.6 who resides, works, or attends school in Minnesota, shall have an in-person contact with a  
464.7 law enforcement authority as provided in this section. If the person resides in Minnesota,  
464.8 the in-person contact shall be with the law enforcement authority that has jurisdiction over  
464.9 the person's primary address or, if the person has no address, the location where the person  
464.10 is staying. If the person does not reside in Minnesota but works or attends school in this  
464.11 state, the person shall have an in-person contact with the law enforcement authority or  
464.12 authorities with jurisdiction over the person's school or workplace. During the month of the  
464.13 person's birth date, the person shall report to the authority to verify the accuracy of the  
464.14 registration information and to be photographed. Within three days of this contact, the  
464.15 authority shall enter information as required by the bureau into the predatory offender  
464.16 registration database and submit an updated photograph of the person to the bureau's  
464.17 predatory offender registration unit.

464.18 (4) If the person fails to mail the completed and signed verification form to the bureau  
464.19 within ten days after receipt of the form, or if the person fails to report to the law enforcement  
464.20 authority during the month of the person's birth date, the person is in violation of this section.

464.21 (5) For any person who fails to mail the completed and signed verification form to the  
464.22 bureau within ten days after receipt of the form and who has been determined to be a risk  
464.23 level III offender under section 244.052, the bureau shall immediately investigate and notify  
464.24 local law enforcement authorities to investigate the person's location and to ensure compliance  
464.25 with this section. The bureau also shall immediately give notice of the person's violation of  
464.26 this section to the law enforcement authority having jurisdiction over the person's last  
464.27 registered primary address ~~or addresses~~.

464.28 (6) A law enforcement authority may determine whether the person is at that person's  
464.29 primary address, secondary address, or school or work location, if any, or the accuracy of  
464.30 any other information required under subdivision 4a if the person whose primary address,  
464.31 secondary address, or school or work location, if any, is within the authority's jurisdiction,  
464.32 regardless of the assignment of a corrections agent.

464.33 For persons required to register under subdivision 1b, paragraph (c), following  
464.34 commitment pursuant to a court commitment under Minnesota Statutes 2012, section

465.1 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of  
465.2 another state or the United States, the bureau shall comply with clause (1) at least four times  
465.3 each year. For persons who, under section 244.052, are assigned to risk level III and who  
465.4 are no longer under correctional supervision for a registration offense or a failure to register  
465.5 offense, the bureau shall comply with clause (1) at least two times each year. For all other  
465.6 persons required to register under this section, the bureau shall comply with clause (1) each  
465.7 year within 30 days of the anniversary date of the person's initial registration.

465.8 (f) When sending out a verification form, the bureau shall determine whether the person  
465.9 to whom the verification form is being sent has signed a written consent form as provided  
465.10 for in paragraph (a). If the person has not signed such a consent form, the bureau shall send  
465.11 a written consent form to the person along with the verification form. A person who receives  
465.12 this written consent form shall sign and return it to the bureau at the same time as the  
465.13 verification form.

465.14 (g) For persons registered under this section on the effective date of this section, each  
465.15 person, on or before one year from that date, must provide a biological specimen for the  
465.16 purpose of DNA analysis to the probation agency or law enforcement agency where that  
465.17 person is registered. A person who provides or has provided a biological specimen for the  
465.18 purpose of DNA analysis under chapter 299C or section 609.117 meets the requirements  
465.19 of this paragraph.

465.20 Sec. 5. Minnesota Statutes 2016, section 243.166, subdivision 4c, is amended to read:

465.21 Subd. 4c. **Notices in writing; signed.** All notices required by this section must be in  
465.22 writing and signed by the person required to register. For purposes of this section, a signature  
465.23 may be in ink on paper, by an electronic method established by the bureau, or by use of a  
465.24 biometric for the person. If a biometric is used, the person must provide a sample that is  
465.25 forwarded to the bureau so that it can be maintained for comparison purposes to verify the  
465.26 person's identity.

465.27 Sec. 6. Minnesota Statutes 2016, section 243.166, subdivision 5, is amended to read:

465.28 Subd. 5. **Criminal penalty.** (a) A person required to register under this section who was  
465.29 given notice, knows, or reasonably should know of the duty to register and who:

465.30 (1) knowingly commits an act or fails to fulfill a requirement that violates any of its  
465.31 provisions provision of this section; or

466.1       (2) intentionally provides false information to a corrections agent, law enforcement  
466.2 authority, or the bureau is guilty of a felony and may be sentenced to imprisonment for not  
466.3 more than five years or to payment of a fine of not more than \$10,000, or both.

466.4       (b) Except as provided in paragraph (c), a person convicted of violating paragraph (a)  
466.5 shall be committed to the custody of the commissioner of corrections for not less than a  
466.6 year and a day, nor more than five years.

466.7       (c) A person convicted of violating paragraph (a), who has previously been convicted  
466.8 of or adjudicated delinquent for violating this section or a similar statute of another state or  
466.9 the United States, shall be committed to the custody of the commissioner of corrections for  
466.10 not less than two years, nor more than five years.

466.11       (d) Prior to the time of sentencing, the prosecutor may file a motion to have the person  
466.12 sentenced without regard to the mandatory minimum sentence established by this subdivision.  
466.13 The motion must be accompanied by a statement on the record of the reasons for it. When  
466.14 presented with the motion, or on its own motion, the court may sentence the person without  
466.15 regard to the mandatory minimum sentence if the court finds substantial and compelling  
466.16 reasons to do so. Sentencing a person in the manner described in this paragraph is a departure  
466.17 from the Sentencing Guidelines.

466.18       (e) A person convicted and sentenced as required by this subdivision is not eligible for  
466.19 probation, parole, discharge, work release, conditional release, or supervised release, until  
466.20 that person has served the full term of imprisonment as provided by law, notwithstanding  
466.21 the provisions of sections 241.26, 242.19, 243.05, 244.04, 609.12, and 609.135.

466.22       **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
466.23 committed on or after that date.

466.24       Sec. 7. Minnesota Statutes 2016, section 243.166, subdivision 6, is amended to read:

466.25       Subd. 6. **Registration period.** (a) Notwithstanding the provisions of section 609.165,  
466.26 subdivision 1, and except as provided in paragraphs (b), (c), and (d), a person required to  
466.27 register under this section shall continue to comply with this section until ten years have  
466.28 elapsed since the person initially registered in connection with the offense, or until the  
466.29 probation, supervised release, or conditional release period expires, whichever occurs later.  
466.30 For a person required to register under this section who is committed under section 253B.18,  
466.31 Minnesota Statutes 2012, section 253B.185, or chapter 253D, the ten-year registration period  
466.32 does not include the period of commitment.

467.1 (b) If a person required to register under this section fails to provide the person's primary  
467.2 address as required by subdivision 3, paragraph (b), fails to comply with the requirements  
467.3 of subdivision 3a, fails to provide information as required by subdivision 4a, or fails to  
467.4 return the verification form referenced in subdivision 4 within ten days, the commissioner  
467.5 of public safety shall require the person to continue to register for an additional period of  
467.6 five years. This five-year period is added to the end of the offender's registration period. In  
467.7 addition, if the person is not in compliance at the end of the registration period, the  
467.8 commissioner shall require the person to continue to register for an additional period of two  
467.9 years.

467.10 (c) If a person required to register under this section is incarcerated due to a conviction  
467.11 for a new offense or following a revocation of probation, supervised release, or conditional  
467.12 release for any offense, the person shall continue to register until ten years have elapsed  
467.13 since the person was last released from incarceration or until the person's probation,  
467.14 supervised release, or conditional release period expires, whichever occurs later.

467.15 (d) A person shall continue to comply with this section for the life of that person:

467.16 (1) if the person is convicted of or adjudicated delinquent for any offense for which  
467.17 registration is required under subdivision 1b, or any offense from another state or any federal  
467.18 offense similar to the offenses described in subdivision 1b, and the person has a prior  
467.19 conviction or adjudication for an offense for which registration was or would have been  
467.20 required under subdivision 1b, or an offense from another state or a federal offense similar  
467.21 to an offense described in subdivision 1b;

467.22 (2) if the person is required to register based upon a conviction or delinquency  
467.23 adjudication for an offense under section 609.185, paragraph (a), clause (2), or a similar  
467.24 statute from another state or the United States;

467.25 (3) if the person is required to register based upon a conviction for an offense under  
467.26 section 609.342, subdivision 1, paragraph (a), (c), (d), (e), (f), or (h); 609.343, subdivision  
467.27 1, paragraph (a), (c), (d), (e), (f), or (h); 609.344, subdivision 1, paragraph (a), (c), or (g);  
467.28 or 609.345, subdivision 1, paragraph (a), (c), or (g); or a statute from another state or the  
467.29 United States similar to the offenses described in this clause; or

467.30 (4) if the person is required to register under subdivision 1b, paragraph (c), following  
467.31 commitment pursuant to a court commitment under Minnesota Statutes 2012, section  
467.32 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of  
467.33 another state or the United States.

468.1 (e) A person described in subdivision 1b, paragraph (b), who is required to register under  
468.2 the laws of a state in which the person has been previously convicted or adjudicated  
468.3 delinquent, shall register under this section for the time period required by the state of  
468.4 conviction or adjudication unless a longer time period is required elsewhere in this section.

468.5 Sec. 8. Minnesota Statutes 2016, section 243.166, subdivision 7, is amended to read:

468.6 Subd. 7. **Use of data.** (a) Except as otherwise provided in subdivision 7a or sections  
468.7 244.052 and 299C.093, the data provided under this section is private data on individuals  
468.8 under section 13.02, subdivision 12.

468.9 (b) The data may be used only by law enforcement and corrections agencies for law  
468.10 enforcement and corrections purposes. Law enforcement or a corrections agent may disclose  
468.11 the status of an individual as a predatory offender to a child protection worker with a local  
468.12 welfare agency for purposes of doing a family assessment under section 626.556. A  
468.13 corrections agent may also disclose the status of an individual as a predatory offender to  
468.14 comply with section 244.057.

468.15 (c) The commissioner of human services is authorized to have access to the data for:

468.16 (1) state-operated services, as defined in section 246.014, for the purposes described in  
468.17 section 246.13, subdivision 2, paragraph (b); and

468.18 (2) purposes of completing background studies under chapter 245C.

468.19 Sec. 9. Minnesota Statutes 2016, section 243.166, subdivision 7a, is amended to read:

468.20 Subd. 7a. **Availability of information on offenders who are out of compliance with**  
468.21 **registration law.** (a) The bureau may make information available to the public about  
468.22 offenders who are 16 years of age or older and who are out of compliance with this section  
468.23 for 30 days or longer for failure to provide the offenders' primary or secondary addresses  
468.24 or who have absconded. This information may be made available to the public through  
468.25 electronic, computerized, or other accessible means. The amount and type of information  
468.26 made available is limited to the information necessary for the public to assist law enforcement  
468.27 in locating the offender.

468.28 (b) An offender who comes into compliance with this section after the bureau discloses  
468.29 information about the offender to the public may send a written request to the bureau  
468.30 requesting the bureau to treat information about the offender as private data, consistent with  
468.31 subdivision 7. The bureau shall review the request and promptly take reasonable action to  
468.32 treat the data as private, if the offender has complied with the requirement that the offender

469.1 provide the offender's primary and secondary addresses, or promptly notify the offender  
 469.2 that the information will continue to be treated as public information and the reasons for  
 469.3 the bureau's decision.

469.4 (c) If an offender believes the information made public about the offender is inaccurate  
 469.5 or incomplete, the offender may challenge the data under section 13.04, subdivision 4.

469.6 (d) The bureau is immune from any civil or criminal liability that might otherwise arise,  
 469.7 based on the accuracy or completeness of any information made public under this subdivision,  
 469.8 if the bureau acts in good faith.

469.9 Sec. 10. Minnesota Statutes 2016, section 299C.093, is amended to read:

469.10 **299C.093 DATABASE OF REGISTERED PREDATORY OFFENDERS.**

469.11 The superintendent of the Bureau of Criminal Apprehension shall maintain a  
 469.12 computerized data system relating to individuals required to register as predatory offenders  
 469.13 under section 243.166. To the degree feasible, the system must include the data required to  
 469.14 be provided under section 243.166, subdivisions 4 and 4a, and indicate the time period that  
 469.15 the person is required to register. The superintendent shall maintain this data in a manner  
 469.16 that ensures that it is readily available to law enforcement agencies. This data is private data  
 469.17 on individuals under section 13.02, subdivision 12, but may be used for law enforcement  
 469.18 and corrections purposes. Law enforcement or a corrections agent may disclose the status  
 469.19 of an individual as a predatory offender to a child protection worker with a local welfare  
 469.20 agency for purposes of doing a family assessment under section 626.556. A corrections  
 469.21 agent may also disclose the status of an individual as a predatory offender to comply with  
 469.22 section 244.057. The commissioner of human services has access to the data for  
 469.23 state-operated services, as defined in section 246.014, for the purposes described in section  
 469.24 246.13, subdivision 2, paragraph (b), and for purposes of conducting background studies  
 469.25 under chapter 245C.

469.26 **ARTICLE 33**

469.27 **DWI**

469.28 Section 1. Minnesota Statutes 2016, section 169A.24, subdivision 1, is amended to read:

469.29 Subdivision 1. **Degree described.** A person who violates section 169A.20 (driving while  
 469.30 impaired) is guilty of first-degree driving while impaired if the person:

469.31 (1) commits the violation within ten years of the first of three or more qualified prior  
 469.32 impaired driving incidents;

470.1 (2) has previously been convicted of a felony under this section; or

470.2 (3) has previously been convicted of a felony under:

470.3 (i) Minnesota Statutes 2012, section 609.21 (criminal vehicular homicide and injury,  
470.4 substance-related offenses), subdivision 1, clauses (2) to (6);

470.5 (ii) Minnesota Statutes 2006, section 609.21 (criminal vehicular homicide and injury,  
470.6 substance-related offenses), subdivision 1, clauses (2) to (6); subdivision 2, clauses (2) to  
470.7 (6); subdivision 2a, clauses (2) to (6); subdivision 3, clauses (2) to (6); or subdivision 4,  
470.8 clauses (2) to (6); ~~or~~

470.9 (iii) section 609.2112, subdivision 1, clauses (2) to (6); 609.2113, subdivision 1, clauses  
470.10 (2) to (6), subdivision 2, clauses (2) to (6), or subdivision 3, clauses (2) to (6); or 609.2114,  
470.11 subdivision 1, clauses (2) to (6), or subdivision 2, clauses (2) to (6); or

470.12 (iv) a statute from this state or another state in conformity with any provision listed in  
470.13 item (i), (ii), or (iii).

470.14 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
470.15 committed on or after that date.

470.16 Sec. 2. Minnesota Statutes 2016, section 169A.55, subdivision 4, is amended to read:

470.17 Subd. 4. **Reinstatement of driving privileges; multiple incidents.** (a) A person whose  
470.18 driver's license has been revoked as a result of an offense listed under clause (1) or (2) shall  
470.19 not be eligible for reinstatement of driving privileges without an ignition interlock restriction  
470.20 until the commissioner certifies that the person has neither owned nor leased a vehicle, the  
470.21 person has not transferred ownership of a vehicle to a family or household member, no  
470.22 family or household member owns or leases a vehicle which the person has express or  
470.23 implied consent to drive, and the person has not committed a violation of chapter 169A or  
470.24 171 during the revocation period; or the person has used the ignition interlock device and  
470.25 complied with section 171.306 for a period of not less than:

470.26 (1) one year, for a person whose driver's license was revoked for:

470.27 (i) an offense occurring within ten years of a qualified prior impaired driving incident;  
470.28 or

470.29 (ii) an offense occurring after two qualified prior impaired driving incidents; or

470.30 (2) two years, for a person whose driver's license was revoked for:

471.1 (i) an offense occurring under clause (1), and where the test results indicated an alcohol  
471.2 concentration of twice the legal limit or more; or

471.3 (ii) an offense occurring under clause (1), and where the current offense is for a violation  
471.4 of section 169A.20, subdivision 2 (test refusal).

471.5 As used in this paragraph, "family or household member" has the meaning given in section  
471.6 169A.63, subdivision 1, paragraph (f).

471.7 (b) A person whose driver's license has been canceled or denied as a result of three or  
471.8 more qualified impaired driving incidents shall not be eligible for reinstatement of driving  
471.9 privileges without an ignition interlock restriction until the person:

471.10 (1) has completed rehabilitation according to rules adopted by the commissioner or been  
471.11 granted a variance from the rules by the commissioner; and

471.12 (2) has submitted verification of abstinence from alcohol and controlled substances  
471.13 under paragraph (c), as evidenced by the person's use of an ignition interlock device or other  
471.14 chemical monitoring device approved by the commissioner.

471.15 ~~(b)~~ (c) The verification of abstinence must show that the person has abstained from the  
471.16 use of alcohol and controlled substances for a period of not less than:

471.17 (1) three years, for a person whose driver's license was canceled or denied for an offense  
471.18 occurring within ten years of the first of two qualified prior impaired driving incidents, or  
471.19 occurring after three qualified prior impaired driving incidents;

471.20 (2) four years, for a person whose driver's license was canceled or denied for an offense  
471.21 occurring within ten years of the first of three qualified prior impaired driving incidents; or

471.22 (3) six years, for a person whose driver's license was canceled or denied for an offense  
471.23 occurring after four or more qualified prior impaired driving incidents.

471.24 ~~(e) The commissioner shall establish performance standards and a process for certifying~~  
471.25 ~~chemical monitoring devices. The standards and procedures are not rules and are exempt~~  
471.26 ~~from chapter 14, including section 14.386.~~

471.27 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
471.28 committed on or after that date.

472.1 Sec. 3. Minnesota Statutes 2017 Supplement, section 171.30, subdivision 1, is amended  
472.2 to read:

472.3 Subdivision 1. **Conditions of issuance.** (a) The commissioner may issue a limited license  
472.4 to the driver under the conditions in paragraph (b) in any case where a person's license has  
472.5 been:

472.6 (1) suspended under section 171.18, 171.173, 171.186, or 171.187;

472.7 (2) revoked, canceled, or denied under section:

472.8 (i) 169.792;

472.9 (ii) 169.797;

472.10 (iii) 169A.52:

472.11 (A) subdivision 3, paragraph (a), clause (1) or (2);

472.12 (B) subdivision 3, paragraph (a), clause (3), for a violation of section 169A.20,  
472.13 subdivision 1, clause (2), (3), (4), or (7);

472.14 (C) subdivision 3, paragraph (a), clause (4), (5), or (6), for a violation of section 169A.20,  
472.15 subdivision 1, clause (1), (5), or (6), and if in compliance with section 171.306;

472.16 (D) subdivision 3, paragraph (a), clause (4), (5), or (6), for a violation of section 169A.20,  
472.17 subdivision 1, clause (2), (3), (4), or (7);

472.18 ~~(E)~~ (E) subdivision 4, paragraph (a), clause (1) or (2), if the test results indicate an  
472.19 alcohol concentration of less than twice the legal limit;

472.20 (F) subdivision 4, paragraph (a), clause (3), for a violation of section 169A.20, subdivision  
472.21 1, clause (2), (3), (4), or (7);

472.22 ~~(G)~~ (G) subdivision 4, paragraph (a), clause (4), (5), or (6), for a violation of section  
472.23 169A.20, subdivision 1, clause (1), (5), or (6), and if in compliance with section 171.306;

472.24 (H) subdivision 4, paragraph (a), clause (4), (5), or (6), for a violation of section 169A.20,  
472.25 subdivision 1, clause (2), (3), (4), or (7); or

472.26 (iv) 171.17; or

472.27 (v) 171.172;

472.28 (3) revoked, canceled, or denied under section 169A.54:

472.29 (i) subdivision 1, clause (1), if the test results indicate an alcohol concentration of less  
472.30 than twice the legal limit;

- 473.1 (ii) subdivision 1, clause (2);
- 473.2 (iii) subdivision 1, clause (3) or (4), for a violation of section 169A.20, subdivision 1,
- 473.3 clause (2), (3), (4), or (7);
- 473.4 (iv) subdivision 1, clause (5), (6), or (7), for a violation of section 169A.20, subdivision
- 473.5 1, clause (1), (5), or (6), and if in compliance with section 171.306; or
- 473.6 (v) subdivision 1, clause (5), (6), or (7), for a violation of section 169A.20, subdivision
- 473.7 1, clause (2), (3), (4), or (7); or
- 473.8 ~~(iv)~~ (vi) subdivision 2, if the person does not have a qualified prior impaired driving
- 473.9 incident as defined in section 169A.03, subdivision 22, on the person's record, and the test
- 473.10 results indicate an alcohol concentration of less than twice the legal limit; or
- 473.11 (4) revoked, canceled, or denied under section 171.177:
- 473.12 (i) subdivision 4, paragraph (a), clause (1) or (2);
- 473.13 (ii) subdivision 4, paragraph (a), clause (3), for a violation of section 169A.20, subdivision
- 473.14 1, clause (2), (3), (4), or (7);
- 473.15 (iii) subdivision 4, paragraph (a), clause (4), (5), or (6), for a violation of section 169A.20,
- 473.16 subdivision 1, clause (1), (5), or (6), and if in compliance with section 171.306;
- 473.17 (iv) subdivision 4, paragraph (a), clause (4), (5), or (6), for a violation of section 169A.20,
- 473.18 subdivision 1, clause (2), (3), (4), or (7);
- 473.19 ~~(iii)~~ (v) subdivision 5, paragraph (a), clause (1) or (2), if the test results indicate an
- 473.20 alcohol concentration of less than twice the legal limit; or
- 473.21 (vi) subdivision 5, paragraph (a), clause (3), for a violation of section 169A.20,
- 473.22 subdivision 1, clause (2), (3), (4), or (7);
- 473.23 ~~(iv)~~ (vii) subdivision 5, paragraph (a), clause (4), (5), or (6), for a violation of section
- 473.24 169A.20, subdivision 1, clause (1), (5), or (6), and if in compliance with section 171.306;
- 473.25 or
- 473.26 (viii) subdivision 5, paragraph (a), clause (4), (5), or (6), for a violation of section
- 473.27 169A.20, subdivision 1, clause (2), (3), (4), or (7).
- 473.28 (b) The following conditions for a limited license under paragraph (a) include:
- 473.29 (1) if the driver's livelihood or attendance at a chemical dependency treatment or
- 473.30 counseling program depends upon the use of the driver's license;

474.1 (2) if the use of a driver's license by a homemaker is necessary to prevent the substantial  
474.2 disruption of the education, medical, or nutritional needs of the family of the homemaker;  
474.3 or

474.4 (3) if attendance at a postsecondary institution of education by an enrolled student of  
474.5 that institution depends upon the use of the driver's license.

474.6 (c) The commissioner in issuing a limited license may impose such conditions and  
474.7 limitations as in the commissioner's judgment are necessary to the interests of the public  
474.8 safety and welfare including reexamination as to the driver's qualifications. The license may  
474.9 be limited to the operation of particular vehicles, to particular classes and times of operation,  
474.10 and to particular conditions of traffic. The commissioner may require that an applicant for  
474.11 a limited license affirmatively demonstrate that use of public transportation or carpooling  
474.12 as an alternative to a limited license would be a significant hardship.

474.13 (d) For purposes of this subdivision:

474.14 (1) "homemaker" refers to the person primarily performing the domestic tasks in a  
474.15 household of residents consisting of at least the person and the person's dependent child or  
474.16 other dependents; and

474.17 (2) "twice the legal limit" means an alcohol concentration of two times the limit specified  
474.18 in section 169A.20, subdivision 1, clause (5).

474.19 (e) The limited license issued by the commissioner shall clearly indicate the limitations  
474.20 imposed and the driver operating under the limited license shall have the license in possession  
474.21 at all times when operating as a driver.

474.22 (f) In determining whether to issue a limited license, the commissioner shall consider  
474.23 the number and the seriousness of prior convictions and the entire driving record of the  
474.24 driver and shall consider the number of miles driven by the driver annually.

474.25 (g) If the person's driver's license or permit to drive has been revoked under section  
474.26 169.792 or 169.797, the commissioner may only issue a limited license to the person after  
474.27 the person has presented an insurance identification card, policy, or written statement  
474.28 indicating that the driver or owner has insurance coverage satisfactory to the commissioner  
474.29 of public safety. The commissioner of public safety may require the insurance identification  
474.30 card provided to satisfy this subdivision be certified by the insurance company to be  
474.31 noncancelable for a period not to exceed 12 months.

474.32 (h) The limited license issued by the commissioner to a person under section 171.186,  
474.33 subdivision 4, must expire 90 days after the date it is issued. The commissioner must not

475.1 issue a limited license to a person who previously has been issued a limited license under  
475.2 section 171.186, subdivision 4.

475.3 (i) The commissioner shall not issue a limited driver's license to any person described  
475.4 in section 171.04, subdivision 1, clause (6), (7), (8), (11), or (14).

475.5 (j) The commissioner shall not issue a class A, class B, or class C limited license.

475.6 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
475.7 committed on or after that date.

475.8 Sec. 4. Minnesota Statutes 2017 Supplement, section 171.30, subdivision 2a, is amended  
475.9 to read:

475.10 Subd. 2a. **Other waiting periods.** Notwithstanding subdivision 2, a limited license shall  
475.11 not be issued for a period of:

475.12 (1) 15 days, to a person whose license or privilege has been revoked or suspended for  
475.13 a first violation of section 169A.20, sections 169A.50 to 169A.53, section 171.177, or a  
475.14 statute or ordinance from another state in conformity with ~~either~~ any of those sections; or

475.15 (2) 90 days, to a person who submitted to testing under sections 169A.50 to 169A.53,  
475.16 section 171.177, or a statute or ordinance from another state in conformity with any of those  
475.17 sections, if the person's license or privilege has been revoked or suspended for a violation  
475.18 of section 169A.20, subdivision 1, clause (2), (3), (4), or (7), occurring within ten years of  
475.19 a qualified prior impaired driving incident, or after two qualified prior impaired driving  
475.20 incidents, for violations of section 169A.20, sections 169A.50 to 169A.53, section 171.177,  
475.21 or a statute or ordinance from another state in conformity with any of those sections; or

475.22 (3) 180 days, to a person who refused testing under sections 169A.50 to 169A.53, section  
475.23 171.177, or a statute or ordinance from another state in conformity with any of those sections,  
475.24 if the person's license or privilege has been revoked or suspended for a violation of section  
475.25 169A.20, subdivision 1, clause (2), (3), (4), or (7), occurring within ten years of a qualified  
475.26 prior impaired driving incident, or after two qualified prior impaired driving incidents, for  
475.27 violations of section 169A.20, sections 169A.50 to 169A.53, section 171.177, or a statute  
475.28 or ordinance from another state in conformity with any of those sections; or

475.29 (4) one year, to a person whose license or privilege has been revoked or suspended for  
475.30 committing manslaughter resulting from the operation of a motor vehicle, committing  
475.31 criminal vehicular homicide or injury under section ~~609.21~~ 609.2112, subdivision 1, clause  
475.32 (1), (2), item (ii), (5), (6), (7), or (8), committing criminal vehicular homicide under section

476.1 ~~609.21~~ 609.2112, subdivision 1, clause (2), item (i) or (iii), (3), or (4), or violating a statute  
476.2 or ordinance from another state in conformity with either of those offenses.

476.3 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
476.4 committed on or after that date.

476.5 Sec. 5. Minnesota Statutes 2017 Supplement, section 171.306, subdivision 1, is amended  
476.6 to read:

476.7 Subdivision 1. **Definitions.** (a) As used in this section, the terms in this subdivision have  
476.8 the meanings given them.

476.9 (b) "Ignition interlock device" or "device" means equipment that is designed to measure  
476.10 breath alcohol concentration and to prevent a motor vehicle's ignition from being started  
476.11 by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

476.12 (c) "Location tracking capabilities" means the ability of an electronic or wireless device  
476.13 to identify and transmit its geographic location through the operation of the device.

476.14 (d) "Program participant" means a person who has qualified to take part in the ignition  
476.15 interlock program under this section, and whose driver's license has been:

476.16 (1) revoked, canceled, or denied under section 169A.52; or 169A.54; for a violation of  
476.17 section 169A.20, subdivision 1, clause (1), (5), or (6);

476.18 (2) revoked, canceled, or denied under section 171.04, subdivision 1, clause (10); or  
476.19 171.177; for a violation of section 169A.20, subdivision 1, clause (1), (5), or (6); or

476.20 ~~(2)~~ (3) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or  
476.21 suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause  
476.22 (2), item (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or  
476.23 subdivision 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2),  
476.24 item (i) or (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily  
476.25 harm.

476.26 (e) "Qualified prior impaired driving incident" has the meaning given in section 169A.03,  
476.27 subdivision 22.

476.28 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
476.29 committed on or after that date.

477.1 Sec. 6. Minnesota Statutes 2017 Supplement, section 171.306, subdivision 2, is amended  
477.2 to read:

477.3 Subd. 2. **Performance standards; certification; manufacturer and provider**  
477.4 **requirements.** (a) The commissioner shall establish performance standards and a process  
477.5 for certifying devices used in the ignition interlock program, except that the commissioner  
477.6 may not establish standards that, directly or indirectly, require devices to use or enable  
477.7 location tracking capabilities without a court order.

477.8 (b) The manufacturer of a device must apply annually for certification of the device by  
477.9 submitting the form prescribed by the commissioner. The commissioner shall require  
477.10 manufacturers of certified devices to:

477.11 (1) provide device installation, servicing, and monitoring to indigent program participants  
477.12 at a discounted rate, according to the standards established by the commissioner; ~~and~~

477.13 (2) include in an ignition interlock device contract a provision that a program participant  
477.14 who voluntarily terminates participation in the program is only liable for servicing and  
477.15 monitoring costs incurred during the time the device is installed on the motor vehicle,  
477.16 regardless of whether the term of the contract has expired; and

477.17 (3) include in an ignition interlock device contract a provision that requires manufacturers  
477.18 of certified devices to pay any towing or repair costs caused by device failure or malfunction,  
477.19 or by damage caused during device installation, servicing, or monitoring.

477.20 (c) The manufacturer of a certified device must include with an ignition interlock device  
477.21 contract a separate notice to the program participant regarding any location tracking  
477.22 capabilities of the device.

## 477.23 ARTICLE 34

### 477.24 HEALTH CARE

477.25 Section 1. Minnesota Statutes 2016, section 3.3005, subdivision 8, is amended to read:

477.26 Subd. 8. **Request contents.** A request to spend federal funds submitted under this section  
477.27 must include the name of the federal grant, the federal agency from which the funds are  
477.28 available, a federal identification number, a brief description of the purpose of the grant,  
477.29 the amounts expected by fiscal year, an indication if any state match is required, an indication  
477.30 if there is a maintenance of effort requirement, and the number of full-time equivalent  
477.31 positions needed to implement the grant. For new grants, the request must provide a narrative

478.1 description of the short- and long-term commitments required, including whether continuation  
478.2 of any full-time equivalent positions will be a condition of receiving the federal award.

478.3 Sec. 2. Minnesota Statutes 2017 Supplement, section 13.69, subdivision 1, is amended to  
478.4 read:

478.5 Subdivision 1. **Classifications.** (a) The following government data of the Department  
478.6 of Public Safety are private data:

478.7 (1) medical data on driving instructors, licensed drivers, and applicants for parking  
478.8 certificates and special license plates issued to physically disabled persons;

478.9 (2) other data on holders of a disability certificate under section 169.345, except that (i)  
478.10 data that are not medical data may be released to law enforcement agencies, and (ii) data  
478.11 necessary for enforcement of sections 169.345 and 169.346 may be released to parking  
478.12 enforcement employees or parking enforcement agents of statutory or home rule charter  
478.13 cities and towns;

478.14 (3) Social Security numbers in driver's license and motor vehicle registration records,  
478.15 except that Social Security numbers must be provided to the Department of Revenue for  
478.16 purposes of tax administration, the Department of Labor and Industry for purposes of  
478.17 workers' compensation administration and enforcement, the judicial branch for purposes of  
478.18 debt collection, and the Department of Natural Resources for purposes of license application  
478.19 administration, and except that the last four digits of the Social Security number must be  
478.20 provided to the Department of Human Services for purposes of recovery of Minnesota health  
478.21 care program benefits paid; and

478.22 (4) data on persons listed as standby or temporary custodians under section 171.07,  
478.23 subdivision 11, except that the data must be released to:

478.24 (i) law enforcement agencies for the purpose of verifying that an individual is a designated  
478.25 caregiver; or

478.26 (ii) law enforcement agencies who state that the license holder is unable to communicate  
478.27 at that time and that the information is necessary for notifying the designated caregiver of  
478.28 the need to care for a child of the license holder.

478.29 The department may release the Social Security number only as provided in clause (3)  
478.30 and must not sell or otherwise provide individual Social Security numbers or lists of Social  
478.31 Security numbers for any other purpose.

479.1 (b) The following government data of the Department of Public Safety are confidential  
479.2 data: data concerning an individual's driving ability when that data is received from a member  
479.3 of the individual's family.

479.4 **EFFECTIVE DATE.** This section is effective July 1, 2018.

479.5 Sec. 3. **[62J.90] MINNESOTA HEALTH POLICY COMMISSION.**

479.6 Subdivision 1. **Definition.** For purposes of this section, "commission" means the  
479.7 Minnesota Health Policy Commission.

479.8 Subd. 2. **Commission membership.** The commission shall consist of 16 voting members,  
479.9 appointed by the Legislative Coordinating Commission as provided in subdivision 9, as  
479.10 follows:

479.11 (1) one member with demonstrated expertise in health care finance;

479.12 (2) one member with demonstrated expertise in health economics;

479.13 (3) one member with demonstrated expertise in actuarial science;

479.14 (4) one member with demonstrated expertise in health plan management and finance;

479.15 (5) one member with demonstrated expertise in health care system management;

479.16 (6) one member with demonstrated expertise as a purchaser, or a representative of a  
479.17 purchaser, of employer-sponsored health care services or employer-sponsored health  
479.18 insurance;

479.19 (7) one member with demonstrated expertise in the development and utilization of  
479.20 innovative medical technologies;

479.21 (8) one member with demonstrated expertise as a health care consumer advocate;

479.22 (9) one member who is a primary care physician;

479.23 (10) one member with demonstrated knowledge and expertise in patient privacy issues;

479.24 (11) one member who provides long-term care services through medical assistance;

479.25 (12) one member with direct experience as an enrollee, or parent or caregiver of an  
479.26 enrollee, in MinnesotaCare or medical assistance;

479.27 (13) two members of the senate, including one member appointed by the majority leader  
479.28 and one member from the minority party appointed by the minority leader; and

480.1 (14) two members of the house of representatives, including one member appointed by  
480.2 the speaker of the house and one member from the minority party appointed by the minority  
480.3 leader.

480.4 Subd. 3. Duties. (a) The commission shall:

480.5 (1) compare Minnesota's private market health care costs and public health care program  
480.6 spending to that of the other states;

480.7 (2) compare Minnesota's private market health care costs and public health care program  
480.8 spending in any given year to its costs and spending in previous years;

480.9 (3) identify factors that influence and contribute to Minnesota's ranking for private  
480.10 market health care costs and public health care program spending, including the year over  
480.11 year and trend line change in total costs and spending in the state;

480.12 (4) continually monitor efforts to reform the health care delivery and payment system  
480.13 in Minnesota to understand emerging trends in the health insurance market, including the  
480.14 private health care market, large self-insured employers, and the state's public health care  
480.15 programs in order to identify opportunities for state action to achieve:

480.16 (i) improved patient experience of care, including quality and satisfaction;

480.17 (ii) improved health of all populations; and

480.18 (iii) reduced per capita cost of health care;

480.19 (5) make recommendations for legislative policy, the health care market, or any other  
480.20 reforms to:

480.21 (i) lower the rate of growth in private market health care costs and public health care  
480.22 program spending in the state;

480.23 (ii) positively impact the state's ranking in the areas listed in this subdivision; and

480.24 (iii) improve the quality and value of care for all Minnesotans; and

480.25 (6) conduct any additional reviews requested by the legislature.

480.26 (b) In making recommendations to the legislature, the commission shall consider:

480.27 (i) how the recommendations might positively impact the cost-shifting interplay between  
480.28 public payer reimbursement rates and health insurance premiums; and

480.29 (ii) how public health care programs, where appropriate, may be utilized as a means to  
480.30 help prepare enrollees for an eventual transition to the private health care market.

481.1 Subd. 4. **Report.** The commission shall submit recommendations for changes in health  
481.2 care policy and financing by June 15 each year to the chairs and ranking minority members  
481.3 of the legislative committees with primary jurisdiction over health care. The report shall  
481.4 include any draft legislation to implement the commission's recommendations.

481.5 Subd. 5. **Staff.** The commission shall hire a director who may employ or contract for  
481.6 professional and technical assistance as the commission determines necessary to perform  
481.7 its duties. The commission may also contract with private entities with expertise in health  
481.8 economics, health finance, and actuarial science to secure additional information, data,  
481.9 research, or modeling that may be necessary for the commission to carry out its duties.

481.10 Subd. 6. **Access to information.** (a) The commission may request that a state department  
481.11 or agency provide the commission with any publicly available information in a usable format  
481.12 as requested by the commission, at no cost to the commission.

481.13 (b) The commission may request from a state department or agency unique or custom  
481.14 data sets and the department or agency may charge the commission for providing the data  
481.15 at the same rate the department or agency would charge any other public or private entity.

481.16 (c) Any information provided to the commission by a state department or agency must  
481.17 be de-identified. For purposes of this subdivision, "de-identified" means the process used  
481.18 to prevent the identity of a person or business from being connected with information and  
481.19 ensuring all identifiable information has been removed.

481.20 (d) By July 1, 2020, and annually thereafter, the commission shall provide the legislative  
481.21 committees with jurisdiction over data practices with a report describing the de-identified  
481.22 information and data obtained by the commission from state departments and agencies in  
481.23 the preceding year. The report must describe the information obtained, including the scope  
481.24 of the information obtained, the purpose for which it was obtained, the classification of any  
481.25 data obtained, the length of time the information shall be used, and security measures for  
481.26 protecting the information in accordance with chapter 13. The report must include a  
481.27 notification to the public that although the information obtained by the commission is  
481.28 de-identified, de-identified data retains some risk of identification, and that a data use  
481.29 agreement must limit the use of the data and prohibit attempts to reidentify the data. The  
481.30 commission shall also maintain the reports on the commission's Web site.

481.31 Subd. 7. **Terms; vacancies; compensation.** (a) Public members of the commission shall  
481.32 serve four-year terms. The public members may not serve for more than two consecutive  
481.33 terms.

482.1 (b) The legislative members shall serve on the commission as long as the member or  
482.2 the appointing authority holds office.

482.3 (c) The removal of members and filling of vacancies on the commission are as provided  
482.4 in section 15.059.

482.5 (d) Public members may receive compensation and expenses as provided in section  
482.6 15.059, subdivision 3.

482.7 Subd. 8. **Chairs; officers.** The commission shall elect a chair annually. The commission  
482.8 may elect other officers necessary for the performance of its duties.

482.9 Subd. 9. **Selection of members; advisory council.** The Legislative Coordinating  
482.10 Commission shall take applications from members of the public who are qualified and  
482.11 interested to serve in one of the listed positions. The applications must be reviewed by a  
482.12 health policy commission advisory council comprised of four members as follows: the state  
482.13 economist, legislative auditor, state demographer, and the president of the Federal Reserve  
482.14 Bank of Minneapolis or a designee of the president. The advisory council shall recommend  
482.15 two applicants for each of the specified positions by September 30 in the calendar year  
482.16 preceding the end of the members' terms. The Legislative Coordinating Commission shall  
482.17 appoint one of the two recommended applicants to the commission.

482.18 Subd. 10. **Meetings.** The commission shall meet at least four times each year.  
482.19 Commission meetings are subject to chapter 13D.

482.20 Subd. 11. **Conflict of interest.** A member of the commission may not participate in or  
482.21 vote on a decision of the commission relating to an organization in which the member has  
482.22 either a direct or indirect financial interest.

482.23 Subd. 12. **Expiration.** The commission shall expire on June 15, 2024.

482.24 Sec. 4. **[256.0113] ELIGIBILITY VERIFICATION.**

482.25 Subdivision 1. **Verification required; vendor contract.** (a) The commissioner shall  
482.26 ensure that medical assistance, MinnesotaCare, child care assistance programs under chapter  
482.27 119B, and Supplemental Nutrition Assistance Program (SNAP) eligibility determinations  
482.28 through the MNsure information technology system and through other agency eligibility  
482.29 determination systems include the computerized verification of income, residency, identity,  
482.30 and when applicable, assets and compliance with SNAP work requirements.

482.31 (b) The commissioner shall contract with a vendor to verify the eligibility of all persons  
482.32 enrolled in medical assistance, MinnesotaCare, a child care assistance program, and SNAP

483.1 during a specified audit period. This contract shall be exempt from sections 16C.08,  
483.2 subdivision 2, clause (1); 16C.09, paragraph (a), clause (1); 43A.047, paragraph (a), and  
483.3 any other law to the contrary.

483.4 (c) The contract must require the vendor to comply with enrollee data privacy  
483.5 requirements and to use encryption to safeguard enrollee identity. The contract must also  
483.6 provide penalties for vendor noncompliance.

483.7 (d) The contract must include a revenue sharing agreement, under which vendor  
483.8 compensation is limited to a portion of any savings to the state resulting from the vendor's  
483.9 implementation of eligibility verification initiatives under this section.

483.10 (e) The commissioner shall use existing resources to fund any agency administrative  
483.11 and technology-related costs incurred as a result of implementing this section.

483.12 (f) All state savings resulting from implementation of the vendor contract under this  
483.13 section, minus any payments to the vendor made under the terms of the revenue sharing  
483.14 agreement, shall be deposited into the health care access fund.

483.15 Subd. 2. **Verification process; vendor duties.** (a) The verification process implemented  
483.16 by the vendor must include but is not limited to data matches of the name, date of birth,  
483.17 address, and Social Security number of each medical assistance, MinnesotaCare, child care  
483.18 assistance program, and SNAP enrollee against relevant information in federal and state  
483.19 data sources, including the federal data hub established under the Affordable Care Act. In  
483.20 designing the verification process, the vendor, to the extent feasible, shall incorporate  
483.21 procedures that are compatible and coordinated with, and build upon or improve, existing  
483.22 procedures used by the MNsure information technology system and other agency eligibility  
483.23 determination systems.

483.24 (b) The vendor, upon preliminary determination that an enrollee is eligible or ineligible,  
483.25 shall notify the commissioner. Within 20 business days of notification, the commissioner  
483.26 shall accept the preliminary determination or reject the preliminary determination with a  
483.27 stated reason. The commissioner shall retain final authority over eligibility determinations.  
483.28 The vendor shall keep a record of all preliminary determinations of ineligibility submitted  
483.29 to the commissioner.

483.30 (c) The vendor shall recommend to the commissioner an eligibility verification process  
483.31 that allows ongoing verification of enrollee eligibility under the MNsure information  
483.32 technology system and other agency eligibility determination systems.

484.1 (d) The commissioner and the vendor, following the conclusion of the initial contract  
484.2 period, shall jointly submit an eligibility verification audit report to the chairs and ranking  
484.3 minority members of the legislative committees with jurisdiction over health and human  
484.4 services policy and finance. The report shall include but is not limited to information in the  
484.5 form of unidentified summary data on preliminary determinations of eligibility or ineligibility  
484.6 communicated by the vendor, the actions taken on those preliminary determinations by the  
484.7 commissioner, and the commissioner's reasons for rejecting preliminary determinations by  
484.8 the vendor. The report must also include the recommendations for ongoing verification of  
484.9 enrollee eligibility required under paragraph (c).

484.10 (e) An eligibility verification vendor contract shall be awarded for an initial one-year  
484.11 period, beginning January 1, 2019. The commissioner shall renew the contract for up to  
484.12 three additional one-year periods and require additional eligibility verification audits, if the  
484.13 commissioner or the legislative auditor determines that the MNsure information technology  
484.14 system and other agency eligibility determination systems cannot effectively verify the  
484.15 eligibility of medical assistance, MinnesotaCare, child care assistance program, and SNAP  
484.16 enrollees.

484.17 Sec. 5. Minnesota Statutes 2017 Supplement, section 256.969, subdivision 9, is amended  
484.18 to read:

484.19 Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For admissions  
484.20 occurring on or after July 1, 1993, the medical assistance disproportionate population  
484.21 adjustment shall comply with federal law and shall be paid to a hospital, excluding regional  
484.22 treatment centers and facilities of the federal Indian Health Service, with a medical assistance  
484.23 inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined  
484.24 as follows:

484.25 (1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic  
484.26 mean for all hospitals excluding regional treatment centers and facilities of the federal Indian  
484.27 Health Service but less than or equal to one standard deviation above the mean, the  
484.28 adjustment must be determined by multiplying the total of the operating and property  
484.29 payment rates by the difference between the hospital's actual medical assistance inpatient  
484.30 utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers  
484.31 and facilities of the federal Indian Health Service; and

484.32 (2) for a hospital with a medical assistance inpatient utilization rate above one standard  
484.33 deviation above the mean, the adjustment must be determined by multiplying the adjustment  
484.34 that would be determined under clause (1) for that hospital by 1.1. The commissioner shall

485.1 report annually on the number of hospitals likely to receive the adjustment authorized by  
485.2 this paragraph. The commissioner shall specifically report on the adjustments received by  
485.3 public hospitals and public hospital corporations located in cities of the first class.

485.4 (b) Certified public expenditures made by Hennepin County Medical Center shall be  
485.5 considered Medicaid disproportionate share hospital payments. Hennepin County and  
485.6 Hennepin County Medical Center shall report by June 15, 2007, on payments made beginning  
485.7 July 1, 2005, or another date specified by the commissioner, that may qualify for  
485.8 reimbursement under federal law. Based on these reports, the commissioner shall apply for  
485.9 federal matching funds.

485.10 (c) Upon federal approval of the related state plan amendment, paragraph (b) is effective  
485.11 retroactively from July 1, 2005, or the earliest effective date approved by the Centers for  
485.12 Medicare and Medicaid Services.

485.13 (d) Effective July 1, 2015, disproportionate share hospital (DSH) payments shall be paid  
485.14 in accordance with a new methodology using 2012 as the base year. Annual payments made  
485.15 under this paragraph shall equal the total amount of payments made for 2012. A licensed  
485.16 children's hospital shall receive only a single DSH factor for children's hospitals. Other  
485.17 DSH factors may be combined to arrive at a single factor for each hospital that is eligible  
485.18 for DSH payments. The new methodology shall make payments only to hospitals located  
485.19 in Minnesota and include the following factors:

485.20 (1) a licensed children's hospital with at least 1,000 fee-for-service discharges in the  
485.21 base year shall receive a factor of 0.868. A licensed children's hospital with less than 1,000  
485.22 fee-for-service discharges in the base year shall receive a factor of 0.7880;

485.23 (2) a hospital that has in effect for the initial rate year a contract with the commissioner  
485.24 to provide extended psychiatric inpatient services under section 256.9693 shall receive a  
485.25 factor of 0.0160;

485.26 (3) a hospital that has received payment from the fee-for-service program for at least 20  
485.27 transplant services in the base year shall receive a factor of 0.0435;

485.28 (4) a hospital that has a medical assistance utilization rate in the base year between 20  
485.29 percent up to one standard deviation above the statewide mean utilization rate shall receive  
485.30 a factor of 0.0468;

485.31 (5) a hospital that has a medical assistance utilization rate in the base year that is at least  
485.32 one standard deviation above the statewide mean utilization rate but is less than three standard  
485.33 deviations above the mean shall receive a factor of 0.2300; and

486.1 (6) a hospital that has a medical assistance utilization rate in the base year that is at least  
486.2 three standard deviations above the statewide mean utilization rate shall receive a factor of  
486.3 0.3711.

486.4 (e) Any payments or portion of payments made to a hospital under this subdivision that  
486.5 are subsequently returned to the commissioner because the payments are found to exceed  
486.6 the hospital-specific DSH limit for that hospital shall be redistributed, proportionate to the  
486.7 number of fee-for-service discharges, to other DSH-eligible non-children's hospitals that  
486.8 have a medical assistance utilization rate that is at least one standard deviation above the  
486.9 mean.

486.10 (f) Effective for discharges on January 1, 2019, through June 30, 2019, an additional  
486.11 payment adjustment shall be established by the commissioner under this subdivision for  
486.12 hospitals that provide high levels of administering high-cost drugs to enrollees in the  
486.13 fee-for-service medical assistance program. The commissioner shall consider factors such  
486.14 as fee-for-service medical assistance utilization rates and payments made for drugs purchased  
486.15 through the 340B drug purchasing program and administered to fee-for-service enrollees.  
486.16 If any part of this adjustment exceeds a hospital's hospital-specific disproportionate share  
486.17 hospital limit, the commissioner shall make a payment to the hospital that equals the  
486.18 nonfederal share of the amount that exceeds the limit. The total nonfederal share of the  
486.19 amount of the payment adjustment under this paragraph shall not exceed \$1,500,000.

486.20 Sec. 6. Minnesota Statutes 2016, section 256B.04, subdivision 14, is amended to read:

486.21 Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical, and  
486.22 feasible, the commissioner may utilize volume purchase through competitive bidding and  
486.23 negotiation under the provisions of chapter 16C, to provide items under the medical assistance  
486.24 program including but not limited to the following:

486.25 (1) eyeglasses;

486.26 (2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation  
486.27 on a short-term basis, until the vendor can obtain the necessary supply from the contract  
486.28 dealer;

486.29 (3) hearing aids and supplies; and

486.30 (4) durable medical equipment, including but not limited to:

486.31 (i) hospital beds;

486.32 (ii) commodes;

- 487.1 (iii) glide-about chairs;
- 487.2 (iv) patient lift apparatus;
- 487.3 (v) wheelchairs and accessories;
- 487.4 (vi) oxygen administration equipment;
- 487.5 (vii) respiratory therapy equipment;
- 487.6 (viii) electronic diagnostic, therapeutic and life-support systems;
- 487.7 (5) nonemergency medical transportation level of need determinations, disbursement of
- 487.8 public transportation passes and tokens, and volunteer and recipient mileage and parking
- 487.9 reimbursements; and
- 487.10 (6) drugs.

487.11 (b) Rate changes and recipient cost-sharing under this chapter and chapter 256L do not

487.12 affect contract payments under this subdivision unless specifically identified.

487.13 (c) The commissioner may not utilize volume purchase through competitive bidding

487.14 and negotiation for ~~special transportation services~~ under the provisions of chapter 16C for

487.15 special transportation services or incontinence products and related supplies.

487.16 Sec. 7. Minnesota Statutes 2016, section 256B.04, subdivision 21, is amended to read:

487.17 Subd. 21. **Provider enrollment.** (a) If the commissioner or the Centers for Medicare

487.18 and Medicaid Services determines that a provider is designated "high-risk," the commissioner

487.19 may withhold payment from providers within that category upon initial enrollment for a

487.20 90-day period. The withholding for each provider must begin on the date of the first

487.21 submission of a claim.

487.22 (b) An enrolled provider that is also licensed by the commissioner under chapter 245A,

487.23 or is licensed as a home care provider by the Department of Health under chapter 144A and

487.24 has a home and community-based services designation on the home care license under

487.25 section 144A.484, must designate an individual as the entity's compliance officer. The

487.26 compliance officer must:

487.27 (1) develop policies and procedures to assure adherence to medical assistance laws and

487.28 regulations and to prevent inappropriate claims submissions;

487.29 (2) train the employees of the provider entity, and any agents or subcontractors of the

487.30 provider entity including billers, on the policies and procedures under clause (1);

488.1 (3) respond to allegations of improper conduct related to the provision or billing of  
488.2 medical assistance services, and implement action to remediate any resulting problems;

488.3 (4) use evaluation techniques to monitor compliance with medical assistance laws and  
488.4 regulations;

488.5 (5) promptly report to the commissioner any identified violations of medical assistance  
488.6 laws or regulations; and

488.7 (6) within 60 days of discovery by the provider of a medical assistance reimbursement  
488.8 overpayment, report the overpayment to the commissioner and make arrangements with  
488.9 the commissioner for the commissioner's recovery of the overpayment.

488.10 The commissioner may require, as a condition of enrollment in medical assistance, that a  
488.11 provider within a particular industry sector or category establish a compliance program that  
488.12 contains the core elements established by the Centers for Medicare and Medicaid Services.

488.13 (c) The commissioner may revoke the enrollment of an ordering or rendering provider  
488.14 for a period of not more than one year, if the provider fails to maintain and, upon request  
488.15 from the commissioner, provide access to documentation relating to written orders or requests  
488.16 for payment for durable medical equipment, certifications for home health services, or  
488.17 referrals for other items or services written or ordered by such provider, when the  
488.18 commissioner has identified a pattern of a lack of documentation. A pattern means a failure  
488.19 to maintain documentation or provide access to documentation on more than one occasion.  
488.20 Nothing in this paragraph limits the authority of the commissioner to sanction a provider  
488.21 under the provisions of section 256B.064.

488.22 (d) The commissioner shall terminate or deny the enrollment of any individual or entity  
488.23 if the individual or entity has been terminated from participation in Medicare or under the  
488.24 Medicaid program or Children's Health Insurance Program of any other state. The  
488.25 commissioner may exempt a rehabilitation agency from termination or denial that would  
488.26 otherwise be required under this paragraph, if the agency:

488.27 (1) is unable to retain Medicare certification and enrollment solely due to a lack of billing  
488.28 to the Medicare program;

488.29 (2) meets all other applicable Medicare certification requirements based on a review  
488.30 completed by the commissioner of health; and

488.31 (3) serves primarily a pediatric population.

488.32 (e) As a condition of enrollment in medical assistance, the commissioner shall require  
488.33 that a provider designated "moderate" or "high-risk" by the Centers for Medicare and

489.1 Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid  
489.2 Services, its agents, or its designated contractors and the state agency, its agents, or its  
489.3 designated contractors to conduct unannounced on-site inspections of any provider location.  
489.4 The commissioner shall publish in the Minnesota Health Care Program Provider Manual a  
489.5 list of provider types designated "limited," "moderate," or "high-risk," based on the criteria  
489.6 and standards used to designate Medicare providers in Code of Federal Regulations, title  
489.7 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14.  
489.8 The commissioner's designations are not subject to administrative appeal.

489.9 (f) As a condition of enrollment in medical assistance, the commissioner shall require  
489.10 that a high-risk provider, or a person with a direct or indirect ownership interest in the  
489.11 provider of five percent or higher, consent to criminal background checks, including  
489.12 fingerprinting, when required to do so under state law or by a determination by the  
489.13 commissioner or the Centers for Medicare and Medicaid Services that a provider is designated  
489.14 high-risk for fraud, waste, or abuse.

489.15 (g)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable  
489.16 medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers  
489.17 meeting the durable medical equipment provider and supplier definition in clause (3),  
489.18 operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is  
489.19 annually renewed and designates the Minnesota Department of Human Services as the  
489.20 obligee, and must be submitted in a form approved by the commissioner. For purposes of  
489.21 this clause, the following medical suppliers are not required to obtain a surety bond: a  
489.22 federally qualified health center, a home health agency, the Indian Health Service, a  
489.23 pharmacy, and a rural health clinic.

489.24 (2) At the time of initial enrollment or reenrollment, durable medical equipment providers  
489.25 and suppliers defined in clause (3) must purchase a surety bond of \$50,000. If a revalidating  
489.26 provider's Medicaid revenue in the previous calendar year is up to and including \$300,000,  
489.27 the provider agency must purchase a surety bond of \$50,000. If a revalidating provider's  
489.28 Medicaid revenue in the previous calendar year is over \$300,000, the provider agency must  
489.29 purchase a surety bond of \$100,000. The surety bond must allow for recovery of costs and  
489.30 fees in pursuing a claim on the bond.

489.31 (3) "Durable medical equipment provider or supplier" means a medical supplier that can  
489.32 purchase medical equipment or supplies for sale or rental to the general public and is able  
489.33 to perform or arrange for necessary repairs to and maintenance of equipment offered for  
489.34 sale or rental.

490.1 (h) The Department of Human Services may require a provider to purchase a surety  
490.2 bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment  
490.3 if: (1) the provider fails to demonstrate financial viability, (2) the department determines  
490.4 there is significant evidence of or potential for fraud and abuse by the provider, or (3) the  
490.5 provider or category of providers is designated high-risk pursuant to paragraph (a) and as  
490.6 per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an  
490.7 amount of \$100,000 or ten percent of the provider's payments from Medicaid during the  
490.8 immediately preceding 12 months, whichever is greater. The surety bond must name the  
490.9 Department of Human Services as an obligee and must allow for recovery of costs and fees  
490.10 in pursuing a claim on the bond. This paragraph does not apply if the provider currently  
490.11 maintains a surety bond under the requirements in section 256B.0659 or 256B.85.

490.12 Sec. 8. Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 3b, is  
490.13 amended to read:

490.14 Subd. 3b. **Telemedicine services.** (a) Medical assistance covers medically necessary  
490.15 services and consultations delivered by a licensed health care provider via telemedicine in  
490.16 the same manner as if the service or consultation was delivered in person. Coverage is  
490.17 limited to three telemedicine services per enrollee per calendar week, except as provided  
490.18 in paragraph (f). Telemedicine services shall be paid at the full allowable rate.

490.19 (b) The commissioner shall establish criteria that a health care provider must attest to  
490.20 in order to demonstrate the safety or efficacy of delivering a particular service via  
490.21 telemedicine. The attestation may include that the health care provider:

490.22 (1) has identified the categories or types of services the health care provider will provide  
490.23 via telemedicine;

490.24 (2) has written policies and procedures specific to telemedicine services that are regularly  
490.25 reviewed and updated;

490.26 (3) has policies and procedures that adequately address patient safety before, during,  
490.27 and after the telemedicine service is rendered;

490.28 (4) has established protocols addressing how and when to discontinue telemedicine  
490.29 services; and

490.30 (5) has an established quality assurance process related to telemedicine services.

490.31 (c) As a condition of payment, a licensed health care provider must document each  
490.32 occurrence of a health service provided by telemedicine to a medical assistance enrollee.

491.1 Health care service records for services provided by telemedicine must meet the requirements  
491.2 set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must document:

491.3 (1) the type of service provided by telemedicine;

491.4 (2) the time the service began and the time the service ended, including an a.m. and p.m.  
491.5 designation;

491.6 (3) the licensed health care provider's basis for determining that telemedicine is an  
491.7 appropriate and effective means for delivering the service to the enrollee;

491.8 (4) the mode of transmission of the telemedicine service and records evidencing that a  
491.9 particular mode of transmission was utilized;

491.10 (5) the location of the originating site and the distant site;

491.11 (6) if the claim for payment is based on a physician's telemedicine consultation with  
491.12 another physician, the written opinion from the consulting physician providing the  
491.13 telemedicine consultation; and

491.14 (7) compliance with the criteria attested to by the health care provider in accordance  
491.15 with paragraph (b).

491.16 (d) For purposes of this subdivision, unless otherwise covered under this chapter,  
491.17 "telemedicine" is defined as the delivery of health care services or consultations while the  
491.18 patient is at an originating site and the licensed health care provider is at a distant site. A  
491.19 communication between licensed health care providers, or a licensed health care provider  
491.20 and a patient that consists solely of a telephone conversation, e-mail, or facsimile transmission  
491.21 does not constitute telemedicine consultations or services. Telemedicine may be provided  
491.22 by means of real-time two-way, interactive audio and visual communications, including the  
491.23 application of secure video conferencing or store-and-forward technology to provide or  
491.24 support health care delivery, which facilitate the assessment, diagnosis, consultation,  
491.25 treatment, education, and care management of a patient's health care.

491.26 (e) For purposes of this section, "licensed health care provider" means a licensed health  
491.27 care provider under section 62A.671, subdivision 6, ~~and a community paramedic as defined~~  
491.28 under section 144E.001, subdivision 5f, or a mental health practitioner defined under section  
491.29 245.462, subdivision 17, or 245.4871, subdivision 26, working under the general supervision  
491.30 of a mental health professional; "health care provider" is defined under section 62A.671,  
491.31 subdivision 3; and "originating site" is defined under section 62A.671, subdivision 7.

491.32 (f) The limit on coverage of three telemedicine services per enrollee per calendar week  
491.33 does not apply if:

492.1 (1) the telemedicine services provided by the licensed health care provider are for the  
492.2 treatment and control of tuberculosis; and

492.3 (2) the services are provided in a manner consistent with the recommendations and best  
492.4 practices specified by the Centers for Disease Control and Prevention and the commissioner  
492.5 of health.

492.6 Sec. 9. Minnesota Statutes 2016, section 256B.0625, subdivision 13, is amended to read:

492.7 Subd. 13. **Drugs.** (a) Medical assistance covers drugs, except for fertility drugs when  
492.8 specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed  
492.9 by a licensed pharmacist, by a physician enrolled in the medical assistance program as a  
492.10 dispensing physician, or by a physician, physician assistant, or a nurse practitioner employed  
492.11 by or under contract with a community health board as defined in section 145A.02,  
492.12 subdivision 5, for the purposes of communicable disease control.

492.13 (b) The dispensed quantity of a prescription drug must not exceed a 34-day supply,  
492.14 unless authorized by the commissioner.

492.15 (c) For the purpose of this subdivision and subdivision 13d, an "active pharmaceutical  
492.16 ingredient" is defined as a substance that is represented for use in a drug and when used in  
492.17 the manufacturing, processing, or packaging of a drug becomes an active ingredient of the  
492.18 drug product. An "excipient" is defined as an inert substance used as a diluent or vehicle  
492.19 for a drug. The commissioner shall establish a list of active pharmaceutical ingredients and  
492.20 excipients which are included in the medical assistance formulary. Medical assistance covers  
492.21 selected active pharmaceutical ingredients and excipients used in compounded prescriptions  
492.22 when the compounded combination is specifically approved by the commissioner or when  
492.23 a commercially available product:

492.24 (1) is not a therapeutic option for the patient;

492.25 (2) does not exist in the same combination of active ingredients in the same strengths  
492.26 as the compounded prescription; and

492.27 (3) cannot be used in place of the active pharmaceutical ingredient in the compounded  
492.28 prescription.

492.29 (d) Medical assistance covers the following over-the-counter drugs when prescribed by  
492.30 a licensed practitioner or by a licensed pharmacist who meets standards established by the  
492.31 commissioner, in consultation with the board of pharmacy: antacids, acetaminophen, family  
492.32 planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults  
492.33 with documented vitamin deficiencies, vitamins for children under the age of seven and

493.1 pregnant or nursing women, and any other over-the-counter drug identified by the  
493.2 commissioner, in consultation with the formulary committee, as necessary, appropriate, and  
493.3 cost-effective for the treatment of certain specified chronic diseases, conditions, or disorders,  
493.4 and this determination shall not be subject to the requirements of chapter 14. A pharmacist  
493.5 may prescribe over-the-counter medications as provided under this paragraph for purposes  
493.6 of receiving reimbursement under Medicaid. When prescribing over-the-counter drugs under  
493.7 this paragraph, licensed pharmacists must consult with the recipient to determine necessity,  
493.8 provide drug counseling, review drug therapy for potential adverse interactions, and make  
493.9 referrals as needed to other health care professionals. ~~Over-the-counter medications must~~  
493.10 ~~be dispensed in a quantity that is the lowest of: (1) the number of dosage units contained in~~  
493.11 ~~the manufacturer's original package; (2) the number of dosage units required to complete~~  
493.12 ~~the patient's course of therapy; or (3) if applicable, the number of dosage units dispensed~~  
493.13 ~~from a system using retrospective billing, as provided under subdivision 13e, paragraph~~  
493.14 ~~(b).~~

493.15 (e) Effective January 1, 2006, medical assistance shall not cover drugs that are coverable  
493.16 under Medicare Part D as defined in the Medicare Prescription Drug, Improvement, and  
493.17 Modernization Act of 2003, Public Law 108-173, section 1860D-2(e), for individuals eligible  
493.18 for drug coverage as defined in the Medicare Prescription Drug, Improvement, and  
493.19 Modernization Act of 2003, Public Law 108-173, section 1860D-1(a)(3)(A). For these  
493.20 individuals, medical assistance may cover drugs from the drug classes listed in United States  
493.21 Code, title 42, section 1396r-8(d)(2), subject to this subdivision and subdivisions 13a to  
493.22 13g, except that drugs listed in United States Code, title 42, section 1396r-8(d)(2)(E), shall  
493.23 not be covered.

493.24 (f) Medical assistance covers drugs acquired through the federal 340B Drug Pricing  
493.25 Program and dispensed by 340B covered entities and ambulatory pharmacies under common  
493.26 ownership of the 340B covered entity. Medical assistance does not cover drugs acquired  
493.27 through the federal 340B Drug Pricing Program and dispensed by 340B contract pharmacies.

493.28 Sec. 10. Minnesota Statutes 2016, section 256B.0625, subdivision 13e, is amended to  
493.29 read:

493.30 Subd. 13e. **Payment rates.** (a) Effective January 1, 2019, or upon federal approval,  
493.31 whichever is later, the basis for determining the amount of payment shall be the lower of  
493.32 the actual acquisition costs ingredient cost of the drugs ~~or the maximum allowable cost by~~  
493.33 ~~the commissioner~~ plus the fixed professional dispensing fee; or the usual and customary  
493.34 price charged to the public. The usual and customary price is defined as the lowest price

494.1 charged by the provider to a patient who pays for the prescription by cash, check, or charge  
494.2 account and includes those prices the pharmacy charges to customers enrolled in a  
494.3 prescription savings club or prescription discount club administered by the pharmacy or  
494.4 pharmacy chain. The amount of payment basis must be reduced to reflect all discount  
494.5 amounts applied to the charge by any third-party provider/insurer agreement or contract for  
494.6 submitted charges to medical assistance programs. The net submitted charge may not be  
494.7 greater than the patient liability for the service. The pharmacy professional dispensing fee  
494.8 shall be \$3.65 \$10.48 for legend prescription drugs prescriptions filled with legend drugs  
494.9 meeting the definition of "covered outpatient drugs" according to United States Code, title  
494.10 42, section 1396r-8, paragraph (k), clause (2), except that the dispensing fee for intravenous  
494.11 solutions which must be compounded by the pharmacist shall be \$8 \$10.48 per bag, \$14  
494.12 per bag for cancer chemotherapy products, and \$30 per bag for total parenteral nutritional  
494.13 products dispensed in one-liter quantities, or \$44 per bag for total parenteral nutritional  
494.14 products dispensed in quantities greater than one liter. The professional dispensing fee for  
494.15 prescriptions filled with over-the-counter drugs meeting the definition of covered outpatient  
494.16 drugs shall be \$10.48 for dispensed quantities equal to or greater than the number of units  
494.17 contained in the manufacturer's original package. The professional dispensing fee shall be  
494.18 prorated based on the percentage of the package dispensed when the pharmacy dispenses  
494.19 a quantity less than the number of units contained in the manufacturer's original package.  
494.20 The pharmacy dispensing fee for prescribed over-the-counter drugs not meeting the definition  
494.21 of covered outpatient drugs shall be \$3.65, except that the fee shall be \$1.31 for  
494.22 retrospectively billing pharmacies when billing for quantities less than the number of units  
494.23 contained in the manufacturer's original package. Actual acquisition cost includes quantity  
494.24 and other special discounts except time and cash discounts. The actual acquisition cost of  
494.25 a drug shall be estimated by the commissioner at wholesale acquisition cost plus four percent  
494.26 for independently owned pharmacies located in a designated rural area within Minnesota,  
494.27 and at wholesale acquisition cost plus two percent for all other pharmacies. A pharmacy is  
494.28 "independently owned" if it is one of four or fewer pharmacies under the same ownership  
494.29 nationally. A "designated rural area" means an area defined as a small rural area or isolated  
494.30 rural area according to the four-category classification of the Rural Urban Commuting Area  
494.31 system developed for the United States Health Resources and Services Administration.  
494.32 Effective January 1, 2014, the actual acquisition for quantities equal to or greater than the  
494.33 number of units contained in the manufacturer's original package and shall be prorated based  
494.34 on the percentage of the package dispensed when the pharmacy dispenses a quantity less  
494.35 than the number of units contained in the manufacturer's original package. The National  
494.36 Average Drug Acquisition Cost (NADAC) shall be used to determine the ingredient cost

495.1 of a drug. For drugs for which a NADAC is not reported, the commissioner shall estimate  
495.2 the ingredient cost at wholesale acquisition cost minus two percent. The commissioner shall  
495.3 establish the ingredient cost of a drug acquired through the federal 340B Drug Pricing  
495.4 Program shall be estimated by the commissioner at wholesale acquisition cost minus 40  
495.5 percent at a 340B Drug Pricing Program maximum allowable cost. The 340B Drug Pricing  
495.6 Program maximum allowable cost shall be comparable to, but no higher than, the 340B  
495.7 Drug Pricing Program ceiling price established by the Health Resources and Services  
495.8 Administration. Wholesale acquisition cost is defined as the manufacturer's list price for a  
495.9 drug or biological to wholesalers or direct purchasers in the United States, not including  
495.10 prompt pay or other discounts, rebates, or reductions in price, for the most recent month for  
495.11 which information is available, as reported in wholesale price guides or other publications  
495.12 of drug or biological pricing data. The maximum allowable cost of a multisource drug may  
495.13 be set by the commissioner and it shall be comparable to, ~~but~~ the actual acquisition cost of  
495.14 the drug product and no higher than, the maximum amount paid by other third-party payors  
495.15 in this state who have maximum allowable cost programs and no higher than the NADAC  
495.16 of the generic product. Establishment of the amount of payment for drugs shall not be subject  
495.17 to the requirements of the Administrative Procedure Act.

495.18 (b) Pharmacies dispensing prescriptions to residents of long-term care facilities using  
495.19 an automated drug distribution system meeting the requirements of section 151.58, or a  
495.20 packaging system meeting the packaging standards set forth in Minnesota Rules, part  
495.21 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ  
495.22 retrospective billing for prescription drugs dispensed to long-term care facility residents. A  
495.23 retrospectively billing pharmacy must submit a claim only for the quantity of medication  
495.24 used by the enrolled recipient during the defined billing period. A retrospectively billing  
495.25 pharmacy must use a billing period not less than one calendar month or 30 days.

495.26 (c) ~~An additional dispensing fee of \$.30 may be added to the dispensing fee paid to~~  
495.27 ~~pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities~~  
495.28 ~~when a unit dose blister card system, approved by the department, is used. Under this type~~  
495.29 ~~of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National~~  
495.30 ~~Drug Code (NDC) from the drug container used to fill the blister card must be identified~~  
495.31 ~~on the claim to the department. The unit dose blister card containing the drug must meet~~  
495.32 ~~the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return~~  
495.33 ~~of unused drugs to the pharmacy for reuse.~~ A pharmacy provider using packaging that meets  
495.34 the standards set forth in Minnesota Rules, part 6800.2700, is required to credit the  
495.35 department for the actual acquisition cost of all unused drugs that are eligible for reuse,

496.1 unless the pharmacy is using retrospective billing. The commissioner may permit the drug  
496.2 clozapine to be dispensed in a quantity that is less than a 30-day supply.

496.3 (d) ~~Whenever a maximum allowable cost has been set for~~ If a pharmacy dispenses a  
496.4 multisource drug, payment shall be the lower of the usual and customary price charged to  
496.5 the public or the ingredient cost shall be the NADAC of the generic product or the maximum  
496.6 allowable cost established by the commissioner unless prior authorization for the brand  
496.7 name product has been granted according to the criteria established by the Drug Formulary  
496.8 Committee as required by subdivision 13f, paragraph (a), and the prescriber has indicated  
496.9 "dispense as written" on the prescription in a manner consistent with section 151.21,  
496.10 subdivision 2.

496.11 (e) The basis for determining the amount of payment for drugs administered in an  
496.12 outpatient setting shall be the lower of the usual and customary cost submitted by the  
496.13 provider, 106 percent of the average sales price as determined by the United States  
496.14 Department of Health and Human Services pursuant to title XVIII, section 1847a of the  
496.15 federal Social Security Act, the specialty pharmacy rate, or the maximum allowable cost  
496.16 set by the commissioner. If average sales price is unavailable, the amount of payment must  
496.17 be lower of the usual and customary cost submitted by the provider, the wholesale acquisition  
496.18 cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner.  
496.19 Effective January 1, 2014 2019, or upon federal approval, whichever is later, the  
496.20 commissioner shall discount the payment rate for drugs obtained through the federal 340B  
496.21 Drug Pricing Program by 20 28.6 percent. The payment for drugs administered in an  
496.22 outpatient setting shall be made to the administering facility or practitioner. A retail or  
496.23 specialty pharmacy dispensing a drug for administration in an outpatient setting is not  
496.24 eligible for direct reimbursement.

496.25 (f) The commissioner may ~~negotiate lower reimbursement rates~~ establish maximum  
496.26 allowable cost rates for specialty pharmacy products ~~than the rates that are lower than the~~  
496.27 ingredient cost formulas specified in paragraph (a). The commissioner may require  
496.28 individuals enrolled in the health care programs administered by the department to obtain  
496.29 specialty pharmacy products from providers ~~with whom the commissioner has negotiated~~  
496.30 lower reimbursement rates able to provide enhanced clinical services and willing to accept  
496.31 the specialty pharmacy reimbursement. Specialty pharmacy products are defined as those  
496.32 used by a small number of recipients or recipients with complex and chronic diseases that  
496.33 require expensive and challenging drug regimens. Examples of these conditions include,  
496.34 but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, growth  
496.35 hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of cancer.

497.1 Specialty pharmaceutical products include injectable and infusion therapies, biotechnology  
497.2 drugs, antihemophilic factor products, high-cost therapies, and therapies that require complex  
497.3 care. The commissioner shall consult with the formulary committee to develop a list of  
497.4 specialty pharmacy products subject to ~~this paragraph~~ maximum allowable cost  
497.5 reimbursement. In consulting with the formulary committee in developing this list, the  
497.6 commissioner shall take into consideration the population served by specialty pharmacy  
497.7 products, the current delivery system and standard of care in the state, and access to care  
497.8 issues. The commissioner shall have the discretion to adjust the ~~reimbursement rate~~ maximum  
497.9 allowable cost to prevent access to care issues.

497.10 (g) Home infusion therapy services provided by home infusion therapy pharmacies must  
497.11 be paid at rates according to subdivision 8d.

497.12 Sec. 11. Minnesota Statutes 2016, section 256B.0625, subdivision 13f, is amended to read:

497.13 Subd. 13f. **Prior authorization.** (a) The Formulary Committee shall review and  
497.14 recommend drugs which require prior authorization. The Formulary Committee shall  
497.15 establish general criteria to be used for the prior authorization of brand-name drugs for  
497.16 which generically equivalent drugs are available, but the committee is not required to review  
497.17 each brand-name drug for which a generically equivalent drug is available.

497.18 (b) Prior authorization may be required by the commissioner before certain formulary  
497.19 drugs are eligible for payment. The Formulary Committee may recommend drugs for prior  
497.20 authorization directly to the commissioner. The commissioner may also request that the  
497.21 Formulary Committee review a drug for prior authorization. Before the commissioner may  
497.22 require prior authorization for a drug:

497.23 (1) the commissioner must provide information to the Formulary Committee on the  
497.24 impact that placing the drug on prior authorization may have on the quality of patient care  
497.25 and on program costs, information regarding whether the drug is subject to clinical abuse  
497.26 or misuse, and relevant data from the state Medicaid program if such data is available;

497.27 (2) the Formulary Committee must review the drug, taking into account medical and  
497.28 clinical data and the information provided by the commissioner; and

497.29 (3) the Formulary Committee must hold a public forum and receive public comment for  
497.30 an additional 15 days.

497.31 The commissioner must provide a 15-day notice period before implementing the prior  
497.32 authorization.

498.1 (c) Except as provided in subdivision 13j, prior authorization shall not be required or  
 498.2 utilized for any atypical antipsychotic drug prescribed for the treatment of mental illness  
 498.3 if:

498.4 (1) there is no generically equivalent drug available; and

498.5 (2) the drug was initially prescribed for the recipient prior to July 1, 2003; or

498.6 (3) the drug is part of the recipient's current course of treatment.

498.7 This paragraph applies to any multistate preferred drug list or supplemental drug rebate  
 498.8 program established or administered by the commissioner. Prior authorization shall  
 498.9 automatically be granted for 60 days for brand name drugs prescribed for treatment of mental  
 498.10 illness within 60 days of when a generically equivalent drug becomes available, provided  
 498.11 that the brand name drug was part of the recipient's course of treatment at the time the  
 498.12 generically equivalent drug became available.

498.13 ~~(d) Prior authorization shall not be required or utilized for any antihemophilic factor~~  
 498.14 ~~drug prescribed for the treatment of hemophilia and blood disorders where there is no~~  
 498.15 ~~generically equivalent drug available if the prior authorization is used in conjunction with~~  
 498.16 ~~any supplemental drug rebate program or multistate preferred drug list established or~~  
 498.17 ~~administered by the commissioner.~~

498.18 ~~(e)~~ (d) The commissioner may require prior authorization for brand name drugs whenever  
 498.19 a generically equivalent product is available, even if the prescriber specifically indicates  
 498.20 "dispense as written-brand necessary" on the prescription as required by section 151.21,  
 498.21 subdivision 2.

498.22 ~~(f)~~ (e) Notwithstanding this subdivision, the commissioner may automatically require  
 498.23 prior authorization, for a period not to exceed 180 days, for any drug that is approved by  
 498.24 the United States Food and Drug Administration on or after July 1, 2005. The 180-day  
 498.25 period begins no later than the first day that a drug is available for shipment to pharmacies  
 498.26 within the state. The Formulary Committee shall recommend to the commissioner general  
 498.27 criteria to be used for the prior authorization of the drugs, but the committee is not required  
 498.28 to review each individual drug. In order to continue prior authorizations for a drug after the  
 498.29 180-day period has expired, the commissioner must follow the provisions of this subdivision.

498.30 Sec. 12. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision  
 498.31 to read:

498.32 Subd. 17d. **Transportation services oversight.** The commissioner shall contract with  
 498.33 a vendor or dedicate staff for oversight of providers of nonemergency medical transportation

499.1 services pursuant to the commissioner's authority in section 256B.04 and Minnesota Rules,  
499.2 parts 9505.2160 to 9505.2245.

499.3 **EFFECTIVE DATE.** This section is effective July 1, 2018.

499.4 Sec. 13. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision  
499.5 to read:

499.6 **Subd. 17e. Transportation provider termination.** (a) A terminated nonemergency  
499.7 medical transportation provider, including all named individuals on the current enrollment  
499.8 disclosure form and known or discovered affiliates of the nonemergency medical  
499.9 transportation provider, is not eligible to enroll as a nonemergency medical transportation  
499.10 provider for five years following the termination.

499.11 (b) After the five-year period in paragraph (a), if a provider seeks to reenroll as a  
499.12 nonemergency medical transportation provider, the nonemergency medical transportation  
499.13 provider must be placed on a one-year probation period. During a provider's probation  
499.14 period, the commissioner shall complete unannounced site visits and request documentation  
499.15 to review compliance with program requirements.

499.16 **EFFECTIVE DATE.** This section is effective July 1, 2018.

499.17 Sec. 14. Minnesota Statutes 2016, section 256B.0625, is amended by adding a subdivision  
499.18 to read:

499.19 **Subd. 17f. Transportation provider training.** The commissioner shall make available  
499.20 to providers of nonemergency medical transportation and all drivers training materials and  
499.21 online training opportunities regarding documentation requirements, documentation  
499.22 procedures, and penalties for failing to meet documentation requirements.

499.23 Sec. 15. **[256B.758] REIMBURSEMENT FOR DOULA SERVICES.**

499.24 Effective for services provided on or after July 1, 2018, payments for doula services  
499.25 provided by a certified doula shall be \$47 per prenatal or postpartum visit, up to a total of  
499.26 six visits; and \$488 for attending and providing doula services at a birth.

499.27 Sec. 16. **COVERED OUTPATIENT DRUG RULE.**

499.28 The commissioner of human services shall collaborate with the Minnesota Hospital  
499.29 Association, the Minnesota Pharmacists Association, the Minnesota College of Pharmacy,  
499.30 and other affected stakeholders to assess the impact of implementing the federal 2017

500.1 Covered Outpatient Drug Rule and develop a proposal to minimize negative impacts to  
500.2 medical assistance enrollees and providers. The commissioner shall report the proposal to  
500.3 the chairs and ranking minority members of the legislative committees with jurisdiction  
500.4 over health and human services policy and finance by February 15, 2019.

500.5 Sec. 17. **PAIN MANAGEMENT.**

500.6 (a) The Health Services Policy Committee established under Minnesota Statutes, section  
500.7 256B.0625, subdivision 3c, shall evaluate and make recommendations on the integration  
500.8 of nonpharmacologic pain management that are clinically viable and sustainable; reduce or  
500.9 eliminate chronic pain conditions; improve functional status; and prevent addiction and  
500.10 reduce dependence on opiates or other pain medications. The recommendations must be  
500.11 based on best practices for the effective treatment of musculoskeletal pain provided by  
500.12 health practitioners identified in paragraph (b), and covered under medical assistance. Each  
500.13 health practitioner represented under paragraph (b) shall present the minimum best integrated  
500.14 practice recommendations, policies, and scientific evidence for nonpharmacologic treatment  
500.15 options for eliminating pain and improving functional status within their full professional  
500.16 scope. Recommendations for integration of services may include guidance regarding  
500.17 screening for co-occurring behavioral health diagnoses; protocols for communication between  
500.18 all providers treating a unique individual, including protocols for follow-up; and universal  
500.19 mechanisms to assess improvements in functional status.

500.20 (b) In evaluating and making recommendations, the Health Services Policy Committee  
500.21 shall consult and collaborate with the following health practitioners: acupuncture practitioners  
500.22 licensed under Minnesota Statutes, chapter 147B; chiropractors licensed under Minnesota  
500.23 Statutes, sections 148.01 to 148.10; physical therapists licensed under Minnesota Statutes,  
500.24 sections 148.68 to 148.78; medical and osteopathic physicians licensed under Minnesota  
500.25 Statutes, chapter 147, and advanced practice registered nurses licensed under Minnesota  
500.26 Statutes, sections 148.171 to 148.285, with experience in providing primary care  
500.27 collaboratively within a multidisciplinary team of health care practitioners who employ  
500.28 nonpharmacologic pain therapies; and psychologists licensed under Minnesota Statutes,  
500.29 section 148.907.

500.30 (c) The commissioner shall submit a progress report to the chairs and ranking minority  
500.31 members of the legislative committees with jurisdiction over health and human services  
500.32 policy and finance by January 15, 2019, and shall report final recommendations by August  
500.33 1, 2019. The final report may also contain recommendations for developing and implementing  
500.34 a pilot program to assess the clinical viability, sustainability, and effectiveness of integrated

501.1 nonpharmacologic, multidisciplinary treatments for managing musculoskeletal pain and  
501.2 improving functional status.

501.3 Sec. 18. **CONTRACT TO RECOVER THIRD-PARTY LIABILITY.**

501.4 The commissioner shall contract with a vendor to implement a health insurance third-party  
501.5 liability recovery program for medical assistance and MinnesotaCare. Under the terms of  
501.6 the contract, the vendor shall be reimbursed using a percentage of the funds recovered. All  
501.7 money recovered that remains after reimbursement of the vendor and the return of any  
501.8 federal funds is available for operation of the medical assistance and MinnesotaCare  
501.9 programs. The use of this money must be authorized in law by the legislature.

501.10 **EFFECTIVE DATE.** This section is effective July 1, 2018.

501.11 Sec. 19. **MINNESOTA HEALTH POLICY COMMISSION; FIRST**  
501.12 **APPOINTMENTS; FIRST MEETING.**

501.13 The Health Policy Commission Advisory Council shall make its recommendations under  
501.14 Minnesota Statutes, section 62J.90, subdivision 9, for candidates to serve on the Minnesota  
501.15 Health Policy Commission to the Legislative Coordinating Commission by September 30,  
501.16 2018. The Legislative Coordinating Commission shall make the first appointments of public  
501.17 members to the Minnesota Health Policy Commission under Minnesota Statutes, section  
501.18 62J.90, by January 15, 2019. The Legislative Coordinating Commission shall designate five  
501.19 members to serve terms that are coterminous with the governor and six members to serve  
501.20 terms that end on the first Monday in January one year after the terms of the other members  
501.21 conclude. The director of the Legislative Coordinating Commission shall convene the first  
501.22 meeting of the Minnesota Health Policy Commission by June 15, 2019, and shall act as the  
501.23 chair until the commission elects a chair at its first meeting.

501.24 Sec. 20. **REPEALER.**

501.25 Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 31c, is repealed.

501.26 **ARTICLE 35**

501.27 **HEALTH DEPARTMENT**

501.28 Section 1. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 2, is  
501.29 amended to read:

502.1 Subd. 2. **Boring.** "Boring" means a hole or excavation that ~~is not used to extract water~~  
502.2 ~~and~~ includes exploratory borings, bored geothermal heat exchangers, temporary borings,  
502.3 and elevator borings.

502.4 Sec. 2. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 8a, is amended  
502.5 to read:

502.6 Subd. 8a. **Environmental well.** "Environmental well" means an excavation 15 or more  
502.7 feet in depth that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed  
502.8 to:

502.9 (1) conduct physical, chemical, or biological testing of groundwater, and includes a  
502.10 groundwater quality monitoring or sampling well;

502.11 (2) lower a groundwater level to control or remove contamination in groundwater, and  
502.12 includes a remedial well and excludes horizontal trenches; or

502.13 (3) monitor or measure physical, chemical, radiological, or biological parameters of the  
502.14 earth and earth fluids, or for vapor recovery or venting systems. An environmental well  
502.15 includes an excavation used to:

502.16 (i) measure groundwater levels, including a piezometer;

502.17 (ii) determine groundwater flow direction or velocity;

502.18 (iii) measure earth properties such as hydraulic conductivity, bearing capacity, or  
502.19 resistance;

502.20 (iv) obtain samples of geologic materials for testing or classification; or

502.21 (v) remove or remediate pollution or contamination from groundwater or soil through  
502.22 the use of a vent, vapor recovery system, or sparge point.

502.23 An environmental well does not include an exploratory boring.

502.24 Sec. 3. Minnesota Statutes 2017 Supplement, section 103I.005, subdivision 17a, is amended  
502.25 to read:

502.26 Subd. 17a. **Temporary environmental well boring.** "Temporary environmental well"  
502.27 means an environmental well as defined in section 103I.005, subdivision 8a, that is sealed  
502.28 within 72 hours of the time construction on the well begins. "Temporary boring" means an  
502.29 excavation that is 15 feet or more in depth that is sealed within 72 hours of the start of  
502.30 construction and is drilled, cored, washed, driven, dug, jetted, or otherwise constructed to:

- 503.1 (1) conduct physical, chemical, or biological testing of groundwater, including  
503.2 groundwater quality monitoring;
- 503.3 (2) monitor or measure physical, chemical, radiological, or biological parameters of  
503.4 earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or  
503.5 resistance;
- 503.6 (3) measure groundwater levels, including use of a piezometer;
- 503.7 (4) determine groundwater flow direction or velocity; or
- 503.8 (5) collect samples of geologic materials for testing or classification, or soil vapors for  
503.9 testing or extraction.

503.10 Sec. 4. Minnesota Statutes 2017 Supplement, section 103I.205, subdivision 1, is amended  
503.11 to read:

503.12 Subdivision 1. **Notification required.** (a) Except as provided in paragraph (d), a person  
503.13 may not construct a water-supply, dewatering, or environmental well until a notification of  
503.14 the proposed well on a form prescribed by the commissioner is filed with the commissioner  
503.15 with the filing fee in section 103I.208, and, when applicable, the person has met the  
503.16 requirements of paragraph (e). If after filing the well notification an attempt to construct a  
503.17 well is unsuccessful, a new notification is not required unless the information relating to  
503.18 the successful well has substantially changed. A notification is not required prior to  
503.19 construction of a temporary ~~environmental well~~ well boring.

503.20 (b) The property owner, the property owner's agent, or the licensed contractor where a  
503.21 well is to be located must file the well notification with the commissioner.

503.22 (c) The well notification under this subdivision preempts local permits and notifications,  
503.23 and counties or home rule charter or statutory cities may not require a permit or notification  
503.24 for wells unless the commissioner has delegated the permitting or notification authority  
503.25 under section 103I.111.

503.26 (d) A person who is an individual that constructs a drive point water-supply well on  
503.27 property owned or leased by the individual for farming or agricultural purposes or as the  
503.28 individual's place of abode must notify the commissioner of the installation and location of  
503.29 the well. The person must complete the notification form prescribed by the commissioner  
503.30 and mail it to the commissioner by ten days after the well is completed. A fee may not be  
503.31 charged for the notification. A person who sells drive point wells at retail must provide  
503.32 buyers with notification forms and informational materials including requirements regarding

504.1 wells, their location, construction, and disclosure. The commissioner must provide the  
504.2 notification forms and informational materials to the sellers.

504.3 (e) When the operation of a well will require an appropriation permit from the  
504.4 commissioner of natural resources, a person may not begin construction of the well until  
504.5 the person submits the following information to the commissioner of natural resources:

504.6 (1) the location of the well;

504.7 (2) the formation or aquifer that will serve as the water source;

504.8 (3) the maximum daily, seasonal, and annual pumpage rates and volumes that will be  
504.9 requested in the appropriation permit; and

504.10 (4) other information requested by the commissioner of natural resources that is necessary  
504.11 to conduct the preliminary assessment required under section 103G.287, subdivision 1,  
504.12 paragraph (c).

504.13 The person may begin construction after receiving preliminary approval from the  
504.14 commissioner of natural resources.

504.15 Sec. 5. Minnesota Statutes 2017 Supplement, section 103I.205, subdivision 4, is amended  
504.16 to read:

504.17 Subd. 4. **License required.** (a) Except as provided in paragraph (b), (c), (d), or (e),  
504.18 section 103I.401, subdivision 2, or 103I.601, subdivision 2, a person may not drill, construct,  
504.19 repair, or seal a well or boring unless the person has a well contractor's license in possession.

504.20 (b) A person may construct, repair, and seal an environmental well or temporary boring  
504.21 if the person:

504.22 (1) is a professional engineer licensed under sections 326.02 to 326.15 in the branches  
504.23 of civil or geological engineering;

504.24 (2) is a hydrologist or hydrogeologist certified by the American Institute of Hydrology;

504.25 (3) is a professional geoscientist licensed under sections 326.02 to 326.15;

504.26 (4) is a geologist certified by the American Institute of Professional Geologists; or

504.27 (5) meets the qualifications established by the commissioner in rule.

504.28 A person must be licensed by the commissioner as an environmental well contractor on  
504.29 forms provided by the commissioner.

505.1 (c) A person may do the following work with a limited well/boring contractor's license  
505.2 in possession. A separate license is required for each of the four activities:

505.3 (1) installing, repairing, and modifying well screens, pitless units and pitless adaptors,  
505.4 well pumps and pumping equipment, and well casings from the pitless adaptor or pitless  
505.5 unit to the upper termination of the well casing;

505.6 (2) sealing wells and borings;

505.7 (3) constructing, repairing, and sealing dewatering wells; or

505.8 (4) constructing, repairing, and sealing bored geothermal heat exchangers.

505.9 (d) A person may construct, repair, and seal an elevator boring with an elevator boring  
505.10 contractor's license.

505.11 (e) Notwithstanding other provisions of this chapter requiring a license, a license is not  
505.12 required for a person who complies with the other provisions of this chapter if the person  
505.13 is:

505.14 (1) an individual who constructs a water-supply well on land that is owned or leased by  
505.15 the individual and is used by the individual for farming or agricultural purposes or as the  
505.16 individual's place of abode; or

505.17 (2) an individual who performs labor or services for a contractor licensed under the  
505.18 provisions of this chapter in connection with the construction, sealing, or repair of a well  
505.19 or boring at the direction and under the personal supervision of a contractor licensed under  
505.20 the provisions of this chapter; ~~or.~~

505.21 ~~(3) a licensed plumber who is repairing submersible pumps or water pipes associated~~  
505.22 ~~with well water systems if: (i) the repair location is within an area where there is no licensed~~  
505.23 ~~well contractor within 50 miles, and (ii) the licensed plumber complies with all relevant~~  
505.24 ~~sections of the plumbing code.~~

505.25 Sec. 6. Minnesota Statutes 2016, section 103I.205, subdivision 9, is amended to read:

505.26 Subd. 9. **Report of work.** Within ~~30~~ 60 days after completion or sealing of a well or  
505.27 boring, the person doing the work must submit a verified report to the commissioner  
505.28 containing the information specified by rules adopted under this chapter.

505.29 Within 30 days after receiving the report, the commissioner shall send or otherwise  
505.30 provide access to a copy of the report to the commissioner of natural resources, to the local  
505.31 soil and water conservation district where the well is located, and to the director of the  
505.32 Minnesota Geological Survey.

506.1 Sec. 7. Minnesota Statutes 2017 Supplement, section 103I.208, subdivision 1, is amended  
506.2 to read:

506.3 Subdivision 1. **Well notification fee.** The well notification fee to be paid by a property  
506.4 owner is:

506.5 (1) for construction of a water supply well, \$275, which includes the state core function  
506.6 fee;

506.7 (2) for a well sealing, \$75 for each well or boring, which includes the state core function  
506.8 fee, except that a single fee of \$75 is required for all temporary ~~environmental wells~~ borings  
506.9 recorded on the sealing notification for a single property, ~~having depths within a 25-foot~~  
506.10 ~~range, and sealed within 72 hours of start of construction, except that temporary borings~~  
506.11 less than 25 feet in depth are exempt from the notification and fee requirements in this  
506.12 chapter;

506.13 (3) for construction of a dewatering well, \$275, which includes the state core function  
506.14 fee, for each dewatering well except a dewatering project comprising five or more dewatering  
506.15 wells shall be assessed a single fee of \$1,375 for the dewatering wells recorded on the  
506.16 notification; and

506.17 (4) for construction of an environmental well, \$275, which includes the state core function  
506.18 fee, except that a single fee of \$275 is required for all environmental wells recorded on the  
506.19 notification that are located on a single property, and except that no fee is required for  
506.20 construction of a temporary ~~environmental well~~ boring.

506.21 Sec. 8. Minnesota Statutes 2017 Supplement, section 103I.235, subdivision 3, is amended  
506.22 to read:

506.23 Subd. 3. **Temporary ~~environmental well~~ boring and unsuccessful well exemption.**  
506.24 This section does not apply to temporary ~~environmental wells~~ borings or unsuccessful wells  
506.25 that have been sealed by a licensed contractor in compliance with this chapter.

506.26 Sec. 9. Minnesota Statutes 2016, section 103I.301, subdivision 6, is amended to read:

506.27 Subd. 6. **Notification required.** A person may not seal a well or boring until a notification  
506.28 of the proposed sealing is filed as prescribed by the commissioner. Temporary borings less  
506.29 than 25 feet in depth are exempt from the notification requirements in this chapter.

507.1 Sec. 10. Minnesota Statutes 2017 Supplement, section 103I.601, subdivision 4, is amended  
507.2 to read:

507.3 Subd. 4. **Notification and map of borings.** (a) By ten days before beginning exploratory  
507.4 boring, an explorer must submit to the commissioner of health a notification of the proposed  
507.5 boring ~~on a form prescribed by the commissioner, map~~ and a fee of \$275 for each exploratory  
507.6 boring.

507.7 (b) By ten days before beginning exploratory boring, an explorer must submit to the  
507.8 commissioners of health and natural resources a county road map on a single sheet of paper  
507.9 that is 8-1/2 inches by 11 inches in size and having a scale of one-half inch equal to one  
507.10 mile, as prepared by the Department of Transportation, or a 7.5 minute series topographic  
507.11 map (1:24,000 scale), as prepared by the United States Geological Survey, showing the  
507.12 location of each proposed exploratory boring to the nearest estimated 40 acre parcel.  
507.13 Exploratory boring that is proposed on the map may not be commenced later than 180 days  
507.14 after submission of the map, unless a new map is submitted.

507.15 Sec. 11. **[137.68] ADVISORY COUNCIL ON RARE DISEASES.**

507.16 Subdivision 1. **Establishment.** The Board of Regents of the University of Minnesota is  
507.17 requested to establish an advisory council on rare diseases to provide advice on research,  
507.18 diagnosis, treatment, and education related to rare diseases. For purposes of this section,  
507.19 "rare disease" has the meaning given in United States Code, title 21, section 360bb. The  
507.20 council shall be called the Chloe Barnes Advisory Council on Rare Diseases.

507.21 Subd. 2. **Membership.** (a) The advisory council may consist of public members appointed  
507.22 by the Board of Regents or a designee according to paragraph (b) and four members of the  
507.23 legislature appointed according to paragraph (c).

507.24 (b) The Board of Regents or a designee is requested to appoint the following public  
507.25 members:

507.26 (1) three physicians licensed and practicing in the state with experience researching,  
507.27 diagnosing, or treating rare diseases;

507.28 (2) one registered nurse or advanced practice registered nurse licensed and practicing  
507.29 in the state with experience treating rare diseases;

507.30 (3) at least two hospital administrators, or their designees, from hospitals in the state  
507.31 that provide care to persons diagnosed with a rare disease. One administrator or designee  
507.32 appointed under this clause must represent a hospital in which the scope of service focuses  
507.33 on rare diseases of pediatric patients;

508.1 (4) three persons age 18 or older who either have a rare disease or are a caregiver of a  
508.2 person with a rare disease;

508.3 (5) a representative of a rare disease patient organization that operates in the state;

508.4 (6) a social worker with experience providing services to persons diagnosed with a rare  
508.5 disease;

508.6 (7) a pharmacist with experience with drugs used to treat rare diseases;

508.7 (8) a dentist licensed and practicing in the state with experience treating rare diseases;

508.8 (9) a representative of the biotechnology industry;

508.9 (10) a representative of health plan companies;

508.10 (11) a medical researcher with experience conducting research on rare diseases;

508.11 (12) a genetic counselor with experience providing services to persons diagnosed with  
508.12 a rare disease or caregivers of those persons; and

508.13 (13) other public members, who may serve on an ad hoc basis.

508.14 (c) The advisory council shall include two members of the senate, one appointed by the  
508.15 majority leader and one appointed by the minority leader; and two members of the house  
508.16 of representatives, one appointed by the speaker of the house and one appointed by the  
508.17 minority leader.

508.18 (d) The commissioner of health or a designee, a representative of Mayo Medical School,  
508.19 and a representative of the University of Minnesota Medical School, shall serve as ex officio,  
508.20 nonvoting members of the advisory council.

508.21 (e) Initial appointments to the advisory council shall be made no later than July 1, 2018.  
508.22 Members appointed according to paragraph (b) shall serve for a term of three years, except  
508.23 that the initial members appointed according to paragraph (b) shall have an initial term of  
508.24 two, three, or four years determined by lot by the chairperson. Members appointed according  
508.25 to paragraph (b) shall serve until their successors have been appointed.

508.26 Subd. 3. **Meetings.** The Board of Regents or a designee is requested to convene the first  
508.27 meeting of the advisory council no later than September 1, 2018. The advisory council shall  
508.28 meet at the call of the chairperson or at the request of a majority of advisory council members.

508.29 Subd. 4. **Duties.** (a) The advisory council's duties may include, but are not limited to:

508.30 (1) in conjunction with the state's medical schools, the state's schools of public health,  
508.31 and hospitals in the state that provide care to persons diagnosed with a rare disease,

509.1 developing resources or recommendations relating to quality of and access to treatment and  
509.2 services in the state for persons with a rare disease, including but not limited to:

509.3 (i) a list of existing, publicly accessible resources on research, diagnosis, treatment, and  
509.4 education relating to rare diseases;

509.5 (ii) identifying best practices for rare disease care implemented in other states, at the  
509.6 national level, and at the international level, that will improve rare disease care in the state  
509.7 and seeking opportunities to partner with similar organizations in other states and countries;

509.8 (iii) identifying problems faced by patients with a rare disease when changing health  
509.9 plans, including recommendations on how to remove obstacles faced by these patients to  
509.10 finding a new health plan and how to improve the ease and speed of finding a new health  
509.11 plan that meets the needs of patients with a rare disease; and

509.12 (iv) identifying best practices to ensure health care providers are adequately informed  
509.13 of the most effective strategies for recognizing and treating rare diseases; and

509.14 (2) advising, consulting, and cooperating with the Department of Health, the Advisory  
509.15 Committee on Heritable and Congenital Disorders, and other agencies of state government  
509.16 in developing information and programs for the public and the health care community  
509.17 relating to diagnosis, treatment, and awareness of rare diseases.

509.18 (b) The advisory council shall collect additional topic areas for study and evaluation  
509.19 from the general public. In order for the advisory council to study and evaluate a topic, the  
509.20 topic must be approved for study and evaluation by the advisory council.

509.21 Subd. 5. **Conflict of interest.** Advisory council members are subject to the Board of  
509.22 Regents policy on conflicts of interest.

509.23 Subd. 6. **Annual report.** By January 1 of each year, beginning January 1, 2019, the  
509.24 advisory council shall report to the chairs and ranking minority members of the legislative  
509.25 committees with jurisdiction over higher education and health care policy on the advisory  
509.26 council's activities under subdivision 4 and other issues on which the advisory council may  
509.27 choose to report.

509.28 Sec. 12. Minnesota Statutes 2016, section 144.121, subdivision 1a, is amended to read:

509.29 Subd. 1a. **Fees for ionizing radiation-producing equipment.** (a) A facility with ionizing  
509.30 radiation-producing equipment must pay an annual initial or annual renewal registration  
509.31 fee consisting of a base facility fee of \$100 and an additional fee for each radiation source,  
509.32 as follows:

510.1	(1) medical or veterinary equipment	\$ 100
510.2	(2) dental x-ray equipment	\$ 40
510.3	(3) x-ray equipment not used on	\$ 100
510.4	humans or animals	
510.5	(4) devices with sources of ionizing	\$ 100
510.6	radiation not used on humans or	
510.7	animals	
510.8	<u>(5) security screening system</u>	<u>\$ 100</u>

510.9 (b) A facility with radiation therapy and accelerator equipment must pay an annual  
510.10 registration fee of \$500. A facility with an industrial accelerator must pay an annual  
510.11 registration fee of \$150.

510.12 (c) Electron microscopy equipment is exempt from the registration fee requirements of  
510.13 this section.

510.14 (d) For purposes of this section, a security screening system means radiation-producing  
510.15 equipment designed and used for security screening of humans who are in custody of a  
510.16 correctional or detention facility, and is used by the facility to image and identify contraband  
510.17 items concealed within or on all sides of a human body. For purposes of this section, a  
510.18 correctional or detention facility is a facility licensed by the commissioner of corrections  
510.19 under section 241.021, and operated by a state agency or political subdivision charged with  
510.20 detection, enforcement, or incarceration in respect to state criminal and traffic laws.

510.21 Sec. 13. Minnesota Statutes 2016, section 144.121, is amended by adding a subdivision  
510.22 to read:

510.23 Subd. 9. **Exemption from examination requirements; operators of security screening**  
510.24 **systems.** (a) An employee of a correctional or detention facility who operates a security  
510.25 screening system and the facility in which the system is being operated are exempt from  
510.26 the requirements of subdivisions 5 and 6.

510.27 (b) An employee of a correctional or detention facility who operates a security screening  
510.28 system and the facility in which the system is being operated must meet the requirements  
510.29 of a variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota  
510.30 Rules, parts 4717.7000 to 4717.7050. This paragraph expires on December 31 of the year  
510.31 that the permanent rules adopted by the commissioner governing security screening systems  
510.32 are published in the State Register.

510.33 **EFFECTIVE DATE.** This section is effective 30 days following final enactment.

511.1 Sec. 14. Minnesota Statutes 2016, section 144.1506, subdivision 2, is amended to read:

511.2 Subd. 2. **Expansion grant program.** (a) The commissioner of health shall award primary  
511.3 care residency expansion grants to eligible primary care residency programs to plan and  
511.4 implement new residency slots. A planning grant shall not exceed \$75,000, and a training  
511.5 grant shall not exceed \$150,000 per new residency slot for the first year, \$100,000 for the  
511.6 second year, and \$50,000 for the third year of the new residency slot. For eligible residency  
511.7 programs longer than three years, training grants may be awarded for the duration of the  
511.8 residency, not exceeding an average of \$100,000 per residency slot per year.

511.9 (b) Funds may be spent to cover the costs of:

511.10 (1) planning related to establishing an accredited primary care residency program;

511.11 (2) obtaining accreditation by the Accreditation Council for Graduate Medical Education  
511.12 or another national body that accredits residency programs;

511.13 (3) establishing new residency programs or new resident training slots;

511.14 (4) recruitment, training, and retention of new residents and faculty;

511.15 (5) travel and lodging for new residents;

511.16 (6) faculty, new resident, and preceptor salaries related to new residency slots;

511.17 (7) training site improvements, fees, equipment, and supplies required for new primary  
511.18 care resident training slots; and

511.19 (8) supporting clinical education in which trainees are part of a primary care team model.

511.20 Sec. 15. Minnesota Statutes 2016, section 144.225, subdivision 2, is amended to read:

511.21 Subd. 2. **Data about births.** (a) Except as otherwise provided in this subdivision, data  
511.22 pertaining to the birth of a child to a woman who was not married to the child's father when  
511.23 the child was conceived nor when the child was born, including the original record of birth  
511.24 and the certified vital record, are confidential data. At the time of the birth of a child to a  
511.25 woman who was not married to the child's father when the child was conceived nor when  
511.26 the child was born, the mother may designate demographic data pertaining to the birth as  
511.27 public. Notwithstanding the designation of the data as confidential, it may be disclosed:

511.28 (1) to a parent or guardian of the child;

511.29 (2) to the child when the child is 16 years of age or older;

511.30 (3) under paragraph (b) or (e); or

512.1 (4) pursuant to a court order. For purposes of this section, a subpoena does not constitute  
512.2 a court order.

512.3 (b) Unless the child is adopted, data pertaining to the birth of a child that are not accessible  
512.4 to the public become public data if 100 years have elapsed since the birth of the child who  
512.5 is the subject of the data, or as provided under section 13.10, whichever occurs first.

512.6 (c) If a child is adopted, data pertaining to the child's birth are governed by the provisions  
512.7 relating to adoption records, including sections 13.10, subdivision 5; 144.218, subdivision  
512.8 1; 144.2252; and 259.89.

512.9 (d) The name and address of a mother under paragraph (a) and the child's date of birth  
512.10 may be disclosed to the county social services, tribal health department, or public health  
512.11 member of a family services collaborative for purposes of providing services under section  
512.12 124D.23.

512.13 (e) The commissioner of human services shall have access to birth records for:

512.14 (1) the purposes of administering medical assistance and the MinnesotaCare program;

512.15 (2) child support enforcement purposes; and

512.16 (3) other public health purposes as determined by the commissioner of health.

512.17 (f) Tribal child support programs shall have access to birth records for child support  
512.18 enforcement purposes.

512.19 Sec. 16. Minnesota Statutes 2016, section 144.225, subdivision 2a, is amended to read:

512.20 Subd. 2a. **Health data associated with birth registration.** Information from which an  
512.21 identification of risk for disease, disability, or developmental delay in a mother or child can  
512.22 be made, that is collected in conjunction with birth registration or fetal death reporting, is  
512.23 private data as defined in section 13.02, subdivision 12. The commissioner may disclose to  
512.24 a tribal health department or community health board, as defined in section 145A.02,  
512.25 subdivision 5, health data associated with birth registration which identifies a mother or  
512.26 child at high risk for serious disease, disability, or developmental delay in order to assure  
512.27 access to appropriate health, social, or educational services. Notwithstanding the designation  
512.28 of the private data, the commissioner of human services shall have access to health data  
512.29 associated with birth registration for:

512.30 (1) purposes of administering medical assistance and the MinnesotaCare program; and

512.31 (2) for other public health purposes as determined by the commissioner of health.

513.1 Sec. 17. Minnesota Statutes 2016, section 144.225, subdivision 7, is amended to read:

513.2 Subd. 7. **Certified birth or death record.** (a) The state registrar or local issuance office  
513.3 shall issue a certified birth or death record or a statement of no vital record found to an  
513.4 individual upon the individual's proper completion of an attestation provided by the  
513.5 commissioner and payment of the required fee:

513.6 (1) to a person who has a tangible interest in the requested vital record. A person who  
513.7 has a tangible interest is:

513.8 (i) the subject of the vital record;

513.9 (ii) a child of the subject;

513.10 (iii) the spouse of the subject;

513.11 (iv) a parent of the subject;

513.12 (v) the grandparent or grandchild of the subject;

513.13 (vi) if the requested record is a death record, a sibling of the subject;

513.14 (vii) the party responsible for filing the vital record;

513.15 (viii) the legal custodian, guardian or conservator, or health care agent of the subject;

513.16 (ix) a personal representative, by sworn affidavit of the fact that the certified copy is  
513.17 required for administration of the estate;

513.18 (x) a successor of the subject, as defined in section 524.1-201, if the subject is deceased,  
513.19 by sworn affidavit of the fact that the certified copy is required for administration of the  
513.20 estate;

513.21 (xi) if the requested record is a death record, a trustee of a trust by sworn affidavit of  
513.22 the fact that the certified copy is needed for the proper administration of the trust;

513.23 (xii) a person or entity who demonstrates that a certified vital record is necessary for the  
513.24 determination or protection of a personal or property right, pursuant to rules adopted by the  
513.25 commissioner; or

513.26 (xiii) an adoption agency in order to complete confidential postadoption searches as  
513.27 required by section 259.83;

513.28 (2) to any local, state, tribal, or federal governmental agency upon request if the certified  
513.29 vital record is necessary for the governmental agency to perform its authorized duties;

513.30 (3) to an attorney upon evidence of the attorney's license;

514.1 (4) pursuant to a court order issued by a court of competent jurisdiction. For purposes  
514.2 of this section, a subpoena does not constitute a court order; or

514.3 (5) to a representative authorized by a person under clauses (1) to (4).

514.4 (b) The state registrar or local issuance office shall also issue a certified death record to  
514.5 an individual described in paragraph (a), clause (1), items (ii) to (viii), if, on behalf of the  
514.6 individual, a licensed mortician furnishes the registrar with a properly completed attestation  
514.7 in the form provided by the commissioner within 180 days of the time of death of the subject  
514.8 of the death record. This paragraph is not subject to the requirements specified in Minnesota  
514.9 Rules, part 4601.2600, subpart 5, item B.

514.10 Sec. 18. [144.397] STATEWIDE TOBACCO CESSATION SERVICES.

514.11 (a) The commissioner of health shall administer, or contract for the administration of,  
514.12 statewide tobacco cessation services to assist Minnesotans who are seeking advice or services  
514.13 to help them quit using tobacco products. The commissioner shall establish statewide public  
514.14 awareness activities to inform the public of the availability of the services and encourage  
514.15 the public to utilize the services because of the dangers and harm of tobacco use and  
514.16 dependence.

514.17 (b) Services to be provided may include, but are not limited to:

514.18 (1) telephone-based coaching and counseling;

514.19 (2) referrals;

514.20 (3) written materials mailed upon request;

514.21 (4) Web-based texting or e-mail services; and

514.22 (5) free Food and Drug Administration-approved tobacco cessation medications.

514.23 (c) Services provided must be consistent with evidence-based best practices in tobacco  
514.24 cessation services. Services provided must be coordinated with employer, health plan  
514.25 company, and private sector tobacco prevention and cessation services that may be available  
514.26 to individuals depending on their employment or health coverage.

514.27 Sec. 19. Minnesota Statutes 2016, section 144A.43, subdivision 11, is amended to read:

514.28 Subd. 11. **Medication administration.** "Medication administration" means performing  
514.29 a set of tasks ~~to ensure a client takes medications, and includes~~ that include the following:

514.30 (1) checking the client's medication record;

- 515.1 (2) preparing the medication as necessary;
- 515.2 (3) administering the medication to the client;
- 515.3 (4) documenting the administration or reason for not administering the medication; and
- 515.4 (5) reporting to a registered nurse or appropriate licensed health professional any concerns
- 515.5 about the medication, the client, or the client's refusal to take the medication.

515.6 Sec. 20. Minnesota Statutes 2016, section 144A.43, is amended by adding a subdivision

515.7 to read:

515.8 **Subd. 12a. Medication reconciliation.** "Medication reconciliation" means the process

515.9 of identifying the most accurate list of all medications the client is taking, including the

515.10 name, dosage, frequency, and route by comparing the client record to an external list of

515.11 medications obtained from the client, hospital, prescriber, or other provider.

515.12 Sec. 21. Minnesota Statutes 2016, section 144A.43, subdivision 27, is amended to read:

515.13 **Subd. 27. Service plan agreement.** "Service plan agreement" means the written plan

515.14 agreement between the client or client's representative and the temporary licensee or licensee

515.15 about the services that will be provided to the client.

515.16 Sec. 22. Minnesota Statutes 2016, section 144A.43, subdivision 30, is amended to read:

515.17 **Subd. 30. Standby assistance.** "Standby assistance" means the presence of another

515.18 person within arm's reach to minimize the risk of injury while performing daily activities

515.19 through physical intervention or cueing to assist a client with an assistive task by providing

515.20 cues, oversight, and minimal physical assistance.

515.21 Sec. 23. Minnesota Statutes 2016, section 144A.472, subdivision 5, is amended to read:

515.22 **Subd. 5. ~~Transfers prohibited; Changes in ownership.~~ Any (a) A home care license**

515.23 **issued by the commissioner may not be transferred to another party. Before acquiring**

515.24 **ownership of or a controlling interest in a home care provider business, a prospective**

515.25 **applicant owner must apply for a new temporary license. A change of ownership is a transfer**

515.26 **of operational control ~~to a different business entity~~ of the home care provider business and**

515.27 **includes:**

- 515.28 (1) transfer of the business to a different or new corporation;
- 515.29 (2) in the case of a partnership, the dissolution or termination of the partnership under
- 515.30 chapter 323A, with the business continuing by a successor partnership or other entity;

516.1 (3) relinquishment of control of the provider to another party, including to a contract  
516.2 management firm that is not under the control of the owner of the business' assets;

516.3 (4) transfer of the business by a sole proprietor to another party or entity; or

516.4 (5) ~~in the case of a privately held corporation, the change in~~ transfer of ownership or  
516.5 control of 50 percent or more of the outstanding voting stock controlling interest of a home  
516.6 care provider business not covered by clauses (1) to (4).

516.7 (b) An employee who was employed by the previous owner of the home care provider  
516.8 business prior to the effective date of a change in ownership under paragraph (a), and who  
516.9 will be employed by the new owner in the same or a similar capacity, shall be treated as if  
516.10 no change in employer occurred, with respect to orientation, training, tuberculosis testing,  
516.11 background studies, and competency testing and training on the policies identified in  
516.12 subdivision 1, clause (14), and subdivision 2, if applicable.

516.13 (c) Notwithstanding paragraph (b), a new owner of a home care provider business must  
516.14 ensure that employees of the provider receive and complete training and testing on any  
516.15 provisions of policies that differ from those of the previous owner, within 90 days after the  
516.16 date of the change in ownership.

516.17 Sec. 24. Minnesota Statutes 2017 Supplement, section 144A.472, subdivision 7, is amended  
516.18 to read:

516.19 **Subd. 7. Fees; application, change of ownership, and renewal.** (a) An initial applicant  
516.20 seeking temporary home care licensure must submit the following application fee to the  
516.21 commissioner along with a completed application:

516.22 (1) for a basic home care provider, \$2,100; or

516.23 (2) for a comprehensive home care provider, \$4,200.

516.24 (b) A home care provider who is filing a change of ownership as required under  
516.25 subdivision 5 must submit the following application fee to the commissioner, along with  
516.26 the documentation required for the change of ownership:

516.27 (1) for a basic home care provider, \$2,100; or

516.28 (2) for a comprehensive home care provider, \$4,200.

516.29 (c) For the period ending June 30, 2018, a home care provider who is seeking to renew  
516.30 the provider's license shall pay a fee to the commissioner based on revenues derived from  
516.31 the provision of home care services during the calendar year prior to the year in which the  
516.32 application is submitted, according to the following schedule:

517.1 **License Renewal Fee**

517.2	<b>Provider Annual Revenue</b>	<b>Fee</b>
517.3	greater than \$1,500,000	\$6,625
517.4	greater than \$1,275,000 and no more than	
517.5	\$1,500,000	\$5,797
517.6	greater than \$1,100,000 and no more than	
517.7	\$1,275,000	\$4,969
517.8	greater than \$950,000 and no more than	
517.9	\$1,100,000	\$4,141
517.10	greater than \$850,000 and no more than \$950,000	\$3,727
517.11	greater than \$750,000 and no more than \$850,000	\$3,313
517.12	greater than \$650,000 and no more than \$750,000	\$2,898
517.13	greater than \$550,000 and no more than \$650,000	\$2,485
517.14	greater than \$450,000 and no more than \$550,000	\$2,070
517.15	greater than \$350,000 and no more than \$450,000	\$1,656
517.16	greater than \$250,000 and no more than \$350,000	\$1,242
517.17	greater than \$100,000 and no more than \$250,000	\$828
517.18	greater than \$50,000 and no more than \$100,000	\$500
517.19	greater than \$25,000 and no more than \$50,000	\$400
517.20	no more than \$25,000	\$200

517.21 (d) For the period between July 1, 2018, and June 30, 2020, a home care provider who  
 517.22 is seeking to renew the provider's license shall pay a fee to the commissioner in an amount  
 517.23 that is ten percent higher than the applicable fee in paragraph (c). A home care provider's  
 517.24 fee shall be based on revenues derived from the provision of home care services during the  
 517.25 calendar year prior to the year in which the application is submitted.

517.26 (e) Beginning July 1, 2020, a home care provider who is seeking to renew the provider's  
 517.27 license shall pay a fee to the commissioner based on revenues derived from the provision  
 517.28 of home care services during the calendar year prior to the year in which the application is  
 517.29 submitted, according to the following schedule:

517.30 **License Renewal Fee**

517.31	<b>Provider Annual Revenue</b>	<b>Fee</b>
517.32	greater than \$1,500,000	\$7,651
517.33	greater than \$1,275,000 and no more than	
517.34	\$1,500,000	\$6,695
517.35	greater than \$1,100,000 and no more than	
517.36	\$1,275,000	\$5,739
517.37	greater than \$950,000 and no more than	
517.38	\$1,100,000	\$4,783

518.1	greater than \$850,000 and no more than \$950,000	\$4,304
518.2	greater than \$750,000 and no more than \$850,000	\$3,826
518.3	greater than \$650,000 and no more than \$750,000	\$3,347
518.4	greater than \$550,000 and no more than \$650,000	\$2,870
518.5	greater than \$450,000 and no more than \$550,000	\$2,391
518.6	greater than \$350,000 and no more than \$450,000	\$1,913
518.7	greater than \$250,000 and no more than \$350,000	\$1,434
518.8	greater than \$100,000 and no more than \$250,000	\$957
518.9	greater than \$50,000 and no more than \$100,000	\$577
518.10	greater than \$25,000 and no more than \$50,000	\$462
518.11	no more than \$25,000	\$231

518.12 (f) If requested, the home care provider shall provide the commissioner information to  
 518.13 verify the provider's annual revenues or other information as needed, including copies of  
 518.14 documents submitted to the Department of Revenue.

518.15 (g) At each annual renewal, a home care provider may elect to pay the highest renewal  
 518.16 fee for its license category, and not provide annual revenue information to the commissioner.

518.17 (h) A temporary license or license applicant, or temporary licensee or licensee that  
 518.18 knowingly provides the commissioner incorrect revenue amounts for the purpose of paying  
 518.19 a lower license fee, shall be subject to a civil penalty in the amount of double the fee the  
 518.20 provider should have paid.

518.21 (i) The fee for failure to comply with the notification requirements of section 144A.473,  
 518.22 subdivision 2, paragraph (c), is \$1,000.

518.23 (j) Fees and penalties collected under this section shall be deposited in the state treasury  
 518.24 and credited to the state government special revenue fund. All fees are nonrefundable. Fees  
 518.25 collected under paragraphs (c), (d), and (e) are nonrefundable even if received before July  
 518.26 1, 2017, for temporary licenses or licenses being issued effective July 1, 2017, or later.

518.27 Sec. 25. Minnesota Statutes 2016, section 144A.473, is amended to read:

518.28 **144A.473 ISSUANCE OF TEMPORARY LICENSE AND LICENSE RENEWAL.**

518.29 Subdivision 1. **Temporary license and renewal of license.** (a) The department shall  
 518.30 review each application to determine the applicant's knowledge of and compliance with  
 518.31 Minnesota home care regulations. Before granting a temporary license or renewing a license,  
 518.32 the commissioner may further evaluate the applicant or licensee by requesting additional

519.1 information or documentation or by conducting an on-site survey of the applicant to  
519.2 determine compliance with sections 144A.43 to 144A.482.

519.3 (b) Within 14 calendar days after receiving an application for a license, the commissioner  
519.4 shall acknowledge receipt of the application in writing. The acknowledgment must indicate  
519.5 whether the application appears to be complete or whether additional information is required  
519.6 before the application will be considered complete.

519.7 (c) Within 90 days after receiving a complete application, the commissioner shall issue  
519.8 a temporary license, renew the license, or deny the license.

519.9 (d) The commissioner shall issue a license that contains the home care provider's name,  
519.10 address, license level, expiration date of the license, and unique license number. All licenses,  
519.11 except for temporary licenses issued under subdivision 2, are valid for up to one year from  
519.12 the date of issuance.

519.13 Subd. 2. **Temporary license.** (a) For new license applicants, the commissioner shall  
519.14 issue a temporary license for either the basic or comprehensive home care level. A temporary  
519.15 license is effective for up to one year from the date of issuance, except that a temporary  
519.16 license may be extended according to subdivision 3. Temporary licensees must comply with  
519.17 sections 144A.43 to 144A.482.

519.18 (b) During the temporary license year period, the commissioner shall survey the temporary  
519.19 licensee within 90 calendar days after the commissioner is notified or has evidence that the  
519.20 temporary licensee is providing home care services.

519.21 (c) Within five days of beginning the provision of services, the temporary licensee must  
519.22 notify the commissioner that it is serving clients. The notification to the commissioner may  
519.23 be mailed or e-mailed to the commissioner at the address provided by the commissioner. If  
519.24 the temporary licensee does not provide home care services during the temporary license  
519.25 year period, then the temporary license expires at the end of the year period and the applicant  
519.26 must reapply for a temporary home care license.

519.27 (d) A temporary licensee may request a change in the level of licensure prior to being  
519.28 surveyed and granted a license by notifying the commissioner in writing and providing  
519.29 additional documentation or materials required to update or complete the changed temporary  
519.30 license application. The applicant must pay the difference between the application fees  
519.31 when changing from the basic level to the comprehensive level of licensure. No refund will  
519.32 be made if the provider chooses to change the license application to the basic level.

520.1 (e) If the temporary licensee notifies the commissioner that the licensee has clients within  
520.2 45 days prior to the temporary license expiration, the commissioner may extend the temporary  
520.3 license for up to 60 days in order to allow the commissioner to complete the on-site survey  
520.4 required under this section and follow-up survey visits.

520.5 Subd. 3. **Temporary licensee survey.** (a) If the temporary licensee is in substantial  
520.6 compliance with the survey, the commissioner shall issue either a basic or comprehensive  
520.7 home care license. If the temporary licensee is not in substantial compliance with the survey,  
520.8 the commissioner shall either: (1) not issue a basic or comprehensive license and there will  
520.9 be no contested hearing right under chapter 14 terminate the temporary license; or (2) extend  
520.10 the temporary license for a period not to exceed 90 days and apply conditions, as permitted  
520.11 under section 144A.475, subdivision 2, to the extension of a temporary license. If the  
520.12 temporary licensee is not in substantial compliance with the survey within the time period  
520.13 of the extension, or if the temporary licensee does not satisfy the license conditions, the  
520.14 commissioner may deny the license.

520.15 (b) If the temporary licensee whose basic or comprehensive license has been denied or  
520.16 extended with conditions disagrees with the conclusions of the commissioner, then the  
520.17 temporary licensee may request a reconsideration by the commissioner or commissioner's  
520.18 designee. The reconsideration request process must be conducted internally by the  
520.19 commissioner or commissioner's designee, and chapter 14 does not apply.

520.20 (c) The temporary licensee requesting reconsideration must make the request in writing  
520.21 and must list and describe the reasons why the temporary licensee disagrees with the decision  
520.22 to deny the basic or comprehensive home care license or the decision to extend the temporary  
520.23 license with conditions.

520.24 (d) The reconsideration request and supporting documentation must be received by the  
520.25 commissioner within 15 calendar days after the date the temporary licensee receives the  
520.26 correction order.

520.27 (e) A temporary licensee whose license is denied, is permitted to continue operating as  
520.28 a home care provider during the period of time when:

520.29 (1) a reconsideration request is in process;

520.30 (2) an extension of a temporary license is being negotiated;

520.31 (3) the placement of conditions on a temporary license is being negotiated; or

520.32 (4) a transfer of home care clients from the temporary licensee to a new home care  
520.33 provider is in process.

521.1 (f) A temporary licensee whose license is denied must comply with the requirements  
521.2 for notification and transfer of clients in section 144A.475, subdivision 5.

521.3 Sec. 26. Minnesota Statutes 2016, section 144A.474, subdivision 2, is amended to read:

521.4 Subd. 2. **Types of home care surveys.** (a) "Initial full survey" means the survey of a  
521.5 new temporary licensee conducted after the department is notified or has evidence that the  
521.6 temporary licensee is providing home care services to determine if the provider is in  
521.7 compliance with home care requirements. Initial full surveys must be completed within 14  
521.8 months after the department's issuance of a temporary basic or comprehensive license.

521.9 (b) "Change in ownership survey" means a full survey of a new licensee due to a change  
521.10 in ownership. Change in ownership surveys must be completed within six months after the  
521.11 department's issuance of a new license due to a change in ownership.

521.12 (c) "Core survey" means periodic inspection of home care providers to determine ongoing  
521.13 compliance with the home care requirements, focusing on the essential health and safety  
521.14 requirements. Core surveys are available to licensed home care providers who have been  
521.15 licensed for three years and surveyed at least once in the past three years with the latest  
521.16 survey having no widespread violations beyond Level 1 as provided in subdivision 11.  
521.17 Providers must also not have had any substantiated licensing complaints, substantiated  
521.18 complaints against the agency under the Vulnerable Adults Act or Maltreatment of Minors  
521.19 Act, or an enforcement action as authorized in section 144A.475 in the past three years.

521.20 (1) The core survey for basic home care providers must review compliance in the  
521.21 following areas:

- 521.22 (i) reporting of maltreatment;
- 521.23 (ii) orientation to and implementation of the home care bill of rights;
- 521.24 (iii) statement of home care services;
- 521.25 (iv) initial evaluation of clients and initiation of services;
- 521.26 (v) client review and monitoring;
- 521.27 (vi) service ~~plan~~ agreement implementation and changes to the service ~~plan~~ agreement;
- 521.28 (vii) client complaint and investigative process;
- 521.29 (viii) competency of unlicensed personnel; and
- 521.30 (ix) infection control.

522.1 (2) For comprehensive home care providers, the core survey must include everything  
522.2 in the basic core survey plus these areas:

522.3 (i) delegation to unlicensed personnel;

522.4 (ii) assessment, monitoring, and reassessment of clients; and

522.5 (iii) medication, treatment, and therapy management.

522.6 ~~(e)~~ (d) "Full survey" means the periodic inspection of home care providers to determine  
522.7 ongoing compliance with the home care requirements that cover the core survey areas and  
522.8 all the legal requirements for home care providers. A full survey is conducted for all  
522.9 temporary licensees ~~and~~, for licensees that receive licenses due to an approved change in  
522.10 ownership, for providers who do not meet the requirements needed for a core survey, and  
522.11 when a surveyor identifies unacceptable client health or safety risks during a core survey.  
522.12 A full survey must include all the tasks identified as part of the core survey and any additional  
522.13 review deemed necessary by the department, including additional observation, interviewing,  
522.14 or records review of additional clients and staff.

522.15 ~~(d)~~ (e) "Follow-up surveys" means surveys conducted to determine if a home care  
522.16 provider has corrected deficient issues and systems identified during a core survey, full  
522.17 survey, or complaint investigation. Follow-up surveys may be conducted via phone, e-mail,  
522.18 fax, mail, or on-site reviews. Follow-up surveys, other than complaint surveys, shall be  
522.19 concluded with an exit conference and written information provided on the process for  
522.20 requesting a reconsideration of the survey results.

522.21 ~~(e)~~ (f) Upon receiving information alleging that a home care provider has violated or is  
522.22 currently violating a requirement of sections 144A.43 to 144A.482, the commissioner shall  
522.23 investigate the complaint according to sections 144A.51 to 144A.54.

522.24 Sec. 27. Minnesota Statutes 2016, section 144A.475, subdivision 1, is amended to read:

522.25 Subdivision 1. **Conditions.** (a) The commissioner may refuse to grant a temporary  
522.26 license, refuse to grant a license as a result of a change in ownership, refuse to renew a  
522.27 license, suspend or revoke a license, or impose a conditional license if the home care provider  
522.28 or owner or managerial official of the home care provider:

522.29 (1) is in violation of, or during the term of the license has violated, any of the requirements  
522.30 in sections 144A.471 to 144A.482;

522.31 (2) permits, aids, or abets the commission of any illegal act in the provision of home  
522.32 care;

- 523.1 (3) performs any act detrimental to the health, safety, and welfare of a client;
- 523.2 (4) obtains the license by fraud or misrepresentation;
- 523.3 (5) knowingly made or makes a false statement of a material fact in the application for  
523.4 a license or in any other record or report required by this chapter;
- 523.5 (6) denies representatives of the department access to any part of the home care provider's  
523.6 books, records, files, or employees;
- 523.7 (7) interferes with or impedes a representative of the department in contacting the home  
523.8 care provider's clients;
- 523.9 (8) interferes with or impedes a representative of the department in the enforcement of  
523.10 this chapter or has failed to fully cooperate with an inspection, survey, or investigation by  
523.11 the department;
- 523.12 (9) destroys or makes unavailable any records or other evidence relating to the home  
523.13 care provider's compliance with this chapter;
- 523.14 (10) refuses to initiate a background study under section 144.057 or 245A.04;
- 523.15 (11) fails to timely pay any fines assessed by the department;
- 523.16 (12) violates any local, city, or township ordinance relating to home care services;
- 523.17 (13) has repeated incidents of personnel performing services beyond their competency  
523.18 level; or
- 523.19 (14) has operated beyond the scope of the home care provider's license level.
- 523.20 (b) A violation by a contractor providing the home care services of the home care provider  
523.21 is a violation by the home care provider.

523.22 Sec. 28. Minnesota Statutes 2016, section 144A.475, subdivision 2, is amended to read:

523.23 Subd. 2. **Terms to suspension or conditional license.** (a) A suspension or conditional  
523.24 license designation may include terms that must be completed or met before a suspension  
523.25 or conditional license designation is lifted. A conditional license designation may include  
523.26 restrictions or conditions that are imposed on the provider. Terms for a suspension or  
523.27 conditional license may include one or more of the following and the scope of each will be  
523.28 determined by the commissioner:

- 523.29 (1) requiring a consultant to review, evaluate, and make recommended changes to the  
523.30 home care provider's practices and submit reports to the commissioner at the cost of the  
523.31 home care provider;

524.1 (2) requiring supervision of the home care provider or staff practices at the cost of the  
 524.2 home care provider by an unrelated person who has sufficient knowledge and qualifications  
 524.3 to oversee the practices and who will submit reports to the commissioner;

524.4 (3) requiring the home care provider or employees to obtain training at the cost of the  
 524.5 home care provider;

524.6 (4) requiring the home care provider to submit reports to the commissioner;

524.7 (5) prohibiting the home care provider from taking any new clients for a period of time;  
 524.8 or

524.9 (6) any other action reasonably required to accomplish the purpose of this subdivision  
 524.10 and section 144A.45, subdivision 2.

524.11 (b) A home care provider subject to this subdivision may continue operating during the  
 524.12 period of time home care clients are being transferred to other providers.

524.13 Sec. 29. Minnesota Statutes 2016, section 144A.475, subdivision 5, is amended to read:

524.14 Subd. 5. **Plan required.** (a) The process of suspending or revoking a license must include  
 524.15 a plan for transferring affected clients to other providers by the home care provider, which  
 524.16 will be monitored by the commissioner. Within three business days of being notified of the  
 524.17 final revocation or suspension action, the home care provider shall provide the commissioner,  
 524.18 the lead agencies as defined in section 256B.0911, and the ombudsman for long-term care  
 524.19 with the following information:

524.20 (1) a list of all clients, including full names and all contact information on file;

524.21 (2) a list of each client's representative or emergency contact person, including full names  
 524.22 and all contact information on file;

524.23 (3) the location or current residence of each client;

524.24 (4) the payor sources for each client, including payor source identification numbers; and

524.25 (5) for each client, a copy of the client's service plan, and a list of the types of services  
 524.26 being provided.

524.27 (b) The revocation or suspension notification requirement is satisfied by mailing the  
 524.28 notice to the address in the license record. The home care provider shall cooperate with the  
 524.29 commissioner and the lead agencies during the process of transferring care of clients to  
 524.30 qualified providers. Within three business days of being notified of the final revocation or  
 524.31 suspension action, the home care provider must notify and disclose to each of the home

525.1 care provider's clients, or the client's representative or emergency contact persons, that the  
525.2 commissioner is taking action against the home care provider's license by providing a copy  
525.3 of the revocation or suspension notice issued by the commissioner.

525.4 (c) A home care provider subject to this subdivision may continue operating during the  
525.5 period of time home care clients are being transferred to other providers.

525.6 Sec. 30. Minnesota Statutes 2016, section 144A.476, subdivision 1, is amended to read:

525.7 Subdivision 1. **Prior criminal convictions; owner and managerial officials.** (a) Before  
525.8 the commissioner issues a temporary license, issues a license as a result of an approved  
525.9 change in ownership, or renews a license, an owner or managerial official is required to  
525.10 complete a background study under section 144.057. No person may be involved in the  
525.11 management, operation, or control of a home care provider if the person has been disqualified  
525.12 under chapter 245C. If an individual is disqualified under section 144.057 or chapter 245C,  
525.13 the individual may request reconsideration of the disqualification. If the individual requests  
525.14 reconsideration and the commissioner sets aside or rescinds the disqualification, the individual  
525.15 is eligible to be involved in the management, operation, or control of the provider. If an  
525.16 individual has a disqualification under section 245C.15, subdivision 1, and the disqualification  
525.17 is affirmed, the individual's disqualification is barred from a set aside, and the individual  
525.18 must not be involved in the management, operation, or control of the provider.

525.19 (b) For purposes of this section, owners of a home care provider subject to the background  
525.20 check requirement are those individuals whose ownership interest provides sufficient  
525.21 authority or control to affect or change decisions related to the operation of the home care  
525.22 provider. An owner includes a sole proprietor, a general partner, or any other individual  
525.23 whose individual ownership interest can affect the management and direction of the policies  
525.24 of the home care provider.

525.25 (c) For the purposes of this section, managerial officials subject to the background check  
525.26 requirement are individuals who provide direct contact as defined in section 245C.02,  
525.27 subdivision 11, or individuals who have the responsibility for the ongoing management or  
525.28 direction of the policies, services, or employees of the home care provider. Data collected  
525.29 under this subdivision shall be classified as private data on individuals under section 13.02,  
525.30 subdivision 12.

525.31 (d) The department shall not issue any license if the applicant or owner or managerial  
525.32 official has been unsuccessful in having a background study disqualification set aside under  
525.33 section 144.057 and chapter 245C; if the owner or managerial official, as an owner or  
525.34 managerial official of another home care provider, was substantially responsible for the

526.1 other home care provider's failure to substantially comply with sections 144A.43 to  
 526.2 144A.482; or if an owner that has ceased doing business, either individually or as an owner  
 526.3 of a home care provider, was issued a correction order for failing to assist clients in violation  
 526.4 of this chapter.

526.5 Sec. 31. Minnesota Statutes 2016, section 144A.479, subdivision 7, is amended to read:

526.6 Subd. 7. **Employee records.** The home care provider must maintain current records of  
 526.7 each paid employee, regularly scheduled volunteers providing home care services, and of  
 526.8 each individual contractor providing home care services. The records must include the  
 526.9 following information:

526.10 (1) evidence of current professional licensure, registration, or certification, if licensure,  
 526.11 registration, or certification is required by this statute or other rules;

526.12 (2) records of orientation, required annual training and infection control training, and  
 526.13 competency evaluations;

526.14 (3) current job description, including qualifications, responsibilities, and identification  
 526.15 of staff providing supervision;

526.16 (4) documentation of annual performance reviews which identify areas of improvement  
 526.17 needed and training needs;

526.18 (5) for individuals providing home care services, verification that ~~required~~ any health  
 526.19 screenings required by infection control programs established under section 144A.4798  
 526.20 have taken place and the dates of those screenings; and

526.21 (6) documentation of the background study as required under section 144.057.

526.22 Each employee record must be retained for at least three years after a paid employee, home  
 526.23 care volunteer, or contractor ceases to be employed by or under contract with the home care  
 526.24 provider. If a home care provider ceases operation, employee records must be maintained  
 526.25 for three years.

526.26 Sec. 32. Minnesota Statutes 2016, section 144A.4791, subdivision 1, is amended to read:

526.27 Subdivision 1. **Home care bill of rights; notification to client.** (a) The home care  
 526.28 provider shall provide the client or the client's representative a written notice of the rights  
 526.29 under section 144A.44 before the ~~initiation of~~ date that services are first provided to that  
 526.30 client. The provider shall make all reasonable efforts to provide notice of the rights to the

527.1 client or the client's representative in a language the client or client's representative can  
527.2 understand.

527.3 (b) In addition to the text of the home care bill of rights in section 144A.44, subdivision  
527.4 1, the notice shall also contain the following statement describing how to file a complaint  
527.5 with these offices.

527.6 "If you have a complaint about the provider or the person providing your home care  
527.7 services, you may call, write, or visit the Office of Health Facility Complaints, Minnesota  
527.8 Department of Health. You may also contact the Office of Ombudsman for Long-Term  
527.9 Care or the Office of Ombudsman for Mental Health and Developmental Disabilities."

527.10 The statement should include the telephone number, Web site address, e-mail address,  
527.11 mailing address, and street address of the Office of Health Facility Complaints at the  
527.12 Minnesota Department of Health, the Office of the Ombudsman for Long-Term Care, and  
527.13 the Office of the Ombudsman for Mental Health and Developmental Disabilities. The  
527.14 statement should also include the home care provider's name, address, e-mail, telephone  
527.15 number, and name or title of the person at the provider to whom problems or complaints  
527.16 may be directed. It must also include a statement that the home care provider will not retaliate  
527.17 because of a complaint.

527.18 (c) The home care provider shall obtain written acknowledgment of the client's receipt  
527.19 of the home care bill of rights or shall document why an acknowledgment cannot be obtained.  
527.20 The acknowledgment may be obtained from the client or the client's representative.  
527.21 Acknowledgment of receipt shall be retained in the client's record.

527.22 Sec. 33. Minnesota Statutes 2016, section 144A.4791, subdivision 3, is amended to read:

527.23 Subd. 3. **Statement of home care services.** Prior to the ~~initiation of~~ date that services  
527.24 are first provided to the client, a home care provider must provide to the client or the client's  
527.25 representative a written statement which identifies if the provider has a basic or  
527.26 comprehensive home care license, the services the provider is authorized to provide, and  
527.27 which services the provider cannot provide under the scope of the provider's license. The  
527.28 home care provider shall obtain written acknowledgment from the clients that the provider  
527.29 has provided the statement or must document why the provider could not obtain the  
527.30 acknowledgment.

528.1 Sec. 34. Minnesota Statutes 2016, section 144A.4791, subdivision 6, is amended to read:

528.2 Subd. 6. **Initiation of services.** When a provider ~~initiates~~ provides home care services  
 528.3 ~~and to a client before~~ the individualized review or assessment by a licensed health  
 528.4 professional or registered nurse as required in subdivisions 7 and 8 ~~has not been~~ is completed,  
 528.5 the ~~provider~~ licensed health professional or registered nurse must complete a temporary  
 528.6 ~~plan and agreement with the client for services~~ and orient staff assigned to deliver services  
 528.7 as identified in the temporary plan.

528.8 Sec. 35. Minnesota Statutes 2016, section 144A.4791, subdivision 7, is amended to read:

528.9 Subd. 7. **Basic individualized client review and monitoring.** (a) When services being  
 528.10 provided are basic home care services, an individualized initial review of the client's needs  
 528.11 and preferences must be conducted at the client's residence with the client or client's  
 528.12 representative. This initial review must be completed within 30 days after the ~~initiation of~~  
 528.13 ~~the~~ date that home care services are first provided.

528.14 (b) Client monitoring and review must be conducted as needed based on changes in the  
 528.15 needs of the client and cannot exceed 90 days from the date of the last review. The monitoring  
 528.16 and review may be conducted at the client's residence or through the utilization of  
 528.17 telecommunication methods based on practice standards that meet the individual client's  
 528.18 needs.

528.19 Sec. 36. Minnesota Statutes 2016, section 144A.4791, subdivision 8, is amended to read:

528.20 Subd. 8. **Comprehensive assessment, monitoring, and reassessment.** (a) When the  
 528.21 services being provided are comprehensive home care services, an individualized initial  
 528.22 assessment must be conducted in person by a registered nurse. When the services are provided  
 528.23 by other licensed health professionals, the assessment must be conducted by the appropriate  
 528.24 health professional. This initial assessment must be completed within five days after ~~initiation~~  
 528.25 ~~of~~ the date that home care services are first provided.

528.26 (b) Client monitoring and reassessment must be conducted in the client's home no more  
 528.27 than 14 days after ~~initiation of~~ the date that home care services are first provided.

528.28 (c) Ongoing client monitoring and reassessment must be conducted as needed based on  
 528.29 changes in the needs of the client and cannot exceed 90 days from the last date of the  
 528.30 assessment. The monitoring and reassessment may be conducted at the client's residence  
 528.31 or through the utilization of telecommunication methods based on practice standards that  
 528.32 meet the individual client's needs.

529.1 Sec. 37. Minnesota Statutes 2016, section 144A.4791, subdivision 9, is amended to read:

529.2 Subd. 9. **Service plan agreement, implementation, and revisions to service plan**  
 529.3 **agreement.** (a) No later than 14 days after the ~~initiation of~~ date that home care services are  
 529.4 first provided, a home care provider shall finalize a current written service plan agreement.

529.5 (b) The service plan agreement and any revisions must include a signature or other  
 529.6 authentication by the home care provider and by the client or the client's representative  
 529.7 documenting agreement on the services to be provided. The service plan agreement must  
 529.8 be revised, if needed, based on client review or reassessment under subdivisions 7 and 8.  
 529.9 The provider must provide information to the client about changes to the provider's fee for  
 529.10 services and how to contact the Office of the Ombudsman for Long-Term Care.

529.11 (c) The home care provider must implement and provide all services required by the  
 529.12 current service plan agreement.

529.13 (d) The service plan agreement and revised service plan agreement must be entered into  
 529.14 the client's record, including notice of a change in a client's fees when applicable.

529.15 (e) Staff providing home care services must be informed of the current written service  
 529.16 plan agreement.

529.17 (f) The service plan agreement must include:

529.18 (1) a description of the home care services to be provided, the fees for services, and the  
 529.19 frequency of each service, according to the client's current review or assessment and client  
 529.20 preferences;

529.21 (2) the identification of the staff or categories of staff who will provide the services;

529.22 (3) the schedule and methods of monitoring reviews or assessments of the client;

529.23 (4) ~~the frequency of sessions of supervision of staff and type of personnel who will~~  
 529.24 ~~supervise staff; and~~ the schedule and methods of monitoring staff providing home care  
 529.25 services; and

529.26 (5) a contingency plan that includes:

529.27 (i) the action to be taken by the home care provider and by the client or client's  
 529.28 representative if the scheduled service cannot be provided;

529.29 (ii) information and a method for a client or client's representative to contact the home  
 529.30 care provider;

530.1 (iii) names and contact information of persons the client wishes to have notified in an  
530.2 emergency or if there is a significant adverse change in the client's condition, ~~including~~  
530.3 ~~identification of and information as to who has authority to sign for the client in an~~  
530.4 ~~emergency~~; and

530.5 (iv) the circumstances in which emergency medical services are not to be summoned  
530.6 consistent with chapters 145B and 145C, and declarations made by the client under those  
530.7 chapters.

530.8 Sec. 38. Minnesota Statutes 2016, section 144A.4792, subdivision 1, is amended to read:

530.9 Subdivision 1. **Medication management services; comprehensive home care license.**

530.10 (a) This subdivision applies only to home care providers with a comprehensive home care  
530.11 license that provide medication management services to clients. Medication management  
530.12 services may not be provided by a home care provider who has a basic home care license.

530.13 (b) A comprehensive home care provider who provides medication management services  
530.14 must develop, implement, and maintain current written medication management policies  
530.15 and procedures. The policies and procedures must be developed under the supervision and  
530.16 direction of a registered nurse, licensed health professional, or pharmacist consistent with  
530.17 current practice standards and guidelines.

530.18 (c) The written policies and procedures must address requesting and receiving  
530.19 prescriptions for medications; preparing and giving medications; verifying that prescription  
530.20 drugs are administered as prescribed; documenting medication management activities;  
530.21 controlling and storing medications; monitoring and evaluating medication use; resolving  
530.22 medication errors; communicating with the prescriber, pharmacist, and client and client  
530.23 representative, if any; disposing of unused medications; and educating clients and client  
530.24 representatives about medications. When controlled substances are being managed, stored,  
530.25 and secured by the comprehensive home care provider, the policies and procedures must  
530.26 also identify how the provider will ensure security and accountability for the overall  
530.27 management, control, and disposition of those substances in compliance with state and  
530.28 federal regulations and with subdivision 22.

530.29 Sec. 39. Minnesota Statutes 2016, section 144A.4792, subdivision 2, is amended to read:

530.30 Subd. 2. **Provision of medication management services.** (a) For each client who  
530.31 requests medication management services, the comprehensive home care provider shall,  
530.32 prior to providing medication management services, have a registered nurse, licensed health  
530.33 professional, or authorized prescriber under section 151.37 conduct an assessment to

531.1 determine what medication management services will be provided and how the services  
 531.2 will be provided. This assessment must be conducted face-to-face with the client. The  
 531.3 assessment must include an identification and review of all medications the client is known  
 531.4 to be taking. The review and identification must include indications for medications, side  
 531.5 effects, contraindications, allergic or adverse reactions, and actions to address these issues.

531.6 (b) The assessment must:

531.7 (1) identify interventions needed in management of medications to prevent diversion of  
 531.8 medication by the client or others who may have access to the medications; and

531.9 (2) provide instructions to the client or client's representative on interventions to manage  
 531.10 the client's medications and prevent diversion of medications.

531.11 "Diversion of medications" means the misuse, theft, or illegal or improper disposition of  
 531.12 medications.

531.13 Sec. 40. Minnesota Statutes 2016, section 144A.4792, subdivision 5, is amended to read:

531.14 Subd. 5. **Individualized medication management plan.** (a) For each client receiving  
 531.15 medication management services, the comprehensive home care provider must prepare and  
 531.16 include in the service ~~plan~~ agreement a written statement of the medication management  
 531.17 services that will be provided to the client. The provider must develop and maintain a current  
 531.18 individualized medication management record for each client based on the client's assessment  
 531.19 that must contain the following:

531.20 (1) a statement describing the medication management services that will be provided;

531.21 (2) a description of storage of medications based on the client's needs and preferences,  
 531.22 risk of diversion, and consistent with the manufacturer's directions;

531.23 (3) documentation of specific client instructions relating to the administration of  
 531.24 medications;

531.25 (4) identification of persons responsible for monitoring medication supplies and ensuring  
 531.26 that medication refills are ordered on a timely basis;

531.27 (5) identification of medication management tasks that may be delegated to unlicensed  
 531.28 personnel;

531.29 (6) procedures for staff notifying a registered nurse or appropriate licensed health  
 531.30 professional when a problem arises with medication management services; and

532.1 (7) any client-specific requirements relating to documenting medication administration,  
532.2 verifications that all medications are administered as prescribed, and monitoring of  
532.3 medication use to prevent possible complications or adverse reactions.

532.4 (b) The medication management record must be current and updated when there are any  
532.5 changes.

532.6 (c) Medication reconciliation must be completed when a licensed nurse, licensed health  
532.7 professional, or authorized prescriber is providing medication management.

532.8 Sec. 41. Minnesota Statutes 2016, section 144A.4792, subdivision 10, is amended to read:

532.9 Subd. 10. **Medication management for clients who will be away from home.** (a) A  
532.10 home care provider who is providing medication management services to the client and  
532.11 controls the client's access to the medications must develop and implement policies and  
532.12 procedures for giving accurate and current medications to clients for planned or unplanned  
532.13 times away from home according to the client's individualized medication management  
532.14 plan. The policy and procedures must state that:

532.15 (1) for planned time away, the medications must be obtained from the pharmacy or set  
532.16 up by ~~the registered~~ a licensed nurse according to appropriate state and federal laws and  
532.17 nursing standards of practice;

532.18 (2) for unplanned time away, when the pharmacy is not able to provide the medications,  
532.19 a licensed nurse or unlicensed personnel shall give the client or client's representative  
532.20 medications in amounts and dosages needed for the length of the anticipated absence, not  
532.21 to exceed ~~120 hours~~ seven calendar days;

532.22 (3) the client or client's representative must be provided written information on  
532.23 medications, including any special instructions for administering or handling the medications,  
532.24 including controlled substances;

532.25 (4) the medications must be placed in a medication container or containers appropriate  
532.26 to the provider's medication system and must be labeled with the client's name and the dates  
532.27 and times that the medications are scheduled; and

532.28 (5) the client or client's representative must be provided in writing the home care  
532.29 provider's name and information on how to contact the home care provider.

532.30 (b) For unplanned time away when the licensed nurse is not available, the registered  
532.31 nurse may delegate this task to unlicensed personnel if:

533.1 (1) the registered nurse has trained the unlicensed staff and determined the unlicensed  
533.2 staff is competent to follow the procedures for giving medications to clients; and

533.3 (2) the registered nurse has developed written procedures for the unlicensed personnel,  
533.4 including any special instructions or procedures regarding controlled substances that are  
533.5 prescribed for the client. The procedures must address:

533.6 (i) the type of container or containers to be used for the medications appropriate to the  
533.7 provider's medication system;

533.8 (ii) how the container or containers must be labeled;

533.9 (iii) the written information about the medications to be given to the client or client's  
533.10 representative;

533.11 (iv) how the unlicensed staff must document in the client's record that medications have  
533.12 been given to the client or the client's representative, including documenting the date the  
533.13 medications were given to the client or the client's representative and who received the  
533.14 medications, the person who gave the medications to the client, the number of medications  
533.15 that were given to the client, and other required information;

533.16 (v) how the registered nurse shall be notified that medications have been given to the  
533.17 client or client's representative and whether the registered nurse needs to be contacted before  
533.18 the medications are given to the client or the client's representative; ~~and~~

533.19 (vi) a review by the registered nurse of the completion of this task to verify that this task  
533.20 was completed accurately by the unlicensed personnel; and

533.21 (vii) how the unlicensed staff must document in the client's record any unused medications  
533.22 that are returned to the provider, including the name of each medication and the doses of  
533.23 each returned medication.

533.24 Sec. 42. Minnesota Statutes 2016, section 144A.4793, subdivision 6, is amended to read:

533.25 Subd. 6. **Treatment and therapy orders or prescriptions.** There must be an up-to-date  
533.26 written or electronically recorded order ~~or prescription~~ from an authorized prescriber for  
533.27 all treatments and therapies. The order must contain the name of the client, a description of  
533.28 the treatment or therapy to be provided, and the frequency, duration, and other information  
533.29 needed to administer the treatment or therapy. Treatment and therapy orders must be renewed  
533.30 at least every 12 months.

534.1 Sec. 43. Minnesota Statutes 2017 Supplement, section 144A.4796, subdivision 2, is  
534.2 amended to read:

534.3 Subd. 2. **Content.** (a) The orientation must contain the following topics:

534.4 (1) an overview of sections 144A.43 to 144A.4798;

534.5 (2) introduction and review of all the provider's policies and procedures related to the  
534.6 provision of home care services by the individual staff person;

534.7 (3) handling of emergencies and use of emergency services;

534.8 (4) compliance with and reporting of the maltreatment of minors or vulnerable adults  
534.9 under sections 626.556 and 626.557;

534.10 (5) home care bill of rights under section 144A.44;

534.11 (6) handling of clients' complaints, reporting of complaints, and where to report  
534.12 complaints including information on the Office of Health Facility Complaints and the  
534.13 Common Entry Point;

534.14 (7) consumer advocacy services of the Office of Ombudsman for Long-Term Care,  
534.15 Office of Ombudsman for Mental Health and Developmental Disabilities, Managed Care  
534.16 Ombudsman at the Department of Human Services, county managed care advocates, or  
534.17 other relevant advocacy services; and

534.18 (8) review of the types of home care services the employee will be providing and the  
534.19 provider's scope of licensure.

534.20 (b) In addition to the topics listed in paragraph (a), orientation may also contain training  
534.21 on providing services to clients with hearing loss. Any training on hearing loss provided  
534.22 under this subdivision must be high quality and research-based, may include online training,  
534.23 and must include training on one or more of the following topics:

534.24 (1) an explanation of age-related hearing loss and how it manifests itself, its prevalence,  
534.25 and challenges it poses to communication;

534.26 (2) health impacts related to untreated age-related hearing loss, such as increased  
534.27 incidence of dementia, falls, hospitalizations, isolation, and depression; or

534.28 (3) information about strategies and technology that may enhance communication and  
534.29 involvement, including communication strategies, assistive listening devices, hearing aids,  
534.30 visual and tactile alerting devices, communication access in real time, and closed captions.

535.1 Sec. 44. Minnesota Statutes 2016, section 144A.4797, subdivision 3, is amended to read:

535.2 Subd. 3. **Supervision of staff providing delegated nursing or therapy home care**  
 535.3 **tasks.** (a) Staff who perform delegated nursing or therapy home care tasks must be supervised  
 535.4 by an appropriate licensed health professional or a registered nurse periodically where the  
 535.5 services are being provided to verify that the work is being performed competently and to  
 535.6 identify problems and solutions related to the staff person's ability to perform the tasks.  
 535.7 Supervision of staff performing medication or treatment administration shall be provided  
 535.8 by a registered nurse or appropriate licensed health professional and must include observation  
 535.9 of the staff administering the medication or treatment and the interaction with the client.

535.10 (b) The direct supervision of staff performing delegated tasks must be provided within  
 535.11 30 days after the date on which the individual begins working for the home care provider  
 535.12 and first performs delegated tasks for clients and thereafter as needed based on performance.  
 535.13 This requirement also applies to staff who have not performed delegated tasks for one year  
 535.14 or longer.

535.15 Sec. 45. Minnesota Statutes 2016, section 144A.4798, is amended to read:

535.16 **144A.4798 EMPLOYEE HEALTH STATUS DISEASE PREVENTION AND**  
 535.17 **INFECTION CONTROL.**

535.18 Subdivision 1. **Tuberculosis (TB) ~~prevention and infection control.~~** (a) A home care  
 535.19 provider must establish and maintain a ~~TB prevention and~~ comprehensive tuberculosis  
 535.20 infection control program based on according to the most current tuberculosis infection  
 535.21 control guidelines issued by the United States Centers for Disease Control and Prevention  
 535.22 (CDC), Division of Tuberculosis Elimination, as published in the CDC's Morbidity and  
 535.23 Mortality Weekly Report. Components of a TB prevention and control program include  
 535.24 screening all staff providing home care services, both paid and unpaid, at the time of hire  
 535.25 for active TB disease and latent TB infection, and developing and implementing a written  
 535.26 TB infection control plan. The commissioner shall make the most recent CDC standards  
 535.27 available to home care providers on the department's Web site. This program must include  
 535.28 a tuberculosis infection control plan that covers all paid and unpaid employees, contractors,  
 535.29 students, and volunteers. The commissioner shall provide technical assistance regarding  
 535.30 implementation of the guidelines.

535.31 (b) Written evidence of compliance with this subdivision must be maintained by the  
 535.32 home care provider.

536.1 Subd. 2. **Communicable diseases.** A home care provider must follow current ~~federal~~  
 536.2 ~~or state guidelines~~ state requirements for prevention, control, and reporting of ~~human~~  
 536.3 ~~immunodeficiency virus (HIV), hepatitis B virus (HBV), hepatitis C virus, or other~~  
 536.4 communicable diseases as defined in Minnesota Rules, ~~part~~ parts 4605.7040, 4605.7044,  
 536.5 4605.7050, 4605.7075, 4605.7080, and 4605.7090.

536.6 Subd. 3. **Infection control program.** A home care provider must establish and maintain  
 536.7 an effective infection control program that complies with accepted health care, medical,  
 536.8 and nursing standards for infection control.

536.9 Sec. 46. Minnesota Statutes 2016, section 144A.4799, subdivision 1, is amended to read:

536.10 Subdivision 1. **Membership.** The commissioner of health shall appoint eight persons  
 536.11 to a home care and assisted living program advisory council consisting of the following:

536.12 (1) three public members as defined in section 214.02 who shall be ~~either~~ persons who  
 536.13 are currently receiving home care services ~~or~~, persons who have received home care services  
 536.14 within five years of the application date, persons who have family members receiving home  
 536.15 care services, or persons who have family members who have received home care services  
 536.16 within five years of the application date;

536.17 (2) three Minnesota home care licensees representing basic and comprehensive levels  
 536.18 of licensure who may be a managerial official, an administrator, a supervising registered  
 536.19 nurse, or an unlicensed personnel performing home care tasks;

536.20 (3) one member representing the Minnesota Board of Nursing; and

536.21 (4) one member representing the Office of Ombudsman for Long-Term Care.

536.22 Sec. 47. Minnesota Statutes 2017 Supplement, section 144A.4799, subdivision 3, is  
 536.23 amended to read:

536.24 Subd. 3. **Duties.** (a) At the commissioner's request, the advisory council shall provide  
 536.25 advice regarding regulations of Department of Health licensed home care providers in this  
 536.26 chapter, including advice on the following:

536.27 (1) community standards for home care practices;

536.28 (2) enforcement of licensing standards and whether certain disciplinary actions are  
 536.29 appropriate;

536.30 (3) ways of distributing information to licensees and consumers of home care;

536.31 (4) training standards;

537.1 (5) identifying emerging issues and opportunities in ~~the home care field, including and~~  
 537.2 assisted living;

537.3 (6) identifying the use of technology in home and telehealth capabilities;

537.4 ~~(6)~~ (7) allowable home care licensing modifications and exemptions, including a method  
 537.5 for an integrated license with an existing license for rural licensed nursing homes to provide  
 537.6 limited home care services in an adjacent independent living apartment building owned by  
 537.7 the licensed nursing home; and

537.8 ~~(7)~~ (8) recommendations for studies using the data in section 62U.04, subdivision 4,  
 537.9 including but not limited to studies concerning costs related to dementia and chronic disease  
 537.10 among an elderly population over 60 and additional long-term care costs, as described in  
 537.11 section 62U.10, subdivision 6.

537.12 (b) The advisory council shall perform other duties as directed by the commissioner.

537.13 (c) The advisory council shall annually review the balance of the account in the state  
 537.14 government special revenue fund described in section 144A.474, subdivision 11, paragraph  
 537.15 (i), and make annual recommendations by January 15 directly to the chairs and ranking  
 537.16 minority members of the legislative committees with jurisdiction over health and human  
 537.17 services regarding appropriations to the commissioner for the purposes in section 144A.474,  
 537.18 subdivision 11, paragraph (i).

537.19 Sec. 48. Minnesota Statutes 2016, section 144A.484, subdivision 1, is amended to read:

537.20 Subdivision 1. **Integrated licensing established.** ~~(a) From January 1, 2014, to June 30,~~  
 537.21 ~~2015, the commissioner of health shall enforce the home and community-based services~~  
 537.22 ~~standards under chapter 245D for those providers who also have a home care license pursuant~~  
 537.23 ~~to this chapter as required under Laws 2013, chapter 108, article 8, section 60, and article~~  
 537.24 ~~11, section 31. During this period, the commissioner shall provide technical assistance to~~  
 537.25 ~~achieve and maintain compliance with applicable law or rules governing the provision of~~  
 537.26 ~~home and community-based services, including complying with the service recipient rights~~  
 537.27 ~~notice in subdivision 4, clause (4). If during the survey, the commissioner finds that the~~  
 537.28 ~~licensee has failed to achieve compliance with an applicable law or rule under chapter 245D~~  
 537.29 ~~and this failure does not imminently endanger the health, safety, or rights of the persons~~  
 537.30 ~~served by the program, the commissioner may issue a licensing survey report with~~  
 537.31 ~~recommendations for achieving and maintaining compliance.~~

537.32 ~~(b) Beginning July 1, 2015,~~ A home care provider applicant or license holder may apply  
 537.33 to the commissioner of health for a home and community-based services designation for

538.1 the provision of basic support services identified under section 245D.03, subdivision 1,  
538.2 paragraph (b). The designation allows the license holder to provide basic support services  
538.3 that would otherwise require licensure under chapter 245D, under the license holder's home  
538.4 care license governed by sections 144A.43 to ~~144A.481~~ 144A.4799.

538.5 Sec. 49. Minnesota Statutes 2016, section 145.56, subdivision 2, is amended to read:

538.6 Subd. 2. **Community-based programs.** To the extent funds are appropriated for the  
538.7 purposes of this subdivision, the commissioner shall establish a grant program to fund:

538.8 (1) community-based programs to provide education, outreach, and advocacy services  
538.9 to populations who may be at risk for suicide;

538.10 (2) community-based programs that educate community helpers and gatekeepers, such  
538.11 as family members, spiritual leaders, coaches, and business owners, employers, and  
538.12 coworkers on how to prevent suicide by encouraging help-seeking behaviors;

538.13 (3) community-based programs that educate populations at risk for suicide and community  
538.14 helpers and gatekeepers that must include information on the symptoms of depression and  
538.15 other psychiatric illnesses, the warning signs of suicide, skills for preventing suicides, and  
538.16 making or seeking effective referrals to intervention and community resources;

538.17 (4) community-based programs to provide evidence-based suicide prevention and  
538.18 intervention education to school staff, parents, and students in grades kindergarten through  
538.19 12, and for students attending Minnesota colleges and universities;

538.20 (5) community-based programs to provide evidence-based suicide prevention and  
538.21 intervention to public school nurses, teachers, administrators, coaches, school social workers,  
538.22 peace officers, firefighters, emergency medical technicians, advanced emergency medical  
538.23 technicians, paramedics, primary care providers, and others; ~~and~~

538.24 (6) community-based, evidence-based postvention training to mental health professionals  
538.25 and practitioners in order to provide technical assistance to communities after a suicide and  
538.26 to prevent suicide clusters and contagion; and

538.27 (7) a nonprofit organization to provide crisis telephone counseling services across the  
538.28 state to people in suicidal crisis or emotional distress, 24 hours a day, seven days a week,  
538.29 365 days a year.

539.1 Sec. 50. Minnesota Statutes 2016, section 146B.03, is amended by adding a subdivision  
539.2 to read:

539.3 Subd. 7a. **Supervisors.** (a) A technician must have been licensed in Minnesota or in a  
539.4 jurisdiction with which Minnesota has reciprocity for at least:

539.5 (1) two years as a tattoo technician in order to supervise a temporary tattoo technician;  
539.6 or

539.7 (2) one year as a body piercing technician in order to supervise a temporary body piercing  
539.8 technician.

539.9 (b) Any technician who agrees to supervise more than two temporary tattoo technicians  
539.10 during the same time period, or more than four body piercing technicians during the same  
539.11 time period, must provide to the commissioner a supervisory plan that describes how the  
539.12 technician will provide supervision to each temporary technician in accordance with section  
539.13 146B.01, subdivision 28.

539.14 (c) The commissioner may refuse to approve as a supervisor a technician who has been  
539.15 disciplined in Minnesota or in another jurisdiction after considering the criteria in section  
539.16 146B.02, subdivision 10, paragraph (b).

539.17 Sec. 51. Minnesota Statutes 2016, section 149A.40, subdivision 11, is amended to read:

539.18 Subd. 11. **Continuing education.** The commissioner shall require 15 continuing education  
539.19 hours for renewal of a license to practice mortuary science. Nine of the hours must be in  
539.20 the following areas: body preparation, care, ~~or~~ handling, and cremation, 3 CE hours;  
539.21 professional practices, 3 CE hours; and regulation and ethics, 3 CE hours. Continuing  
539.22 education hours shall be reported to the commissioner every other year based on the licensee's  
539.23 license number. Licensees whose license ends in an odd number must report CE hours at  
539.24 renewal time every odd year. If a licensee's license ends in an even number, the licensee  
539.25 must report the licensee's CE hours at renewal time every even year.

539.26 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to mortuary  
539.27 science license renewals on or after that date.

539.28 Sec. 52. Minnesota Statutes 2016, section 149A.95, subdivision 3, is amended to read:

539.29 Subd. 3. **Unlicensed personnel.** (a) A licensed crematory may employ unlicensed  
539.30 personnel, provided that all applicable provisions of this chapter are followed. It is the duty  
539.31 of the licensed crematory to provide proper training ~~for~~ to all unlicensed personnel and  
539.32 ensure that unlicensed personnel performing cremations are in compliance with the

540.1 requirements in paragraph (b). The licensed crematory shall be strictly accountable for  
540.2 compliance with this chapter and other applicable state and federal regulations regarding  
540.3 occupational and workplace health and safety.

540.4 (b) Unlicensed personnel performing cremations at a licensed crematory must:

540.5 (1) complete a certified crematory operator course that is approved by the commissioner  
540.6 and that covers at least the following subjects:

540.7 (i) cremation and incinerator terminology;

540.8 (ii) combustion principles;

540.9 (iii) maintenance of and troubleshooting for cremation devices;

540.10 (iv) how to operate cremation devices;

540.11 (v) identification, the use of proper forms, and the record-keeping process for  
540.12 documenting chain of custody of human remains;

540.13 (vi) guidelines for recycling, including but not limited to compliance, disclosure, recycling  
540.14 procedures, and compensation;

540.15 (vii) legal and regulatory requirements regarding environmental issues, including specific  
540.16 environmental regulations with which compliance is required; and

540.17 (viii) cremation ethics;

540.18 (2) obtain a crematory operator certification;

540.19 (3) publicly post the crematory operator certification at the licensed crematory where  
540.20 the unlicensed personnel performs cremations; and

540.21 (4) maintain crematory operator certification through:

540.22 (i) recertification, if such recertification is required by the program through which the  
540.23 unlicensed personnel is certified; or

540.24 (ii) if recertification is not required by the program, completion of at least seven hours  
540.25 of continuing education credits in crematory operation every five years.

540.26 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to unlicensed  
540.27 personnel performing cremations on or after that date.

540.28 **Sec. 53. AUTISM SPECTRUM DISORDER TASK FORCE PLAN.**

540.29 The commissioner of health, in consultation with the commissioners of human services  
540.30 and education, shall submit a plan to the chairs and ranking minority members of the

541.1 legislative committees with jurisdiction over health care, human services, and education by  
 541.2 January 15, 2019, to reconstitute the Autism Spectrum Disorder Task Force originally  
 541.3 established in 2011. The plan must include proposed membership of the task force that takes  
 541.4 into consideration all points of view and represents a diverse range of agencies, community  
 541.5 groups, advocacy organizations, educators, and families.

541.6 Sec. 54. **VARIANCE TO REQUIREMENT FOR SANITARY DUMPING STATION.**

541.7 Notwithstanding any law or rule to the contrary, the commissioner of health shall provide  
 541.8 a variance to the requirement to provide a sanitary dumping station under Minnesota Rules,  
 541.9 part 4630.0900, for a resort in Hubbard County that is located on an island and is landlocked,  
 541.10 making it impractical to build a sanitary dumping station for use by recreational camping  
 541.11 vehicles and recreational camping on the resort property. There must be an alternative  
 541.12 dumping station available within a 15-mile radius of the resort or a vendor that is available  
 541.13 to pump any self-contained liquid waste system that is located on the resort property.

541.14 Sec. 55. **DIRECTION TO COMMISSIONER OF HEALTH; STRATEGIC PLAN**  
 541.15 **REGARDING CMV.**

541.16 The commissioner of health, in consultation with interested stakeholders and families  
 541.17 of children diagnosed with human herpesvirus cytomegalovirus (CMV), shall develop a  
 541.18 strategic state plan outlining strategies for:

541.19 (1) providing information about CMV to health care practitioners;

541.20 (2) providing information about CMV to women who may become pregnant, to expectant  
 541.21 parents, and to parents of infants; and

541.22 (3) identifying resources and necessary follow-up for children born with congenital  
 541.23 CMV, and their families.

541.24 Sec. 56. **LEGISLATIVE COMMISSION ON DATA PRACTICES; HEALTH**  
 541.25 **RECORDS ACT STUDY AND RECOMMENDATIONS.**

541.26 (a) The Legislative Commission on Data Practices and Personal Data Privacy must study  
 541.27 the Minnesota Health Records Act and make recommendations regarding amendments to  
 541.28 Minnesota Statutes, sections 144.291 to 144.298, for improving coordinated health care in  
 541.29 Minnesota.

541.30 (b) The study and recommendations should consider:

542.1 (1) current laws, rules, practices, and experiences of health care consumers, providers,  
 542.2 and payers, both public and private, in the state of Minnesota with respect to access to health  
 542.3 records and coordination of health care;

542.4 (2) the experiences of other states with statutes conforming to the federal Health Insurance  
 542.5 Portability and Accountability Act (HIPAA);

542.6 (3) the potential benefits and risks to consumer data privacy if the state of Minnesota  
 542.7 conforms to HIPAA standards; and

542.8 (4) the potential benefits and risks to health care providers and payers, both public and  
 542.9 private, if the state of Minnesota conforms to HIPAA standards.

542.10 (c) The commission must submit a report and recommendations to the chairs and ranking  
 542.11 minority members of the legislative committees with jurisdiction over data practices and  
 542.12 health care by January 15, 2019.

542.13 Sec. 57. **REVISOR'S INSTRUCTIONS.**

542.14 (a) The revisor of statutes shall change the terms "service plan or service agreement"  
 542.15 and "service agreement or service plan" to "service agreement" in the following sections of  
 542.16 Minnesota Statutes: sections 144A.442; 144D.045; 144G.03, subdivision 4, paragraph (c);  
 542.17 and 144G.04.

542.18 (b) The revisor of statutes shall change the term "service plan" to "service agreement"  
 542.19 and the term "service plans" to "service agreements" in the following sections of Minnesota  
 542.20 Statutes: sections 144A.44; 144A.45; 144A.475; 144A.4791; 144A.4792; 144A.4793;  
 542.21 144A.4794; 144D.04; and 144G.03, subdivision 4, paragraph (a).

542.22 Sec. 58. **REPEALER.**

542.23 (a) Minnesota Statutes 2016, sections 144A.45, subdivision 6; and 144A.481, are repealed.

542.24 (b) Minnesota Statutes 2017 Supplement, section 146B.02, subdivision 7a, is repealed.

## 542.25 **ARTICLE 36**

### 542.26 **HEALTH COVERAGE**

542.27 Section 1. Minnesota Statutes 2016, section 62A.30, is amended by adding a subdivision  
 542.28 to read:

542.29 Subd. 4. **Mammograms.** (a) For purposes of subdivision 2, coverage for a preventive  
 542.30 mammogram screening shall include digital breast tomosynthesis for enrollees at risk for

543.1 breast cancer, and shall be covered as a preventive item or service, as described under section  
543.2 62Q.46.

543.3 (b) For purposes of this subdivision, "digital breast tomosynthesis" means a radiologic  
543.4 procedure that involves the acquisition of projection images over the stationary breast to  
543.5 produce cross-sectional digital three-dimensional images of the breast. "At risk for breast  
543.6 cancer" means:

543.7 (1) having a family history with one or more first- or second-degree relatives with breast  
543.8 cancer;

543.9 (2) testing positive for BRCA1 or BRCA2 mutations;

543.10 (3) having heterogeneously dense breasts or extremely dense breasts based on the Breast  
543.11 Imaging Reporting and Data System established by the American College of Radiology; or

543.12 (4) having a previous diagnosis of breast cancer.

543.13 (c) This subdivision does not apply to coverage provided through a public health care  
543.14 program under chapter 256B or 256L.

543.15 (d) Nothing in this subdivision limits the coverage of digital breast tomosynthesis in a  
543.16 policy, plan, certificate, or contract referred to in subdivision 1 that is in effect prior to  
543.17 January 1, 2019.

543.18 (e) Nothing in this subdivision prohibits a policy, plan, certificate, or contract referred  
543.19 to in subdivision 1 from covering digital breast tomosynthesis for an enrollee who is not at  
543.20 risk for breast cancer.

543.21 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to health  
543.22 plans issued, sold, or renewed on or after that date.

543.23 Sec. 2. **[62J.824] FACILITY FEE DISCLOSURE.**

543.24 (a) Prior to the delivery of nonemergency services, a provider-based clinic that charges  
543.25 a facility fee shall provide notice to any patient stating that the clinic is part of a hospital  
543.26 and the patient may receive a separate charge or billing for the facility component, which  
543.27 may result in a higher out-of-pocket expense.

543.28 (b) Each health care facility must post prominently in locations easily accessible to and  
543.29 visible by patients, including its Web site, a statement that the provider-based clinic is part  
543.30 of a hospital and the patient may receive a separate charge or billing for the facility, which  
543.31 may result in a higher out-of-pocket expense.

544.1 (c) This section does not apply to laboratory services, imaging services, or other ancillary  
544.2 health services that are provided by staff who are not employed by the health care facility  
544.3 or clinic.

544.4 (d) For purposes of this section:

544.5 (1) "facility fee" means any separate charge or billing by a provider-based clinic in  
544.6 addition to a professional fee for physicians' services that is intended to cover building,  
544.7 electronic medical records systems, billing, and other administrative and operational  
544.8 expenses; and

544.9 (2) "provider-based clinic" means the site of an off-campus clinic or provider office  
544.10 located at least 250 yards from the main hospital buildings or as determined by the Centers  
544.11 for Medicare and Medicaid Services, that is owned by a hospital licensed under chapter 144  
544.12 or a health system that operates one or more hospitals licensed under chapter 144, and is  
544.13 primarily engaged in providing diagnostic and therapeutic care, including medical history,  
544.14 physical examinations, assessment of health status, and treatment monitoring. This definition  
544.15 does not include clinics that are exclusively providing laboratory, x-ray, testing, therapy,  
544.16 pharmacy, or educational services and does not include facilities designated as rural health  
544.17 clinics.

544.18 Sec. 3. **[62Q.48] POINT OF SALE ALLOWABLE COST.**

544.19 (a) No health plan company or pharmacy benefits manager shall require an enrollee to  
544.20 make a payment at the point of sale for a prescription drug that is covered under the enrollee's  
544.21 health plan in an amount greater than the allowable cost to consumers.

544.22 (b) For purposes of this section:

544.23 (1) "allowable cost to consumers" means the lowest of:

544.24 (i) the applicable co-payment for the prescription drug under the enrollee's health plan;  
544.25 or

544.26 (ii) the amount an individual would pay for the prescription drug if the individual  
544.27 purchased the prescription drug without using a health plan benefit; and

544.28 (2) "pharmacy benefit manager" has the meaning provided in section 151.71, subdivision  
544.29 1.

545.1 Sec. 4. Minnesota Statutes 2016, section 151.214, subdivision 2, is amended to read:

545.2 Subd. 2. **No prohibition on disclosure.** No contracting agreement between an  
545.3 employer-sponsored health plan or health plan company, or its contracted pharmacy benefit  
545.4 manager, and a resident or nonresident pharmacy ~~registered~~ licensed under this chapter,  
545.5 may prohibit ~~the~~:

545.6 (1) a pharmacy from disclosing to patients information a pharmacy is required or given  
545.7 the option to provide under subdivision 1; or

545.8 (2) a pharmacist from informing a patient when the amount the patient is required to  
545.9 pay under the patient's health plan for a particular drug is greater than the amount the patient  
545.10 would be required to pay for the same drug if purchased out-of-pocket at the pharmacy's  
545.11 usual and customary price.

545.12 Sec. 5. **[151.555] PRESCRIPTION DRUG REPOSITORY PROGRAM.**

545.13 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this  
545.14 subdivision have the meanings given.

545.15 (b) "Central repository" means a wholesale distributor that meets the requirements under  
545.16 subdivision 3 and enters into a contract with the Board of Pharmacy in accordance with this  
545.17 section.

545.18 (c) "Distribute" means to deliver, other than by administering or dispensing.

545.19 (d) "Donor" means:

545.20 (1) a health care facility as defined in this subdivision;

545.21 (2) a skilled nursing facility licensed under chapter 144A;

545.22 (3) an assisted living facility registered under chapter 144D where there is centralized  
545.23 storage of drugs and 24-hour on-site licensed nursing coverage provided seven days a week;

545.24 (4) a pharmacy licensed under section 151.19, and located either in the state or outside  
545.25 the state;

545.26 (5) a drug wholesaler licensed under section 151.47; or

545.27 (6) a drug manufacturer licensed under section 151.252.

545.28 (e) "Drug" means any prescription drug that has been approved for medical use in the  
545.29 United States, is listed in the United States Pharmacopoeia or National Formulary, and  
545.30 meets the criteria established under this section for donation. This definition includes cancer  
545.31 drugs and antirejection drugs, but does not include controlled substances, as defined in

546.1 section 152.01, subdivision 4, or a prescription drug that can only be dispensed to a patient  
546.2 registered with the drug's manufacturer in accordance with federal Food and Drug  
546.3 Administration requirements.

546.4 (f) "Health care facility" means:

546.5 (1) a physician's office or health care clinic where licensed practitioners provide health  
546.6 care to patients;

546.7 (2) a hospital licensed under section 144.50;

546.8 (3) a pharmacy licensed under section 151.19 and located in Minnesota; or

546.9 (4) a nonprofit community clinic, including a federally qualified health center; a rural  
546.10 health clinic; public health clinic; or other community clinic that provides health care utilizing  
546.11 a sliding fee scale to patients who are low-income, uninsured, or underinsured.

546.12 (g) "Local repository" means a health care facility that elects to accept donated drugs  
546.13 and medical supplies and meets the requirements of subdivision 4.

546.14 (h) "Medical supplies" or "supplies" means any prescription and nonprescription medical  
546.15 supply needed to administer a prescription drug.

546.16 (i) "Original, sealed, unopened, tamper-evident packaging" means packaging that is  
546.17 sealed, unopened, and tamper-evident, including a manufacturer's original unit dose or  
546.18 unit-of-use container, a repackager's original unit dose or unit-of-use container, or unit-dose  
546.19 packaging prepared by a licensed pharmacy according to the standards of Minnesota Rules,  
546.20 part 6800.3750.

546.21 (j) "Practitioner" has the meaning given in section 151.01, subdivision 23, except that  
546.22 it does not include a veterinarian.

546.23 Subd. 2. **Establishment.** By January 1, 2019, the Board of Pharmacy shall establish a  
546.24 drug repository program, through which donors may donate a drug or medical supply for  
546.25 use by an individual who meets the eligibility criteria specified under subdivision 5. The  
546.26 board shall contract with a central repository that meets the requirements of subdivision 3  
546.27 to implement and administer the prescription drug repository program.

546.28 Subd. 3. **Central repository requirements.** (a) The board shall publish a request for  
546.29 proposal for participants who meet the requirements of this subdivision and are interested  
546.30 in acting as the central repository for the drug repository program. The board shall follow  
546.31 all applicable state procurement procedures in the selection process.

547.1 (b) To be eligible to act as the central repository, the participant must be a wholesale  
547.2 drug distributor located in Minnesota, licensed pursuant to section 151.47, and in compliance  
547.3 with all applicable federal and state statutes, rules, and regulations.

547.4 (c) The central repository shall be subject to inspection by the board pursuant to section  
547.5 151.06, subdivision 1.

547.6 Subd. 4. **Local repository requirements.** (a) To be eligible for participation in the drug  
547.7 repository program, a health care facility must agree to comply with all applicable federal  
547.8 and state laws, rules, and regulations pertaining to the drug repository program, drug storage,  
547.9 and dispensing. The facility must also agree to maintain in good standing any required state  
547.10 license or registration that may apply to the facility.

547.11 (b) A local repository may elect to participate in the program by submitting the following  
547.12 information to the central repository on a form developed by the board and made available  
547.13 on the board's Web site:

547.14 (1) the name, street address, and telephone number of the health care facility and any  
547.15 state-issued license or registration number issued to the facility, including the issuing state  
547.16 agency;

547.17 (2) the name and telephone number of a responsible pharmacist or practitioner who is  
547.18 employed by or under contract with the health care facility; and

547.19 (3) a statement signed and dated by the responsible pharmacist or practitioner indicating  
547.20 that the health care facility meets the eligibility requirements under this section and agrees  
547.21 to comply with this section.

547.22 (c) Participation in the drug repository program is voluntary. A local repository may  
547.23 withdraw from participation in the drug repository program at any time by providing written  
547.24 notice to the central repository on a form developed by the board and made available on  
547.25 the board's Web site. The central repository shall provide the board with a copy of the  
547.26 withdrawal notice within ten business days from the date of receipt of the withdrawal notice.

547.27 Subd. 5. **Individual eligibility and application requirements.** (a) To be eligible for  
547.28 the drug repository program, an individual must submit to a local repository an intake  
547.29 application form that is signed by the individual and attests that the individual:

547.30 (1) is a resident of Minnesota;

547.31 (2) is uninsured, has no prescription drug coverage, or is underinsured;

548.1 (3) acknowledges that the drugs or medical supplies to be received through the program  
548.2 may have been donated; and

548.3 (4) consents to a waiver of the child-resistant packaging requirements of the federal  
548.4 Poison Prevention Packaging Act.

548.5 (b) Upon determining that an individual is eligible for the program, the local repository  
548.6 shall furnish the individual with an identification card. The card shall be valid for one year  
548.7 from the date of issuance and may be used at any local repository. A new identification card  
548.8 may be issued upon expiration once the individual submits a new application form.

548.9 (c) The local repository shall send a copy of the intake application form to the central  
548.10 repository by regular mail, facsimile, or secured e-mail within ten days from the date the  
548.11 application is approved by the local repository.

548.12 (d) The board shall develop and make available on the board's Web site an application  
548.13 form and the format for the identification card.

548.14 **Subd. 6. Standards and procedures for accepting donations of drugs and supplies.**

548.15 (a) A donor may donate prescription drugs or medical supplies to the central repository or  
548.16 a local repository if the drug or supply meets the requirements of this section as determined  
548.17 by a pharmacist or practitioner who is employed by or under contract with the central  
548.18 repository or a local repository.

548.19 (b) A prescription drug is eligible for donation under the drug repository program if the  
548.20 following requirements are met:

548.21 (1) the donation is accompanied by a drug repository donor form described under  
548.22 paragraph (d) that is signed by an individual who is authorized by the donor to attest to the  
548.23 donor's knowledge in accordance with paragraph (d);

548.24 (2) the drug's expiration date is at least six months after the date the drug was donated.  
548.25 If a donated drug bears an expiration date that is less than six months from the donation  
548.26 date, the drug may be accepted and distributed if the drug is in high demand and can be  
548.27 dispensed for use by a patient before the drug's expiration date;

548.28 (3) the drug is in its original, sealed, unopened, tamper-evident packaging that includes  
548.29 the expiration date. Single-unit-dose drugs may be accepted if the single-unit-dose packaging  
548.30 is unopened;

548.31 (4) the drug or the packaging does not have any physical signs of tampering, misbranding,  
548.32 deterioration, compromised integrity, or adulteration;

549.1 (5) the drug does not require storage temperatures other than normal room temperature  
549.2 as specified by the manufacturer or United States Pharmacopoeia, unless the drug is being  
549.3 donated directly by its manufacturer, a wholesale drug distributor, or a pharmacy located  
549.4 in Minnesota; and

549.5 (6) the prescription drug is not a controlled substance.

549.6 (c) A medical supply is eligible for donation under the drug repository program if the  
549.7 following requirements are met:

549.8 (1) the supply has no physical signs of tampering, misbranding, or alteration and there  
549.9 is no reason to believe it has been adulterated, tampered with, or misbranded;

549.10 (2) the supply is in its original, unopened, sealed packaging;

549.11 (3) the donation is accompanied by a drug repository donor form described under  
549.12 paragraph (d) that is signed by an individual who is authorized by the donor to attest to the  
549.13 donor's knowledge in accordance with paragraph (d); and

549.14 (4) if the supply bears an expiration date, the date is at least six months later than the  
549.15 date the supply was donated. If the donated supply bears an expiration date that is less than  
549.16 six months from the date the supply was donated, the supply may be accepted and distributed  
549.17 if the supply is in high demand and can be dispensed for use by a patient before the supply's  
549.18 expiration date.

549.19 (d) The board shall develop the drug repository donor form and make it available on the  
549.20 board's Web site. The form must state that to the best of the donor's knowledge the donated  
549.21 drug or supply has been properly stored and that the drug or supply has never been opened,  
549.22 used, tampered with, adulterated, or misbranded.

549.23 (e) Donated drugs and supplies may be shipped or delivered to the premises of the central  
549.24 repository or a local repository, and shall be inspected by a pharmacist or an authorized  
549.25 practitioner who is employed by or under contract with the repository and who has been  
549.26 designated by the repository to accept donations. A drop box must not be used to deliver  
549.27 or accept donations.

549.28 (f) The central repository and local repository shall inventory all drugs and supplies  
549.29 donated to the repository. For each drug, the inventory must include the drug's name, strength,  
549.30 quantity, manufacturer, expiration date, and the date the drug was donated. For each medical  
549.31 supply, the inventory must include a description of the supply, its manufacturer, the date  
549.32 the supply was donated, and, if applicable, the supply's brand name and expiration date.

550.1 Subd. 7. Standards and procedures for inspecting and storing donated prescription  
550.2 drugs and supplies. (a) A pharmacist or authorized practitioner who is employed by or  
550.3 under contract with the central repository or a local repository shall inspect all donated  
550.4 prescription drugs and supplies to determine, to the extent reasonably possible in the  
550.5 professional judgment of the pharmacist or practitioner, that the drug or supply is not  
550.6 adulterated or misbranded, has not been tampered with, is safe and suitable for dispensing,  
550.7 and meets the requirements for donation. The pharmacist or practitioner who inspects the  
550.8 drugs or supplies shall sign an inspection record stating that the requirements for donation  
550.9 have been met. If a local repository receives drugs and supplies from the central repository,  
550.10 the local repository does not need to reinspect the drugs and supplies.

550.11 (b) The central repository and local repositories shall store donated drugs and supplies  
550.12 in a secure storage area under environmental conditions appropriate for the drug or supply  
550.13 being stored. Donated drugs and supplies may not be stored with nondonated inventory. If  
550.14 donated drugs or supplies are not inspected immediately upon receipt, a repository must  
550.15 quarantine the donated drugs or supplies separately from all dispensing stock until the  
550.16 donated drugs or supplies have been inspected and approved for dispensing under the  
550.17 program.

550.18 (c) The central repository and local repositories shall dispose of all prescription drugs  
550.19 and medical supplies that are not suitable for donation in compliance with applicable federal  
550.20 and state statutes, regulations, and rules concerning hazardous waste.

550.21 (d) In the event that controlled substances or prescription drugs that can only be dispensed  
550.22 to a patient registered with the drug's manufacturer are shipped or delivered to a central or  
550.23 local repository for donation, the shipment delivery must be documented by the repository  
550.24 and returned immediately to the donor or the donor's representative that provided the drugs.

550.25 (e) Each repository must develop drug and medical supply recall policies and procedures.  
550.26 If a repository receives a recall notification, the repository shall destroy all of the drug or  
550.27 medical supply in its inventory that is the subject of the recall and complete a record of  
550.28 destruction form in accordance with paragraph (f). If a drug or medical supply that is the  
550.29 subject of a Class I or Class II recall has been dispensed, the repository shall immediately  
550.30 notify the recipient of the recalled drug or medical supply. A drug that potentially is subject  
550.31 to a recall need not be destroyed if its packaging bears a lot number and that lot of the drug  
550.32 is not subject to the recall. If no lot number is on the drug's packaging, it must be destroyed.

550.33 (f) A record of destruction of donated drugs and supplies that are not dispensed under  
550.34 subdivision 8, are subject to a recall under paragraph (e), or are not suitable for donation

551.1 shall be maintained by the repository for at least five years. For each drug or supply  
 551.2 destroyed, the record shall include the following information:

551.3 (1) the date of destruction;

551.4 (2) the name, strength, and quantity of the drug destroyed; and

551.5 (3) the name of the person or firm that destroyed the drug.

551.6 Subd. 8. **Dispensing requirements.** (a) Donated drugs and supplies may be dispensed  
 551.7 if the drugs or supplies are prescribed by a practitioner for use by an eligible individual and  
 551.8 are dispensed by a pharmacist or practitioner. A repository shall dispense drugs and supplies  
 551.9 to eligible individuals in the following priority order: (1) individuals who are uninsured;  
 551.10 (2) individuals with no prescription drug coverage; and (3) individuals who are underinsured.  
 551.11 A repository shall dispense donated prescription drugs in compliance with applicable federal  
 551.12 and state laws and regulations for dispensing prescription drugs, including all requirements  
 551.13 relating to packaging, labeling, record keeping, drug utilization review, and patient  
 551.14 counseling.

551.15 (b) Before dispensing or administering a drug or supply, the pharmacist or practitioner  
 551.16 shall visually inspect the drug or supply for adulteration, misbranding, tampering, and date  
 551.17 of expiration. Drugs or supplies that have expired or appear upon visual inspection to be  
 551.18 adulterated, misbranded, or tampered with in any way must not be dispensed or administered.

551.19 (c) Before a drug or supply is dispensed or administered to an individual, the individual  
 551.20 must sign a drug repository recipient form acknowledging that the individual understands  
 551.21 the information stated on the form. The board shall develop the form and make it available  
 551.22 on the board's Web site. The form must include the following information:

551.23 (1) that the drug or supply being dispensed or administered has been donated and may  
 551.24 have been previously dispensed;

551.25 (2) that a visual inspection has been conducted by the pharmacist or practitioner to ensure  
 551.26 that the drug or supply has not expired, has not been adulterated or misbranded, and is in  
 551.27 its original, unopened packaging; and

551.28 (3) that the dispensing pharmacist, the dispensing or administering practitioner, the  
 551.29 central repository or local repository, the Board of Pharmacy, and any other participant of  
 551.30 the drug repository program cannot guarantee the safety of the drug or medical supply being  
 551.31 dispensed or administered and that the pharmacist or practitioner has determined that the  
 551.32 drug or supply is safe to dispense or administer based on the accuracy of the donor's form

552.1 submitted with the donated drug or medical supply and the visual inspection required to be  
552.2 performed by the pharmacist or practitioner before dispensing or administering.

552.3 Subd. 9. **Handling fees.** (a) The central or local repository may charge the individual  
552.4 receiving a drug or supply a handling fee of no more than 250 percent of the medical  
552.5 assistance program dispensing fee for each drug or medical supply dispensed or administered  
552.6 by that repository.

552.7 (b) A repository that dispenses or administers a drug or medical supply through the drug  
552.8 repository program shall not receive reimbursement under the medical assistance program  
552.9 or the MinnesotaCare program for that dispensed or administered drug or supply.

552.10 Subd. 10. **Distribution of donated drugs and supplies.** (a) The central repository and  
552.11 local repositories may distribute drugs and supplies donated under the drug repository  
552.12 program to other participating repositories for use pursuant to this program.

552.13 (b) A local repository that elects not to dispense donated drugs or supplies must transfer  
552.14 all donated drugs and supplies to the central repository. A copy of the donor form that was  
552.15 completed by the original donor under subdivision 6 must be provided to the central  
552.16 repository at the time of transfer.

552.17 Subd. 11. **Forms and record-keeping requirements.** (a) The following forms developed  
552.18 for the administration of this program shall be utilized by the participants of the program  
552.19 and shall be available on the board's Web site:

552.20 (1) intake application form described under subdivision 5;

552.21 (2) local repository participation form described under subdivision 4;

552.22 (3) local repository withdrawal form described under subdivision 4;

552.23 (4) drug repository donor form described under subdivision 6;

552.24 (5) record of destruction form described under subdivision 7; and

552.25 (6) drug repository recipient form described under subdivision 8.

552.26 (b) All records, including drug inventory, inspection, and disposal of donated prescription  
552.27 drugs and medical supplies must be maintained by a repository for a minimum of five years.  
552.28 Records required as part of this program must be maintained pursuant to all applicable  
552.29 practice acts.

552.30 (c) Data collected by the drug repository program from all local repositories shall be  
552.31 submitted quarterly or upon request to the central repository. Data collected may consist of  
552.32 the information, records, and forms required to be collected under this section.

553.1 (d) The central repository shall submit reports to the board as required by the contract  
553.2 or upon request of the board.

553.3 Subd. 12. **Liability.** (a) The manufacturer of a drug or supply is not subject to criminal  
553.4 or civil liability for injury, death, or loss to a person or to property for causes of action  
553.5 described in clauses (1) and (2). A manufacturer is not liable for:

553.6 (1) the intentional or unintentional alteration of the drug or supply by a party not under  
553.7 the control of the manufacturer; or

553.8 (2) the failure of a party not under the control of the manufacturer to transfer or  
553.9 communicate product or consumer information or the expiration date of the donated drug  
553.10 or supply.

553.11 (b) A health care facility participating in the program, a pharmacist dispensing a drug  
553.12 or supply pursuant to the program, a practitioner dispensing or administering a drug or  
553.13 supply pursuant to the program, or a donor of a drug or medical supply is immune from  
553.14 civil liability for an act or omission that causes injury to or the death of an individual to  
553.15 whom the drug or supply is dispensed and no disciplinary action by a health-related licensing  
553.16 board shall be taken against a pharmacist or practitioner so long as the drug or supply is  
553.17 donated, accepted, distributed, and dispensed according to the requirements of this section.  
553.18 This immunity does not apply if the act or omission involves reckless, wanton, or intentional  
553.19 misconduct, or malpractice unrelated to the quality of the drug or medical supply.

553.20 Subd. 13. **Sunset.** This section expires July 1, 2022.

553.21 Sec. 6. Minnesota Statutes 2016, section 151.71, is amended by adding a subdivision to  
553.22 read:

553.23 Subd. 3. **Synchronization of refills.** (a) For purposes of this subdivision,  
553.24 "synchronization" means the coordination of prescription drug refills for a patient taking  
553.25 two or more medications for one or more chronic conditions, to allow the patient's  
553.26 medications to be refilled on the same schedule for a given period of time.

553.27 (b) A contract between a pharmacy benefit manager and a pharmacy must allow for  
553.28 synchronization of prescription drug refills for a patient on at least one occasion per year,  
553.29 if the following criteria are met:

553.30 (1) the prescription drugs are covered under the patient's health plan or have been  
553.31 approved by a formulary exceptions process;

554.1 (2) the prescription drugs are maintenance medications as defined by the health plan  
554.2 and have one or more refills available at the time of synchronization;

554.3 (3) the prescription drugs are not Schedule II, III, or IV controlled substances;

554.4 (4) the patient meets all utilization management criteria relevant to the prescription drug  
554.5 at the time of synchronization;

554.6 (5) the prescription drugs are of a formulation that can be safely split into short-fill  
554.7 periods to achieve synchronization; and

554.8 (6) the prescription drugs do not have special handling or sourcing needs that require a  
554.9 single, designated pharmacy to fill or refill the prescription.

554.10 (c) When necessary to permit synchronization, the pharmacy benefit manager shall apply  
554.11 a prorated, daily patient cost-sharing rate to any prescription drug dispensed by a pharmacy  
554.12 under this subdivision. The dispensing fee shall not be prorated, and all dispensing fees  
554.13 shall be based on the number of prescriptions filled or refilled.

554.14 **Sec. 7. TESTIMONY ON USE OF DIGITAL BREAST TOMOSYNTHESIS BY**  
554.15 **MEMBERS OF THE STATE EMPLOYEE GROUP INSURANCE PROGRAM.**

554.16 The director of the state employee group insurance program must prepare and submit  
554.17 written testimony to the house of representatives and senate committees with jurisdiction  
554.18 over health and human services and state government finance regarding the impact of  
554.19 Minnesota Statutes, section 62A.30, subdivision 4. The director must provide data on actual  
554.20 utilization of the coverage under Minnesota Statutes, section 62A.30, subdivision 4, by  
554.21 members of the state employee group insurance program from January 1, 2019, to December  
554.22 31, 2019. The director may make recommendations for legislation addressing any issues  
554.23 relating to the coverage required by Minnesota Statutes, section 62A.30, subdivision 4. The  
554.24 testimony required under this section is due by March 1, 2020.

554.25 **Sec. 8. STUDY AND REPORT ON DISPARITIES BETWEEN GEOGRAPHIC**  
554.26 **RATING AREAS IN INDIVIDUAL AND SMALL GROUP MARKET HEALTH**  
554.27 **INSURANCE RATES.**

554.28 Subdivision 1. Study and recommendations. (a) As permitted by the availability of  
554.29 resources, the legislative auditor is requested to study disparities between Minnesota's nine  
554.30 geographic rating areas in individual and small group market health insurance rates and  
554.31 recommend ways to reduce or eliminate rate disparities between the geographic rating areas

555.1 and provide for stability of the individual and small group health insurance markets in the  
555.2 state. In the study, if conducted, the legislative auditor shall:

555.3 (1) identify the factors that cause higher individual and small group market health  
555.4 insurance rates in certain geographic rating areas, and determine the extent to which each  
555.5 identified factor contributes to the higher rates;

555.6 (2) identify the impact of referral centers on individual and small group market health  
555.7 insurance rates in southeastern Minnesota, and identify ways to reduce the rate disparity  
555.8 between southeastern Minnesota and the metropolitan area, taking into consideration the  
555.9 patterns of referral center usage by patients in those regions;

555.10 (3) determine the extent to which individuals and small employers located in a geographic  
555.11 rating area with higher health insurance rates than surrounding geographic rating areas have  
555.12 obtained health insurance in a lower-cost geographic rating area, identify the strategies that  
555.13 individuals and small employers use to obtain health insurance in a lower-cost geographic  
555.14 rating area, and measure the effects of this practice on the rates of the individuals and small  
555.15 employers remaining in the geographic rating area with higher health insurance rates; and

555.16 (4) develop proposals to redraw the boundaries of Minnesota's geographic rating areas,  
555.17 and calculate the effect each proposal would have on rates in each of the proposed rating  
555.18 areas. The legislative auditor shall examine at least three options for redrawing the boundaries  
555.19 of Minnesota's geographic rating areas, at least one of which must reduce the number of  
555.20 geographic rating areas. All options for redrawing Minnesota's geographic rating areas  
555.21 considered by the legislative auditor must be designed:

555.22 (i) with the purposes of reducing or eliminating rate disparities between geographic  
555.23 rating areas and providing for stability of the individual and small group health insurance  
555.24 markets in the state;

555.25 (ii) with consideration of the composition of existing provider networks and referral  
555.26 patterns in regions of the state; and

555.27 (iii) in compliance with the requirements for geographic rating areas in Code of Federal  
555.28 Regulations, title 45, section 147.102(b), and other applicable federal law and guidance.

555.29 (b) The legislative auditor may secure de-identified data necessary to complete the study  
555.30 and recommendations according to this subdivision directly from health carriers. For purposes  
555.31 of this paragraph "de-identified" means a process to remove all identifiable information  
555.32 regarding an individual or group from data. Data classified as nonpublic data or private data

556.1 on individuals, as defined in Minnesota Statutes, section 13.02, subdivisions 9 and 12,  
556.2 remains classified as such.

556.3 (c) The legislative auditor may recommend one or more proposals for redrawing  
556.4 Minnesota's geographic rating areas if the legislative auditor determines that the proposal  
556.5 would reduce or eliminate individual and small group market health insurance rate disparities  
556.6 between the geographic rating areas and provide for stability of the individual and small  
556.7 group health insurance markets in the state.

556.8 Subd. 2. **Contract.** The legislative auditor may contract with another entity for technical  
556.9 assistance in conducting the study and developing recommendations according to subdivision  
556.10 1.

556.11 Subd. 3. **Report.** The legislative auditor is requested to complete the study and  
556.12 recommendations by January 1, 2019, and to submit a report on the study and  
556.13 recommendations by that date to the chairs and ranking minority members of the legislative  
556.14 committees with jurisdiction over health care and health insurance.

556.15 Sec. 9. **MENTAL HEALTH AND SUBSTANCE USE DISORDER PARITY WORK**  
556.16 **GROUP.**

556.17 Subdivision 1. **Establishment; membership.** (a) A mental health and substance use  
556.18 disorder parity work group is established and shall include the following members:

556.19 (1) two members representing health plan companies that offer health plans in the  
556.20 individual market, appointed by the commissioner of commerce;

556.21 (2) two members representing health plan companies that offer health plans in the group  
556.22 markets, appointed by the commissioner of commerce;

556.23 (3) the commissioner of health or a designee;

556.24 (4) the commissioner of commerce or a designee;

556.25 (5) the commissioner of management and budget or a designee;

556.26 (6) two members representing employers, appointed by the commissioner of commerce;

556.27 (7) two members who are providers representing the mental health and substance use  
556.28 disorder community, appointed by the commissioner of commerce; and

556.29 (8) two members who are advocates representing the mental health and substance use  
556.30 disorder community, appointed by the commissioner of commerce.

557.1 (b) Members of the work group must have expertise in standards for evidence-based  
557.2 care, benefit design, or knowledge relating to the analysis of mental health and substance  
557.3 use disorder parity under federal and state law, including nonquantitative treatment  
557.4 limitations.

557.5 Subd. 2. **First appointments; first meeting; chair.** Appointing authorities shall appoint  
557.6 members to the work group by July 1, 2018. The commissioner of commerce or a designee  
557.7 shall convene the first meeting of the work group on or before August 1, 2018. The  
557.8 commissioner of commerce or the commissioner's designee shall act as chair.

557.9 Subd. 3. **Duties.** The mental health and substance use disorder parity work group shall:

557.10 (1) develop recommendations on the most effective approach to determine and  
557.11 demonstrate mental health and substance use disorder parity, in accordance with state and  
557.12 federal law for individual and group health plans offered in Minnesota; and

557.13 (2) report recommendations to the legislature.

557.14 Subd. 4. **Report.** (a) By February 15, 2019, the work group shall submit a report with  
557.15 recommendations to the chairs and ranking minority members of the legislative committees  
557.16 with jurisdiction over health care policy and finance.

557.17 (b) The report must include the following:

557.18 (1) a summary of completed state enforcement actions relating to individual and group  
557.19 health plans offered in Minnesota during the preceding 12-month period regarding  
557.20 compliance with parity in mental health and substance use disorders benefits in accordance  
557.21 with state and federal law and a summary of the results of completed state enforcement  
557.22 actions. Data that is protected under state or federal law as nonpublic, private, or confidential  
557.23 shall remain nonpublic, private, or confidential. This summary must include:

557.24 (i) the number of formal enforcement actions taken;

557.25 (ii) the benefit classifications examined in each enforcement action; and

557.26 (iii) the subject matter of each enforcement action, including quantitative and  
557.27 nonquantitative treatment limitations;

557.28 (2) detailed information about any regulatory actions the commissioner of health or  
557.29 commissioner of commerce has taken as a result of a completed state enforcement action  
557.30 pertaining to health plan compliance with Minnesota Statutes, sections 62Q.47 and 62Q.53,  
557.31 and United States Code, title 42, section 18031(j);

558.1 (3) a description of the work group's recommendations on educating the public about  
558.2 alcoholism, mental health, or chemical dependency parity protections under state and federal  
558.3 law; and

558.4 (4) recommendations on the most effective approach to determine and demonstrate  
558.5 mental health and substance use disorder parity, in accordance with state and federal law  
558.6 for individual and group health plans offered in Minnesota.

558.7 (c) In developing the report and recommendations, the work group may consult with  
558.8 the Substance Abuse and Mental Health Services Agency and the National Association of  
558.9 Insurance Commissioners for the latest developments on evaluation of mental health and  
558.10 substance use disorder parity.

558.11 (d) The report must be written in plain language and must be made available to the public  
558.12 by being posted on the Web sites of the Department of Health and Department of Commerce.  
558.13 The work group may make the report publicly available in additional ways, at its discretion.

558.14 (e) The report must include any draft legislation necessary to implement the  
558.15 recommendations of the work group.

558.16 Subd. 5. **Expiration.** The mental health and substance use disorder parity work group  
558.17 expires February 16, 2019, or the day after submitting the report required in this section,  
558.18 whichever is earlier.

558.19 Sec. 10. **PROVIDER GRANTS FOR ADMINISTRATION OF PERIPHERAL**  
558.20 **NERVE BLOCKS.**

558.21 (a) The commissioner of human services, within the limits of funding provided for the  
558.22 substance use disorder provider capacity grant program under Laws 2017 First Special  
558.23 Session chapter 6, article 12, section 4, may design and implement a grant program to assist  
558.24 providers in purchasing devices for administering continuous peripheral nerve blocks to  
558.25 treat, reduce, or prevent substance use disorder for medical assistance enrollees.

558.26 (b) If the commissioner implements the grant program, grants shall be distributed between  
558.27 July 1, 2018, and June 30, 2019. The commissioner shall conduct outreach to providers  
558.28 regarding the availability of this grant and ensure a simplified grant application process.  
558.29 The commissioner shall provide technical assistance to assist providers in building operational  
558.30 capacity to treat, reduce, or prevent substance use disorders with devices for administering  
558.31 continuous peripheral nerve blocks. The commissioner, in collaboration with stakeholders,  
558.32 shall: (1) analyze the impact of the grant program; (2) identify actual or perceived barriers  
558.33 to providers accessing and obtaining reimbursement for devices for administering continuous

559.1 peripheral nerve blocks; and (3) develop recommendations for addressing identified barriers.  
559.2 The commissioner shall provide a report to the chairs and ranking minority members of the  
559.3 legislative committees with jurisdiction over health and human services policy and finance  
559.4 by September 1, 2019.

559.5 Sec. 11. **REPEALER.**

559.6 Minnesota Statutes 2016, section 151.55, is repealed.

559.7 **ARTICLE 37**

559.8 **HEALTH-RELATED LICENSING BOARDS**

559.9 Section 1. Minnesota Statutes 2016, section 144A.26, is amended to read:

559.10 **144A.26 RECIPROCITY WITH OTHER STATES AND EQUIVALENCY OF**  
559.11 **HEALTH SERVICES EXECUTIVE.**

559.12 Subdivision 1. **Reciprocity.** The Board of Examiners may issue a nursing home  
559.13 administrator's license, without examination, to any person who holds a current license as  
559.14 a nursing home administrator from another jurisdiction if the board finds that the standards  
559.15 for licensure in the other jurisdiction are at least the substantial equivalent of those prevailing  
559.16 in this state and that the applicant is otherwise qualified.

559.17 Subd. 2. **Health services executive license.** The Board of Examiners may issue a health  
559.18 services executive license to any person who (1) has been validated by the National  
559.19 Association of Long Term Care Administrator Boards as a health services executive, and  
559.20 (2) has met the education and practice requirements for the minimum qualifications of a  
559.21 nursing home administrator, assisted living administrator, and home and community-based  
559.22 service provider. Licensure decisions made by the board under this subdivision are final.

559.23 Sec. 2. Minnesota Statutes 2017 Supplement, section 147.01, subdivision 7, is amended  
559.24 to read:

559.25 **Subd. 7. **Physician application and license fees.**** (a) The board may charge the following  
559.26 nonrefundable application and license fees processed pursuant to sections 147.02, 147.03,  
559.27 147.037, 147.0375, and 147.38:

559.28 (1) physician application fee, \$200;

559.29 (2) physician annual registration renewal fee, \$192;

559.30 (3) physician endorsement to other states, \$40;

- 560.1 (4) physician emeritus license, \$50;
- 560.2 (5) physician temporary license, \$60;
- 560.3 (6) physician late fee, \$60;
- 560.4 (7) duplicate license fee, \$20;
- 560.5 (8) certification letter fee, \$25;
- 560.6 (9) education or training program approval fee, \$100;
- 560.7 (10) report creation and generation fee, \$60 per hour;
- 560.8 (11) examination administration fee (half day), \$50;
- 560.9 (12) examination administration fee (full day), \$80; ~~and~~
- 560.10 (13) fees developed by the Interstate Commission for determining physician qualification
- 560.11 to register and participate in the interstate medical licensure compact, as established in rules
- 560.12 authorized in and pursuant to section 147.38, not to exceed \$1,000<sub>2</sub>;
- 560.13 (14) verification fee, \$25; and
- 560.14 (15) criminal background check fee, \$32.

560.15 (b) The board may prorate the initial annual license fee. All licensees are required to

560.16 pay the full fee upon license renewal. The revenue generated from the fee must be deposited

560.17 in an account in the state government special revenue fund.

560.18 Sec. 3. Minnesota Statutes 2016, section 147.012, is amended to read:

560.19 **147.012 OVERSIGHT OF ALLIED HEALTH PROFESSIONS.**

560.20 The board has responsibility for the oversight of the following allied health professions:

560.21 physician assistants under chapter 147A<sub>2</sub>; acupuncture practitioners under chapter 147B<sub>2</sub>;

560.22 respiratory care practitioners under chapter 147C<sub>2</sub>; traditional midwives under chapter 147D<sub>2</sub>;

560.23 registered naturopathic doctors under chapter 147E<sub>2</sub>; genetic counselors under chapter 147F,

560.24 and athletic trainers under sections 148.7801 to 148.7815.

560.25 Sec. 4. Minnesota Statutes 2016, section 147.02, is amended by adding a subdivision to

560.26 read:

560.27 Subd. 7. **Additional renewal requirements.** (a) The licensee must maintain a correct

560.28 mailing address with the board for receiving board communications, notices, and licensure

560.29 renewal documents. Placing the license renewal application in first class United States mail,

561.1 addressed to the licensee at the licensee's last known address with postage prepaid, constitutes  
561.2 valid service. Failure to receive the renewal documents does not relieve a license holder of  
561.3 the obligation to comply with this section.

561.4 (b) The names of licensees who do not return a complete license renewal application,  
561.5 the annual license fee, or the late application fee within 30 days shall be removed from the  
561.6 list of individuals authorized to practice medicine and surgery during the current renewal  
561.7 period. Upon reinstatement of licensure, the licensee's name will be placed on the list of  
561.8 individuals authorized to practice medicine and surgery.

561.9 Sec. 5. Minnesota Statutes 2016, section 147A.06, is amended to read:

561.10 **147A.06 CANCELLATION OF LICENSE FOR NONRENEWAL.**

561.11 Subdivision 1. **Cancellation of license.** The board shall not renew, reissue, reinstate, or  
561.12 restore a license that has lapsed on or after July 1, 1996, and has not been renewed within  
561.13 two annual renewal cycles starting July 1, 1997. A licensee whose license is canceled for  
561.14 nonrenewal must obtain a new license by applying for licensure and fulfilling all requirements  
561.15 then in existence for an initial license to practice as a physician assistant.

561.16 Subd. 2. **Licensure following lapse of licensed status; transition.** (a) A licensee whose  
561.17 license has lapsed under subdivision 1 before January 1, 2019, and who seeks to regain  
561.18 licensed status after January 1, 2019, shall be treated as a first-time licensee only for purposes  
561.19 of establishing a license renewal schedule, and shall not be subject to the license cycle  
561.20 conversion provisions in section 147A.29.

561.21 (b) This subdivision expires July 1, 2021.

561.22 Sec. 6. Minnesota Statutes 2016, section 147A.07, is amended to read:

561.23 **147A.07 RENEWAL.**

561.24 (a) A person who holds a license as a physician assistant shall annually, upon notification  
561.25 from the board, renew the license by:

561.26 (1) submitting the appropriate fee as determined by the board;

561.27 (2) completing the appropriate forms; and

561.28 (3) meeting any other requirements of the board.

561.29 (b) A licensee must maintain a correct mailing address with the board for receiving board  
561.30 communications, notices, and license renewal documents. Placing the license renewal  
561.31 application in first class United States mail, addressed to the licensee at the licensee's last

562.1 known address with postage prepaid, constitutes valid service. Failure to receive the renewal  
 562.2 documents does not relieve a licensee of the obligation to comply with this section.

562.3 (c) The name of a licensee who does not return a complete license renewal application,  
 562.4 annual license fee, or late application fee, as applicable, within the time period required by  
 562.5 this section shall be removed from the list of individuals authorized to practice during the  
 562.6 current renewal period. If the licensee's license is reinstated, the licensee's name shall be  
 562.7 placed on the list of individuals authorized to practice.

562.8 Sec. 7. Minnesota Statutes 2017 Supplement, section 147A.28, is amended to read:

562.9 **147A.28 PHYSICIAN ASSISTANT APPLICATION AND LICENSE FEES.**

562.10 (a) The board may charge the following nonrefundable fees:

562.11 (1) physician assistant application fee, \$120;

562.12 (2) physician assistant annual registration renewal fee (prescribing authority), \$135;

562.13 (3) physician assistant annual registration renewal fee (no prescribing authority), \$115;

562.14 (4) physician assistant temporary registration, \$115;

562.15 (5) physician assistant temporary permit, \$60;

562.16 (6) physician assistant locum tenens permit, \$25;

562.17 (7) physician assistant late fee, \$50;

562.18 (8) duplicate license fee, \$20;

562.19 (9) certification letter fee, \$25;

562.20 (10) education or training program approval fee, \$100; ~~and~~

562.21 (11) report creation and generation fee, \$60- per hour;

562.22 (12) verification fee, \$25; and

562.23 (13) criminal background check fee, \$32.

562.24 (b) The board may prorate the initial annual license fee. All licensees are required to  
 562.25 pay the full fee upon license renewal. The revenue generated from the fees must be deposited  
 562.26 in an account in the state government special revenue fund.

563.1 Sec. 8. **[147A.29] LICENSE RENEWAL CYCLE CONVERSION.**

563.2 **Subdivision 1. Generally.** The license renewal cycle for physician assistant licensees  
563.3 is converted to an annual cycle where renewal is due on the last day of the licensee's month  
563.4 of birth. Conversion pursuant to this section begins January 1, 2019. This section governs  
563.5 license renewal procedures for licensees who were licensed before December 31, 2018. The  
563.6 conversion renewal cycle is the renewal cycle following the first license renewal after  
563.7 January 1, 2019. The conversion license period is the license period for the conversion  
563.8 renewal cycle. The conversion license period is between six and 17 months and ends on the  
563.9 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision  
563.10 2.

563.11 **Subd. 2. Conversion of license renewal cycle for current licensees.** For a licensee  
563.12 whose license is current as of December 31, 2018, the licensee's conversion license period  
563.13 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,  
563.14 except that for licensees whose month of birth is January, February, March, April, May, or  
563.15 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in  
563.16 2020.

563.17 **Subd. 3. Conversion of license renewal cycle for noncurrent licensees.** This subdivision  
563.18 applies to an individual who was licensed before December 31, 2018, but whose license is  
563.19 not current as of December 31, 2018. When the individual first renews the license after  
563.20 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for  
563.21 renewal and ends on the last day of the licensee's month of birth in the same year, except  
563.22 that if the last day of the individual's month of birth is less than six months after the date  
563.23 the individual applies for renewal, then the renewal period ends on the last day of the  
563.24 individual's month of birth in the following year.

563.25 **Subd. 4. Subsequent renewal cycles.** After the licensee's conversion renewal cycle  
563.26 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day  
563.27 of the month of the licensee's birth.

563.28 **Subd. 5. Conversion period and fees.** (a) A licensee who holds a license issued before  
563.29 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a  
563.30 renewal fee as required in this subdivision.

563.31 (b) A licensee shall be charged the annual license fee listed in section 147A.28 for the  
563.32 conversion license period.

563.33 (c) For a licensee whose conversion license period is six to 11 months, the first annual  
563.34 license fee charged after the conversion license period shall be adjusted to credit the excess

564.1 fee payment made during the conversion license period. The credit is calculated by: (1)  
564.2 subtracting the number of months of the licensee's conversion license period from 12; and  
564.3 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next  
564.4 dollar.

564.5 (d) For a licensee whose conversion license period is 12 months, the first annual license  
564.6 fee charged after the conversion license period shall not be adjusted.

564.7 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual  
564.8 license fee charged after the conversion license period shall be adjusted to add the annual  
564.9 license fee payment for the months that were not included in the annual license fee paid for  
564.10 the conversion license period. The added payment is calculated by: (1) subtracting 12 from  
564.11 the number of months of the licensee's conversion license period; and (2) multiplying the  
564.12 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

564.13 (f) For the second and all subsequent license renewals made after the conversion license  
564.14 period, the licensee's annual license fee is as listed in section 147A.28.

564.15 Subd. 6. **Expiration.** This section expires July 1, 2021.

564.16 Sec. 9. Minnesota Statutes 2016, section 147B.02, subdivision 9, is amended to read:

564.17 Subd. 9. **Renewal.** (a) To renew a license an applicant must:

564.18 (1) annually, or as determined by the board, complete a renewal application on a form  
564.19 provided by the board;

564.20 (2) submit the renewal fee;

564.21 (3) provide documentation of current and active NCCAOM certification; or

564.22 (4) if licensed under subdivision 5 or 6, meet the same NCCAOM professional  
564.23 development activity requirements as those licensed under subdivision 7.

564.24 (b) An applicant shall submit any additional information requested by the board to clarify  
564.25 information presented in the renewal application. The information must be submitted within  
564.26 30 days after the board's request, or the renewal request is nullified.

564.27 (c) An applicant must maintain a correct mailing address with the board for receiving  
564.28 board communications, notices, and license renewal documents. Placing the license renewal  
564.29 application in first class United States mail, addressed to the applicant at the applicant's last  
564.30 known address with postage prepaid, constitutes valid service. Failure to receive the renewal  
564.31 documents does not relieve an applicant of the obligation to comply with this section.

565.1 (d) The name of an applicant who does not return a complete license renewal application,  
565.2 annual license fee, or late application fee, as applicable, within the time period required by  
565.3 this section shall be removed from the list of individuals authorized to practice during the  
565.4 current renewal period. If the applicant's license is reinstated, the applicant's name shall be  
565.5 placed on the list of individuals authorized to practice.

565.6 Sec. 10. Minnesota Statutes 2016, section 147B.02, is amended by adding a subdivision  
565.7 to read:

565.8 Subd. 12a. **Licensure following lapse of licensed status; transition.** (a) A licensee  
565.9 whose license has lapsed under subdivision 12 before January 1, 2019, and who seeks to  
565.10 regain licensed status after January 1, 2019, shall be treated as a first-time licensee only for  
565.11 purposes of establishing a license renewal schedule, and shall not be subject to the license  
565.12 cycle conversion provisions in section 147B.09.

565.13 (b) This subdivision expires July 1, 2021.

565.14 Sec. 11. Minnesota Statutes 2017 Supplement, section 147B.08, is amended to read:

565.15 **147B.08 FEES.**

565.16 Subd. 4. **Acupuncturist application and license fees.** (a) The board may charge the  
565.17 following nonrefundable fees:

565.18 (1) acupuncturist application fee, \$150;

565.19 (2) acupuncturist annual registration renewal fee, \$150;

565.20 (3) acupuncturist temporary registration fee, \$60;

565.21 (4) acupuncturist inactive status fee, \$50;

565.22 (5) acupuncturist late fee, \$50;

565.23 (6) duplicate license fee, \$20;

565.24 (7) certification letter fee, \$25;

565.25 (8) education or training program approval fee, \$100; ~~and~~

565.26 (9) report creation and generation fee, \$60: per hour;

565.27 (10) verification fee, \$25; and

565.28 (11) criminal background check fee, \$32.

566.1 (b) The board may prorate the initial annual license fee. All licensees are required to  
566.2 pay the full fee upon license renewal. The revenue generated from the fees must be deposited  
566.3 in an account in the state government special revenue fund.

566.4 Sec. 12. [147B.09] LICENSE RENEWAL CYCLE CONVERSION.

566.5 Subdivision 1. Generally. The license renewal cycle for acupuncture practitioner licensees  
566.6 is converted to an annual cycle where renewal is due on the last day of the licensee's month  
566.7 of birth. Conversion pursuant to this section begins January 1, 2019. This section governs  
566.8 license renewal procedures for licensees who were licensed before December 31, 2018. The  
566.9 conversion renewal cycle is the renewal cycle following the first license renewal after  
566.10 January 1, 2019. The conversion license period is the license period for the conversion  
566.11 renewal cycle. The conversion license period is between six and 17 months and ends on the  
566.12 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision  
566.13 2.

566.14 Subd. 2. Conversion of license renewal cycle for current licensees. For a licensee  
566.15 whose license is current as of December 31, 2018, the licensee's conversion license period  
566.16 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,  
566.17 except that for licensees whose month of birth is January, February, March, April, May, or  
566.18 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in  
566.19 2020.

566.20 Subd. 3. Conversion of license renewal cycle for noncurrent licensees. This subdivision  
566.21 applies to an individual who was licensed before December 31, 2018, but whose license is  
566.22 not current as of December 31, 2018. When the individual first renews the license after  
566.23 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for  
566.24 renewal and ends on the last day of the licensee's month of birth in the same year, except  
566.25 that if the last day of the individual's month of birth is less than six months after the date  
566.26 the individual applies for renewal, then the renewal period ends on the last day of the  
566.27 individual's month of birth in the following year.

566.28 Subd. 4. Subsequent renewal cycles. After the licensee's conversion renewal cycle  
566.29 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day  
566.30 of the month of the licensee's birth.

566.31 Subd. 5. Conversion period and fees. (a) A licensee who holds a license issued before  
566.32 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a  
566.33 renewal fee as required in this subdivision.

567.1 (b) A licensee shall be charged the annual license fee listed in section 147B.08 for the  
567.2 conversion license period.

567.3 (c) For a licensee whose conversion license period is six to 11 months, the first annual  
567.4 license fee charged after the conversion license period shall be adjusted to credit the excess  
567.5 fee payment made during the conversion license period. The credit is calculated by: (1)  
567.6 subtracting the number of months of the licensee's conversion license period from 12; and  
567.7 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next  
567.8 dollar.

567.9 (d) For a licensee whose conversion license period is 12 months, the first annual license  
567.10 fee charged after the conversion license period shall not be adjusted.

567.11 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual  
567.12 license fee charged after the conversion license period shall be adjusted to add the annual  
567.13 license fee payment for the months that were not included in the annual license fee paid for  
567.14 the conversion license period. The added payment is calculated by: (1) subtracting 12 from  
567.15 the number of months of the licensee's conversion license period; and (2) multiplying the  
567.16 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

567.17 (f) For the second and all subsequent license renewals made after the conversion license  
567.18 period, the licensee's annual license fee is as listed in section 147B.08.

567.19 Subd. 6. **Expiration.** This section expires July 1, 2021.

567.20 Sec. 13. Minnesota Statutes 2016, section 147C.15, subdivision 7, is amended to read:

567.21 Subd. 7. **Renewal.** (a) To be eligible for license renewal a licensee must:

567.22 (1) annually, or as determined by the board, complete a renewal application on a form  
567.23 provided by the board;

567.24 (2) submit the renewal fee;

567.25 (3) provide evidence every two years of a total of 24 hours of continuing education  
567.26 approved by the board as described in section 147C.25; and

567.27 (4) submit any additional information requested by the board to clarify information  
567.28 presented in the renewal application. The information must be submitted within 30 days  
567.29 after the board's request, or the renewal request is nullified.

567.30 (b) Applicants for renewal who have not practiced the equivalent of eight full weeks  
567.31 during the past five years must achieve a passing score on retaking the credentialing  
567.32 examination.

568.1 (c) A licensee must maintain a correct mailing address with the board for receiving board  
568.2 communications, notices, and license renewal documents. Placing the license renewal  
568.3 application in first class United States mail, addressed to the licensee at the licensee's last  
568.4 known address with postage prepaid, constitutes valid service. Failure to receive the renewal  
568.5 documents does not relieve a licensee of the obligation to comply with this section.

568.6 (d) The name of a licensee who does not return a complete license renewal application,  
568.7 annual license fee, or late application fee, as applicable, within the time period required by  
568.8 this section shall be removed from the list of individuals authorized to practice during the  
568.9 current renewal period. If the licensee's license is reinstated, the licensee's name shall be  
568.10 placed on the list of individuals authorized to practice.

568.11 Sec. 14. Minnesota Statutes 2016, section 147C.15, is amended by adding a subdivision  
568.12 to read:

568.13 Subd. 12a. **Licensure following lapse of licensed status; transition.** (a) A licensee  
568.14 whose license has lapsed under subdivision 12 before January 1, 2019, and who seeks to  
568.15 regain licensed status after January 1, 2019, shall be treated as a first-time licensee only for  
568.16 purposes of establishing a license renewal schedule, and shall not be subject to the license  
568.17 cycle conversion provisions in section 147C.45.

568.18 (b) This subdivision expires July 1, 2021.

568.19 Sec. 15. Minnesota Statutes 2017 Supplement, section 147C.40, is amended to read:

568.20 **147C.40 FEES.**

568.21 **Subd. 5. Respiratory therapist application and license fees.** (a) The board may charge  
568.22 the following nonrefundable fees:

568.23 (1) respiratory therapist application fee, \$100;

568.24 (2) respiratory therapist annual registration renewal fee, \$90;

568.25 (3) respiratory therapist inactive status fee, \$50;

568.26 (4) respiratory therapist temporary registration fee, \$90;

568.27 (5) respiratory therapist temporary permit, \$60;

568.28 (6) respiratory therapist late fee, \$50;

568.29 (7) duplicate license fee, \$20;

568.30 (8) certification letter fee, \$25;

569.1 (9) education or training program approval fee, \$100; ~~and~~

569.2 (10) report creation and generation fee, \$60- per hour;

569.3 (11) verification fee, \$25; and

569.4 (12) criminal background check fee, \$32.

569.5 (b) The board may prorate the initial annual license fee. All licensees are required to  
569.6 pay the full fee upon license renewal. The revenue generated from the fees must be deposited  
569.7 in an account in the state government special revenue fund.

569.8 Sec. 16. [147C.45] LICENSE RENEWAL CYCLE CONVERSION.

569.9 Subdivision 1. Generally. The license renewal cycle for respiratory care practitioner  
569.10 licensees is converted to an annual cycle where renewal is due on the last day of the licensee's  
569.11 month of birth. Conversion pursuant to this section begins January 1, 2019. This section  
569.12 governs license renewal procedures for licensees who were licensed before December 31,  
569.13 2018. The conversion renewal cycle is the renewal cycle following the first license renewal  
569.14 after January 1, 2019. The conversion license period is the license period for the conversion  
569.15 renewal cycle. The conversion license period is between six and 17 months and ends on the  
569.16 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision  
569.17 2.

569.18 Subd. 2. Conversion of license renewal cycle for current licensees. For a licensee  
569.19 whose license is current as of December 31, 2018, the licensee's conversion license period  
569.20 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,  
569.21 except that for licensees whose month of birth is January, February, March, April, May, or  
569.22 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in  
569.23 2020.

569.24 Subd. 3. Conversion of license renewal cycle for noncurrent licensees. This subdivision  
569.25 applies to an individual who was licensed before December 31, 2018, but whose license is  
569.26 not current as of December 31, 2018. When the individual first renews the license after  
569.27 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for  
569.28 renewal and ends on the last day of the licensee's month of birth in the same year, except  
569.29 that if the last day of the individual's month of birth is less than six months after the date  
569.30 the individual applies for renewal, then the renewal period ends on the last day of the  
569.31 individual's month of birth in the following year.

570.1 Subd. 4. Subsequent renewal cycles. After the licensee's conversion renewal cycle  
570.2 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day  
570.3 of the month of the licensee's birth.

570.4 Subd. 5. Conversion period and fees. (a) A licensee who holds a license issued before  
570.5 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a  
570.6 renewal fee as required in this subdivision.

570.7 (b) A licensee shall be charged the annual license fee listed in section 147C.40 for the  
570.8 conversion license period.

570.9 (c) For a licensee whose conversion license period is six to 11 months, the first annual  
570.10 license fee charged after the conversion license period shall be adjusted to credit the excess  
570.11 fee payment made during the conversion license period. The credit is calculated by: (1)  
570.12 subtracting the number of months of the licensee's conversion license period from 12; and  
570.13 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next  
570.14 dollar.

570.15 (d) For a licensee whose conversion license period is 12 months, the first annual license  
570.16 fee charged after the conversion license period shall not be adjusted.

570.17 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual  
570.18 license fee charged after the conversion license period shall be adjusted to add the annual  
570.19 license fee payment for the months that were not included in the annual license fee paid for  
570.20 the conversion license period. The added payment is calculated by: (1) subtracting 12 from  
570.21 the number of months of the licensee's conversion license period; and (2) multiplying the  
570.22 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

570.23 (f) For the second and all subsequent license renewals made after the conversion license  
570.24 period, the licensee's annual license fee is as listed in section 147C.40.

570.25 Subd. 6. Expiration. This section expires July 1, 2021.

570.26 Sec. 17. Minnesota Statutes 2016, section 147D.17, subdivision 6, is amended to read:

570.27 Subd. 6. Renewal. (a) To be eligible for license renewal, a licensed traditional midwife  
570.28 must:

570.29 (1) complete a renewal application on a form provided by the board;

570.30 (2) submit the renewal fee;

570.31 (3) provide evidence every three years of a total of 30 hours of continuing education  
570.32 approved by the board as described in section 147D.21;

571.1 (4) submit evidence of an annual peer review and update of the licensed traditional  
571.2 midwife's medical consultation plan; and

571.3 (5) submit any additional information requested by the board. The information must be  
571.4 submitted within 30 days after the board's request, or the renewal request is nullified.

571.5 (b) A licensee must maintain a correct mailing address with the board for receiving board  
571.6 communications, notices, and license renewal documents. Placing the license renewal  
571.7 application in first class United States mail, addressed to the licensee at the licensee's last  
571.8 known address with postage prepaid, constitutes valid service. Failure to receive the renewal  
571.9 documents does not relieve a licensee of the obligation to comply with this section.

571.10 (c) The name of a licensee who does not return a complete license renewal application,  
571.11 annual license fee, or late application fee, as applicable, within the time period required by  
571.12 this section shall be removed from the list of individuals authorized to practice during the  
571.13 current renewal period. If the licensee's license is reinstated, the licensee's name shall be  
571.14 placed on the list of individuals authorized to practice.

571.15 Sec. 18. Minnesota Statutes 2016, section 147D.17, is amended by adding a subdivision  
571.16 to read:

571.17 Subd. 11a. **Licensure following lapse of licensed status; transition.** (a) A licensee  
571.18 whose license has lapsed under subdivision 11 before January 1, 2019, and who seeks to  
571.19 regain licensed status after January 1, 2019, shall be treated as a first-time licensee only for  
571.20 purposes of establishing a license renewal schedule, and shall not be subject to the license  
571.21 cycle conversion provisions in section 147D.29.

571.22 (b) This subdivision expires July 1, 2021.

571.23 Sec. 19. Minnesota Statutes 2016, section 147D.27, is amended by adding a subdivision  
571.24 to read:

571.25 Subd. 5. **Additional fees.** The board may also charge the following nonrefundable fees:

571.26 (1) verification fee, \$25;

571.27 (2) certification letter fee, \$25;

571.28 (3) education or training program approval fee, \$100;

571.29 (4) report creation and generation fee, \$60 per hour;

571.30 (5) duplicate license fee, \$20; and

572.1 (6) criminal background check fee, \$32.

572.2 Sec. 20. [147D.29] LICENSE RENEWAL CYCLE CONVERSION.

572.3 Subdivision 1. **Generally.** The license renewal cycle for traditional midwife licenses  
572.4 is converted to an annual cycle where renewal is due on the last day of the licensee's month  
572.5 of birth. Conversion pursuant to this section begins January 1, 2019. This section governs  
572.6 license renewal procedures for licensees who were licensed before December 31, 2018. The  
572.7 conversion renewal cycle is the renewal cycle following the first license renewal after  
572.8 January 1, 2019. The conversion license period is the license period for the conversion  
572.9 renewal cycle. The conversion license period is between six and 17 months and ends on the  
572.10 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision  
572.11 2.

572.12 Subd. 2. **Conversion of license renewal cycle for current licensees.** For a licensee  
572.13 whose license is current as of December 31, 2018, the licensee's conversion license period  
572.14 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,  
572.15 except that for licensees whose month of birth is January, February, March, April, May, or  
572.16 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in  
572.17 2020.

572.18 Subd. 3. **Conversion of license renewal cycle for noncurrent licensees.** This subdivision  
572.19 applies to an individual who was licensed before December 31, 2018, but whose license is  
572.20 not current as of December 31, 2018. When the individual first renews the license after  
572.21 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for  
572.22 renewal and ends on the last day of the licensee's month of birth in the same year, except  
572.23 that if the last day of the individual's month of birth is less than six months after the date  
572.24 the individual applies for renewal, then the renewal period ends on the last day of the  
572.25 individual's month of birth in the following year.

572.26 Subd. 4. **Subsequent renewal cycles.** After the licensee's conversion renewal cycle  
572.27 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day  
572.28 of the month of the licensee's birth.

572.29 Subd. 5. **Conversion period and fees.** (a) A licensee who holds a license issued before  
572.30 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a  
572.31 renewal fee as required in this subdivision.

572.32 (b) A licensee shall be charged the annual license fee listed in section 147D.27 for the  
572.33 conversion license period.

573.1 (c) For a licensee whose conversion license period is six to 11 months, the first annual  
573.2 license fee charged after the conversion license period shall be adjusted to credit the excess  
573.3 fee payment made during the conversion license period. The credit is calculated by: (1)  
573.4 subtracting the number of months of the licensee's conversion license period from 12; and  
573.5 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next  
573.6 dollar.

573.7 (d) For a licensee whose conversion license period is 12 months, the first annual license  
573.8 fee charged after the conversion license period shall not be adjusted.

573.9 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual  
573.10 license fee charged after the conversion license period shall be adjusted to add the annual  
573.11 license fee payment for the months that were not included in the annual license fee paid for  
573.12 the conversion license period. The added payment is calculated by: (1) subtracting 12 from  
573.13 the number of months of the licensee's conversion license period; and (2) multiplying the  
573.14 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

573.15 (f) For the second and all subsequent license renewals made after the conversion license  
573.16 period, the licensee's annual license fee is as listed in section 147D.27.

573.17 Subd. 6. **Expiration.** This section expires July 1, 2021.

573.18 Sec. 21. Minnesota Statutes 2016, section 147E.15, subdivision 5, is amended to read:

573.19 Subd. 5. **Renewal.** (a) To be eligible for registration renewal a registrant must:

573.20 (1) annually, or as determined by the board, complete a renewal application on a form  
573.21 provided by the board;

573.22 (2) submit the renewal fee;

573.23 (3) provide evidence of a total of 25 hours of continuing education approved by the  
573.24 board as described in section 147E.25; and

573.25 (4) submit any additional information requested by the board to clarify information  
573.26 presented in the renewal application. The information must be submitted within 30 days  
573.27 after the board's request, or the renewal request is nullified.

573.28 (b) A registrant must maintain a correct mailing address with the board for receiving  
573.29 board communications, notices, and registration renewal documents. Placing the registration  
573.30 renewal application in first class United States mail, addressed to the registrant at the  
573.31 registrant's last known address with postage prepaid, constitutes valid service. Failure to

574.1 receive the renewal documents does not relieve a registrant of the obligation to comply with  
574.2 this section.

574.3 (c) The name of a registrant who does not return a complete registration renewal  
574.4 application, annual registration fee, or late application fee, as applicable, within the time  
574.5 period required by this section shall be removed from the list of individuals authorized to  
574.6 practice during the current renewal period. If the registrant's registration is reinstated, the  
574.7 registrant's name shall be placed on the list of individuals authorized to practice.

574.8 Sec. 22. Minnesota Statutes 2016, section 147E.15, is amended by adding a subdivision  
574.9 to read:

574.10 Subd. 10a. **Registration following lapse of registered status; transition.** (a) A registrant  
574.11 whose registration has lapsed under subdivision 10 before January 1, 2019, and who seeks  
574.12 to regain registered status after January 1, 2019, shall be treated as a first-time registrant  
574.13 only for purposes of establishing a registration renewal schedule, and shall not be subject  
574.14 to the registration cycle conversion provisions in section 147E.45.

574.15 (b) This subdivision expires July 1, 2021.

574.16 Sec. 23. Minnesota Statutes 2016, section 147E.40, subdivision 1, is amended to read:

574.17 Subdivision 1. **Fees.** Fees are as follows:

574.18 (1) registration application fee, \$200;

574.19 (2) renewal fee, \$150;

574.20 (3) late fee, \$75;

574.21 (4) inactive status fee, \$50; ~~and~~

574.22 (5) temporary permit fee, \$25;

574.23 (6) emeritus registration fee, \$50;

574.24 (7) duplicate license fee, \$20;

574.25 (8) certification letter fee, \$25;

574.26 (9) verification fee, \$25;

574.27 (10) education or training program approval fee, \$100; and

574.28 (11) report creation and generation fee, \$60 per hour.

575.1 Sec. 24. [147E.45] REGISTRATION RENEWAL CYCLE CONVERSION.

575.2 Subdivision 1. **Generally.** The registration renewal cycle for registered naturopathic  
575.3 doctors is converted to an annual cycle where renewal is due on the last day of the registrant's  
575.4 month of birth. Conversion pursuant to this section begins January 1, 2019. This section  
575.5 governs registration renewal procedures for registrants who were registered before December  
575.6 31, 2018. The conversion renewal cycle is the renewal cycle following the first registration  
575.7 renewal after January 1, 2019. The conversion registration period is the registration period  
575.8 for the conversion renewal cycle. The conversion registration period is between six and 17  
575.9 months and ends on the last day of the registrant's month of birth in either 2019 or 2020, as  
575.10 described in subdivision 2.

575.11 Subd. 2. **Conversion of registration renewal cycle for current registrants.** For a  
575.12 registrant whose registration is current as of December 31, 2018, the registrant's conversion  
575.13 registration period begins on January 1, 2019, and ends on the last day of the registrant's  
575.14 month of birth in 2019, except that for registrants whose month of birth is January, February,  
575.15 March, April, May, or June, the registrant's renewal cycle ends on the last day of the  
575.16 registrant's month of birth in 2020.

575.17 Subd. 3. **Conversion of registration renewal cycle for noncurrent registrants.** This  
575.18 subdivision applies to an individual who was registered before December 31, 2018, but  
575.19 whose registration is not current as of December 31, 2018. When the individual first renews  
575.20 the registration after January 1, 2019, the conversion renewal cycle begins on the date the  
575.21 individual applies for renewal and ends on the last day of the registrant's month of birth in  
575.22 the same year, except that if the last day of the individual's month of birth is less than six  
575.23 months after the date the individual applies for renewal, then the renewal period ends on  
575.24 the last day of the individual's month of birth in the following year.

575.25 Subd. 4. **Subsequent renewal cycles.** After the registrant's conversion renewal cycle  
575.26 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day  
575.27 of the month of the registrant's birth.

575.28 Subd. 5. **Conversion period and fees.** (a) A registrant who holds a registration issued  
575.29 before January 1, 2019, and who renews that registration pursuant to subdivision 2 or 3,  
575.30 shall pay a renewal fee as required in this subdivision.

575.31 (b) A registrant shall be charged the annual registration fee listed in section 147E.40 for  
575.32 the conversion registration period.

575.33 (c) For a registrant whose conversion registration period is six to 11 months, the first  
575.34 annual registration fee charged after the conversion registration period shall be adjusted to

576.1 credit the excess fee payment made during the conversion registration period. The credit is  
576.2 calculated by: (1) subtracting the number of months of the registrant's conversion registration  
576.3 period from 12; and (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded  
576.4 up to the next dollar.

576.5 (d) For a registrant whose conversion registration period is 12 months, the first annual  
576.6 registration fee charged after the conversion registration period shall not be adjusted.

576.7 (e) For a registrant whose conversion registration period is 13 to 17 months, the first  
576.8 annual registration fee charged after the conversion registration period shall be adjusted to  
576.9 add the annual registration fee payment for the months that were not included in the annual  
576.10 registration fee paid for the conversion registration period. The added payment is calculated  
576.11 by: (1) subtracting 12 from the number of months of the registrant's conversion registration  
576.12 period; and (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to  
576.13 the next dollar.

576.14 (f) For the second and all subsequent registration renewals made after the conversion  
576.15 registration period, the registrant's annual registration fee is as listed in section 147E.40.

576.16 Subd. 6. **Expiration.** This section expires July 1, 2021.

576.17 Sec. 25. Minnesota Statutes 2016, section 147F.07, subdivision 5, is amended to read:

576.18 Subd. 5. **License renewal.** (a) To be eligible for license renewal, a licensed genetic  
576.19 counselor must submit to the board:

576.20 (1) a renewal application on a form provided by the board;

576.21 (2) the renewal fee required under section 147F.17;

576.22 (3) evidence of compliance with the continuing education requirements in section  
576.23 147F.11; and

576.24 (4) any additional information requested by the board.

576.25 (b) A licensee must maintain a correct mailing address with the board for receiving board  
576.26 communications, notices, and license renewal documents. Placing the license renewal  
576.27 application in first class United States mail, addressed to the licensee at the licensee's last  
576.28 known address with postage prepaid, constitutes valid service. Failure to receive the renewal  
576.29 documents does not relieve a licensee of the obligation to comply with this section.

576.30 (c) The name of a licensee who does not return a complete license renewal application,  
576.31 annual license fee, or late application fee, as applicable, within the time period required by  
576.32 this section shall be removed from the list of individuals authorized to practice during the

577.1 current renewal period. If the licensee's license is reinstated, the licensee's name shall be  
577.2 placed on the list of individuals authorized to practice.

577.3 Sec. 26. Minnesota Statutes 2016, section 147F.07, is amended by adding a subdivision  
577.4 to read:

577.5 Subd. 6. **Licensure following lapse of licensure status for two years or less.** For any  
577.6 individual whose licensure status has lapsed for two years or less, to regain licensure status,  
577.7 the individual must:

577.8 (1) apply for license renewal according to subdivision 5;

577.9 (2) document compliance with the continuing education requirements of section 147F.11  
577.10 since the licensed genetic counselor's initial licensure or last renewal; and

577.11 (3) submit the fees required under section 147F.17 for the period not licensed, including  
577.12 the fee for late renewal.

577.13 Sec. 27. Minnesota Statutes 2016, section 147F.07, is amended by adding a subdivision  
577.14 to read:

577.15 Subd. 6a. **Licensure following lapse of licensed status; transition.** (a) A licensee whose  
577.16 license has lapsed under subdivision 6 before January 1, 2019, and who seeks to regain  
577.17 licensed status after January 1, 2019, shall be treated as a first-time licensee only for purposes  
577.18 of establishing a license renewal schedule, and shall not be subject to the license cycle  
577.19 conversion provisions in section 147F.19.

577.20 (b) This subdivision expires July 1, 2021.

577.21 Sec. 28. Minnesota Statutes 2016, section 147F.17, subdivision 1, is amended to read:

577.22 Subdivision 1. **Fees.** Fees are as follows:

577.23 (1) license application fee, \$200;

577.24 (2) initial licensure and annual renewal, \$150; ~~and~~

577.25 (3) late fee, \$75<sup>2</sup>;

577.26 (4) temporary license fee, \$60;

577.27 (5) duplicate license fee, \$20;

577.28 (6) certification letter fee, \$25;

577.29 (7) education or training program approval fee, \$100;

578.1 (8) report creation and generation fee, \$60 per hour; and

578.2 (9) criminal background check fee, \$32.

578.3 **Sec. 29. [147F.19] LICENSE RENEWAL CYCLE CONVERSION.**

578.4 Subdivision 1. **Generally.** The license renewal cycle for genetic counselor licensees is  
578.5 converted to an annual cycle where renewal is due on the last day of the licensee's month  
578.6 of birth. Conversion pursuant to this section begins January 1, 2019. This section governs  
578.7 license renewal procedures for licensees who were licensed before December 31, 2018. The  
578.8 conversion renewal cycle is the renewal cycle following the first license renewal after  
578.9 January 1, 2019. The conversion license period is the license period for the conversion  
578.10 renewal cycle. The conversion license period is between six and 17 months and ends on the  
578.11 last day of the licensee's month of birth in either 2019 or 2020, as described in subdivision  
578.12 2.

578.13 Subd. 2. **Conversion of license renewal cycle for current licensees.** For a licensee  
578.14 whose license is current as of December 31, 2018, the licensee's conversion license period  
578.15 begins on January 1, 2019, and ends on the last day of the licensee's month of birth in 2019,  
578.16 except that for licensees whose month of birth is January, February, March, April, May, or  
578.17 June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in  
578.18 2020.

578.19 Subd. 3. **Conversion of license renewal cycle for noncurrent licensees.** This subdivision  
578.20 applies to an individual who was licensed before December 31, 2018, but whose license is  
578.21 not current as of December 31, 2018. When the individual first renews the license after  
578.22 January 1, 2019, the conversion renewal cycle begins on the date the individual applies for  
578.23 renewal and ends on the last day of the licensee's month of birth in the same year, except  
578.24 that if the last day of the individual's month of birth is less than six months after the date  
578.25 the individual applies for renewal, then the renewal period ends on the last day of the  
578.26 individual's month of birth in the following year.

578.27 Subd. 4. **Subsequent renewal cycles.** After the licensee's conversion renewal cycle  
578.28 under subdivision 2 or 3, subsequent renewal cycles are annual and begin on the last day  
578.29 of the month of the licensee's birth.

578.30 Subd. 5. **Conversion period and fees.** (a) A licensee who holds a license issued before  
578.31 January 1, 2019, and who renews that license pursuant to subdivision 2 or 3, shall pay a  
578.32 renewal fee as required in this subdivision.

579.1 (b) A licensee shall be charged the annual license fee listed in section 147F.17 for the  
579.2 conversion license period.

579.3 (c) For a licensee whose conversion license period is six to 11 months, the first annual  
579.4 license fee charged after the conversion license period shall be adjusted to credit the excess  
579.5 fee payment made during the conversion license period. The credit is calculated by: (1)  
579.6 subtracting the number of months of the licensee's conversion license period from 12; and  
579.7 (2) multiplying the result of clause (1) by 1/12 of the annual fee rounded up to the next  
579.8 dollar.

579.9 (d) For a licensee whose conversion license period is 12 months, the first annual license  
579.10 fee charged after the conversion license period shall not be adjusted.

579.11 (e) For a licensee whose conversion license period is 13 to 17 months, the first annual  
579.12 license fee charged after the conversion license period shall be adjusted to add the annual  
579.13 license fee payment for the months that were not included in the annual license fee paid for  
579.14 the conversion license period. The added payment is calculated by: (1) subtracting 12 from  
579.15 the number of months of the licensee's conversion license period; and (2) multiplying the  
579.16 result of clause (1) by 1/12 of the annual fee rounded up to the next dollar.

579.17 (f) For the second and all subsequent license renewals made after the conversion license  
579.18 period, the licensee's annual license fee is as listed in section 147F.17.

579.19 Subd. 6. **Expiration.** This section expires July 1, 2021.

579.20 Sec. 30. Minnesota Statutes 2016, section 148.59, is amended to read:

579.21 **148.59 LICENSE RENEWAL; LICENSE AND REGISTRATION FEES.**

579.22 A licensed optometrist shall pay to the state Board of Optometry a fee as set by the board  
579.23 in order to renew a license as provided by board rule. No fees shall be refunded. Fees may  
579.24 not exceed the following amounts but may be adjusted lower by board direction and are for  
579.25 the exclusive use of the board:

579.26 (1) optometry licensure application, \$160;

579.27 (2) optometry annual licensure renewal, ~~\$135~~ \$170;

579.28 (3) optometry late penalty fee, \$75;

579.29 (4) annual license renewal card, \$10;

579.30 (5) continuing education provider application, \$45;

579.31 (6) emeritus registration, \$10;

- 580.1 (7) endorsement/reciprocity application, \$160;
- 580.2 (8) replacement of initial license, \$12; ~~and~~
- 580.3 (9) license verification, \$50~~;~~;
- 580.4 (10) jurisprudence state examination, \$75;
- 580.5 (11) Optometric Education Continuing Education data bank registration, \$20; and
- 580.6 (12) data requests and labels, \$50.

580.7 Sec. 31. Minnesota Statutes 2016, section 148.7815, subdivision 1, is amended to read:

580.8 Subdivision 1. **Fees.** The board shall establish fees as follows:

- 580.9 (1) application fee, \$50;
- 580.10 (2) annual registration fee, \$100;
- 580.11 (3) temporary registration, \$100; ~~and~~
- 580.12 (4) temporary permit, \$50~~;~~;
- 580.13 (5) late fee, \$15;
- 580.14 (6) duplicate license fee, \$20;
- 580.15 (7) certification letter fee, \$25;
- 580.16 (8) verification fee, \$25;
- 580.17 (9) education or training program approval fee, \$100; and
- 580.18 (10) report creation and generation fee, \$60 per hour.

580.19 Sec. 32. Minnesota Statutes 2016, section 148E.180, is amended to read:

580.20 **148E.180 FEE AMOUNTS.**

580.21 Subdivision 1. **Application fees.** Nonrefundable application fees for licensure ~~are as~~  
 580.22 follows may not exceed the following amounts:

- 580.23 (1) for a licensed social worker, ~~\$45~~ \$54;
- 580.24 (2) for a licensed graduate social worker, ~~\$45~~ \$54;
- 580.25 (3) for a licensed independent social worker, ~~\$45~~ \$54;
- 580.26 (4) for a licensed independent clinical social worker, ~~\$45~~ \$54;
- 580.27 (5) for a temporary license, \$50; and

581.1 (6) for a licensure by endorsement, ~~\$85~~ \$92.

581.2 The fee for criminal background checks is the fee charged by the Bureau of Criminal  
581.3 Apprehension. The criminal background check fee must be included with the application  
581.4 fee as required according to section 148E.055.

581.5 Subd. 2. **License fees.** Nonrefundable license fees are as follows may not exceed the  
581.6 following amounts but may be adjusted lower by board action:

581.7 (1) for a licensed social worker, ~~\$81~~ \$97;

581.8 (2) for a licensed graduate social worker, ~~\$144~~ \$172;

581.9 (3) for a licensed independent social worker, ~~\$216~~ \$258;

581.10 (4) for a licensed independent clinical social worker, ~~\$238.50~~ \$284;

581.11 (5) for an emeritus inactive license, ~~\$43.20~~ \$51;

581.12 (6) for an emeritus active license, one-half of the renewal fee specified in subdivision  
581.13 3; and

581.14 (7) for a temporary leave fee, the same as the renewal fee specified in subdivision 3.

581.15 If the licensee's initial license term is less or more than 24 months, the required license  
581.16 fees must be prorated proportionately.

581.17 Subd. 3. **Renewal fees.** Nonrefundable renewal fees for licensure are as follows the  
581.18 two-year renewal term may not exceed the following amounts but may be adjusted lower  
581.19 by board action:

581.20 (1) for a licensed social worker, ~~\$81~~ \$97;

581.21 (2) for a licensed graduate social worker, ~~\$144~~ \$172;

581.22 (3) for a licensed independent social worker, ~~\$216~~ \$258; and

581.23 (4) for a licensed independent clinical social worker, ~~\$238.50~~ \$284.

581.24 Subd. 4. **Continuing education provider fees.** Continuing education provider fees are  
581.25 as follows the following nonrefundable amounts:

581.26 (1) for a provider who offers programs totaling one to eight clock hours in a one-year  
581.27 period according to section 148E.145, ~~\$50~~ \$60;

581.28 (2) for a provider who offers programs totaling nine to 16 clock hours in a one-year  
581.29 period according to section 148E.145, ~~\$100~~ \$120;

582.1 (3) for a provider who offers programs totaling 17 to 32 clock hours in a one-year period  
582.2 according to section 148E.145, ~~\$200~~ \$240;

582.3 (4) for a provider who offers programs totaling 33 to 48 clock hours in a one-year period  
582.4 according to section 148E.145, ~~\$400~~ \$480; and

582.5 (5) for a provider who offers programs totaling 49 or more clock hours in a one-year  
582.6 period according to section 148E.145, ~~\$600~~ \$720.

582.7 Subd. 5. **Late fees.** Late fees are ~~as follows~~ the following nonrefundable amounts:

582.8 (1) renewal late fee, one-fourth of the renewal fee specified in subdivision 3;

582.9 (2) supervision plan late fee, \$40; and

582.10 (3) license late fee, \$100 plus the prorated share of the license fee specified in subdivision  
582.11 2 for the number of months during which the individual practiced social work without a  
582.12 license.

582.13 Subd. 6. **License cards and wall certificates.** (a) The fee for a license card as specified  
582.14 in section 148E.095 is \$10.

582.15 (b) The fee for a license wall certificate as specified in section 148E.095 is \$30.

582.16 Subd. 7. **Reactivation fees.** Reactivation fees are ~~as follows~~ the following nonrefundable  
582.17 amounts:

582.18 (1) reactivation from a temporary leave or emeritus status, the prorated share of the  
582.19 renewal fee specified in subdivision 3; and

582.20 (2) reactivation of an expired license, 1-1/2 times the renewal fees specified in subdivision  
582.21 3.

582.22 Sec. 33. Minnesota Statutes 2016, section 150A.06, subdivision 1a, is amended to read:

582.23 Subd. 1a. **Faculty dentists.** (a) Faculty members of a school of dentistry must be licensed  
582.24 in order to practice dentistry as defined in section 150A.05. The board may issue to members  
582.25 of the faculty of a school of dentistry a license designated as either a "limited faculty license"  
582.26 or a "full faculty license" entitling the holder to practice dentistry within the terms described  
582.27 in paragraph (b) or (c). The dean of a school of dentistry and program directors of a  
582.28 Minnesota dental hygiene, dental therapy, or dental assisting school accredited by the  
582.29 Commission on Dental Accreditation shall certify to the board those members of the school's  
582.30 faculty who practice dentistry but are not licensed to practice dentistry in Minnesota. A  
582.31 faculty member who practices dentistry as defined in section 150A.05, before beginning

583.1 duties in a school of dentistry ~~or a~~, dental therapy, dental hygiene, or dental assisting school,  
 583.2 shall apply to the board for a limited or full faculty license. Pursuant to Minnesota Rules,  
 583.3 chapter 3100, and at the discretion of the board, a limited faculty license must be renewed  
 583.4 annually and a full faculty license must be renewed biennially. The faculty applicant shall  
 583.5 pay a nonrefundable fee set by the board for issuing and renewing the faculty license. The  
 583.6 faculty license is valid during the time the holder remains a member of the faculty of a  
 583.7 school of dentistry ~~or a~~, dental therapy, dental hygiene, or dental assisting school and subjects  
 583.8 the holder to this chapter.

583.9 (b) The board may issue to dentist members of the faculty of a Minnesota school of  
 583.10 dentistry, dental therapy, dental hygiene, or dental assisting accredited by the Commission  
 583.11 on Dental Accreditation, a license designated as a limited faculty license entitling the holder  
 583.12 to practice dentistry within the school and its affiliated teaching facilities, but only for the  
 583.13 purposes of teaching or conducting research. The practice of dentistry at a school facility  
 583.14 for purposes other than teaching or research is not allowed unless the dentist was a faculty  
 583.15 member on August 1, 1993.

583.16 (c) The board may issue to dentist members of the faculty of a Minnesota school of  
 583.17 dentistry, dental therapy, dental hygiene, or dental assisting accredited by the Commission  
 583.18 on Dental Accreditation a license designated as a full faculty license entitling the holder to  
 583.19 practice dentistry within the school and its affiliated ~~teaching~~ facilities ~~and elsewhere~~ if the  
 583.20 holder of the license is employed ~~50 percent time or more~~ full time by the school in the  
 583.21 practice of teaching, supervising, or research, and upon successful review by the board of  
 583.22 the applicant's qualifications as described in subdivisions 1, 1c, and 4 and board rule. The  
 583.23 board, at its discretion, may waive specific licensing prerequisites.

583.24 Sec. 34. Minnesota Statutes 2016, section 150A.06, is amended by adding a subdivision  
 583.25 to read:

583.26 Subd. 10. Emeritus inactive license. (a) A dental professional licensed under this chapter  
 583.27 to practice dentistry, dental therapy, dental hygiene, or dental assisting who retires from  
 583.28 active practice in the state may apply to the board for an emeritus inactive license. An  
 583.29 applicant must apply for an emeritus inactive license on the biennial licensing form or by  
 583.30 petitioning the board.

583.31 (b) The board shall not grant an emeritus inactive license to an applicant who is the  
 583.32 subject of a disciplinary action resulting in the current suspension, revocation,  
 583.33 disqualification, condition, or restriction of the applicant's license to practice dentistry,  
 583.34 dental therapy, dental hygiene, or dental assisting.

584.1 (c) An emeritus inactive licensee is prohibited from practicing dentistry, dental therapy,  
584.2 dental hygiene, or dental assisting. An emeritus inactive license is a formal recognition of  
584.3 completion of the licensee's dental career in good standing.

584.4 (d) The board shall charge a onetime fee for issuance of an emeritus inactive license,  
584.5 pursuant to section 150A.091.

584.6 Sec. 35. Minnesota Statutes 2016, section 150A.06, is amended by adding a subdivision  
584.7 to read:

584.8 Subd. 11. Emeritus active license. (a) A dental professional licensed to practice dentistry,  
584.9 dental therapy, dental hygiene, or dental assisting, pursuant to section 150A.05 and Minnesota  
584.10 Rules, part 3100.8500, who declares retirement from active practice in the state may apply  
584.11 to the board for an emeritus active license. An applicant must apply for an emeritus active  
584.12 license on a form as required by the board.

584.13 (b) An emeritus active licensee may engage only in pro bono or volunteer practice, paid  
584.14 practice not to exceed 240 hours per calendar year for the purpose of providing license  
584.15 supervision to meet board requirements, and paid consulting services not to exceed 240  
584.16 hours per calendar year.

584.17 (c) An emeritus active licensee is prohibited from representing that the licensee is  
584.18 authorized to engage in any practice except as provided in paragraph (b). The board may  
584.19 take disciplinary or corrective action against an emeritus active licensee as provided in  
584.20 section 150A.08.

584.21 (d) An emeritus active license must be renewed biennially. The renewal requirements  
584.22 for an emeritus active license are:

584.23 (1) completion of a renewal form as required by the board;

584.24 (2) payment of a renewal fee pursuant to section 150A.091; and

584.25 (3) reporting of 25 completed continuing education hours, which must include:

584.26 (i) courses in two required CORE areas;

584.27 (ii) one hour of credit on infection control;

584.28 (iii) for emeritus active licenses in dentistry and dental therapy, at least 15 fundamental  
584.29 credits and no more than ten elective credits; and

584.30 (iv) for emeritus active licenses in dental hygiene and dental assisting, at least seven  
584.31 fundamental credits and no more than six elective credits.

585.1 Sec. 36. Minnesota Statutes 2016, section 150A.091, is amended by adding a subdivision  
585.2 to read:

585.3 Subd. 19. **Emeritus inactive license.** Each applicant shall submit with an application  
585.4 for an emeritus inactive license a onetime, nonrefundable fee in the amount of \$50.

585.5 Sec. 37. Minnesota Statutes 2016, section 150A.091, is amended by adding a subdivision  
585.6 to read:

585.7 Subd. 20. **Emeritus active license.** Each applicant shall submit with an application for  
585.8 an emeritus inactive license, and each emeritus active licensee shall submit with a renewal  
585.9 application, a nonrefundable fee as follows:

585.10 (1) for an emeritus active license in dentistry, \$212;

585.11 (2) for an emeritus active license in dental therapy, \$100;

585.12 (3) for an emeritus active license in dental hygiene, \$75; and

585.13 (4) for an emeritus active license in dental assisting, \$55.

585.14 Sec. 38. Minnesota Statutes 2016, section 151.15, is amended by adding a subdivision to  
585.15 read:

585.16 Subd. 5. **Receipt of emergency prescription orders.** A pharmacist, when that pharmacist  
585.17 is not present within a licensed pharmacy, may accept a written, verbal, or electronic  
585.18 prescription drug order from a practitioner only if:

585.19 (1) the prescription drug order is for an emergency situation where waiting for the  
585.20 licensed pharmacy from which the prescription will be dispensed to open would likely cause  
585.21 the patient to experience significant physical harm or discomfort;

585.22 (2) the pharmacy from which the prescription drug order will be dispensed is closed for  
585.23 business;

585.24 (3) the pharmacist has been designated to be on call for the licensed pharmacy that will  
585.25 fill the prescription drug order;

585.26 (4) in the case of an electronic prescription drug order, the order must be received through  
585.27 secure and encrypted electronic means;

585.28 (5) the pharmacist takes reasonable precautions to ensure that the prescription drug order  
585.29 will be handled in a manner consistent with federal and state statutes regarding the handling  
585.30 of protected health information; and

586.1 (6) the pharmacy from which the prescription drug order will be dispensed has relevant  
586.2 and appropriate policies and procedures in place and makes them available to the board  
586.3 upon request.

586.4 Sec. 39. Minnesota Statutes 2016, section 151.15, is amended by adding a subdivision to  
586.5 read:

586.6 Subd. 6. **Processing of emergency prescription orders.** A pharmacist, when that  
586.7 pharmacist is not present within a licensed pharmacy, may access a pharmacy prescription  
586.8 processing system through secure and encrypted electronic means in order to process an  
586.9 emergency prescription accepted pursuant to subdivision 5 only if:

586.10 (1) the pharmacy from which the prescription drug order will be dispensed is closed for  
586.11 business;

586.12 (2) the pharmacist has been designated to be on call for the licensed pharmacy that will  
586.13 fill the prescription drug order;

586.14 (3) the prescription drug order is for a patient of a long-term care facility or a county  
586.15 correctional facility;

586.16 (4) the prescription drug order is processed pursuant to this chapter and rules adopted  
586.17 under this chapter; and

586.18 (5) the pharmacy from which the prescription drug order will be dispensed has relevant  
586.19 and appropriate policies and procedures in place and makes them available to the board  
586.20 upon request.

586.21 Sec. 40. Minnesota Statutes 2016, section 151.19, subdivision 1, is amended to read:

586.22 Subdivision 1. **Pharmacy licensure requirements.** (a) No person shall operate a  
586.23 pharmacy without first obtaining a license from the board and paying any applicable fee  
586.24 specified in section 151.065. The license shall be displayed in a conspicuous place in the  
586.25 pharmacy for which it is issued and expires on June 30 following the date of issue. It is  
586.26 unlawful for any person to operate a pharmacy unless the license has been issued to the  
586.27 person by the board.

586.28 (b) Application for a pharmacy license under this section shall be made in a manner  
586.29 specified by the board.

586.30 (c) No license shall be issued or renewed for a pharmacy located within the state unless  
586.31 the applicant agrees to operate the pharmacy in a manner prescribed by federal and state

587.1 law and according to rules adopted by the board. No license shall be issued for a pharmacy  
587.2 located outside of the state unless the applicant agrees to operate the pharmacy in a manner  
587.3 prescribed by federal law and, when dispensing medications for residents of this state, the  
587.4 laws of this state, and Minnesota Rules.

587.5 (d) No license shall be issued or renewed for a pharmacy that is required to be licensed  
587.6 or registered by the state in which it is physically located unless the applicant supplies the  
587.7 board with proof of such licensure or registration.

587.8 (e) The board shall require a separate license for each pharmacy located within the state  
587.9 and for each pharmacy located outside of the state at which any portion of the dispensing  
587.10 process occurs for drugs dispensed to residents of this state.

587.11 (f) The board shall not issue an initial or renewed license for a pharmacy unless the  
587.12 pharmacy passes an inspection conducted by an authorized representative of the board. In  
587.13 the case of a pharmacy located outside of the state, the board may require the applicant to  
587.14 pay the cost of the inspection, in addition to the license fee in section 151.065, unless the  
587.15 applicant furnishes the board with a report, issued by the appropriate regulatory agency of  
587.16 the state in which the facility is located, of an inspection that has occurred within the 24  
587.17 months immediately preceding receipt of the license application by the board. The board  
587.18 may deny licensure unless the applicant submits documentation satisfactory to the board  
587.19 that any deficiencies noted in an inspection report have been corrected.

587.20 (g) The board shall not issue an initial or renewed license for a pharmacy located outside  
587.21 of the state unless the applicant discloses and certifies:

587.22 (1) the location, names, and titles of all principal corporate officers and all pharmacists  
587.23 who are involved in dispensing drugs to residents of this state;

587.24 (2) that it maintains its records of drugs dispensed to residents of this state so that the  
587.25 records are readily retrievable from the records of other drugs dispensed;

587.26 (3) that it agrees to cooperate with, and provide information to, the board concerning  
587.27 matters related to dispensing drugs to residents of this state;

587.28 (4) that, during its regular hours of operation, but no less than six days per week, for a  
587.29 minimum of 40 hours per week, a toll-free telephone service is provided to facilitate  
587.30 communication between patients in this state and a pharmacist at the pharmacy who has  
587.31 access to the patients' records; the toll-free number must be disclosed on the label affixed  
587.32 to each container of drugs dispensed to residents of this state; and

588.1 (5) that, upon request of a resident of a long-term care facility located in this state, the  
588.2 resident's authorized representative, or a contract pharmacy or licensed health care facility  
588.3 acting on behalf of the resident, the pharmacy will dispense medications prescribed for the  
588.4 resident in unit-dose packaging or, alternatively, comply with section 151.415, subdivision  
588.5 5.

588.6 (h) This subdivision does not apply to a manufacturer licensed under section 151.252,  
588.7 subdivision 1, a wholesale drug distributor licensed under section 151.47, or a third-party  
588.8 logistics provider, to the extent the manufacturer, wholesale drug distributor, or third-party  
588.9 logistics provider is engaged in the distribution of dialysate or devices necessary to perform  
588.10 home peritoneal dialysis on patients with end-stage renal disease, if:

588.11 (1) the manufacturer or its agent leases or owns the licensed manufacturing or wholesaling  
588.12 facility from which the dialysate or devices will be delivered;

588.13 (2) the dialysate is comprised of dextrose or icodextrin and has been approved by the  
588.14 United States Food and Drug Administration;

588.15 (3) the dialysate is stored and delivered in its original, sealed, and unopened  
588.16 manufacturer's packaging;

588.17 (4) the dialysate or devices are delivered only upon:

588.18 (i) receipt of a physician's order by a Minnesota licensed pharmacy; and

588.19 (ii) the review and processing of the prescription by a pharmacist licensed by the state  
588.20 in which the pharmacy is located, who is employed by or under contract to the pharmacy;

588.21 (5) prescriptions, policies, procedures, and records of delivery are maintained by the  
588.22 manufacturer for a minimum of three years and are made available to the board upon request;  
588.23 and

588.24 (6) the manufacturer or the manufacturer's agent delivers the dialysate or devices directly  
588.25 to:

588.26 (i) a patient with end-stage renal disease for whom the prescription was written or the  
588.27 patient's designee, for the patient's self-administration of the dialysis therapy; or

588.28 (ii) a health care provider or institution, for administration or delivery of the dialysis  
588.29 therapy to a patient with end-stage renal disease for whom the prescription was written.

588.30 Sec. 41. Minnesota Statutes 2016, section 151.46, is amended to read:

588.31 **151.46 PROHIBITED DRUG PURCHASES OR RECEIPT.**

589.1 It is unlawful for any person to knowingly purchase or receive a prescription drug from  
 589.2 a source other than a person or entity licensed under the laws of the state, except where  
 589.3 otherwise provided. Licensed wholesale drug distributors other than pharmacies shall not  
 589.4 dispense or distribute prescription drugs directly to patients except for licensed facilities  
 589.5 that dispense or distribute home peritoneal dialysis products directly to patients pursuant  
 589.6 to section 151.19, subdivision 1, paragraph (h). A person violating the provisions of this  
 589.7 section is guilty of a misdemeanor.

589.8 Sec. 42. Minnesota Statutes 2016, section 214.075, subdivision 1, is amended to read:

589.9 Subdivision 1. **Applications.** (a) ~~By January 1, 2018,~~ Each health-related licensing  
 589.10 board, as defined in section 214.01, subdivision 2, shall require ~~applicants for initial licensure,~~  
 589.11 ~~licensure by endorsement, or reinstatement or other relicensure after a lapse in licensure,~~  
 589.12 ~~as defined by the individual health-related licensing boards,~~ the following individuals to  
 589.13 submit to a criminal history records check of state data completed by the Bureau of Criminal  
 589.14 Apprehension (BCA) and a national criminal history records check, including a search of  
 589.15 the records of the Federal Bureau of Investigation (FBI):

589.16 (1) applicants for initial licensure or licensure by endorsement. An applicant is exempt  
 589.17 from this paragraph if the applicant submitted to a state and national criminal history records  
 589.18 check as described in this paragraph for a license issued by the same board;

589.19 (2) applicants seeking reinstatement or relicensure, as defined by the individual  
 589.20 health-related licensing board, if more than one year has elapsed since the applicant's license  
 589.21 or registration expiration date; or

589.22 (3) licensees applying for eligibility to participate in an interstate licensure compact.

589.23 ~~(b) An applicant must complete a criminal background check if more than one year has~~  
 589.24 ~~elapsed since the applicant last submitted a background check to the board. An applicant's~~  
 589.25 criminal background check results are valid for one year from the date the background check  
 589.26 results were received by the board. If more than one year has elapsed since the results were  
 589.27 received by the board, then an applicant who has not completed the licensure, reinstatement,  
 589.28 or relicensure process must complete a new background check.

589.29 Sec. 43. Minnesota Statutes 2016, section 214.075, subdivision 4, is amended to read:

589.30 Subd. 4. **Refusal to consent.** (a) The health-related licensing boards shall not issue a  
 589.31 license to any applicant who refuses to consent to a criminal background check or fails to  
 589.32 submit fingerprints ~~within 90 days~~ after submission of an application for licensure. Any

590.1 fees paid by the applicant to the board shall be forfeited if the applicant refuses to consent  
590.2 to the criminal background check or fails to submit the required fingerprints.

590.3 (b) The failure of a licensee to submit to a criminal background check as provided in  
590.4 subdivision 3 is grounds for disciplinary action by the respective health-related licensing  
590.5 board.

590.6 Sec. 44. Minnesota Statutes 2016, section 214.075, subdivision 5, is amended to read:

590.7 Subd. 5. **Submission of fingerprints to the Bureau of Criminal Apprehension.** The  
590.8 health-related licensing board or designee shall submit applicant or licensee fingerprints to  
590.9 the BCA. The BCA shall perform a check for state criminal justice information and shall  
590.10 forward the applicant's or licensee's fingerprints to the FBI to perform a check for national  
590.11 criminal justice information regarding the applicant or licensee. The BCA shall report to  
590.12 the board the results of the state and national criminal ~~justice information~~ history records  
590.13 checks.

590.14 Sec. 45. Minnesota Statutes 2016, section 214.075, subdivision 6, is amended to read:

590.15 Subd. 6. **Alternatives to fingerprint-based criminal background checks.** The  
590.16 health-related licensing board may require an alternative method of criminal history checks  
590.17 for an applicant or licensee who has submitted at least ~~three~~ two sets of fingerprints in  
590.18 accordance with this section that have been unreadable by the BCA or the FBI.

590.19 Sec. 46. Minnesota Statutes 2016, section 214.077, is amended to read:

590.20 **214.077 TEMPORARY LICENSE SUSPENSION; IMMINENT RISK OF SERIOUS**  
590.21 **HARM.**

590.22 (a) Notwithstanding any provision of a health-related professional practice act, when a  
590.23 health-related licensing board receives a complaint regarding a regulated person and has  
590.24 probable cause to believe that the regulated person has violated a statute or rule that the  
590.25 health-related licensing board is empowered to enforce, and continued practice by the  
590.26 regulated person presents an imminent risk of serious harm, the health-related licensing  
590.27 board shall issue an order temporarily suspending the regulated person's authority to practice.  
590.28 The temporary suspension order shall specify the reason for the suspension, including the  
590.29 statute or rule alleged to have been violated. The temporary suspension order shall take  
590.30 effect upon personal service on the regulated person or the regulated person's attorney, or  
590.31 upon the third calendar day after the order is served by first class mail to the most recent

591.1 address provided to the health-related licensing board for the regulated person or the regulated  
591.2 person's attorney.

591.3 (b) The temporary suspension shall remain in effect until the health-related licensing  
591.4 board or the commissioner completes an investigation, holds a contested case hearing  
591.5 pursuant to the Administrative Procedure Act, and issues a final order in the matter as  
591.6 provided for in this section.

591.7 (c) At the time it issues the temporary suspension order, the health-related licensing  
591.8 board shall schedule a contested case hearing, on the merits of whether discipline is  
591.9 warranted, to be held pursuant to the Administrative Procedure Act. The regulated person  
591.10 shall be provided with at least ten days' notice of any contested case hearing held pursuant  
591.11 to this section. The contested case hearing shall be scheduled to begin no later than 30 days  
591.12 after the effective service of the temporary suspension order.

591.13 (d) The administrative law judge presiding over the contested case hearing shall issue  
591.14 a report and recommendation to the health-related licensing board no later than 30 days  
591.15 after the final day of the contested case hearing. If the administrative law judge's report and  
591.16 recommendations are for no action, the health-related licensing board shall issue a final  
591.17 order pursuant to sections 14.61 and 14.62 within 30 days of receipt of the administrative  
591.18 law judge's report and recommendations. If the administrative law judge's report and  
591.19 recommendations are for action, the health-related licensing board shall issue a final order  
591.20 pursuant to sections 14.61 and 14.62 within 60 days of receipt of the administrative law  
591.21 judge's report and recommendations. Except as provided in paragraph (e), if the health-related  
591.22 licensing board has not issued a final order pursuant to sections 14.61 and 14.62 within 30  
591.23 days of receipt of the administrative law judge's report and recommendations for no action  
591.24 or within 60 days of receipt of the administrative law judge's report and recommendations  
591.25 for action, the temporary suspension shall be lifted.

591.26 (e) If the regulated person requests a delay in the contested case proceedings provided  
591.27 for in paragraphs (c) and (d) for any reason, the temporary suspension shall remain in effect  
591.28 until the health-related licensing board issues a final order pursuant to sections 14.61 and  
591.29 14.62.

591.30 (f) This section shall not apply to the Office of Unlicensed Complementary and  
591.31 Alternative Health Practice established under section 146A.02. The commissioner of health  
591.32 shall conduct temporary suspensions for complementary and alternative health care  
591.33 practitioners in accordance with section 146A.09.

592.1 Sec. 47. Minnesota Statutes 2016, section 214.10, subdivision 8, is amended to read:

592.2 Subd. 8. **Special requirements for health-related licensing boards.** In addition to the  
592.3 provisions of this section that apply to all examining and licensing boards, the requirements  
592.4 in this subdivision apply to all health-related licensing boards, except the Board of Veterinary  
592.5 Medicine.

592.6 (a) If the executive director or consulted board member determines that a communication  
592.7 received alleges a violation of statute or rule that involves sexual contact with a patient or  
592.8 client, the communication shall be forwarded to the designee of the attorney general for an  
592.9 investigation of the facts alleged in the communication. If, after an investigation it is the  
592.10 opinion of the executive director or consulted board member that there is sufficient evidence  
592.11 to justify disciplinary action, the board shall conduct a disciplinary conference or hearing.  
592.12 If, after a hearing or disciplinary conference the board determines that misconduct involving  
592.13 sexual contact with a patient or client occurred, the board shall take disciplinary action.  
592.14 Notwithstanding subdivision 2, a board may not attempt to correct improper activities or  
592.15 redress grievances through education, conciliation, and persuasion, unless in the opinion of  
592.16 the executive director or consulted board member there is insufficient evidence to justify  
592.17 disciplinary action. The board may settle a case by stipulation prior to, or during, a hearing  
592.18 if the stipulation provides for disciplinary action.

592.19 (b) A board member who has a direct current or former financial connection or  
592.20 professional relationship to a person who is the subject of board disciplinary activities must  
592.21 not participate in board activities relating to that case.

592.22 (c) Each health-related licensing board shall establish procedures for exchanging  
592.23 information with other Minnesota state boards, agencies, and departments responsible for  
592.24 regulating health-related occupations, facilities, and programs, and for coordinating  
592.25 investigations involving matters within the jurisdiction of more than one regulatory body.  
592.26 The procedures must provide for the forwarding to other regulatory bodies of all information  
592.27 and evidence, including the results of investigations, that are relevant to matters within that  
592.28 licensing body's regulatory jurisdiction. Each health-related licensing board shall have access  
592.29 to any data of the Department of Human Services relating to a person subject to the  
592.30 jurisdiction of the licensing board. The data shall have the same classification under chapter  
592.31 13, the Minnesota Government Data Practices Act, in the hands of the agency receiving the  
592.32 data as it had in the hands of the Department of Human Services.

592.33 (d) Each health-related licensing board shall establish procedures for exchanging  
592.34 information with other states regarding disciplinary actions against licensees. The procedures

593.1 must provide for the collection of information from other states about disciplinary actions  
 593.2 taken against persons who are licensed to practice in Minnesota or who have applied to be  
 593.3 licensed in this state and the dissemination of information to other states regarding  
 593.4 disciplinary actions taken in Minnesota. In addition to any authority in chapter 13 permitting  
 593.5 the dissemination of data, the board may, in its discretion, disseminate data to other states  
 593.6 regardless of its classification under chapter 13. Criminal history record information shall  
 593.7 not be exchanged. Before transferring any data that is not public, the board shall obtain  
 593.8 reasonable assurances from the receiving state that the data will not be made public.

593.9 Sec. 48. Minnesota Statutes 2016, section 214.12, is amended by adding a subdivision to  
 593.10 read:

593.11 Subd. 6. **Opioid and controlled substances prescribing.** (a) The Board of Medical  
 593.12 Practice, the Board of Nursing, the Board of Dentistry, the Board of Optometry, and the  
 593.13 Board of Podiatric Medicine shall require that licensees with the authority to prescribe  
 593.14 controlled substances obtain at least two hours of continuing education credit on best practices  
 593.15 in prescribing opioids and controlled substances, as part of the continuing education  
 593.16 requirements for licensure renewal. Licensees shall not be required to complete more than  
 593.17 two credit hours of continuing education on best practices in prescribing opioids and  
 593.18 controlled substances before this subdivision expires. Continuing education credit on best  
 593.19 practices in prescribing opioids and controlled substances must meet board requirements.

593.20 (b) This subdivision expires January 1, 2023.

593.21 **EFFECTIVE DATE.** This section is effective January 1, 2019.

593.22 Sec. 49. Minnesota Statutes 2017 Supplement, section 364.09, is amended to read:

593.23 **364.09 EXCEPTIONS.**

593.24 (a) This chapter does not apply to the licensing process for peace officers; to law  
 593.25 enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire  
 593.26 protection agencies; to eligibility for a private detective or protective agent license; to the  
 593.27 licensing and background study process under chapters 245A and 245C; to the licensing  
 593.28 and background investigation process under chapter 240; to eligibility for school bus driver  
 593.29 endorsements; to eligibility for special transportation service endorsements; to eligibility  
 593.30 for a commercial driver training instructor license, which is governed by section 171.35  
 593.31 and rules adopted under that section; to emergency medical services personnel, or to the  
 593.32 licensing by political subdivisions of taxicab drivers, if the applicant for the license has

594.1 been discharged from sentence for a conviction within the ten years immediately preceding  
 594.2 application of a violation of any of the following:

594.3 (1) sections 609.185 to 609.2114, 609.221 to 609.223, 609.342 to 609.3451, or 617.23,  
 594.4 subdivision 2 or 3; or Minnesota Statutes 2012, section 609.21;

594.5 (2) any provision of chapter 152 that is punishable by a maximum sentence of 15 years  
 594.6 or more; or

594.7 (3) a violation of chapter 169 or 169A involving driving under the influence, leaving  
 594.8 the scene of an accident, or reckless or careless driving.

594.9 This chapter also shall not apply to eligibility for juvenile corrections employment, where  
 594.10 the offense involved child physical or sexual abuse or criminal sexual conduct.

594.11 (b) This chapter does not apply to a school district or to eligibility for a license issued  
 594.12 or renewed by the Professional Educator Licensing and Standards Board or the commissioner  
 594.13 of education.

594.14 (c) Nothing in this section precludes the Minnesota Police and Peace Officers Training  
 594.15 Board or the state fire marshal from recommending policies set forth in this chapter to the  
 594.16 attorney general for adoption in the attorney general's discretion to apply to law enforcement  
 594.17 or fire protection agencies.

594.18 ~~(d) This chapter does not apply to a license to practice medicine that has been denied or~~  
 594.19 ~~revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.~~

594.20 ~~(e) This chapter does not apply to any person who has been denied a license to practice~~  
 594.21 ~~chiropractic or whose license to practice chiropractic has been revoked by the board in~~  
 594.22 ~~accordance with section 148.10, subdivision 7.~~

594.23 ~~(f) This chapter does not apply to any license, registration, or permit that has been denied~~  
 594.24 ~~or revoked by the Board of Nursing in accordance with section 148.261, subdivision 1a.~~

594.25 ~~(g)~~ (d) This chapter does not apply to any license, registration, permit, or certificate that  
 594.26 has been denied or revoked by the commissioner of health according to section 148.5195,  
 594.27 subdivision 5; or 153A.15, subdivision 2.

594.28 ~~(h)~~ (e) This chapter does not supersede a requirement under law to conduct a criminal  
 594.29 history background investigation or consider criminal history records in hiring for particular  
 594.30 types of employment.

595.1 (f) This chapter does not apply to the licensing or registration process for, or to any  
595.2 license, registration, or permit that has been denied or revoked by, a health-related licensing  
595.3 board listed in section 214.01, subdivision 2.

595.4 **Sec. 50. GUIDELINES AUTHORIZING PATIENT-ASSISTED MEDICATION**  
595.5 **ADMINISTRATION.**

595.6 (a) Within the limits of the board's available appropriation, the Emergency Medical  
595.7 Services Regulatory Board shall propose guidelines authorizing EMTs, AEMTs, and  
595.8 paramedics certified under Minnesota Statutes, section 144E.28, to assist a patient in  
595.9 emergency situations with administering prescription medications that are:

595.10 (1) carried by a patient;

595.11 (2) intended to treat adrenal insufficiency or other rare conditions that require emergency  
595.12 treatment with a previously prescribed medication;

595.13 (3) intended to treat a specific life-threatening condition; and

595.14 (4) administered via routes of delivery that are within the scope of training of the EMT,  
595.15 AEMT, or paramedic.

595.16 (b) The proposed guidelines shall include language that requires the ambulance service  
595.17 to be available to patients or their caregivers who have medical conditions identified in  
595.18 paragraph (a) to define the patient's needs and, when appropriate, develop specific care  
595.19 plans and provide education or other resources at the discretion of the ambulance service  
595.20 medical director.

595.21 (c) The Emergency Medical Services Regulatory Board shall submit the proposed  
595.22 guidelines and draft legislation as necessary to the chairs and ranking minority members of  
595.23 the legislative committees with jurisdiction over health care by January 1, 2019.

595.24 **Sec. 51. REPEALER.**

595.25 (a) Minnesota Statutes 2016, section 214.075, subdivision 8, is repealed.

595.26 (b) Minnesota Rules, part 5600.0605, subparts 5 and 8, are repealed.

595.27 **ARTICLE 38**

595.28 **OPIOIDS AND PRESCRIPTION DRUGS**

595.29 **Section 1. Minnesota Statutes 2017 Supplement, section 152.105, subdivision 2, is amended**  
595.30 **to read:**

596.1 Subd. 2. **Sheriff to maintain collection receptacle or medicine disposal program.** (a)  
596.2 The sheriff of each county shall maintain or contract for the maintenance of at least one  
596.3 collection receptacle or implement a medicine disposal program for the disposal of  
596.4 noncontrolled substances, pharmaceutical controlled substances, and other legend drugs,  
596.5 as permitted by federal law. For purposes of this section, "legend drug" has the meaning  
596.6 given in section 151.01, subdivision 17. The collection receptacle and medicine disposal  
596.7 program must comply with federal law. In maintaining and operating the collection receptacle  
596.8 or medicine disposal program, the sheriff shall follow all applicable provisions of Code of  
596.9 Federal Regulations, title 21, parts 1300, 1301, 1304, 1305, 1307, and 1317, as amended  
596.10 through May 1, 2017.

596.11 (b) For purposes of this subdivision:

596.12 (1) a medicine disposal program means providing to the public educational information,  
596.13 and making materials available for safely destroying unwanted legend drugs, including, but  
596.14 not limited to, drug destruction bags or drops; and

596.15 (2) a collection receptacle means the operation and maintenance of at least one drop-off  
596.16 receptacle.

596.17 Sec. 2. Minnesota Statutes 2016, section 152.11, subdivision 2, is amended to read:

596.18 Subd. 2. **Prescription requirements for Schedule III or IV controlled substances.**  
596.19 No person may dispense a controlled substance included in Schedule III or IV of section  
596.20 152.02 without a prescription issued, as permitted under subdivision 1, by a doctor of  
596.21 medicine, a doctor of osteopathic medicine licensed to practice medicine, a doctor of dental  
596.22 surgery, a doctor of dental medicine, a doctor of podiatry, a doctor of optometry limited to  
596.23 Schedule IV, or a doctor of veterinary medicine, lawfully licensed to prescribe in this state  
596.24 or from a practitioner licensed to prescribe controlled substances by the state in which the  
596.25 prescription is issued, and having a current federal drug enforcement administration  
596.26 registration number. Such prescription may not be dispensed or refilled except with the  
596.27 documented consent of the prescriber, and in no event more than six months after the date  
596.28 on which such prescription was issued, unless a shorter period of time is specified in  
596.29 subdivision 5, and no such prescription may be refilled more than five times.

596.30 Sec. 3. Minnesota Statutes 2016, section 152.11, is amended by adding a subdivision to  
596.31 read:

596.32 **Subd. 5. Limitations on the dispensing of opioid prescription drug orders.** (a) No  
596.33 prescription drug order for an opioid drug listed in Schedule II may be dispensed by a

597.1 pharmacist or other dispenser more than 30 days after the date on which the prescription  
597.2 drug order was issued.

597.3 (b) No prescription drug order for an opioid drug listed in Schedules III through V may  
597.4 be initially dispensed by a pharmacist or other dispenser more than 30 days after the date  
597.5 on which the prescription drug order was issued. No prescription drug order for an opioid  
597.6 drug listed in Schedules III through V may be refilled by a pharmacist or other dispenser  
597.7 more than 45 days after the previous date on which it was dispensed.

597.8 (c) For purposes of this section, "dispenser" has the meaning given in section 152.126,  
597.9 subdivision 1.

597.10 Sec. 4. Minnesota Statutes 2016, section 152.126, subdivision 2, is amended to read:

597.11 Subd. 2. **Prescription electronic reporting system.** (a) The board shall establish by  
597.12 January 1, 2010, an electronic system for reporting the information required under subdivision  
597.13 4 for all controlled substances dispensed within the state.

597.14 (b) The board may contract with a vendor for the purpose of obtaining technical assistance  
597.15 in the design, implementation, operation, and maintenance of the electronic reporting system.

597.16 (c) Before entering into a new contract or before renegotiating a current contract with  
597.17 a private vendor for the operation of the prescription monitoring program, the Board of  
597.18 Pharmacy must: (1) ensure that the vendor complies with the National Institute Standards  
597.19 and Technology standards for interoperability, security, and ongoing support; and (2) provide  
597.20 at least 30 days' notice to the Legislative Advisory Commission. The board may enter into  
597.21 a new contract or renegotiate a current contract only if the Legislative Advisory Commission  
597.22 provides a positive recommendation or no recommendation, and shall not enter into a new  
597.23 contract or renegotiate a current contract if the Legislative Advisory Commission provides  
597.24 a negative recommendation.

597.25 Sec. 5. Minnesota Statutes 2016, section 152.126, subdivision 6, is amended to read:

597.26 Subd. 6. **Access to reporting system data.** (a) Except as indicated in this subdivision,  
597.27 the data submitted to the board under subdivision 4 is private data on individuals as defined  
597.28 in section 13.02, subdivision 12, and not subject to public disclosure.

597.29 (b) Except as specified in subdivision 5, the following persons shall be considered  
597.30 permissible users and may access the data submitted under subdivision 4 in the same or  
597.31 similar manner, and for the same or similar purposes, as those persons who are authorized  
597.32 to access similar private data on individuals under federal and state law:

598.1 (1) a prescriber or an agent or employee of the prescriber to whom the prescriber has  
598.2 delegated the task of accessing the data, to the extent the information relates specifically to  
598.3 a current patient, to whom the prescriber is:

598.4 (i) prescribing or considering prescribing any controlled substance;

598.5 (ii) providing emergency medical treatment for which access to the data may be necessary;

598.6 (iii) providing care, and the prescriber has reason to believe, based on clinically valid  
598.7 indications, that the patient is potentially abusing a controlled substance; or

598.8 (iv) providing other medical treatment for which access to the data may be necessary  
598.9 for a clinically valid purpose and the patient has consented to access to the submitted data,  
598.10 and with the provision that the prescriber remains responsible for the use or misuse of data  
598.11 accessed by a delegated agent or employee;

598.12 (2) a dispenser or an agent or employee of the dispenser to whom the dispenser has  
598.13 delegated the task of accessing the data, to the extent the information relates specifically to  
598.14 a current patient to whom that dispenser is dispensing or considering dispensing any  
598.15 controlled substance and with the provision that the dispenser remains responsible for the  
598.16 use or misuse of data accessed by a delegated agent or employee;

598.17 (3) a licensed pharmacist who is providing pharmaceutical care for which access to the  
598.18 data may be necessary to the extent that the information relates specifically to a current  
598.19 patient for whom the pharmacist is providing pharmaceutical care: (i) if the patient has  
598.20 consented to access to the submitted data; or (ii) if the pharmacist is consulted by a prescriber  
598.21 who is requesting data in accordance with clause (1);

598.22 (4) an individual who is the recipient of a controlled substance prescription for which  
598.23 data was submitted under subdivision 4, or a guardian of the individual, parent or guardian  
598.24 of a minor, or health care agent of the individual acting under a health care directive under  
598.25 chapter 145C. For purposes of this clause, access by individuals includes persons in the  
598.26 definition of an individual under section 13.02;

598.27 (5) personnel or designees of a health-related licensing board listed in section 214.01,  
598.28 subdivision 2, or of the Emergency Medical Services Regulatory Board, assigned to conduct  
598.29 a bona fide investigation of a complaint received by that board that alleges that a specific  
598.30 licensee is impaired by use of a drug for which data is collected under subdivision 4, has  
598.31 engaged in activity that would constitute a crime as defined in section 152.025, or has  
598.32 engaged in the behavior specified in subdivision 5, paragraph (a);

599.1 (6) personnel of the board engaged in the collection, review, and analysis of controlled  
599.2 substance prescription information as part of the assigned duties and responsibilities under  
599.3 this section;

599.4 (7) authorized personnel of a vendor under contract with the state of Minnesota who are  
599.5 engaged in the design, implementation, operation, and maintenance of the prescription  
599.6 monitoring program as part of the assigned duties and responsibilities of their employment,  
599.7 provided that access to data is limited to the minimum amount necessary to carry out such  
599.8 duties and responsibilities, and subject to the requirement of de-identification and time limit  
599.9 on retention of data specified in subdivision 5, paragraphs (d) and (e);

599.10 (8) federal, state, and local law enforcement authorities acting pursuant to a valid search  
599.11 warrant;

599.12 (9) personnel of the Minnesota health care programs assigned to use the data collected  
599.13 under this section to identify and manage recipients whose usage of controlled substances  
599.14 may warrant restriction to a single primary care provider, a single outpatient pharmacy, and  
599.15 a single hospital;

599.16 (10) personnel of the Department of Human Services assigned to access the data pursuant  
599.17 to paragraph (i);

599.18 (11) personnel of the health professionals services program established under section  
599.19 214.31, to the extent that the information relates specifically to an individual who is currently  
599.20 enrolled in and being monitored by the program, and the individual consents to access to  
599.21 that information. The health professionals services program personnel shall not provide this  
599.22 data to a health-related licensing board or the Emergency Medical Services Regulatory  
599.23 Board, except as permitted under section 214.33, subdivision 3-; and

599.24 ~~For purposes of clause (4), access by an individual includes persons in the definition of~~  
599.25 ~~an individual under section 13.02; and~~

599.26 (12) personnel or designees of a health-related licensing board listed in section 214.01,  
599.27 subdivision 2, assigned to conduct a bona fide investigation of a complaint received by that  
599.28 board that alleges that a specific licensee is inappropriately prescribing controlled substances  
599.29 as defined in this section.

599.30 (c) By July 1, 2017, every prescriber licensed by a health-related licensing board listed  
599.31 in section 214.01, subdivision 2, practicing within this state who is authorized to prescribe  
599.32 controlled substances for humans and who holds a current registration issued by the federal  
599.33 Drug Enforcement Administration, and every pharmacist licensed by the board and practicing

600.1 within the state, shall register and maintain a user account with the prescription monitoring  
600.2 program. Data submitted by a prescriber, pharmacist, or their delegate during the registration  
600.3 application process, other than their name, license number, and license type, is classified  
600.4 as private pursuant to section 13.02, subdivision 12.

600.5 (d) Notwithstanding paragraph (b), beginning January 1, 2020, a prescriber who is  
600.6 practicing in an emergency department, urgent care clinic, or a walk-in health clinic offering  
600.7 health care services, or an agent or employee of the prescriber to whom the prescriber has  
600.8 delegated the task of accessing the data, must access the data submitted under subdivision  
600.9 4 to the extent the information relates specifically to the patient before the prescriber issues  
600.10 a prescription order to the patient for a Schedule II through IV opiate controlled substance.

600.11 (e) Paragraph (d) does not apply if:

600.12 (1) due to a medical emergency, it is not possible for the prescriber to review the data  
600.13 before the prescriber issues the prescription order for the patient; or

600.14 (2) the prescriber is unable to access the data due to operational or other technological  
600.15 failure of the program so long as the prescriber reports the failure to the board.

600.16 (f) Only permissible users identified in paragraph (b), clauses (1), (2), (3), (6), (7), (9),  
600.17 and (10), may directly access the data electronically. No other permissible users may directly  
600.18 access the data electronically. If the data is directly accessed electronically, the permissible  
600.19 user shall implement and maintain a comprehensive information security program that  
600.20 contains administrative, technical, and physical safeguards that are appropriate to the user's  
600.21 size and complexity, and the sensitivity of the personal information obtained. The permissible  
600.22 user shall identify reasonably foreseeable internal and external risks to the security,  
600.23 confidentiality, and integrity of personal information that could result in the unauthorized  
600.24 disclosure, misuse, or other compromise of the information and assess the sufficiency of  
600.25 any safeguards in place to control the risks.

600.26 ~~(e)~~ (g) The board shall not release data submitted under subdivision 4 unless it is provided  
600.27 with evidence, satisfactory to the board, that the person requesting the information is entitled  
600.28 to receive the data.

600.29 ~~(f)~~ (h) The board shall maintain a log of all persons who access the data for a period of  
600.30 at least three years and shall ensure that any permissible user complies with paragraph (c)  
600.31 prior to attaining direct access to the data.

601.1 ~~(g)~~ (i) Section 13.05, subdivision 6, shall apply to any contract the board enters into  
601.2 pursuant to subdivision 2. A vendor shall not use data collected under this section for any  
601.3 purpose not specified in this section.

601.4 ~~(h)~~ (j) The board may participate in an interstate prescription monitoring program data  
601.5 exchange system provided that permissible users in other states have access to the data only  
601.6 as allowed under this section, and that section 13.05, subdivision 6, applies to any contract  
601.7 or memorandum of understanding that the board enters into under this paragraph.

601.8 ~~(i)~~ (k) With available appropriations, the commissioner of human services shall establish  
601.9 and implement a system through which the Department of Human Services shall routinely  
601.10 access the data for the purpose of determining whether any client enrolled in an opioid  
601.11 treatment program licensed according to chapter 245A has been prescribed or dispensed a  
601.12 controlled substance in addition to that administered or dispensed by the opioid treatment  
601.13 program. When the commissioner determines there have been multiple prescribers or multiple  
601.14 prescriptions of controlled substances, the commissioner shall:

601.15 (1) inform the medical director of the opioid treatment program only that the  
601.16 commissioner determined the existence of multiple prescribers or multiple prescriptions of  
601.17 controlled substances; and

601.18 (2) direct the medical director of the opioid treatment program to access the data directly,  
601.19 review the effect of the multiple prescribers or multiple prescriptions, and document the  
601.20 review.

601.21 If determined necessary, the commissioner of human services shall seek a federal waiver  
601.22 of, or exception to, any applicable provision of Code of Federal Regulations, title 42, section  
601.23 2.34, paragraph (c), prior to implementing this paragraph.

601.24 ~~(j)~~ (l) The board shall review the data submitted under subdivision 4 on at least a quarterly  
601.25 basis and shall establish criteria, in consultation with the advisory task force, for referring  
601.26 information about a patient to prescribers and dispensers who prescribed or dispensed the  
601.27 prescriptions in question if the criteria are met. The board shall also submit an annual report  
601.28 to the chairs and ranking minority members of the legislative committees with jurisdiction  
601.29 over health and human services policy and finance that provides information on the  
601.30 prescribing trends for opiates, including the number of opiate prescriptions issued for the  
601.31 previous calendar year.

602.1 Sec. 6. Minnesota Statutes 2016, section 152.126, subdivision 10, is amended to read:

602.2 Subd. 10. **Funding.** (a) The board may seek grants and private funds from nonprofit  
602.3 charitable foundations, the federal government, and other sources to fund the enhancement  
602.4 and ongoing operations of the prescription monitoring program established under this section.  
602.5 Any funds received shall be appropriated to the board for this purpose. The board may not  
602.6 expend funds to enhance the program in a way that conflicts with this section without seeking  
602.7 approval from the legislature.

602.8 (b) Notwithstanding any other section, the administrative services unit for the  
602.9 health-related licensing boards shall apportion between the Board of Medical Practice, the  
602.10 Board of Nursing, the Board of Dentistry, the Board of Podiatric Medicine, the Board of  
602.11 Optometry, the Board of Veterinary Medicine, and the Board of Pharmacy an amount to be  
602.12 paid through fees by each respective board. The amount apportioned to each board shall  
602.13 equal each board's share of the annual appropriation to the Board of Pharmacy from the  
602.14 state government special revenue fund for operating the prescription monitoring program  
602.15 under this section. Each board's apportioned share shall be based on the number of prescribers  
602.16 or dispensers that each board identified in this paragraph licenses as a percentage of the  
602.17 total number of prescribers and dispensers licensed collectively by these boards. Each  
602.18 respective board may adjust the fees that the boards are required to collect to compensate  
602.19 for the amount apportioned to each board by the administrative services unit.

602.20 (c) The board shall have the authority to modify its contract with its vendor as provided  
602.21 in subdivision 2, to authorize that vendor to provide a service to prescribers and pharmacies  
602.22 that allows them to access prescription monitoring program data from within the electronic  
602.23 health record system or pharmacy software used by those prescribers and pharmacists. The  
602.24 board must ensure that the integration of access shall not modify any requirements or  
602.25 procedures in this section regarding the information that must be reported to the database,  
602.26 who can access the database and for what purpose, and the data classification of information  
602.27 in the database, and shall not require a prescriber to access the database prior to issuing a  
602.28 prescription for a controlled substance, other than as required under subdivision 6, paragraph

602.29 (d). The board must also ensure that the vendor complies with the encryption of data  
602.30 requirement and the time limit on data retention specified in subdivision 5. Beginning July  
602.31 1, 2018, the board has the authority to collect an annual fee from each prescriber or  
602.32 pharmacist who accesses prescription monitoring program data through the service offered  
602.33 by the vendor. The annual fee collected must not exceed \$50 per user. The fees collected  
602.34 by the board under this paragraph shall be deposited in the state government special revenue  
602.35 fund and are appropriated to the board for the purposes of this paragraph.

603.1 Sec. 7. Minnesota Statutes 2017 Supplement, section 245G.05, subdivision 1, is amended  
603.2 to read:

603.3 Subdivision 1. **Comprehensive assessment.** (a) A comprehensive assessment of the  
603.4 client's substance use disorder must be administered face-to-face by an alcohol and drug  
603.5 counselor within three calendar days after service initiation for a residential program or  
603.6 during the initial session for all other programs. A program may permit a licensed staff  
603.7 person who is not qualified as an alcohol and drug counselor to interview the client in areas  
603.8 of the comprehensive assessment that are otherwise within the competencies and scope of  
603.9 practice of that licensed staff person and an alcohol and drug counselor does not need to be  
603.10 face-to-face with the client during this interview. The alcohol and drug counselor must  
603.11 review all of the information contained in a comprehensive assessment and, by signature,  
603.12 confirm the information is accurate and complete and meets the requirements for the  
603.13 comprehensive assessment. If the comprehensive assessment is not completed during the  
603.14 initial session, the client-centered reason for the delay must be documented in the client's  
603.15 file and the planned completion date. If the client received a comprehensive assessment that  
603.16 authorized the treatment service, an alcohol and drug counselor must review the assessment  
603.17 to determine compliance with this subdivision, including applicable timelines. If available,  
603.18 the alcohol and drug counselor may use current information provided by a referring agency  
603.19 or other source as a supplement. Information gathered more than 45 days before the date  
603.20 of admission is not considered current. The comprehensive assessment must include sufficient  
603.21 information to complete the assessment summary according to subdivision 2 and the  
603.22 individual treatment plan according to section 245G.06. The comprehensive assessment  
603.23 must include information about the client's needs that relate to substance use and personal  
603.24 strengths that support recovery, including:

603.25 (1) age, sex, cultural background, sexual orientation, living situation, economic status,  
603.26 and level of education;

603.27 (2) circumstances of service initiation;

603.28 (3) previous attempts at treatment for substance misuse or substance use disorder,  
603.29 compulsive gambling, or mental illness;

603.30 (4) substance use history including amounts and types of substances used, frequency  
603.31 and duration of use, periods of abstinence, and circumstances of relapse, if any. For each  
603.32 substance used within the previous 30 days, the information must include the date of the  
603.33 most recent use and previous withdrawal symptoms;

604.1 (5) specific problem behaviors exhibited by the client when under the influence of  
604.2 substances;

604.3 (6) family status, family history, including history or presence of physical or sexual  
604.4 abuse, level of family support, and substance misuse or substance use disorder of a family  
604.5 member or significant other;

604.6 (7) physical concerns or diagnoses, the severity of the concerns, and whether the concerns  
604.7 are being addressed by a health care professional;

604.8 (8) mental health history and psychiatric status, including symptoms, disability, current  
604.9 treatment supports, and psychotropic medication needed to maintain stability; the assessment  
604.10 must utilize screening tools approved by the commissioner pursuant to section 245.4863 to  
604.11 identify whether the client screens positive for co-occurring disorders;

604.12 (9) arrests and legal interventions related to substance use;

604.13 (10) ability to function appropriately in work and educational settings;

604.14 (11) ability to understand written treatment materials, including rules and the client's  
604.15 rights;

604.16 (12) risk-taking behavior, including behavior that puts the client at risk of exposure to  
604.17 blood-borne or sexually transmitted diseases;

604.18 (13) social network in relation to expected support for recovery and leisure time activities  
604.19 that are associated with substance use;

604.20 (14) whether the client is pregnant and, if so, the health of the unborn child and the  
604.21 client's current involvement in prenatal care;

604.22 (15) whether the client recognizes problems related to substance use and is willing to  
604.23 follow treatment recommendations; and

604.24 (16) collateral information. If the assessor gathered sufficient information from the  
604.25 referral source or the client to apply the criteria in Minnesota Rules, parts 9530.6620 and  
604.26 9530.6622, a collateral contact is not required.

604.27 (b) If the client is identified as having opioid use disorder or seeking treatment for opioid  
604.28 use disorder, the program must provide educational information to the client concerning:

604.29 (1) risks for opioid use disorder and dependence;

604.30 (2) treatment options, including the use of a medication for opioid use disorder;

604.31 (3) the risk of and recognizing opioid overdose; and

605.1 (4) the use, availability, and administration of naloxone to respond to opioid overdose.

605.2 (c) The commissioner shall develop educational materials that are supported by research  
605.3 and updated periodically. The license holder must use the educational materials that are  
605.4 approved by the commissioner to comply with this requirement.

605.5 (d) If the comprehensive assessment is completed to authorize treatment service for the  
605.6 client, at the earliest opportunity during the assessment interview the assessor shall determine  
605.7 if:

605.8 (1) the client is in severe withdrawal and likely to be a danger to self or others;

605.9 (2) the client has severe medical problems that require immediate attention; or

605.10 (3) the client has severe emotional or behavioral symptoms that place the client or others  
605.11 at risk of harm.

605.12 If one or more of the conditions in clauses (1) to (3) are present, the assessor must end the  
605.13 assessment interview and follow the procedures in the program's medical services plan  
605.14 under section 245G.08, subdivision 2, to help the client obtain the appropriate services. The  
605.15 assessment interview may resume when the condition is resolved.

605.16 Sec. 8. Minnesota Statutes 2017 Supplement, section 254A.03, subdivision 3, is amended  
605.17 to read:

605.18 Subd. 3. **Rules for substance use disorder care.** (a) The commissioner of human  
605.19 services shall establish by rule criteria to be used in determining the appropriate level of  
605.20 chemical dependency care for each recipient of public assistance seeking treatment for  
605.21 substance misuse or substance use disorder. Upon federal approval of a comprehensive  
605.22 assessment as a Medicaid benefit, or on July 1, 2018, whichever is later, and notwithstanding  
605.23 the criteria in Minnesota Rules, parts 9530.6600 to 9530.6655, an eligible vendor of  
605.24 comprehensive assessments under section 254B.05 may determine and approve the  
605.25 appropriate level of substance use disorder treatment for a recipient of public assistance.  
605.26 The process for determining an individual's financial eligibility for the consolidated chemical  
605.27 dependency treatment fund or determining an individual's enrollment in or eligibility for a  
605.28 publicly subsidized health plan is not affected by the individual's choice to access a  
605.29 comprehensive assessment for placement.

605.30 (b) The commissioner shall develop and implement a utilization review process for  
605.31 publicly funded treatment placements to monitor and review the clinical appropriateness  
605.32 and timeliness of all publicly funded placements in treatment.

606.1 (c) Notwithstanding section 254B.05, subdivision 5, paragraph (b), clause (2), an  
 606.2 individual employed by a county on July 1, 2018, who has been performing assessments  
 606.3 for the purpose of Minnesota Rules, part 9530.6615, is qualified to perform a comprehensive  
 606.4 assessment if the following conditions are met as of July 1, 2018:

606.5 (1) the individual is exempt from licensure under section 148F.11, subdivision 1;

606.6 (2) the individual is qualified as an assessor under Minnesota Rules, part 9530.6615,  
 606.7 subpart 2; and

606.8 (3) the individual has three years employment as an assessor or is under the supervision  
 606.9 of an individual who meets the requirements of an alcohol and drug counselor supervisor  
 606.10 under section 245G.11, subdivision 4.

606.11 Beginning July 1, 2020, an individual who is qualified to do a comprehensive assessment  
 606.12 under this paragraph must also demonstrate completion of the applicable coursework  
 606.13 requirements of section 245G.11, subdivision 5, paragraph (b).

606.14 Sec. 9. Minnesota Statutes 2017 Supplement, section 254B.12, subdivision 3, is amended  
 606.15 to read:

606.16 Subd. 3. **Chemical dependency provider rate increase.** For the chemical dependency  
 606.17 services listed in section 254B.05, subdivision 5, and provided on or after July 1, ~~2017~~ 2018,  
 606.18 payment rates shall be increased by ~~one~~ 1.74 percent over the rates in effect on January 1,  
 606.19 ~~2017~~ 2018, for vendors who meet the requirements of section 254B.05.

606.20 Sec. 10. **[256.043] OPIATE EPIDEMIC RESPONSE ACCOUNT.**

606.21 Subdivision 1. Establishment. The opiate epidemic response account is established in  
 606.22 the special revenue fund in the state treasury.

606.23 Subd. 2. Proposed grants. By February 15 of each year, beginning February 15, 2019,  
 606.24 the commissioner of human services, in consultation with the commissioners of health,  
 606.25 education, and public safety, shall submit a report to the chairs and ranking minority members  
 606.26 of the legislative committees with jurisdiction over health and human services, education,  
 606.27 and public safety, outlining proposed projects to achieve the greatest impact and ensure a  
 606.28 coordinated state effort to address the state's opioid addiction and overdose epidemic.

606.29 Subd. 3. Use of account funds. (a) Beginning in fiscal year 2019, money in the account  
 606.30 shall be appropriated each fiscal year as specified in this subdivision.

607.1 (b) \$213,000 is appropriated to the commissioner of management and budget for  
607.2 evaluation activities for selected projects.

607.3 (c) \$384,000 is appropriated to the commissioner of public safety for Bureau of Criminal  
607.4 Apprehension drug scientists and lab supplies.

607.5 (d) Money remaining in the opiate epidemic response account after making the  
607.6 appropriations required in paragraphs (b) and (c) is appropriated to the commissioner of  
607.7 human services to be allocated as grants as specified by the legislature or as otherwise  
607.8 appropriated by the legislature.

607.9 Subd. 4. **Evaluations.** The commissioner of human services, in consultation with the  
607.10 commissioner of management and budget, and within available appropriations, shall select  
607.11 from the awarded grants, projects that include promising practices or theory-based activities  
607.12 for which the commissioner of management and budget shall conduct evaluations using  
607.13 experimental or quasi-experimental design. Grants awarded to proposals that are selected  
607.14 for an evaluation shall be administered to support the experimental or quasi-experimental  
607.15 evaluation and shall require the grantee to collect and report information that is needed to  
607.16 complete the evaluation. The commissioner of management and budget, under section 15.08,  
607.17 may obtain additional relevant data to support the experimental or quasi-experimental  
607.18 evaluation studies.

607.19 Sec. 11. Laws 2017, First Special Session chapter 6, article 10, section 144, is amended  
607.20 to read:

607.21 **Sec. 144. OPIOID ABUSE PREVENTION PILOT PROJECTS.**

607.22 (a) The commissioner of health shall establish opioid abuse prevention pilot projects in  
607.23 geographic areas throughout the state based on the most recently available data on opioid  
607.24 overdose and abuse rates, to reduce opioid abuse through the use of controlled substance  
607.25 care teams and community-wide coordination of abuse-prevention initiatives. The  
607.26 commissioner shall award grants to health care providers, health plan companies, local units  
607.27 of government, tribal governments, or other entities to establish pilot projects.

607.28 (b) Each pilot project must:

607.29 (1) be designed to reduce emergency room and other health care provider visits resulting  
607.30 from opioid use or abuse, and reduce rates of opioid addiction in the community;

607.31 (2) establish multidisciplinary controlled substance care teams, that may consist of  
607.32 physicians, pharmacists, social workers, nurse care coordinators, and mental health  
607.33 professionals;

608.1 (3) deliver health care services and care coordination, through controlled substance care  
608.2 teams, to reduce the inappropriate use of opioids by patients and rates of opioid addiction;

608.3 (4) address any unmet social service needs that create barriers to managing pain  
608.4 effectively and obtaining optimal health outcomes;

608.5 (5) provide prescriber and dispenser education and assistance to reduce the inappropriate  
608.6 prescribing and dispensing of opioids;

608.7 (6) promote the adoption of best practices related to opioid disposal and reducing  
608.8 opportunities for illegal access to opioids; and

608.9 (7) engage partners outside of the health care system, including schools, law enforcement,  
608.10 and social services, to address root causes of opioid abuse and addiction at the community  
608.11 level.

608.12 (c) The commissioner shall contract with an accountable community for health that  
608.13 operates an opioid abuse prevention project, and can document success in reducing opioid  
608.14 use through the use of controlled substance care teams, to assist the commissioner in  
608.15 administering this section, and to provide technical assistance to the commissioner and to  
608.16 entities selected to operate a pilot project.

608.17 (d) The contract under paragraph (c) shall require the accountable community for health  
608.18 to evaluate the extent to which the pilot projects were successful in reducing the inappropriate  
608.19 use of opioids. The evaluation must analyze changes in the number of opioid prescriptions,  
608.20 the number of emergency room visits related to opioid use, and other relevant measures.  
608.21 The accountable community for health shall report evaluation results to the chairs and  
608.22 ranking minority members of the legislative committees with jurisdiction over health and  
608.23 human services policy and finance and public safety by December 15, 2019, for projects  
608.24 that received funding in fiscal year 2018, and by December 15, 2021, for projects that  
608.25 received funding in fiscal year 2019.

608.26 (e) The commissioner may award one grant that, in addition to the other requirements  
608.27 of this section, allows a root cause approach to reduce opioid abuse in an American Indian  
608.28 community.

608.29 Sec. 12. Laws 2017, First Special Session chapter 6, article 12, section 2, subdivision 4,  
608.30 is amended to read:

608.31 Subd. 4. **Limit on quantity of opiates prescribed for acute dental and ophthalmic**  
608.32 **pain.** (a) ~~When used for the treatment of acute dental pain or acute pain associated with~~  
608.33 ~~refractive surgery, prescriptions for opiate or narcotic pain relievers listed in Schedules H~~

609.1 ~~through IV of section 152.02 shall not exceed a four-day supply. The quantity prescribed~~  
 609.2 ~~shall be consistent with the dosage listed in the professional labeling for the drug that has~~  
 609.3 ~~been approved by the United States Food and Drug Administration. This subdivision applies~~  
 609.4 ~~to prescriptions issued for opiates or narcotic pain relievers listed in Schedule II through~~  
 609.5 ~~IV in Minnesota Statutes, section 152.02, that are prescribed for the treatment of acute pain.~~  
 609.6 For purposes of this subdivision, "acute pain" means pain resulting from disease, accidental  
 609.7 or intentional trauma, surgery, or another cause, that the practitioner reasonably expects to  
 609.8 last only a short period of time. Acute pain does not include chronic pain or pain being  
 609.9 treated as part of cancer care, palliative care, or hospice or other end-of-life care.

609.10 ~~(b) For the purposes of this subdivision, "acute pain" means pain resulting from disease,~~  
 609.11 ~~accidental or intentional trauma, surgery, or another cause, that the practitioner reasonably~~  
 609.12 ~~expects to last only a short period of time. Acute pain does not include chronic pain or pain~~  
 609.13 ~~being treated as part of cancer care, palliative care, or hospice or other end-of-life care. For~~  
 609.14 practitioners who are practicing in an emergency department, urgency care clinic, or a  
 609.15 walk-in health care clinic, a prescription as described in paragraph (a) issued to a patient  
 609.16 shall not exceed a three-day supply.

609.17 ~~(c) Notwithstanding paragraph (a), if in the professional clinical judgment of a practitioner~~  
 609.18 ~~more than a four-day supply of a prescription listed in Schedules II through IV of section~~  
 609.19 ~~152.02 is required to treat a patient's acute pain, the practitioner may issue a prescription~~  
 609.20 ~~for the quantity needed to treat such acute pain. For practitioners issuing a prescription for~~  
 609.21 a drug described in paragraph (a) for the treatment of acute dental pain or acute pain  
 609.22 associated with refractive surgery, the quantity prescribed shall not exceed a four-day supply.

609.23 (d) For practitioners issuing a prescription for a drug described in paragraph (a), and  
 609.24 paragraphs (b) and (c) do not apply, the quantity prescribed shall not exceed a seven-day  
 609.25 supply for an adult and a five-day supply for a minor under 18 years of age.

609.26 (e) Notwithstanding paragraph (c) or (d), if in the professional clinical judgment of the  
 609.27 practitioner, more than the limit specified in paragraph (c) or (d) is required to treat a patient's  
 609.28 acute pain, the practitioner may issue a prescription for the quantity needed to treat the  
 609.29 patient's acute pain.

609.30 **Sec. 13. OPIOID OVERDOSE REDUCTION PILOT PROGRAM.**

609.31 Subdivision 1. **Establishment.** The commissioner of health shall provide grants to  
 609.32 ambulance services to fund activities by community paramedic teams to reduce opioid  
 609.33 overdoses in the state. Under this pilot program, ambulance services shall develop and  
 609.34 implement projects in which community paramedics connect with patients who are discharged

610.1 from a hospital or emergency department following an opioid overdose episode, develop  
610.2 personalized care plans for those patients in consultation with the ambulance service medical  
610.3 director, and provide follow-up services to those patients.

610.4 Subd. 2. **Priority areas; services.** (a) In a project developed under this section, an  
610.5 ambulance service must target community paramedic team services to portions of the service  
610.6 area with high levels of opioid use, high death rates from opioid overdoses, and urgent needs  
610.7 for interventions.

610.8 (b) In a project developed under this section, a community paramedic team shall:

610.9 (1) provide services to patients released from a hospital or emergency department  
610.10 following an opioid overdose episode and place priority on serving patients who were  
610.11 administered the opiate antagonist naloxone hydrochloride by emergency medical services  
610.12 personnel in response to a 911 call during the opioid overdose episode;

610.13 (2) provide the following evaluations during an initial home visit: (i) a home safety  
610.14 assessment including whether there is a need to dispose of prescription drugs that are expired  
610.15 or no longer needed; (ii) medication compliance; (iii) an HIV risk assessment; (iv) instruction  
610.16 on the use of naloxone hydrochloride; and (v) a basic needs assessment;

610.17 (3) provide patients with health assessments, chronic disease monitoring and education,  
610.18 and assistance in following hospital discharge orders; and

610.19 (4) work with a multidisciplinary team to address the overall physical and mental health  
610.20 needs of patients and health needs related to substance use disorder treatment.

610.21 (c) An ambulance service receiving a grant under this section may use grant funds to  
610.22 cover the cost of evidence-based training in opioid addiction and recovery treatment.

610.23 Subd. 3. **Evaluation.** An ambulance service that receives a grant under this section shall  
610.24 evaluate the extent to which the project was successful in reducing the number of opioid  
610.25 overdoses and opioid overdose deaths among patients who received services and in reducing  
610.26 the inappropriate use of opioids by patients who received services. The commissioner of  
610.27 health shall develop specific evaluation measures and reporting timelines for ambulance  
610.28 services receiving grants. Ambulance services shall submit the information required by the  
610.29 commissioner to the commissioner and the commissioner shall submit a summary of the  
610.30 information reported by the ambulance services to the chairs and ranking minority members  
610.31 of the legislative committees with jurisdiction over health and human services by December  
610.32 1, 2019.

611.1

**ARTICLE 39**

611.2

**ELDERCARE AND VULNERABLE ADULT PROTECTIONS**

611.3

Section 1. **CITATION.**

611.4

Sections 1 to 61 may be cited as the "Eldercare and Vulnerable Adult Protection Act of

611.5

2018."

611.6

Sec. 2. Minnesota Statutes 2016, section 144.6501, subdivision 3, is amended to read:

611.7

Subd. 3. **Contracts of admission.** (a) A facility shall make complete unsigned copies

611.8

of its admission contract available to potential applicants and to the state or local long-term

611.9

care ombudsman immediately upon request.

611.10

(b) A facility shall post conspicuously within the facility, in a location accessible to

611.11

public view, either a complete copy of its admission contract or notice of its availability

611.12

from the facility.

611.13

(c) An admission contract must be printed in black type of at least ten-point type size.

611.14

The facility shall give a complete copy of the admission contract to the resident or the

611.15

resident's legal representative promptly after it has been signed by the resident or legal

611.16

representative.

611.17

(d) The admission contract must contain the name, address, and contact information of

611.18

the current owner, manager, and if different from the owner, license holder of the facility,

611.19

and the name and physical mailing address of at least one natural person who is authorized

611.20

to accept service of process.

611.21

~~(d)~~ (e) An admission contract is a consumer contract under sections 325G.29 to 325G.37.

611.22

~~(e)~~ (f) All admission contracts must state in bold capital letters the following notice to

611.23

applicants for admission: "NOTICE TO APPLICANTS FOR ADMISSION. READ YOUR

611.24

ADMISSION CONTRACT. ORAL STATEMENTS OR COMMENTS MADE BY THE

611.25

FACILITY OR YOU OR YOUR REPRESENTATIVE ARE NOT PART OF YOUR

611.26

ADMISSION CONTRACT UNLESS THEY ARE ALSO IN WRITING. DO NOT RELY

611.27

ON ORAL STATEMENTS OR COMMENTS THAT ARE NOT INCLUDED IN THE

611.28

WRITTEN ADMISSION CONTRACT."

612.1 Sec. 3. Minnesota Statutes 2016, section 144.6501, is amended by adding a subdivision  
612.2 to read:

612.3 Subd. 3a. **Changes to contracts of admission.** Within 30 days of a change in ownership,  
612.4 management, or license holder, the facility must provide prompt written notice to the resident  
612.5 or resident's legal representative of a new owner, manager, and if different from the owner,  
612.6 license holder of the facility, and the name and physical mailing address of any new or  
612.7 additional natural person not identified in the admission contract who is newly authorized  
612.8 to accept service of process.

612.9 Sec. 4. [144.6502] **AUTHORIZED ELECTRONIC MONITORING IN CERTAIN**  
612.10 **HEALTH CARE FACILITIES.**

612.11 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this  
612.12 subdivision have the meanings given.

612.13 (b) "Authorized electronic monitoring" means the placement and use of an electronic  
612.14 monitoring device by a resident in the resident's room or private living space in accordance  
612.15 with this section.

612.16 (c) "Commissioner" means the commissioner of health.

612.17 (d) "Department" means the Department of Health.

612.18 (e) "Electronic monitoring device" means a surveillance instrument with a fixed position  
612.19 video camera or an audio recording device, or both, that is installed in a resident's room or  
612.20 private living space and broadcasts or records activity or sounds occurring in the room or  
612.21 private living space.

612.22 (f) "Facility" means a facility that is licensed as a nursing home under chapter 144A or  
612.23 as a boarding care home under sections 144.50 to 144.56, or registered as a housing with  
612.24 services establishment under chapter 144D that is also subject to chapter 144G.

612.25 (g) "Legal representative" means a court-appointed guardian or other representative with  
612.26 legal authority to make decisions about health care services for the resident, including a  
612.27 health care agent or an attorney-in-fact authorized through a health care directive or a power  
612.28 of attorney.

612.29 (h) "Resident" means a person 18 years of age or older residing in a facility.

612.30 Subd. 2. **Authorized electronic monitoring.** (a) A resident or a resident's legal  
612.31 representative may conduct authorized electronic monitoring of the resident's room or private

613.1 living space through the use of electronic monitoring devices placed in the room or private  
 613.2 living space as provided in this section.

613.3 (b) Nothing in this section allows the use of an electronic monitoring device to take still  
 613.4 photographs or for the nonconsensual interception of private communications.

613.5 (c) Nothing in this section precludes the use of electronic monitoring of health care  
 613.6 allowed under other law.

613.7 (d) Electronic monitoring authorized under this section, for the purpose of monitoring  
 613.8 the actions of individuals other than the resident or to verify the delivery of services, is not  
 613.9 a covered service under home and community-based waivers under sections 256B.0913,  
 613.10 256B.0915, 256B.092, and 256B.49.

613.11 Subd. 3. **Consent to electronic monitoring.** (a) Except as otherwise provided in this  
 613.12 subdivision, a resident must consent to electronic monitoring in the resident's room or private  
 613.13 living space in writing on a notification and consent form prescribed by the ombudsman  
 613.14 for long-term care, in consultation with the department and representatives of facilities. If  
 613.15 the resident has not affirmatively objected to electronic monitoring and the resident's  
 613.16 physician determines that the resident lacks the ability to understand and appreciate the  
 613.17 nature and consequences of electronic monitoring, the resident's legal representative may  
 613.18 consent on behalf of the resident. For purposes of this subdivision, a resident affirmatively  
 613.19 objects when the resident orally, visually, or through the use of auxiliary aids or services  
 613.20 declines electronic monitoring. The resident's response must be documented on the  
 613.21 notification and consent form.

613.22 (b) Prior to a resident's legal representative consenting on behalf of a resident, the resident  
 613.23 must be asked by the resident's legal guardian in the presence of a facility employee if the  
 613.24 resident wants electronic monitoring to be conducted. The resident's legal representative  
 613.25 must explain to the resident:

613.26 (1) the type of electronic monitoring device to be used;

613.27 (2) the standard conditions that may be placed on the electronic monitoring device's use,  
 613.28 including those listed in subdivision 5;

613.29 (3) with whom the recording may be shared under subdivision 9 or 10; and

613.30 (4) the resident's ability to decline all recording.

613.31 (c) A resident or roommate may consent to electronic monitoring with any conditions  
 613.32 of the resident's or roommate's choosing, including the list of standard conditions provided  
 613.33 in subdivision 5. A resident or roommate may request that the electronic monitoring device

614.1 be turned off or the visual or audio recording component of the electronic monitoring device  
614.2 be blocked at any time.

614.3 (d) Prior to implementing electronic monitoring, a resident must obtain the written  
614.4 consent of any other resident residing in the room or private living space on the notification  
614.5 and consent form prescribed by the ombudsman for long-term care. Except as otherwise  
614.6 provided in this subdivision, a roommate must consent in writing to electronic monitoring  
614.7 in the resident's room or private living space. If the roommate has not affirmatively objected  
614.8 to electronic monitoring in accordance with this subdivision and the roommate's physician  
614.9 determines that the roommate lacks the ability to understand and appreciate the nature and  
614.10 consequences of electronic monitoring, the roommate's legal representative may consent  
614.11 on behalf of the roommate. Consent by a roommate under this paragraph authorizes the  
614.12 resident's use of any recording obtained under this section, as provided under subdivision  
614.13 9 or 10.

614.14 (e) Any resident conducting authorized electronic monitoring must obtain consent from  
614.15 any new roommate before the resident may resume authorized electronic monitoring. If a  
614.16 new roommate does not consent to electronic monitoring and the resident conducting the  
614.17 electronic monitoring does not remove or disable the electronic monitoring device, the  
614.18 facility must remove the electronic monitoring device.

614.19 Subd. 4. **Withdrawal of consent; refusal of roommate to consent.** (a) Consent may  
614.20 be withdrawn by the resident or roommate at any time and the withdrawal of consent must  
614.21 be documented in the resident's clinical record. If a roommate withdraws consent and the  
614.22 resident conducting the electronic monitoring does not remove or disable the electronic  
614.23 monitoring device, the facility must remove the electronic monitoring device.

614.24 (b) If a resident of a nursing home or boarding care home who is residing in a shared  
614.25 room wants to conduct electronic monitoring and another resident living in or moving into  
614.26 the same shared room refuses to consent to the use of an electronic monitoring device, the  
614.27 facility shall make a reasonable attempt to accommodate the resident who wants to conduct  
614.28 electronic monitoring. A nursing home or boarding care home has met the requirement to  
614.29 make a reasonable attempt to accommodate a resident who wants to conduct electronic  
614.30 monitoring when, upon notification that a roommate has not consented to the use of an  
614.31 electronic monitoring device in the resident's room, the nursing home or boarding care home  
614.32 offers to move either resident to another shared room that is available at the time of the  
614.33 request. If a resident chooses to reside in a private room in a nursing home or boarding care  
614.34 home in order to accommodate the use of an electronic monitoring device, the resident must  
614.35 pay the private room rate. If a nursing home or boarding care home is unable to accommodate

615.1 a resident due to lack of space, the nursing home or boarding care home must reevaluate  
615.2 the request every two weeks until the request is fulfilled. A nursing home or boarding care  
615.3 home is not required to provide a private room or a single-bed room to a resident who is  
615.4 not a private-pay resident.

615.5 Subd. 5. **Notice to facility; form requirements.** (a) Authorized electronic monitoring  
615.6 may begin only after the resident who intends to install an electronic monitoring device  
615.7 completes the notification and consent form prescribed by the ombudsman for long-term  
615.8 care and submits the form to the facility and the facility places the form in the resident's  
615.9 and any roommate's clinical records.

615.10 (b) The notification and consent form completed by the resident must include, at a  
615.11 minimum, the following information:

615.12 (1) the resident's signed consent to electronic monitoring or the signature of the resident's  
615.13 legal representative, if applicable. If a person other than the resident signs the consent form,  
615.14 the form must document the following:

615.15 (i) the date the resident was asked if the resident wants electronic monitoring to be  
615.16 conducted;

615.17 (ii) who was present when the resident was asked; and

615.18 (iii) an acknowledgment that the resident did not affirmatively object;

615.19 (2) the resident's roommate's signed consent or the signature of the roommate's legal  
615.20 representative, if applicable. If a roommate's legal representative signs the consent form,  
615.21 the form must document the following:

615.22 (i) the date the roommate was asked if the roommate wants electronic monitoring to be  
615.23 conducted;

615.24 (ii) who was present when the roommate was asked; and

615.25 (iii) an acknowledgment that the roommate did not affirmatively object;

615.26 (3) the type of electronic monitoring device to be used;

615.27 (4) any installation needs, such as mounting of a device to a wall or ceiling;

615.28 (5) the proposed date of installation for scheduling purposes;

615.29 (6) a list of standard conditions or restrictions that the resident or a roommate may elect  
615.30 to place on the use of the electronic monitoring device, including, but not limited to:

615.31 (i) prohibiting audio recording;

- 616.1 (ii) prohibiting video recording;
- 616.2 (iii) prohibiting broadcasting of audio or video;
- 616.3 (iv) turning off the electronic monitoring device or blocking the visual recording  
616.4 component of the electronic monitoring device for the duration of an exam or procedure by  
616.5 a health care professional;
- 616.6 (v) turning off the electronic monitoring device or blocking the visual recording  
616.7 component of the electronic monitoring device while dressing or bathing is performed; and
- 616.8 (vi) turning off the electronic monitoring device for the duration of a visit with a spiritual  
616.9 advisor, ombudsman, attorney, financial planner, intimate partner, or other visitor;
- 616.10 (7) any other condition or restriction elected by the resident or roommate on the use of  
616.11 an electronic monitoring device; and
- 616.12 (8) a signature box for documenting that the resident or roommate has withdrawn consent.
- 616.13 (c) A copy of the completed notification and consent form must be placed in the resident's  
616.14 and any roommate's clinical records and a copy must be provided to the resident and the  
616.15 resident's roommate, if applicable.
- 616.16 (d) The ombudsman for long-term care shall prescribe the notification and consent form  
616.17 required in this section no later than January 1, 2019. The commissioner shall make the  
616.18 form available on the department's Web site.
- 616.19 (e) Beginning January 1, 2019, facilities must make the notification and consent form  
616.20 available to the residents and inform residents of their option to conduct electronic monitoring  
616.21 of their rooms or private living spaces.
- 616.22 (f) Any resident, legal representative of a resident, or other person conducting electronic  
616.23 monitoring of a resident's room prior to enactment of this section must comply with the  
616.24 requirements of this section by January 1, 2019.
- 616.25 **Subd. 6. Cost and installation.** (a) A resident choosing to conduct authorized electronic  
616.26 monitoring must do so at the resident's own expense, including paying purchase, installation,  
616.27 maintenance, and removal costs.
- 616.28 (b) If a resident chooses to install an electronic monitoring device that uses Internet  
616.29 technology for visual or audio monitoring, the resident may be responsible for contracting  
616.30 with an Internet service provider.

617.1 (c) The facility shall make a reasonable attempt to accommodate the resident's installation  
617.2 needs, including allowing access to the facility's telecommunications or equipment room.  
617.3 A facility has the burden of proving that a requested accommodation is not reasonable.

617.4 (d) All electronic monitoring device installations and supporting services must be  
617.5 UL-listed.

617.6 Subd. 7. **Notice to visitors.** (a) A facility shall post a sign at each facility entrance  
617.7 accessible to visitors that states "Security cameras and audio devices may be present to  
617.8 record persons and activities."

617.9 (b) The facility is responsible for installing and maintaining the signage required in this  
617.10 subdivision.

617.11 Subd. 8. **Obstruction of electronic monitoring devices.** (a) A person must not knowingly  
617.12 hamper, obstruct, tamper with, or destroy an electronic monitoring device installed in a  
617.13 resident's room or private living space without the permission of the resident or the resident's  
617.14 legal representative.

617.15 (b) It is not a violation of paragraph (a) if a person turns off the electronic monitoring  
617.16 device or blocks the visual recording component of the electronic monitoring device at the  
617.17 direction of the resident or the resident's legal representative, or if consent has been  
617.18 withdrawn.

617.19 Subd. 9. **Dissemination of recordings.** (a) A facility may not access any video or audio  
617.20 recording created through authorized electronic monitoring without the written consent of  
617.21 the resident or the resident's legal representative.

617.22 (b) Except as required under other law, a recording or copy of a recording made as  
617.23 provided in this section may only be disseminated for the purpose of addressing health,  
617.24 safety, or welfare concerns of a resident or residents.

617.25 (c) The resident or the resident's legal representative must provide a copy of any video  
617.26 or audio recording to parties involved in a civil, criminal, or administrative proceeding,  
617.27 upon a party's request, if the video or audio recording was made during the time period that  
617.28 the conduct at issue in the proceeding allegedly occurred.

617.29 Subd. 10. **Admissibility of evidence.** Subject to applicable rules of evidence and  
617.30 procedure, any video or audio recording created through authorized electronic monitoring  
617.31 under this section may be admitted into evidence in a civil, criminal, or administrative  
617.32 proceeding if the contents of the recording have not been edited or artificially enhanced and  
617.33 the video recording includes the date and time the events occurred.

618.1 Subd. 11. **Liability.** (a) A facility is not civilly or criminally liable for the inadvertent  
 618.2 or intentional disclosure of a recording by a resident or a resident's legal representative for  
 618.3 any purpose not authorized by this section.

618.4 (b) A facility is not civilly or criminally liable for a violation of a resident's right to  
 618.5 privacy arising out of any electronic monitoring conducted as provided in this section.

618.6 Subd. 12. **Resident protections.** A facility must not:

618.7 (1) refuse to admit a potential resident or remove a resident because the facility disagrees  
 618.8 with the potential resident's or the resident's decisions regarding electronic monitoring;

618.9 (2) intentionally retaliate or discriminate against any resident for consenting or refusing  
 618.10 to consent to electronic monitoring under this section; or

618.11 (3) prevent the installation or use of an electronic monitoring device by a resident who  
 618.12 has provided the facility with notice and consent as required under this section.

618.13 **EFFECTIVE DATE.** This section is effective January 1, 2019.

618.14 Sec. 5. Minnesota Statutes 2016, section 144.651, subdivision 1, is amended to read:

618.15 Subdivision 1. **Legislative intent.** It is the intent of the legislature and the purpose of  
 618.16 this section to promote the interests and well being of the patients and residents of health  
 618.17 care facilities. It is the intent of this section that every patient's and resident's civil and  
 618.18 religious liberties, including the right to independent personal decisions and knowledge of  
 618.19 available choices, must not be infringed and that the facility must encourage and assist in  
 618.20 the fullest possible exercise of these rights. The rights provided under this section are  
 618.21 established for the benefit of patients and residents. No health care facility may require or  
 618.22 request a patient or resident to waive any of these rights at any time or for any reason  
 618.23 including as a condition of admission to the facility. Any guardian or conservator of a patient  
 618.24 or resident or, in the absence of a guardian or conservator, an interested person, may seek  
 618.25 enforcement of these rights on behalf of a patient or resident. An interested person may also  
 618.26 seek enforcement of these rights on behalf of a patient or resident who has a guardian or  
 618.27 conservator through administrative agencies or in district court having jurisdiction over  
 618.28 guardianships and conservatorships. Pending the outcome of an enforcement proceeding  
 618.29 the health care facility may, in good faith, comply with the instructions of a guardian or  
 618.30 conservator. ~~It is the intent of this section that every patient's civil and religious liberties,~~  
 618.31 ~~including the right to independent personal decisions and knowledge of available choices,~~  
 618.32 ~~shall not be infringed and that the facility shall encourage and assist in the fullest possible~~  
 618.33 ~~exercise of these rights.~~

619.1 Sec. 6. Minnesota Statutes 2016, section 144.651, subdivision 2, is amended to read:

619.2 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this  
619.3 subdivision have the meanings given them.

619.4 (b) "Patient" means:

619.5 (1) a person who is admitted to an acute care inpatient facility for a continuous period  
619.6 longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or  
619.7 mental health of that person;

619.8 (2) a minor who is admitted to a residential program as defined in section 253C.01;

619.9 (3) for purposes of subdivisions 1, 4 to 9, 12, 13, 15, 16, and 18 to 20, "patient" also  
619.10 ~~means and 34,~~ a person who receives health care services at an outpatient surgical center  
619.11 or at a birth center licensed under section 144.615. ~~"Patient" also means a minor who is~~  
619.12 ~~admitted to a residential program as defined in section 253C.01.; and~~

619.13 (4) for purposes of subdivisions 1, 3 to 16, 18, 20 and, 30, "patient" also means and 34,  
619.14 any person who is receiving mental health treatment on an outpatient basis or in a community  
619.15 support program or other community-based program.

619.16 (c) "Resident" means a person who is admitted to:

619.17 (1) a nonacute care facility including extended care facilities;

619.18 (2) a nursing homes, and home;

619.19 (3) a boarding care homes home for care required because of prolonged mental or physical  
619.20 illness or disability, recovery from injury or disease, or advancing age; and

619.21 (4) for purposes of ~~all subdivisions except subdivisions 28 and 29~~ 1 to 27, "resident"  
619.22 ~~also means a person who is admitted to~~ and 30 to 34, a facility licensed as a board and  
619.23 lodging facility under Minnesota Rules, ~~parts 4625.0100 to 4625.2355~~ chapter 4625, or a  
619.24 supervised living facility under Minnesota Rules, ~~parts 4665.0100 to 4665.9900~~ chapter  
619.25 4665, and which operates a rehabilitation program licensed under Minnesota Rules, parts  
619.26 ~~9530.6405~~ 9530.6510 to 9530.6590.

619.27 (d) "Health care facility" or "facility" means:

619.28 (1) an acute care inpatient facility;

619.29 (2) a residential program as defined in section 253C.01;

619.30 (3) for the purposes of subdivisions 1, 4 to 9, 12, 13, 15, 16, 18 to 20, and 34, an  
619.31 outpatient surgical center or a birth center licensed under section 144.615;

620.1 (4) for the purposes of subdivisions 1, 3 to 16, 18, 20, 30, and 34, a setting in which  
620.2 outpatient mental health services are provided, or a community support program or other  
620.3 community-based program providing mental health treatment;

620.4 (5) a nonacute care facility, including extended care facilities;

620.5 (6) a nursing home;

620.6 (7) a boarding care home for care required because of prolonged mental or physical  
620.7 illness or disability, recovery from injury or disease, or advancing age; or

620.8 (8) for the purposes of subdivisions 1 to 27 and 30 to 34, a facility licensed as a board  
620.9 and lodging facility under Minnesota Rules, chapter 4625, or a supervised living facility  
620.10 under Minnesota Rules, chapter 4665, and which operates a rehabilitation program licensed  
620.11 under Minnesota Rules, parts 9530.6510 to 9530.6590.

620.12 Sec. 7. Minnesota Statutes 2016, section 144.651, subdivision 4, is amended to read:

620.13 Subd. 4. **Information about rights.** (a) Patients and residents shall, at admission, be  
620.14 told that there are legal rights for their protection during their stay at the facility or throughout  
620.15 their course of treatment and maintenance in the community and that these are described  
620.16 in an accompanying written statement in plain language and in terms patients and residents  
620.17 can understand of the applicable rights and responsibilities set forth in this section. The  
620.18 written statement must be developed by the commissioner, in consultation with stakeholders,  
620.19 and must also include the name, address, and telephone number of the state or county agency  
620.20 to contact for additional information or assistance. In the case of patients admitted to  
620.21 residential programs as defined in section 253C.01, the written statement shall also describe  
620.22 the right of a person 16 years old or older to request release as provided in section 253B.04,  
620.23 subdivision 2, and shall list the names and telephone numbers of individuals and organizations  
620.24 that provide advocacy and legal services for patients in residential programs.

620.25 (b) Reasonable accommodations shall be made for people who have communication  
620.26 disabilities and those who speak a language other than English.

620.27 (c) Current facility policies, inspection findings of state and local health authorities, and  
620.28 further explanation of the written statement of rights shall be available to patients, residents,  
620.29 their guardians or their chosen representatives upon reasonable request to the administrator  
620.30 or other designated staff person, consistent with chapter 13, the Data Practices Act, and  
620.31 section 626.557, relating to vulnerable adults.

621.1 Sec. 8. Minnesota Statutes 2016, section 144.651, subdivision 6, is amended to read:

621.2 Subd. 6. **Appropriate health care.** Patients and residents shall have the right to  
621.3 appropriate medical and personal care based on individual needs. Appropriate care for  
621.4 residents means care designed to enable residents to achieve their highest level of physical  
621.5 and mental functioning-, provided by persons who are properly trained and competent to  
621.6 perform their duties. This right is limited where the service is not reimbursable by public  
621.7 or private resources.

621.8 Sec. 9. Minnesota Statutes 2016, section 144.651, subdivision 14, is amended to read:

621.9 Subd. 14. **Freedom from maltreatment.** (a) Patients and residents shall be free from  
621.10 maltreatment as defined in the Vulnerable Adults Protection Act. "Maltreatment" means  
621.11 conduct described in section 626.5572, subdivision 15, or the intentional and nontherapeutic  
621.12 infliction of physical pain or injury, or any persistent course of conduct intended to produce  
621.13 mental or emotional distress. Patients and residents who reside in or receive care from a  
621.14 facility for which the Department of Health is the lead investigative agency shall receive  
621.15 notification from the Department of Health regarding a report of alleged maltreatment,  
621.16 disposition of a report, and appeal rights, as provided under section 626.557, subdivision  
621.17 9c.

621.18 (b) Every patient and resident shall also be free from nontherapeutic chemical and  
621.19 physical restraints, except in fully documented emergencies, or as authorized in writing  
621.20 after examination by a patient's or resident's physician for a specified and limited period of  
621.21 time, and only when necessary to protect the resident from self-injury or injury to others.

621.22 Sec. 10. Minnesota Statutes 2016, section 144.651, subdivision 16, is amended to read:

621.23 Subd. 16. **Confidentiality of records.** Patients and residents shall be assured confidential  
621.24 treatment of their personal, financial, and medical records, and may approve or refuse their  
621.25 release to any individual outside the facility. Residents shall be notified when personal  
621.26 records are requested by any individual outside the facility and may select someone to  
621.27 accompany them when the records or information are the subject of a personal interview.  
621.28 Patients and residents have a right to access their personal, financial, and medical records  
621.29 and written information from those records. Copies of records and written information from  
621.30 the records shall be made available in accordance with this subdivision and sections 144.291  
621.31 to 144.298. This right does not apply to complaint investigations and inspections by the  
621.32 Department of Health, where required by third-party payment contracts, or where otherwise  
621.33 provided by law.

622.1 Sec. 11. Minnesota Statutes 2016, section 144.651, subdivision 17, is amended to read:

622.2 Subd. 17. **Disclosure of services available.** Patients and residents shall be informed,  
 622.3 prior to or at the time of admission and during their stay, of services which are included in  
 622.4 the facility's basic per diem or daily room rate and that other services are available at  
 622.5 additional charges. Residents have the right to 30 days' advance notice of changes in charges  
 622.6 that are unrelated to a resident's change in condition or change of care needs. A facility that  
 622.7 is subject to section 504B.178 may not collect a nonrefundable security deposit unless it is  
 622.8 applied to the first month's charges. Nursing facilities enrolled as medical assistance providers  
 622.9 are prohibited from charging, soliciting, accepting, or receiving a deposit. Facilities and  
 622.10 providers are prohibited from charging fees because a resident exercises the right to refuse  
 622.11 treatment or medication, or when the resident chooses pharmacies or other health  
 622.12 professionals other than the ones selected or preferred by the facility or provider. Facilities  
 622.13 shall make every effort to assist patients and residents in obtaining information regarding  
 622.14 whether the Medicare or medical assistance program will pay for any or all of the  
 622.15 aforementioned services.

622.16 Sec. 12. Minnesota Statutes 2016, section 144.651, subdivision 20, is amended to read:

622.17 Subd. 20. **Grievances.** (a) Patients and residents shall be encouraged and assisted,  
 622.18 throughout their stay in a facility or their course of treatment, to understand and exercise  
 622.19 their rights as patients, residents, and citizens. Patients and residents may voice grievances,  
 622.20 assert the rights granted under this section personally, and recommend changes in policies  
 622.21 and services to facility staff and others of their choice, free from restraint, interference,  
 622.22 coercion, discrimination, retaliation, or reprisal, including threat of discharge. Notice of the  
 622.23 grievance procedure of the facility or program, as well as addresses and telephone numbers  
 622.24 for the Office of Health Facility Complaints and the area nursing home ombudsman pursuant  
 622.25 to the Older Americans Act, section 307(a)(12) shall be posted in a conspicuous place.

622.26 (b) Patients and residents have the right to complain about services that are provided,  
 622.27 services that are not being provided, and the lack of courtesy or respect to the patient or  
 622.28 resident or the patient's or resident's property. The facility must investigate and attempt  
 622.29 resolution of the complaint or grievance. The patient or resident has the right to be informed  
 622.30 of the name and contact information of the individual who is responsible for handling  
 622.31 grievances.

622.32 (c) Notice must be posted in a conspicuous place of the facility's or program's grievance  
 622.33 procedure, as well as telephone numbers and, where applicable, addresses for the common  
 622.34 entry point, as defined in section 626.5572, subdivision 5, the protection and advocacy

623.1 agency, and the state long-term care ombudsman pursuant to United States Code, title 42,  
623.2 sections 3058f and 3058g.

623.3 (d) Every acute care inpatient facility, every residential program as defined in section  
623.4 253C.01, every nonacute care facility, and every facility employing more than two people  
623.5 that provides outpatient mental health services shall have a written internal grievance  
623.6 procedure that, at a minimum, sets forth the process to be followed; specifies time limits,  
623.7 including time limits for facility response; provides for the patient or resident to have the  
623.8 assistance of an advocate; requires a written response to written grievances; and provides  
623.9 for a timely decision by an impartial decision maker if the grievance is not otherwise resolved.  
623.10 Compliance by hospitals, residential programs as defined in section 253C.01 which are  
623.11 hospital-based primary treatment programs, and outpatient surgery centers with section  
623.12 144.691 and compliance by health maintenance organizations with section 62D.11 is deemed  
623.13 to be compliance with the requirement for a written internal grievance procedure.

623.14 Sec. 13. Minnesota Statutes 2016, section 144.651, subdivision 21, is amended to read:

623.15 Subd. 21. **Communication privacy.** Patients and residents may associate and  
623.16 communicate privately with persons of their choice and enter and, except as provided by  
623.17 the Minnesota Commitment Act, leave the facility as they choose. Patients and residents  
623.18 shall have access, at their own expense, unless provided by the facility, to writing instruments,  
623.19 stationery, ~~and postage,~~ and Internet service. Personal mail shall be sent without interference  
623.20 and received unopened unless medically or programmatically contraindicated and  
623.21 documented by the physician in the medical record. There shall be access to a telephone  
623.22 where patients and residents can make and receive calls as well as speak privately. Facilities  
623.23 which are unable to provide a private area shall make reasonable arrangements to  
623.24 accommodate the privacy of patients' or residents' calls. Upon admission to a facility where  
623.25 federal law prohibits unauthorized disclosure of patient or resident identifying information  
623.26 to callers and visitors, the patient or resident, or the legal guardian or conservator of the  
623.27 patient or resident, shall be given the opportunity to authorize disclosure of the patient's or  
623.28 resident's presence in the facility to callers and visitors who may seek to communicate with  
623.29 the patient or resident. To the extent possible, the legal guardian or conservator of a patient  
623.30 or resident shall consider the opinions of the patient or resident regarding the disclosure of  
623.31 the patient's or resident's presence in the facility. This right is limited where medically  
623.32 inadvisable, as documented by the attending physician in a patient's or resident's care record.  
623.33 Where programmatically limited by a facility abuse prevention plan pursuant to section  
623.34 626.557, subdivision 14, paragraph (b), this right shall also be limited accordingly.

624.1 Sec. 14. Minnesota Statutes 2016, section 144.651, is amended by adding a subdivision  
624.2 to read:

624.3 Subd. 34. **Retaliation prohibited.** (a) A facility or person must not retaliate against a  
624.4 patient, resident, employee, or interested person who in good faith:

624.5 (1) files a complaint or grievance or asserts any rights on behalf of the patient or resident;

624.6 (2) submits a maltreatment report, whether mandatory or voluntary, on behalf of the  
624.7 patient or resident under section 626.557, subdivision 3, 4, or 4a;

624.8 (3) advocates on behalf of the patient or resident for necessary or improved care and  
624.9 services or enforcement of rights under this section or other law; or

624.10 (4) contracts to receive services from a service provider of the resident's choice.

624.11 (b) Adverse action may be considered retaliation. For purposes of this section, "adverse  
624.12 action" means any action taken in bad faith by a facility or person against the patient, resident,  
624.13 employee, or interested person that includes but is not limited to:

624.14 (1) discharge or transfer from the facility;

624.15 (2) discharge from or termination of employment;

624.16 (3) demotion or reduction in remuneration for services;

624.17 (4) any restriction of any of the rights set forth in state or federal law;

624.18 (5) removal, tampering with, or deprivation of technology, communication, or electronic  
624.19 monitoring devices of the patient or resident;

624.20 (6) one of the following actions if unrelated to a patient's or resident's change in condition  
624.21 or change of care needs:

624.22 (i) restriction or prohibition of access either to the facility or to the patient or resident;

624.23 (ii) any restriction of access to or use of communities or services;

624.24 (iii) termination of services or lease agreement, or both; or

624.25 (iv) a sudden increase in costs for services not already contemplated at the time of the  
624.26 action taken;

624.27 (7) reporting maltreatment in bad faith; or

624.28 (8) making any oral or written communication of false information about a person  
624.29 advocating on behalf of the patient or resident.

625.1 Sec. 15. Minnesota Statutes 2016, section 144.651, is amended by adding a subdivision  
625.2 to read:

625.3 Subd. 35. **Electronic monitoring.** A resident has the right to install and use electronic  
625.4 monitoring, provided the requirements of section 144.6502 are met.

625.5 Sec. 16. **[144.6511] DECEPTIVE MARKETING AND BUSINESS PRACTICES.**

625.6 (a) For purposes of this section, "facility" means a facility listed in section 144.651,  
625.7 subdivision 2, paragraph (d), clauses (2) to (8); a housing with services establishment  
625.8 registered under chapter 144D; or an assisted living setting regulated under chapter 144G.

625.9 (b) Deceptive marketing and business practices by a facility or by a home care provider  
625.10 licensed under sections 144A.43 to 144A.482, are prohibited.

625.11 (c) For the purposes of this section, it is a deceptive practice for a facility or home care  
625.12 provider to:

625.13 (1) make any false, fraudulent, deceptive, or misleading statements in marketing,  
625.14 advertising, or written description or representation of care or services, whether in written  
625.15 or electronic form;

625.16 (2) arrange for or provide health care or services other than those contracted for;

625.17 (3) fail to deliver any care or services the provider or facility promised that the facility  
625.18 was able to provide;

625.19 (4) fail to inform the patient, resident, or client in writing of any limitations to care  
625.20 services available prior to executing a contract for admission;

625.21 (5) discharge or terminate the lease or services of a patient or resident following a required  
625.22 period of private pay who then receives benefits under the medical assistance elderly waiver  
625.23 program after the facility has made a written promise to continue the same services provided  
625.24 under private pay and accept medical assistance elderly waiver payments after the expiration  
625.25 of the private pay period;

625.26 (6) fail to disclose in writing the purpose of a nonrefundable community fee or other fee  
625.27 prior to contracting for services with a patient, resident, or client;

625.28 (7) advertise or represent, in writing, that the facility is or has a special care unit, such  
625.29 as for dementia or memory care, without complying with training and disclosure requirements  
625.30 under sections 144D.065 and 325F.72, and any other applicable law; or

626.1 (8) define the terms "facility," "contract of admission," "admission contract," "admission  
626.2 agreement," "legal representative," or "responsible party" to mean anything other than the  
626.3 meanings of those terms under section 144.6501.

626.4 Sec. 17. Minnesota Statutes 2016, section 144.652, is amended by adding a subdivision  
626.5 to read:

626.6 Subd. 3. **Fines.** Notwithstanding section 144.653 or 144A.10, the commissioner may  
626.7 impose a fine in an amount equal to the amount listed in Minnesota Rules, part 4658.0193,  
626.8 item F, upon a finding that the facility has violated section 144.651, subdivision 34.

626.9 Sec. 18. Minnesota Statutes 2016, section 144A.10, subdivision 1, is amended to read:

626.10 Subdivision 1. **Enforcement authority.** The commissioner of health is the exclusive  
626.11 state agency charged with the responsibility and duty of inspecting all facilities required to  
626.12 be licensed under section 144A.02, and issuing correction orders and imposing fines as  
626.13 provided in this section, Minnesota Rules, chapter 4658, or any other applicable law. The  
626.14 commissioner of health shall enforce the rules established pursuant to sections 144A.01 to  
626.15 144A.155, subject only to the authority of the Department of Public Safety respecting the  
626.16 enforcement of fire and safety standards in nursing homes and the responsibility of the  
626.17 commissioner of human services under sections 245A.01 to 245A.16 or 252.28.

626.18 The commissioner may request and must be given access to relevant information, records,  
626.19 incident reports, or other documents in the possession of a licensed facility if the  
626.20 commissioner considers them necessary for the discharge of responsibilities. For the purposes  
626.21 of inspections and securing information to determine compliance with the licensure laws  
626.22 and rules, the commissioner need not present a release, waiver, or consent of the individual.  
626.23 A nursing home's refusal to cooperate in providing lawfully requested information is grounds  
626.24 for a correction order, a fine according to Minnesota Rules, part 4658.0190, item EE, or  
626.25 both. The identities of patients or residents must be kept private as defined by section 13.02,  
626.26 subdivision 12.

626.27 Sec. 19. Minnesota Statutes 2016, section 144A.44, subdivision 1, is amended to read:

626.28 Subdivision 1. **Statement of rights.** A person who receives home care services has these  
626.29 rights:

626.30 (1) the right to receive written information in plain language about rights before receiving  
626.31 services, including what to do if rights are violated;

627.1 (2) the right to receive care and services according to a suitable and up-to-date plan, and  
627.2 subject to accepted health care, medical or nursing standards, to take an active part in  
627.3 developing, modifying, and evaluating the plan and services;

627.4 (3) the right to be told before receiving services the type and disciplines of staff who  
627.5 will be providing the services, the frequency of visits proposed to be furnished, other choices  
627.6 that are available for addressing home care needs, and the potential consequences of refusing  
627.7 these services;

627.8 (4) the right to be told in advance of any recommended changes by the provider in the  
627.9 service plan and to take an active part in any decisions about changes to the service plan;

627.10 (5) the right to refuse services or treatment;

627.11 (6) the right to know, before receiving services or during the initial visit, any limits to  
627.12 the services available from a home care provider;

627.13 (7) the right to be told before services are initiated what the provider charges for the  
627.14 services; to what extent payment may be expected from health insurance, public programs,  
627.15 or other sources, if known; and what charges the client may be responsible for paying;

627.16 (8) the right to know that there may be other services available in the community,  
627.17 including other home care services and providers, and to know where to find information  
627.18 about these services;

627.19 (9) the right to choose freely among available providers and to change providers after  
627.20 services have begun, within the limits of health insurance, long-term care insurance, medical  
627.21 assistance, or other health programs;

627.22 (10) the right to have personal, financial, and medical information kept private, and to  
627.23 be advised of the provider's policies and procedures regarding disclosure of such information;

627.24 (11) the right to access the client's own records and written information from those  
627.25 records in accordance with sections 144.291 to 144.298;

627.26 (12) the right to be served by people who are properly trained and competent to perform  
627.27 their duties;

627.28 (13) the right to be treated with courtesy and respect, and to have the client's property  
627.29 treated with respect;

627.30 (14) the right to be free from physical and verbal abuse, neglect, financial exploitation,  
627.31 and all forms of maltreatment covered under the Vulnerable Adults Act and the Maltreatment  
627.32 of Minors Act;

- 628.1 (15) the right to reasonable, advance notice of changes in services or charges;
- 628.2 (16) the right to know the provider's reason for termination of services;
- 628.3 (17) the right to at least ~~ten~~ 15 days' advance notice of the termination of a service by a
- 628.4 provider, except in cases where:
- 628.5 (i) the client engages in conduct that significantly alters the terms of the service plan
- 628.6 with the home care provider;
- 628.7 (ii) the client, person who lives with the client, or others create an abusive or unsafe
- 628.8 work environment for the person providing home care services; ~~or~~
- 628.9 (iii) an emergency or a significant change in the client's condition has resulted in service
- 628.10 needs that exceed the current service plan and that cannot be safely met by the home care
- 628.11 provider; or
- 628.12 (iv) the client's condition has improved to a point where home care services are deemed
- 628.13 by the client's medical provider to no longer be medically necessary;
- 628.14 (18) the right to a coordinated transfer when there will be a change in the provider of
- 628.15 services;
- 628.16 (19) the right to complain to staff about services that are provided, or fail to be provided,
- 628.17 and the lack of courtesy or respect to the client or the client's property, and the right to
- 628.18 recommend changes in policies and services, free from retaliation, including the threat of
- 628.19 termination of services or a service agreement;
- 628.20 (20) the right to know how to contact an individual associated with the home care provider
- 628.21 who is responsible for handling problems and to have the home care provider investigate
- 628.22 and attempt to resolve the grievance or complaint;
- 628.23 (21) the right to know the name and address of the state or county agency to contact for
- 628.24 additional information or assistance; ~~and~~
- 628.25 (22) the right to assert these rights personally, or have them asserted by the client's
- 628.26 representative or by anyone on behalf of the client, without retaliation-
- 628.27 (23) the right to notification from the Department of Health regarding a report of alleged
- 628.28 maltreatment, disposition of a report, and appeal rights, as provided under section 626.557,
- 628.29 subdivision 9c;
- 628.30 (24) the right to Internet service at the person's own expense, unless it is provided by
- 628.31 the provider; and

629.1 (25) the right to place an electronic monitoring device in the person's own private space,  
 629.2 provided the requirements in section 144.6502 are met.

629.3 The commissioner shall develop and make available to providers a standard form explaining  
 629.4 in plain language the rights specified in this subdivision.

629.5 Sec. 20. Minnesota Statutes 2016, section 144A.441, is amended to read:

629.6 **144A.441 ASSISTED LIVING BILL OF RIGHTS ADDENDUM.**

629.7 Assisted living clients, as defined in section 144G.01, subdivision 3, shall be provided  
 629.8 with the home care bill of rights required by section 144A.44, except that the home care  
 629.9 bill of rights provided to these clients must include the following provision in place of the  
 629.10 provision in section 144A.44, subdivision 1, clause (17):

629.11 "(17) the right to reasonable, advance notice of changes in services or charges, including  
 629.12 at least 30 days' advance notice of the termination of a service by a provider, except in cases  
 629.13 where:

629.14 (i) the recipient of services ~~engages in conduct that alters the conditions of employment~~  
 629.15 ~~as specified in the employment contract between the home care provider and the individual~~  
 629.16 ~~providing home care services, or creates~~ and the home care provider can document an  
 629.17 abusive or unsafe work environment for the individual providing home care services;

629.18 (ii) a doctor or treating physician, certified nurse practitioner, physician assistant, or  
 629.19 registered nurse documents that an emergency for the informal caregiver or a significant  
 629.20 change in the recipient's condition has resulted in service needs that exceed the current  
 629.21 service provider agreement and that cannot be safely met by the home care provider; or

629.22 (iii) the provider has not received payment for services, for which at least ten days'  
 629.23 advance notice of the termination of a service shall be provided."

629.24 For participants receiving medical assistance waiver services, the provider must immediately  
 629.25 notify the participant's case manager of any termination of services.

629.26 Sec. 21. Minnesota Statutes 2016, section 144A.442, is amended to read:

629.27 **144A.442 ASSISTED LIVING CLIENTS; SERVICE ARRANGED HOME CARE**  
 629.28 **PROVIDER RESPONSIBILITIES; TERMINATION OF SERVICES.**

629.29 Subdivision 1. Definition. For the purposes of this section, "coordinated transfer" means  
 629.30 a plan to transfer an assisted living client, as defined in section 144G.01, subdivision 3, to  
 629.31 another home care provider that:

630.1 (1) considers the needs and wants of the client;

630.2 (2) is based on the comprehensive assessment and individual needs of the client;

630.3 (3) includes the client, the client's case manager, and the client's representative, if any;

630.4 and

630.5 (4) includes relevant information that allows the new home care provider to successfully

630.6 meet the needs of the client.

630.7 Subd. 2. **Permissible reasons to terminate services; notice required.** (a) An arranged

630.8 home care provider may terminate services if the home care provider is implementing a

630.9 plan consistent with the client's assessed needs and a client:

630.10 (1) engages in conduct that significantly alters the terms of the service agreement with

630.11 the home care provider and does not significantly alter the client's conduct within 30 days

630.12 of receiving written notice of the conduct; or

630.13 (2) fails to pay the provider for services that are agreed to in the service agreement.

630.14 (b) An arranged home care provider must provide at least 30 days' advance written notice

630.15 prior to terminating a service agreement for a reason specified in paragraph (a), clause (1),

630.16 and at least ten days' advance notice for the reason specified in paragraph (a), clause (2).

630.17 (c) Notwithstanding paragraphs (a) and (b), the arranged home care provider may

630.18 terminate services if the client:

630.19 (1) creates, and the provider can document, an abusive or unsafe environment for the

630.20 individual providing home care services or for other residents; or

630.21 (2) has a comprehensive assessment by a treating physician, advanced practice registered

630.22 nurse, or physician assistant that documents, and shows, that an emergency or a significant

630.23 change in the client's condition has resulted in service needs that exceed the current service

630.24 agreement and that cannot be safely met by the home care provider.

630.25 An arranged home care provider may not terminate services under this paragraph until the

630.26 provider has assisted a client with a coordinated transfer.

630.27 (d) For participants receiving medical assistance waiver services, the provider must

630.28 immediately notify the participant's case manager of any termination of services.

630.29 Subd. 3. **Contents of service termination notice.** If an arranged home care provider,

630.30 as defined in section 144D.01, subdivision 2a, who is not also Medicare certified terminates

630.31 a service agreement ~~or service plan~~ with an assisted living client, as defined in section

630.32 144G.01, subdivision 3, the home care provider shall provide the assisted living client and

631.1 the legal or designated representatives of the client, if any, with a advance written notice  
 631.2 of termination ~~which~~, as provided under subdivision 2, that includes the following  
 631.3 information:

631.4 (1) the effective date of termination;

631.5 (2) a detailed explanation of the reason for termination;

631.6 (3) without extending the termination notice period, an affirmative offer to meet with  
 631.7 the assisted living client or client representatives ~~within no more than five business days of~~  
 631.8 ~~the date of the termination notice~~ to discuss the termination;

631.9 (4) contact information for a reasonable number of other home care providers in the  
 631.10 geographic area of the assisted living client, as required by section 144A.4791, subdivision  
 631.11 10;

631.12 (5) a statement that the provider will participate in a coordinated transfer of the care of  
 631.13 the client to another provider or caregiver, as required by section 144A.44, subdivision 1,  
 631.14 clause (18);

631.15 (6) the name and contact information of a representative of the home care provider with  
 631.16 whom the client may discuss the notice of termination;

631.17 (7) a copy of the home care bill of rights; ~~and~~

631.18 (8) a statement that the notice of termination of home care services by the home care  
 631.19 provider does not constitute notice of termination of the housing with services contract with  
 631.20 a housing with services establishment;

631.21 (9) a statement that the client has the right to avoid termination of services by paying  
 631.22 the past due service charges or by curing the alteration of the terms of the service agreement  
 631.23 prior to the effective date of service termination;

631.24 (10) a statement that the recipient of the notice may contact the Office of the Ombudsman  
 631.25 for Long-Term Care for assistance regarding service termination and the address and  
 631.26 telephone number of the Office of Ombudsman for Long-Term Care, the Office of  
 631.27 Administrative Hearings, and the protection and advocacy agency; and

631.28 (11) a statement of the client's right to appeal the service termination to the Office of  
 631.29 Administrative Hearings and an explanation about how to request an appeal.

631.30 **Subd. 4. Right to appeal service termination.** (a) At any time prior to the expiration  
 631.31 of the notice period provided under subdivision 2, paragraph (b), a client may appeal the  
 631.32 service termination by making a written request for a hearing to the Office of Administrative

632.1 Hearings, which must schedule the hearing no later than 14 days after receiving the appeal  
 632.2 request. The hearing must be held in the establishment in which the client resides, unless  
 632.3 impractical or the parties agree otherwise. A client may not appeal a service termination  
 632.4 for the reason specified in subdivision 2, paragraph (a), clause (2). A client may appeal a  
 632.5 termination of services for a reason specified in subdivision 2, paragraph (a), clause (1),  
 632.6 beginning July 1, 2018, and may appeal a termination of services for a reason specified in  
 632.7 subdivision 2, paragraph (c), clause (1) or (2), beginning January 1, 2020.

632.8 (b) The arranged home care provider may not discontinue services to a client who makes  
 632.9 a timely appeal of a notice of service termination until the Office of Administrative Hearings  
 632.10 makes a final determination on the appeal in favor of the arranged home care provider.

632.11 (c) Clients are not required to request a meeting as provided under subdivision 3, clause  
 632.12 (3), prior to submitting an appeal hearing request.

632.13 (d) The commissioner of health may order the arranged home care provider to rescind  
 632.14 the service termination if:

632.15 (1) the service termination was in violation of state or federal law; or

632.16 (2) the client cures the conduct that allegedly altered the terms of the service agreement  
 632.17 on or before the date of the administrative hearing.

632.18 (e) Nothing in this section limits the right of a client or the client's representative to  
 632.19 request or receive assistance from the Office of Ombudsman for Long-Term Care and the  
 632.20 protection and advocacy agency concerning the proposed service termination.

632.21 Subd. 5. **Assistance with coordinated transfer.** A housing with services establishment  
 632.22 with which the client has a contract and the arranged home care provider must assist a client  
 632.23 with a coordinated transfer.

632.24 **EFFECTIVE DATE.** This section is effective for all contracts for services entered into  
 632.25 or renewed on or after July 1, 2018.

632.26 Sec. 22. Minnesota Statutes 2016, section 144A.45, subdivision 1, is amended to read:

632.27 Subdivision 1. **Regulations.** The commissioner shall regulate home care providers  
 632.28 pursuant to sections 144A.43 to 144A.482. The regulations shall include the following:

632.29 (1) provisions to assure, to the extent possible, the health, safety, well-being, and  
 632.30 appropriate treatment of persons who receive home care services while respecting a client's  
 632.31 autonomy and choice;

- 633.1 (2) requirements that home care providers furnish the commissioner with specified  
 633.2 information necessary to implement sections 144A.43 to 144A.482;
- 633.3 (3) standards of training of home care provider personnel;
- 633.4 (4) standards for provision of home care services;
- 633.5 (5) standards for medication management;
- 633.6 (6) standards for supervision of home care services;
- 633.7 (7) standards for client evaluation or assessment;
- 633.8 (8) requirements for the involvement of a client's health care provider, the documentation  
 633.9 of health care providers' orders, if required, and the client's service plan;
- 633.10 (9) standards for the maintenance of accurate, current client records;
- 633.11 (10) the establishment of basic and comprehensive levels of licenses based on services  
 633.12 provided; and
- 633.13 (11) provisions to enforce these regulations and the home care bill of rights, including  
 633.14 provisions for issuing penalties and fines according to section 144A.474, subdivision 11,  
 633.15 for violations of sections 144A.43 to 144A.482, and of the home care bill of rights under  
 633.16 sections 144A.44 to 144A.441.
- 633.17 Sec. 23. Minnesota Statutes 2016, section 144A.45, subdivision 2, is amended to read:
- 633.18 Subd. 2. **Regulatory functions.** The commissioner shall:
- 633.19 (1) license, survey, and monitor without advance notice, home care providers in  
 633.20 accordance with sections 144A.43 to 144A.482;
- 633.21 (2) survey every temporary licensee within one year of the temporary license issuance  
 633.22 date subject to the temporary licensee providing home care services to a client or clients;
- 633.23 (3) survey all licensed home care providers on an interval that will promote the health  
 633.24 and safety of clients;
- 633.25 (4) with the consent of the client, visit the home where services are being provided;
- 633.26 (5) issue correction orders and assess civil penalties in accordance with ~~section~~ sections  
 633.27 144.653, subdivisions 5 to 8, 144A.474, and 144A.475, for violations of sections 144A.43  
 633.28 to 144A.482, and sections 144A.44 to 144A.441;
- 633.29 (6) take action as authorized in section 144A.475; and

634.1 (7) take other action reasonably required to accomplish the purposes of sections 144A.43  
634.2 to 144A.482.

634.3 Sec. 24. Minnesota Statutes 2016, section 144A.474, subdivision 8, is amended to read:

634.4 Subd. 8. **Correction orders.** (a) A correction order may be issued whenever the  
634.5 commissioner finds upon survey or during a complaint investigation that a home care  
634.6 provider, a managerial official, or an employee of the provider is not in compliance with  
634.7 sections 144A.43 to 144A.482. The correction order shall cite the specific statute and  
634.8 document areas of noncompliance and the time allowed for correction. In addition to issuing  
634.9 a correction order, the commissioner may impose an immediate fine as provided in  
634.10 subdivision 11.

634.11 (b) The commissioner shall mail copies of any correction order to the last known address  
634.12 of the home care provider, or electronically scan the correction order and e-mail it to the  
634.13 last known home care provider e-mail address, within 30 calendar days after the survey exit  
634.14 date. A copy of each correction order, the amount of any immediate fine issued, the correction  
634.15 plan, and copies of any documentation supplied to the commissioner shall be kept on file  
634.16 by the home care provider, and public documents shall be made available for viewing by  
634.17 any person upon request. Copies may be kept electronically.

634.18 (c) By the correction order date, the home care provider must document in the provider's  
634.19 records any action taken to comply with the correction order. The commissioner may request  
634.20 a copy of this documentation and the home care provider's action to respond to the correction  
634.21 order in future surveys, upon a complaint investigation, and as otherwise needed.

634.22 Sec. 25. Minnesota Statutes 2016, section 144A.474, subdivision 9, is amended to read:

634.23 Subd. 9. **Follow-up surveys.** For providers that have Level 3 or Level 4 violations under  
634.24 subdivision 11, or any violations determined to be widespread, the department shall conduct  
634.25 a follow-up survey within 90 calendar days of the survey. When conducting a follow-up  
634.26 survey, the surveyor will focus on whether the previous violations have been corrected and  
634.27 may also address any new violations that are observed while evaluating the corrections that  
634.28 have been made. If a new violation is identified on a follow-up survey, ~~no fine will be~~  
634.29 ~~imposed unless it is not corrected on the next follow-up survey~~ the surveyor shall issue a  
634.30 correction order for the new violation and may impose an immediate fine for the new  
634.31 violation.

635.1 Sec. 26. Minnesota Statutes 2017 Supplement, section 144A.474, subdivision 11, is  
635.2 amended to read:

635.3 Subd. 11. **Fines.** (a) Fines and enforcement actions under this subdivision may be assessed  
635.4 based on the level and scope of the violations described in paragraph (c) as follows:

635.5 (1) Level 1, no fines or enforcement;

635.6 (2) Level 2, fines ranging from \$0 to \$500, in addition to any of the enforcement  
635.7 mechanisms authorized in section 144A.475 for widespread violations;

635.8 (3) Level 3, fines ranging from \$500 to \$1,000, in addition to any of the enforcement  
635.9 mechanisms authorized in section 144A.475; and

635.10 (4) Level 4, fines ranging from \$1,000 to \$5,000, in addition to any of the enforcement  
635.11 mechanisms authorized in section 144A.475.

635.12 (b) Correction orders for violations are categorized by both level and scope and fines  
635.13 shall be assessed as follows:

635.14 (1) level of violation:

635.15 (i) Level 1 is a violation that has no potential to cause more than a minimal impact on  
635.16 the client and does not affect health or safety;

635.17 (ii) Level 2 is a violation that did not harm a client's health or safety but had the potential  
635.18 to have harmed a client's health or safety, but was not likely to cause serious injury,  
635.19 impairment, or death;

635.20 (iii) Level 3 is a violation that harmed a client's health or safety, not including serious  
635.21 injury, impairment, or death, or a violation that has the potential to lead to serious injury,  
635.22 impairment, or death; and

635.23 (iv) Level 4 is a violation that results in serious injury, impairment, or death.

635.24 (2) scope of violation:

635.25 (i) isolated, when one or a limited number of clients are affected or one or a limited  
635.26 number of staff are involved or the situation has occurred only occasionally;

635.27 (ii) pattern, when more than a limited number of clients are affected, more than a limited  
635.28 number of staff are involved, or the situation has occurred repeatedly but is not found to be  
635.29 pervasive; and

635.30 (iii) widespread, when problems are pervasive or represent a systemic failure that has  
635.31 affected or has the potential to affect a large portion or all of the clients.

636.1 (c) If the commissioner finds that the applicant or a home care provider required to be  
636.2 licensed under sections 144A.43 to 144A.482 has not corrected violations by the date  
636.3 specified in the correction order or conditional license resulting from a survey or complaint  
636.4 investigation, the commissioner may impose ~~a~~ an additional fine for noncompliance with  
636.5 a correction order. A notice of noncompliance with a correction order must be mailed to  
636.6 the applicant's or provider's last known address. The ~~noncompliance~~ notice of noncompliance  
636.7 with a correction order must list the violations not corrected and any fines imposed.

636.8 (d) The license holder must pay the fines assessed on or before the payment date specified  
636.9 on a correction order or on a notice of noncompliance with a correction order. If the license  
636.10 holder fails to ~~fully comply with the order~~ pay a fine by the specified date, the commissioner  
636.11 may issue a ~~second~~ late payment fine or suspend the license until the license holder ~~complies~~  
636.12 ~~by paying the fine~~ pays all outstanding fines. A timely appeal shall stay payment of the late  
636.13 payment fine until the commissioner issues a final order.

636.14 (e) A license holder shall promptly notify the commissioner in writing when a violation  
636.15 specified in ~~the order~~ a notice of noncompliance with a correction order is corrected. If upon  
636.16 reinspection the commissioner determines that a violation has not been corrected as indicated  
636.17 by the ~~order~~ notice of noncompliance with a correction order, the commissioner may issue  
636.18 ~~a second~~ an additional fine for noncompliance with a notice of noncompliance with a  
636.19 correction order. The commissioner shall notify the license holder by mail to the last known  
636.20 address in the licensing record that ~~a second~~ an additional fine has been assessed. The license  
636.21 holder may appeal the ~~second~~ additional fine as provided under this subdivision.

636.22 (f) A home care provider that has been assessed a fine under this subdivision or  
636.23 subdivision 8 has a right to a reconsideration or a hearing under this section and chapter 14.

636.24 (g) When a fine has been assessed, the license holder may not avoid payment by closing,  
636.25 selling, or otherwise transferring the licensed program to a third party. In such an event, the  
636.26 license holder shall be liable for payment of the fine.

636.27 (h) In addition to any fine imposed under this section, the commissioner may assess  
636.28 costs related to an investigation that results in a final order assessing a fine or other  
636.29 enforcement action authorized by this chapter.

636.30 (i) Fines collected under this subdivision shall be deposited in the state government  
636.31 special revenue fund and credited to an account separate from the revenue collected under  
636.32 section 144A.472. Subject to an appropriation by the legislature, the revenue from the fines  
636.33 collected must be used by the commissioner for special projects to improve home care in  
636.34 Minnesota as recommended by the advisory council established in section 144A.4799.

637.1 Sec. 27. Minnesota Statutes 2016, section 144A.479, is amended by adding a subdivision  
637.2 to read:

637.3 Subd. 2a. **Deceptive marketing and business practices.** Deceptive marketing and  
637.4 business practices by a home care provider are prohibited. For purposes of this subdivision,  
637.5 it is a deceptive practice for a home care provider to engage in any conduct listed in section  
637.6 144.6511.

637.7 Sec. 28. Minnesota Statutes 2016, section 144A.4791, subdivision 10, is amended to read:

637.8 Subd. 10. **Termination of service plan.** (a) Except as provided in section 144A.442, if  
637.9 a home care provider terminates a service plan with a client, and the client continues to need  
637.10 home care services, the home care provider shall provide the client and the client's  
637.11 representative, if any, with a written notice of termination which includes the following  
637.12 information:

637.13 (1) the effective date of termination;

637.14 (2) the reason for termination;

637.15 (3) a list of known licensed home care providers in the client's immediate geographic  
637.16 area;

637.17 (4) a statement that the home care provider will participate in a coordinated transfer of  
637.18 care of the client to another home care provider, health care provider, or caregiver, as  
637.19 required by the home care bill of rights, section 144A.44, subdivision 1, clause (17);

637.20 (5) the name and contact information of a person employed by the home care provider  
637.21 with whom the client may discuss the notice of termination; and

637.22 (6) if applicable, a statement that the notice of termination of home care services does  
637.23 not constitute notice of termination of the housing with services contract with a housing  
637.24 with services establishment.

637.25 (b) When the home care provider voluntarily discontinues services to all clients, the  
637.26 home care provider must notify the commissioner, lead agencies, and ombudsman for  
637.27 long-term care about its clients and comply with the requirements in this subdivision.

637.28 Sec. 29. Minnesota Statutes 2016, section 144A.53, subdivision 1, is amended to read:

637.29 Subdivision 1. **Powers.** The director may:

637.30 (a) Promulgate by rule, pursuant to chapter 14, and within the limits set forth in  
637.31 subdivision 2, the methods by which complaints against health facilities, health care

638.1 providers, home care providers, ~~or residential care homes~~, or administrative agencies are  
638.2 to be made, reviewed, investigated, and acted upon; provided, however, that a fee may not  
638.3 be charged for filing a complaint.

638.4 (b) Recommend legislation and changes in rules to the state commissioner of health,  
638.5 governor, administrative agencies or the federal government.

638.6 (c) Investigate, upon a complaint or upon initiative of the director, any action or failure  
638.7 to act by a health care provider, home care provider, ~~residential care home~~, or a health  
638.8 facility.

638.9 (d) Request and receive access to relevant information, records, incident reports, or  
638.10 documents in the possession of an administrative agency, a health care provider, a home  
638.11 care provider, a ~~residential care home~~, or a health facility, and issue investigative subpoenas  
638.12 to individuals and facilities for oral information and written information, including privileged  
638.13 information which the director deems necessary for the discharge of responsibilities. For  
638.14 purposes of investigation and securing information to determine violations, the director  
638.15 need not present a release, waiver, or consent of an individual. The identities of patients or  
638.16 residents must be kept private as defined by section 13.02, subdivision 12.

638.17 (e) Enter and inspect, at any time, a health facility ~~or residential care home~~ and be  
638.18 permitted to interview staff; provided that the director shall not unduly interfere with or  
638.19 disturb the provision of care and services within the facility ~~or home~~ or the activities of a  
638.20 patient or resident unless the patient or resident consents.

638.21 (f) Issue correction orders and assess civil fines ~~pursuant to section~~ for violations of  
638.22 sections 144.651, 144.653, 144A.10, 144A.44, 144A.45, and 626.557, Minnesota Rules,  
638.23 chapters 4655, 4658, 4664, and 4665, or any other law ~~which~~ that provides for the issuance  
638.24 of correction orders to health facilities or home care provider, or under section 144A.45. The  
638.25 director may use the authority in section 144A.474, subdivision 11, to calculate the fine  
638.26 amount. A facility's or home's refusal to cooperate in providing lawfully requested  
638.27 information within the requested time period may also be grounds for a correction order or  
638.28 fine at a Level 2 fine pursuant to section 144A.474, subdivision 11.

638.29 (g) Recommend the certification or decertification of health facilities pursuant to Title  
638.30 XVIII or XIX of the United States Social Security Act.

638.31 (h) Assist patients or residents of health facilities ~~or residential care homes~~ in the  
638.32 enforcement of their rights under Minnesota law.

639.1 (i) Work with administrative agencies, health facilities, home care providers, residential  
 639.2 care homes, and health care providers and organizations representing consumers on programs  
 639.3 designed to provide information about health facilities to the public and to health facility  
 639.4 residents.

639.5 Sec. 30. Minnesota Statutes 2016, section 144A.53, subdivision 4, is amended to read:

639.6 Subd. 4. **Referral of complaints.** (a) If a complaint received by the director relates to  
 639.7 a matter more properly within the jurisdiction of law enforcement, an occupational licensing  
 639.8 board, or other governmental agency, the director shall promptly forward the complaint ~~to~~  
 639.9 ~~that agency~~ appropriately and shall inform the complaining party of the forwarding. ~~The~~

639.10 (b) An agency shall promptly act in respect to the complaint, and shall inform the  
 639.11 complaining party and the director of its disposition. If a governmental agency receives a  
 639.12 complaint which is more properly within the jurisdiction of the director, it shall promptly  
 639.13 forward the complaint to the director, and shall inform the complaining party of the  
 639.14 forwarding.

639.15 (c) If the director has reason to believe that an official or employee of an administrative  
 639.16 agency, a home care provider, ~~residential care home~~, or health facility, or a client or resident  
 639.17 of any of these entities has acted in a manner warranting criminal or disciplinary proceedings,  
 639.18 the director shall refer the matter to the state commissioner of health, the commissioner of  
 639.19 human services, an appropriate prosecuting authority, or other appropriate agency.

639.20 Sec. 31. Minnesota Statutes 2016, section 144A.53, is amended by adding a subdivision  
 639.21 to read:

639.22 Subd. 5. **Safety and quality improvement technical panel.** The director shall establish  
 639.23 an expert technical panel to examine and make recommendations, on an ongoing basis, on  
 639.24 how to apply proven safety and quality improvement practices and infrastructure to settings  
 639.25 and providers that provide long-term services and supports. The technical panel must include  
 639.26 representation from nonprofit Minnesota-based organizations dedicated to patient safety or  
 639.27 innovation in health care safety and quality, Department of Health staff with expertise in  
 639.28 issues related to adverse health events, the University of Minnesota, organizations  
 639.29 representing long-term care providers and home care providers in Minnesota, national patient  
 639.30 safety experts, and other experts in the safety and quality improvement field. The technical  
 639.31 panel shall periodically provide recommendations to the legislature on legislative changes  
 639.32 needed to promote safety and quality improvement practices in long-term care settings and  
 639.33 with long-term care providers.

640.1 Sec. 32. Minnesota Statutes 2016, section 144A.53, is amended by adding a subdivision  
640.2 to read:

640.3 Subd. 6. **Training and operations panel.** (a) The director shall establish a training and  
640.4 operations panel within the Office of Health Facility Complaints to examine and make  
640.5 recommendations, on an ongoing basis, on continual improvements to the operation of the  
640.6 office. The training and operations panel shall be composed of office staff, including  
640.7 investigators and intake and triage staff, one or more representatives of the commissioner's  
640.8 office, and employees from any other divisions in the Department of Health with relevant  
640.9 knowledge or expertise. The training and operations panel may also consult with employees  
640.10 from other agencies in state government with relevant knowledge or expertise.

640.11 (b) The training and operations panel shall examine and make recommendations to the  
640.12 director and the commissioner regarding introducing or refining office systems, procedures,  
640.13 and staff training in order to improve office and staff efficiency; enhance communications  
640.14 between the office, health care facilities, home care providers, and residents or clients; and  
640.15 provide for appropriate, effective protection for vulnerable adults through rigorous  
640.16 investigations and enforcement of laws. Panel duties include but are not limited to:

640.17 (1) developing the office's training processes to adequately prepare and support  
640.18 investigators in performing their duties;

640.19 (2) developing clear, consistent internal policies for conducting investigations as required  
640.20 by federal law, including policies to ensure staff meet the deadlines in state and federal laws  
640.21 for triaging, investigating, and making final dispositions of cases involving maltreatment,  
640.22 and procedures for notifying the vulnerable adult, reporter, and facility of any delays in  
640.23 investigations; communicating these policies to staff in a clear, timely manner; and  
640.24 developing procedures to evaluate and modify these internal policies on an ongoing basis;

640.25 (3) developing and refining quality control measures for the intake and triage processes,  
640.26 through such practices as reviewing a random sample of the triage decisions made in case  
640.27 reports or auditing a random sample of the case files to ensure the proper information is  
640.28 being collected, the files are being properly maintained, and consistent triage and  
640.29 investigations determinations are being made;

640.30 (4) developing and maintaining systems and procedures to accurately determine the  
640.31 situations in which the office has jurisdiction over a maltreatment allegation;

640.32 (5) developing and maintaining audit procedures for investigations to ensure investigators  
640.33 obtain and document information necessary to support decisions;

641.1 (6) developing and maintaining procedures to, following a maltreatment determination,  
 641.2 clearly communicate the appeal or review rights of all parties upon final disposition; and  
 641.3 (7) continuously upgrading the information on and utility of the office's Web site through  
 641.4 such steps as providing clear, detailed information about the appeal or review rights of  
 641.5 vulnerable adults, alleged perpetrators, and providers and facilities.

641.6 Sec. 33. Minnesota Statutes 2016, section 144A.53, is amended by adding a subdivision  
 641.7 to read:

641.8 Subd. 7. **Posting maltreatment reports.** (a) The director shall post on the Department  
 641.9 of Health Web site the following information for the past five years:

641.10 (1) the public portions of all substantiated reports of maltreatment of a vulnerable adult  
 641.11 at a facility or by a provider for which the Department of Health is the lead investigative  
 641.12 agency under section 626.557; and

641.13 (2) whether the facility or provider has requested reconsideration or initiated any type  
 641.14 of dispute resolution or appeal of a substantiated maltreatment report.

641.15 (b) Following a reconsideration, dispute resolution, or appeal, the director must update  
 641.16 the information posted under this subdivision to reflect the results of the reconsideration,  
 641.17 dispute resolution, or appeal.

641.18 (c) The information posted under this subdivision must be posted in coordination with  
 641.19 other divisions or sections at the Department of Health and in a manner that does not duplicate  
 641.20 information already published by the Department of Health, and must be posted in a format  
 641.21 that allows consumers to search the information by facility or provider name and by the  
 641.22 physical address of the facility or the local business address of the provider.

641.23 Sec. 34. Minnesota Statutes 2016, section 144D.01, subdivision 1, is amended to read:

641.24 Subdivision 1. **Scope.** As used in ~~sections 144D.01 to 144D.06~~ this chapter, the following  
 641.25 terms have the meanings given them.

641.26 Sec. 35. Minnesota Statutes 2016, section 144D.02, is amended to read:

641.27 **144D.02 REGISTRATION REQUIRED.**

641.28 No entity may establish, operate, conduct, or maintain a housing with services  
 641.29 establishment in this state without registering and operating as required in ~~sections 144D.01~~  
 641.30 ~~to 144D.06~~ this chapter.

642.1 Sec. 36. Minnesota Statutes 2017 Supplement, section 144D.04, subdivision 2, is amended  
642.2 to read:

642.3 Subd. 2. **Contents of contract.** A housing with services contract, which need not be  
642.4 entitled as such to comply with this section, shall include at least the following elements in  
642.5 itself or through supporting documents or attachments:

642.6 (1) the name, street address, and mailing address of the establishment;

642.7 (2) the name and mailing address of the owner or owners of the establishment and, if  
642.8 the owner or owners is not a natural person, identification of the type of business entity of  
642.9 the owner or owners;

642.10 (3) the name and mailing address of the managing agent, through management agreement  
642.11 or lease agreement, of the establishment, if different from the owner or owners;

642.12 (4) the name and physical mailing address of at least one natural person who is authorized  
642.13 to accept service of process on behalf of the owner or owners and managing agent;

642.14 (5) a statement describing the registration and licensure status of the establishment and  
642.15 any provider providing health-related or supportive services under an arrangement with the  
642.16 establishment;

642.17 (6) the term of the contract;

642.18 (7) a description of the services to be provided to the resident in the base rate to be paid  
642.19 by the resident, including a delineation of the portion of the base rate that constitutes rent  
642.20 and a delineation of charges for each service included in the base rate;

642.21 (8) a description of any additional services, including home care services, available for  
642.22 an additional fee from the establishment directly or through arrangements with the  
642.23 establishment, and a schedule of fees charged for these services;

642.24 (9) a conspicuous notice informing the tenant of the policy concerning the conditions  
642.25 under which and the process through which the contract may be modified, amended, or  
642.26 terminated, including whether a move to a different room or sharing a room would be  
642.27 required in the event that the tenant can no longer pay the current rent;

642.28 (10) a description of the establishment's complaint resolution process available to residents  
642.29 including the toll-free complaint line for the Office of Ombudsman for Long-Term Care;

642.30 (11) the resident's designated representative, if any;

642.31 (12) the establishment's referral procedures if the contract is terminated;

643.1 (13) requirements of residency used by the establishment to determine who may reside  
643.2 or continue to reside in the housing with services establishment;

643.3 (14) billing and payment procedures and requirements;

643.4 (15) a statement regarding the ability of a resident to receive services from service  
643.5 providers with whom the establishment does not have an arrangement;

643.6 (16) a statement regarding the availability of public funds for payment for residence or  
643.7 services in the establishment; ~~and~~

643.8 (17) a statement regarding the availability of and contact information for long-term care  
643.9 consultation services under section 256B.0911 in the county in which the establishment is  
643.10 located;

643.11 (18) a statement that a resident has the right to request a reasonable accommodation;  
643.12 and

643.13 (19) a statement describing the conditions under which a contract may be amended.

643.14 Sec. 37. Minnesota Statutes 2016, section 144D.04, is amended by adding a subdivision  
643.15 to read:

643.16 Subd. 2b. **Changes to contract.** The housing with services establishment must provide  
643.17 prompt written notice to the resident or resident's legal representative of a new owner or  
643.18 manager of the housing with services establishment, and the name and physical mailing  
643.19 address of any new or additional natural person not identified in the admission contract who  
643.20 is authorized to accept service of process.

643.21 Sec. 38. **[144D.041] DECEPTIVE MARKETING AND BUSINESS PRACTICES.**

643.22 Housing with services establishments are subject to the same prohibitions against  
643.23 deceptive practices as are health care facilities under section 144.6511.

643.24 Sec. 39. **[144D.044] INFORMATION REQUIRED TO BE POSTED.**

643.25 A housing with services establishment must post conspicuously within the establishment,  
643.26 in a location accessible to public view, the following information:

643.27 (1) the name, mailing address, and contact information of the current owner or owners  
643.28 of the establishment and, if the owner or owners are not natural persons, identification of  
643.29 the type of business entity of the owner or owners;

644.1 (2) the name, mailing address, and contact information of the managing agent, through  
 644.2 management agreement or lease agreement, of the establishment, if different from the owner  
 644.3 or owners, and the name and contact information of the on-site manager, if any; and

644.4 (3) the name and mailing address of at least one natural person who is authorized to  
 644.5 accept service of process on behalf of the owner or owners and managing agent.

644.6 Sec. 40. Minnesota Statutes 2016, section 144D.09, is amended to read:

644.7 **144D.09 TERMINATION OF LEASE.**

644.8 Subdivision 1. Notice required. The (a) A housing with services establishment shall  
 644.9 include with notice of termination of lease information about how to contact the ombudsman  
 644.10 for long-term care, including the address and telephone number along with a statement of  
 644.11 how to request problem-solving assistance that terminates a resident's lease must provide  
 644.12 the resident with a notice that includes:

644.13 (1) a detailed explanation of the reason for the termination;

644.14 (2) the date termination will occur;

644.15 (3) the location to which the resident will relocate, if known;

644.16 (4) a statement that the resident may contact the Office of the Ombudsman for Long-Term  
 644.17 Care regarding the lease termination issues and the address and telephone number of the  
 644.18 Office of Ombudsman for Long-Term Care and the protection and advocacy agency;

644.19 (5) a statement that the resident has the right to request a meeting with the owner or  
 644.20 manager of the housing with services establishment to discuss the lease termination and  
 644.21 attempt to avoid termination of the lease; and

644.22 (6) a statement that the resident has the right to avoid termination of the lease for  
 644.23 nonpayment of rent by paying the rent in full within ten days of receiving written notice of  
 644.24 nonpayment.

644.25 Subd. 2. Transfer of information to new residence. Prior to a resident's involuntary  
 644.26 relocation due to a termination of a lease, the housing with services establishment must  
 644.27 provide to the facility or establishment to which the resident is relocating all information  
 644.28 known to the establishment and related to the resident that is necessary to ensure continuity  
 644.29 of care and services, provided the resident consents to the transfer of information. At a  
 644.30 minimum, the information transferred must include:

644.31 (1) the resident's full name, date of birth, and insurance information;

645.1 (2) the name, telephone number, and address of the resident's representative, if any;

645.2 (3) the resident's current documented diagnoses;

645.3 (4) the resident's known allergies;

645.4 (5) the name and telephone number of the resident's physician, advanced practice

645.5 registered nurse, or physician assistant and their current medical orders, if known;

645.6 (6) all medication administration records;

645.7 (7) the most recent resident assessment; and

645.8 (8) copies of health care directives, "do not resuscitate" orders, and any guardianship

645.9 orders or powers of attorney.

645.10 Sec. 41. **[144D.095] TERMINATION OF SERVICES.**

645.11 A termination of services initiated by an arranged home care provider is governed by

645.12 section 144A.442.

645.13 Sec. 42. Minnesota Statutes 2016, section 144G.01, subdivision 1, is amended to read:

645.14 Subdivision 1. **Scope; other definitions.** For purposes of ~~sections 144G.01 to 144G.05~~

645.15 this chapter, the following definitions apply. In addition, the definitions provided in section

645.16 144D.01 also apply to ~~sections 144G.01 to 144G.05~~ this chapter.

645.17 Sec. 43. **[144G.07] TERMINATION OF LEASE.**

645.18 A lease termination initiated by a registered housing with services establishment using

645.19 "assisted living" is governed by section 144D.09.

645.20 Sec. 44. **[144G.08] TERMINATION OF SERVICES.**

645.21 A termination of services initiated by an arranged home care provider as defined in

645.22 section 144D.01, subdivision 2a, is governed by section 144A.442.

645.23 Sec. 45. Minnesota Statutes 2016, section 325F.71, is amended to read:

645.24 **325F.71 SENIOR CITIZENS, VULNERABLE ADULTS, AND DISABLED**

645.25 **PERSONS WITH DISABILITIES; ADDITIONAL CIVIL PENALTY FOR**

645.26 **DECEPTIVE ACTS.**

645.27 Subdivision 1. **Definitions.** For the purposes of this section, the following words have

645.28 the meanings given them:

646.1 (a) "Senior citizen" means a person who is 62 years of age or older.

646.2 (b) ~~"Disabled Person with a disability"~~ means a person who has an impairment of physical  
646.3 or mental function or emotional status that substantially limits one or more major life  
646.4 activities.

646.5 (c) "Major life activities" means functions such as caring for one's self, performing  
646.6 manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

646.7 (d) "Vulnerable adult" has the meaning given in section 626.5572, subdivision 21, except  
646.8 that vulnerable adult does not include an inpatient of a hospital licensed under sections  
646.9 144.50 to 144.58.

646.10 Subd. 2. **Supplemental civil penalty.** (a) In addition to any liability for a civil penalty  
646.11 pursuant to sections 325D.43 to 325D.48, regarding deceptive trade practices; 325F.67,  
646.12 regarding false advertising; and 325F.68 to 325F.70, regarding consumer fraud; a person  
646.13 who engages in any conduct prohibited by those statutes, and whose conduct is perpetrated  
646.14 against one or more senior citizens, vulnerable adults, or ~~disabled~~ persons with a disability,  
646.15 is liable for an additional civil penalty not to exceed \$10,000 for each violation, if one or  
646.16 more of the factors in paragraph (b) are present.

646.17 (b) In determining whether to impose a civil penalty pursuant to paragraph (a), and the  
646.18 amount of the penalty, the court shall consider, in addition to other appropriate factors, the  
646.19 extent to which one or more of the following factors are present:

646.20 (1) whether the defendant knew or should have known that the defendant's conduct was  
646.21 directed to one or more senior citizens, vulnerable adults, or ~~disabled~~ persons with a  
646.22 disability;

646.23 (2) whether the defendant's conduct caused one or more senior citizens, vulnerable adults,  
646.24 or disabled persons with a disability to suffer: loss or encumbrance of a primary residence,  
646.25 principal employment, or source of income; substantial loss of property set aside for  
646.26 retirement or for personal or family care and maintenance; substantial loss of payments  
646.27 received under a pension or retirement plan or a government benefits program; or assets  
646.28 essential to the health or welfare of the senior citizen, vulnerable adult, or ~~disabled~~ person  
646.29 with a disability;

646.30 (3) whether one or more senior citizens, vulnerable adults, or ~~disabled~~ persons with a  
646.31 disability are more vulnerable to the defendant's conduct than other members of the public  
646.32 because of age, poor health or infirmity, impaired understanding, restricted mobility, or

647.1 disability, and actually suffered physical, emotional, or economic damage resulting from  
647.2 the defendant's conduct; or

647.3 (4) whether the defendant's conduct caused senior citizens, vulnerable adults, or ~~disabled~~  
647.4 persons with a disability to make an uncompensated asset transfer that resulted in the person  
647.5 being found ineligible for medical assistance.

647.6 Subd. 3. **Restitution to be given priority.** Restitution ordered pursuant to the statutes  
647.7 listed in subdivision 2 shall be given priority over imposition of civil penalties designated  
647.8 by the court under this section.

647.9 Subd. 4. **Private remedies.** A person injured by a violation of this section may bring a  
647.10 civil action and recover damages, together with costs and disbursements, including costs  
647.11 of investigation and reasonable attorney's fees, and receive other equitable relief as  
647.12 determined by the court.

647.13 Sec. 46. Minnesota Statutes 2016, section 609.2231, subdivision 8, is amended to read:

647.14 Subd. 8. **Vulnerable adults.** (a) As used in this subdivision, "vulnerable adult" has the  
647.15 meaning given in section 609.232, subdivision 11.

647.16 (b) Whoever assaults ~~and inflicts demonstrable bodily harm on~~ a vulnerable adult,  
647.17 knowing or having reason to know that the person is a vulnerable adult, is guilty of a gross  
647.18 misdemeanor.

647.19 (c) A person who uses restraints on a vulnerable adult does not violate this subdivision  
647.20 if (1) the person complies with applicable requirements in state and federal law regarding  
647.21 the use of restraints; and (2) any force applied in imposing restraints is reasonable.

647.22 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to crimes  
647.23 committed on or after that date.

647.24 Sec. 47. Minnesota Statutes 2016, section 626.557, subdivision 3, is amended to read:

647.25 Subd. 3. **Timing of report.** (a) A mandated reporter who has reason to believe that a  
647.26 vulnerable adult is being or has been maltreated, or who has knowledge that a vulnerable  
647.27 adult has sustained a physical injury which is not reasonably explained shall ~~immediately~~  
647.28 report the information to the common entry point as soon as possible but in no event longer  
647.29 than 24 hours. If an individual is a vulnerable adult solely because the individual is admitted  
647.30 to a facility, a mandated reporter is not required to report suspected maltreatment of the  
647.31 individual that occurred prior to admission, unless:

648.1 (1) the individual was admitted to the facility from another facility and the reporter has  
648.2 reason to believe the vulnerable adult was maltreated in the previous facility; or

648.3 (2) the reporter knows or has reason to believe that the individual is a vulnerable adult  
648.4 as defined in section 626.5572, subdivision 21, paragraph (a), clause (4).

648.5 (b) A person not required to report under the provisions of this section may voluntarily  
648.6 report as described above.

648.7 (c) Nothing in this section requires a report of known or suspected maltreatment, if the  
648.8 reporter knows or has reason to know that a report has been made to the common entry  
648.9 point.

648.10 (d) Nothing in this section shall preclude a reporter from also reporting to a law  
648.11 enforcement agency.

648.12 (e) A mandated reporter who knows or has reason to believe that an error under section  
648.13 626.5572, subdivision 17, paragraph (c), clause (5), occurred must make a report under this  
648.14 subdivision. If the reporter or a facility, at any time believes that an investigation by a lead  
648.15 investigative agency will determine or should determine that the reported error was not  
648.16 neglect according to the criteria under section 626.5572, subdivision 17, paragraph (c),  
648.17 clause (5), the reporter or facility may provide to the common entry point or directly to the  
648.18 lead investigative agency information explaining how the event meets the criteria under  
648.19 section 626.5572, subdivision 17, paragraph (c), clause (5). The lead investigative agency  
648.20 shall consider this information when making an initial disposition of the report under  
648.21 subdivision 9c.

648.22 Sec. 48. Minnesota Statutes 2016, section 626.557, subdivision 4, is amended to read:

648.23 Subd. 4. **Reporting.** (a) Except as provided in paragraph (b), a mandated reporter shall  
648.24 immediately make an oral report to the common entry point. The common entry point may  
648.25 accept electronic reports submitted through a Web-based reporting system established by  
648.26 the commissioner. Use of a telecommunications device for the deaf or other similar device  
648.27 shall be considered an oral report. The common entry point may not require written reports.  
648.28 To the extent possible, the report must be of sufficient content to identify the vulnerable  
648.29 adult, the caregiver, the nature and extent of the suspected maltreatment, any evidence of  
648.30 previous maltreatment, the name and address of the reporter, the time, date, and location of  
648.31 the incident, and any other information that the reporter believes might be helpful in  
648.32 investigating the suspected maltreatment. The common entry point must provide a way to  
648.33 record that the reporter has electronic evidence to submit. A mandated reporter may disclose

649.1 not public data, as defined in section 13.02, and medical records under sections 144.291 to  
649.2 144.298, to the extent necessary to comply with this subdivision.

649.3 (b) A boarding care home that is licensed under sections 144.50 to 144.58 and certified  
649.4 under Title 19 of the Social Security Act, a nursing home that is licensed under section  
649.5 144A.02 and certified under Title 18 or Title 19 of the Social Security Act, or a hospital  
649.6 that is licensed under sections 144.50 to 144.58 and has swing beds certified under Code  
649.7 of Federal Regulations, title 42, section 482.66, may submit a report electronically to the  
649.8 common entry point instead of submitting an oral report. ~~The report may be a duplicate of~~  
649.9 ~~the initial report the facility submits electronically to the commissioner of health to comply~~  
649.10 ~~with the reporting requirements under Code of Federal Regulations, title 42, section 483.13.~~  
649.11 The commissioner of health may modify these reporting requirements to include items  
649.12 required under paragraph (a) that are not currently included in the electronic reporting form.

649.13 (c) All reports must be directed to the common entry point, including reports from  
649.14 federally licensed facilities.

649.15 Sec. 49. Minnesota Statutes 2016, section 626.557, subdivision 9a, is amended to read:

649.16 Subd. 9a. **Evaluation and referral of reports made to common entry point.** (a) The  
649.17 common entry point must screen the reports of alleged or suspected maltreatment for  
649.18 immediate risk and make all necessary referrals as follows:

649.19 (1) if the common entry point determines that there is an immediate need for emergency  
649.20 adult protective services, the common entry point agency shall immediately notify the  
649.21 appropriate county agency;

649.22 (2) if the common entry point determines an immediate need exists for response by law  
649.23 enforcement or if the report contains suspected criminal activity against a vulnerable adult,  
649.24 the common entry point shall immediately notify the appropriate law enforcement agency;

649.25 (3) the common entry point shall refer all reports of alleged or suspected maltreatment  
649.26 to the appropriate lead investigative agency as soon as possible, but in any event no longer  
649.27 than two working days;

649.28 (4) if the report contains information about a suspicious death, the common entry point  
649.29 shall immediately notify the appropriate law enforcement agencies, the local medical  
649.30 examiner, and the ombudsman for mental health and developmental disabilities established  
649.31 under section 245.92. Law enforcement agencies shall coordinate with the local medical  
649.32 examiner and the ombudsman as provided by law; and

650.1 (5) for reports involving multiple locations or changing circumstances, the common  
650.2 entry point shall determine the county agency responsible for emergency adult protective  
650.3 services and the county responsible as the lead investigative agency, using referral guidelines  
650.4 established by the commissioner.

650.5 (b) If the lead investigative agency receiving a report believes the report was referred  
650.6 by the common entry point in error, the lead investigative agency shall immediately notify  
650.7 the common entry point of the error, including the basis for the lead investigative agency's  
650.8 belief that the referral was made in error. The common entry point shall review the  
650.9 information submitted by the lead investigative agency and immediately refer the report to  
650.10 the appropriate lead investigative agency.

650.11 Sec. 50. Minnesota Statutes 2016, section 626.557, subdivision 9b, is amended to read:

650.12 Subd. 9b. **Response to reports.** Law enforcement is the primary agency to conduct  
650.13 investigations of any incident in which there is reason to believe a crime has been committed.  
650.14 Law enforcement shall initiate a response immediately. If the common entry point notified  
650.15 a county agency for emergency adult protective services, law enforcement shall cooperate  
650.16 with that county agency when both agencies are involved and shall exchange data to the  
650.17 extent authorized in subdivision 12b, paragraph ~~(g)~~ (k). County adult protection shall initiate  
650.18 a response immediately. Each lead investigative agency shall complete the investigative  
650.19 process for reports within its jurisdiction. A lead investigative agency, county, adult protective  
650.20 agency, licensed facility, or law enforcement agency shall cooperate with other agencies in  
650.21 the provision of protective services, coordinating its investigations, and assisting another  
650.22 agency within the limits of its resources and expertise and shall exchange data to the extent  
650.23 authorized in subdivision 12b, paragraph ~~(g)~~ (k). The lead investigative agency shall obtain  
650.24 the results of any investigation conducted by law enforcement officials, and law enforcement  
650.25 shall obtain the results of any investigation conducted by the lead investigative agency to  
650.26 determine if criminal action is warranted. The lead investigative agency has the right to  
650.27 enter facilities and inspect and copy records as part of investigations. The lead investigative  
650.28 agency has access to not public data, as defined in section 13.02, and medical records under  
650.29 sections 144.291 to 144.298, that are maintained by facilities to the extent necessary to  
650.30 conduct its investigation. Each lead investigative agency shall develop guidelines for  
650.31 prioritizing reports for investigation. Nothing in this subdivision alters the duty of the lead  
650.32 investigative agency to serve as the agency responsible for investigating reports made under  
650.33 this section.

651.1 Sec. 51. Minnesota Statutes 2016, section 626.557, subdivision 9c, is amended to read:

651.2 Subd. 9c. **Lead investigative agency; notifications, dispositions, determinations.** (a)

651.3 ~~Upon request of the reporter,~~ The lead investigative agency shall notify the reporter that it  
651.4 has received the report, and provide information on the initial disposition of the report within  
651.5 five business days of receipt of the report, provided that the notification will not endanger  
651.6 the vulnerable adult or hamper the investigation.

651.7 (b) Except to the extent prohibited by federal law, when the Department of Health is the  
651.8 lead investigative agency, the agency must provide the following information to the  
651.9 vulnerable adult or the vulnerable adult's guardian or health care agent, if known, within  
651.10 five days after the initiation of an investigation, provided that the provision of the information  
651.11 will not hamper the investigation or harm the vulnerable adult:

651.12 (1) the maltreatment allegations by types: abuse, neglect, financial exploitation, and  
651.13 drug diversion;

651.14 (2) the name of the facility or other location at which alleged maltreatment occurred;

651.15 (3) the dates of the alleged maltreatment if identified in the report at the time of the lead  
651.16 investigative agency disclosure;

651.17 (4) the name and contact information for the investigator or other information as requested  
651.18 and allowed under law; and

651.19 (5) confirmation of whether the lead investigative agency is investigating the matter  
651.20 and, if so:

651.21 (i) an explanation of the process;

651.22 (ii) an estimated timeline for the investigation;

651.23 (iii) a notification that the vulnerable adult or the vulnerable adult's guardian or health  
651.24 care agent may electronically submit evidence to support the maltreatment report, including  
651.25 but not limited to photographs, videos, and documents; and

651.26 (iv) a statement that the lead investigative agency will provide an update on the  
651.27 investigation upon request by the vulnerable adult or the vulnerable adult's guardian or  
651.28 health care agent and a report when the investigation is concluded.

651.29 (c) If the Department of Health is the lead investigative agency, the Department of Health  
651.30 shall provide maltreatment information, to the extent allowed under state and federal law,  
651.31 including any reports, upon request of the vulnerable adult that is the subject of a  
651.32 maltreatment report or upon request of that vulnerable adult's guardian or health care agent.

652.1 (d) If the common entry point data indicates that the reporter has electronic evidence,  
652.2 the lead investigative agency shall seek to receive such evidence prior to making a  
652.3 determination that the lead investigative agency will not investigate the matter. Nothing in  
652.4 this provision requires the lead investigative agency to stop investigating prior to receipt of  
652.5 the electronic evidence nor prevents the lead investigative agency from closing the  
652.6 investigation prior to receipt of the electronic evidence if, in the opinion of the investigator,  
652.7 the evidence is not necessary to the determination.

652.8 (e) The lead investigative agency may assign multiple reports of maltreatment for the  
652.9 same or separate incidences related to the same vulnerable adult to the same investigator,  
652.10 as deemed appropriate.

652.11 (f) Reports related to the same vulnerable adult, the same incident, or the same alleged  
652.12 perpetrator, facility, or licensee must be cross-referenced.

652.13 (g) Upon conclusion of every investigation it conducts, the lead investigative agency  
652.14 shall make a final disposition as defined in section 626.5572, subdivision 8.

652.15 ~~(e)~~ (h) When determining whether the facility or individual is the responsible party for  
652.16 substantiated maltreatment or whether both the facility and the individual are responsible  
652.17 for substantiated maltreatment, the lead investigative agency shall consider at least the  
652.18 following mitigating factors:

652.19 (1) whether the actions of the facility or the individual caregivers were in accordance  
652.20 with, and followed the terms of, an erroneous physician order, prescription, resident care  
652.21 plan, or directive. This is not a mitigating factor when the facility or caregiver is responsible  
652.22 for the issuance of the erroneous order, prescription, plan, or directive or knows or should  
652.23 have known of the errors and took no reasonable measures to correct the defect before  
652.24 administering care;

652.25 (2) the comparative responsibility between the facility, other caregivers, and requirements  
652.26 placed upon the employee, including but not limited to, the facility's compliance with related  
652.27 regulatory standards and factors such as the adequacy of facility policies and procedures,  
652.28 the adequacy of facility training, the adequacy of an individual's participation in the training,  
652.29 the adequacy of caregiver supervision, the adequacy of facility staffing levels, and a  
652.30 consideration of the scope of the individual employee's authority; and

652.31 (3) whether the facility or individual followed professional standards in exercising  
652.32 professional judgment.

653.1 ~~(d)~~ (i) When substantiated maltreatment is determined to have been committed by an  
 653.2 individual who is also the facility license holder, both the individual and the facility must  
 653.3 be determined responsible for the maltreatment, and both the background study  
 653.4 disqualification standards under section 245C.15, subdivision 4, and the licensing actions  
 653.5 under section 245A.06 or 245A.07 apply.

653.6 ~~(e)~~ (j) The lead investigative agency shall complete its final disposition within 60 calendar  
 653.7 days. If the lead investigative agency is unable to complete its final disposition within 60  
 653.8 calendar days, the lead investigative agency shall notify the following persons provided  
 653.9 that the notification will not endanger the vulnerable adult or hamper the investigation: (1)  
 653.10 the vulnerable adult or the vulnerable adult's guardian or health care agent, when known,  
 653.11 if the lead investigative agency knows them to be aware of the investigation; and (2) the  
 653.12 facility, where applicable. The notice shall contain the reason for the delay and the projected  
 653.13 completion date. If the lead investigative agency is unable to complete its final disposition  
 653.14 by a subsequent projected completion date, the lead investigative agency shall again notify  
 653.15 the vulnerable adult or the vulnerable adult's guardian or health care agent, when known if  
 653.16 the lead investigative agency knows them to be aware of the investigation, and the facility,  
 653.17 where applicable, of the reason for the delay and the revised projected completion date  
 653.18 provided that the notification will not endanger the vulnerable adult or hamper the  
 653.19 investigation. The lead investigative agency must notify the health care agent of the  
 653.20 vulnerable adult only if the health care agent's authority to make health care decisions for  
 653.21 the vulnerable adult is currently effective ~~under section 145C.06~~ and not suspended under  
 653.22 section 524.5-310 ~~and the investigation relates to a duty assigned to the health care agent~~  
 653.23 ~~by the principal~~. A lead investigative agency's inability to complete the final disposition  
 653.24 within 60 calendar days or by any projected completion date does not invalidate the final  
 653.25 disposition.

653.26 ~~(f)~~ (k) Within ten calendar days of completing the final disposition, the lead investigative  
 653.27 agency shall provide a copy of the public investigation memorandum under subdivision  
 653.28 12b, paragraph ~~(b)~~, ~~clause (1)~~ (d), when required to be completed under this section, to the  
 653.29 following persons:

653.30 (1) the vulnerable adult, or the vulnerable adult's guardian or health care agent, if known,  
 653.31 unless the lead investigative agency knows that the notification would endanger the  
 653.32 well-being of the vulnerable adult;

653.33 (2) the reporter, ~~if~~ unless the reporter requested ~~notification~~ otherwise when making the  
 653.34 report, provided this notification would not endanger the well-being of the vulnerable adult;

654.1 (3) the alleged perpetrator, if known;

654.2 (4) the facility; ~~and~~

654.3 (5) the ombudsman for long-term care, or the ombudsman for mental health and  
654.4 developmental disabilities, as appropriate;

654.5 (6) law enforcement; and

654.6 (7) the county attorney, as appropriate.

654.7 ~~(g)~~ (l) If, as a result of a reconsideration, review, or hearing, the lead investigative agency  
654.8 changes the final disposition, or if a final disposition is changed on appeal, the lead  
654.9 investigative agency shall notify the parties specified in paragraph ~~(f)~~ (h).

654.10 ~~(h)~~ (m) The lead investigative agency shall notify the vulnerable adult who is the subject  
654.11 of the report or the vulnerable adult's guardian or health care agent, if known, and any person  
654.12 or facility determined to have maltreated a vulnerable adult, of their appeal or review rights  
654.13 under this section or section 256.021.

654.14 ~~(i)~~ (n) The lead investigative agency shall routinely provide investigation memoranda  
654.15 for substantiated reports to the appropriate licensing boards. These reports must include the  
654.16 names of substantiated perpetrators. The lead investigative agency may not provide  
654.17 investigative memoranda for inconclusive or false reports to the appropriate licensing boards  
654.18 unless the lead investigative agency's investigation gives reason to believe that there may  
654.19 have been a violation of the applicable professional practice laws. If the investigation  
654.20 memorandum is provided to a licensing board, the subject of the investigation memorandum  
654.21 shall be notified and receive a summary of the investigative findings.

654.22 ~~(j)~~ (o) In order to avoid duplication, licensing boards shall consider the findings of the  
654.23 lead investigative agency in their investigations if they choose to investigate. This does not  
654.24 preclude licensing boards from considering other information.

654.25 ~~(k)~~ (p) The lead investigative agency must provide to the commissioner of human services  
654.26 its final dispositions, including the names of all substantiated perpetrators. The commissioner  
654.27 of human services shall establish records to retain the names of substantiated perpetrators.

654.28 Sec. 52. Minnesota Statutes 2016, section 626.557, subdivision 12b, is amended to read:

654.29 Subd. 12b. **Data management.** (a) In performing any of the duties of this section as a  
654.30 lead investigative agency, the county social service agency shall maintain appropriate  
654.31 records. Data collected by the county social service agency under this section are welfare  
654.32 data under section 13.46. Notwithstanding section 13.46, subdivision 1, paragraph (a), data

655.1 under this paragraph that are inactive investigative data on an individual who is a vendor  
 655.2 of services are private data on individuals, as defined in section 13.02. The identity of the  
 655.3 reporter may only be disclosed as provided in paragraph ~~(e)~~ (g).

655.4 (b) Data maintained by the common entry point are ~~confidential~~ private data on  
 655.5 individuals or ~~protected~~ nonpublic data as defined in section 13.02, provided that the name  
 655.6 of the reporter is confidential data on individuals. Notwithstanding section 138.163, the  
 655.7 common entry point shall maintain data for three calendar years after date of receipt and  
 655.8 then destroy the data unless otherwise directed by federal requirements.

655.9 ~~(b)~~ (c) The commissioners of health and human services shall prepare an investigation  
 655.10 memorandum for each report alleging maltreatment investigated under this section. County  
 655.11 social service agencies must maintain private data on individuals but are not required to  
 655.12 prepare an investigation memorandum. During an investigation by the commissioner of  
 655.13 health or the commissioner of human services, data collected under this section are  
 655.14 confidential data on individuals or protected nonpublic data as defined in section 13.02,  
 655.15 provided that data, other than data on the reporter, may be shared with the vulnerable adult  
 655.16 or guardian or health care agent if the lead investigative agency determines that sharing of  
 655.17 the data is needed to protect the vulnerable adult. Upon completion of the investigation, the  
 655.18 data are classified as provided in ~~clauses (1) to (3) and paragraph (e)~~ paragraphs (d) to (g).

655.19 ~~(1)~~ (d) The investigation memorandum must contain the following data, which are public:

655.20 ~~(i)~~ (1) the name of the facility investigated;

655.21 ~~(ii)~~ (2) a statement of the nature of the alleged maltreatment;

655.22 ~~(iii)~~ (3) pertinent information obtained from medical or other records reviewed;

655.23 ~~(iv)~~ (4) the identity of the investigator;

655.24 ~~(v)~~ (5) a summary of the investigation's findings;

655.25 ~~(vi)~~ (6) statement of whether the report was found to be substantiated, inconclusive,  
 655.26 false, or that no determination will be made;

655.27 ~~(vii)~~ (7) a statement of any action taken by the facility;

655.28 ~~(viii)~~ (8) a statement of any action taken by the lead investigative agency; and

655.29 ~~(ix)~~ (9) when a lead investigative agency's determination has substantiated maltreatment,  
 655.30 a statement of whether an individual, individuals, or a facility were responsible for the  
 655.31 substantiated maltreatment, if known.

656.1 The investigation memorandum must be written in a manner which protects the identity  
 656.2 of the reporter and of the vulnerable adult and may not contain the names or, to the extent  
 656.3 possible, data on individuals or private data on individuals listed in ~~clause (2)~~ paragraph  
 656.4 (e).

656.5 ~~(2)~~ (e) Data on individuals collected and maintained in the investigation memorandum  
 656.6 are private data on individuals, including:

656.7 ~~(i)~~ (1) the name of the vulnerable adult;

656.8 ~~(ii)~~ (2) the identity of the individual alleged to be the perpetrator;

656.9 ~~(iii)~~ (3) the identity of the individual substantiated as the perpetrator; and

656.10 ~~(iv)~~ (4) the identity of all individuals interviewed as part of the investigation.

656.11 ~~(3)~~ (f) Other data on individuals maintained as part of an investigation under this section  
 656.12 are private data on individuals upon completion of the investigation.

656.13 ~~(e)~~ (g) After the assessment or investigation is completed, the name of the reporter must  
 656.14 be confidential, except:

656.15 (1) the subject of the report may compel disclosure of the name of the reporter only with  
 656.16 the consent of the reporter; or

656.17 (2) upon a written finding by a court that the report was false and there is evidence that  
 656.18 the report was made in bad faith.

656.19 This subdivision does not alter disclosure responsibilities or obligations under the Rules  
 656.20 of Criminal Procedure, except that where the identity of the reporter is relevant to a criminal  
 656.21 prosecution, the district court shall do an in-camera review prior to determining whether to  
 656.22 order disclosure of the identity of the reporter.

656.23 ~~(d)~~ (h) Notwithstanding section 138.163, data maintained under this section by the  
 656.24 commissioners of health and human services must be maintained under the following  
 656.25 schedule and then destroyed unless otherwise directed by federal requirements:

656.26 (1) data from reports determined to be false, maintained for three years after the finding  
 656.27 was made;

656.28 (2) data from reports determined to be inconclusive, maintained for four years after the  
 656.29 finding was made;

656.30 (3) data from reports determined to be substantiated, maintained for seven years after  
 656.31 the finding was made; and

657.1 (4) data from reports which were not investigated by a lead investigative agency and for  
657.2 which there is no final disposition, maintained for three years from the date of the report.

657.3 ~~(e)~~ (i) The commissioners of health and human services shall annually publish on their  
657.4 Web sites the number and type of reports of alleged maltreatment involving licensed facilities  
657.5 reported under this section, the number of those requiring investigation under this section,  
657.6 and the resolution of those investigations. On a biennial basis, the commissioners of health  
657.7 and human services shall jointly report the following information to the legislature and the  
657.8 governor:

657.9 (1) the number and type of reports of alleged maltreatment involving licensed facilities  
657.10 reported under this section, the number of those requiring investigations under this section,  
657.11 the resolution of those investigations, and which of the two lead agencies was responsible;

657.12 (2) trends about types of substantiated maltreatment found in the reporting period;

657.13 (3) ~~if there are upward trends for types of maltreatment substantiated,~~ recommendations  
657.14 for preventing, addressing, and responding to them substantiated maltreatment;

657.15 (4) efforts undertaken or recommended to improve the protection of vulnerable adults;

657.16 (5) whether and where backlogs of cases result in a failure to conform with statutory  
657.17 time frames and recommendations for reducing backlogs if applicable;

657.18 (6) recommended changes to statutes affecting the protection of vulnerable adults; and

657.19 (7) any other information that is relevant to the report trends and findings.

657.20 ~~(f)~~ (j) Each lead investigative agency must have a record retention policy.

657.21 ~~(g)~~ (k) Lead investigative agencies, prosecuting authorities, and law enforcement agencies  
657.22 may exchange not public data, as defined in section 13.02, if the agency or authority  
657.23 requesting the data determines that the data are pertinent and necessary to the requesting  
657.24 agency in initiating, furthering, or completing an investigation under this section. Data  
657.25 collected under this section must be made available to prosecuting authorities and law  
657.26 enforcement officials, local county agencies, and licensing agencies investigating the alleged  
657.27 maltreatment under this section. The lead investigative agency shall exchange not public  
657.28 data with the vulnerable adult maltreatment review panel established in section 256.021 if  
657.29 the data are pertinent and necessary for a review requested under that section.  
657.30 Notwithstanding section 138.17, upon completion of the review, not public data received  
657.31 by the review panel must be destroyed.

658.1 ~~(h)~~ (l) Each lead investigative agency shall keep records of the length of time it takes to  
 658.2 complete its investigations.

658.3 ~~(i)~~ (m) Notwithstanding paragraph (a) or (b), a lead investigative agency may share  
 658.4 common entry point or investigative data and may notify other affected parties, including  
 658.5 the vulnerable adult and their authorized representative, if the lead investigative agency has  
 658.6 reason to believe maltreatment has occurred and determines the information will safeguard  
 658.7 the well-being of the affected parties or dispel widespread rumor or unrest in the affected  
 658.8 facility.

658.9 ~~(j)~~ (n) Under any notification provision of this section, where federal law specifically  
 658.10 prohibits the disclosure of patient identifying information, a lead investigative agency may  
 658.11 not provide any notice unless the vulnerable adult has consented to disclosure in a manner  
 658.12 which conforms to federal requirements.

658.13 Sec. 53. Minnesota Statutes 2016, section 626.557, subdivision 14, is amended to read:

658.14 Subd. 14. **Abuse prevention plans.** (a) Each facility, except home health agencies and  
 658.15 personal care ~~attendant services providers~~ assistance provider agencies, shall establish and  
 658.16 enforce an ongoing written abuse prevention plan. The plan shall contain an assessment of  
 658.17 the physical plant, its environment, and its population identifying factors which may  
 658.18 encourage or permit abuse, and a statement of specific measures to be taken to minimize  
 658.19 the risk of abuse. The plan shall comply with any rules governing the plan promulgated by  
 658.20 the licensing agency.

658.21 (b) Each facility, including a home health care agency and personal care attendant  
 658.22 services providers, shall develop an individual abuse prevention plan for each vulnerable  
 658.23 adult residing there or receiving services from them. The plan shall contain an individualized  
 658.24 assessment of: (1) the person's susceptibility to abuse by other individuals, including other  
 658.25 vulnerable adults; (2) the person's risk of abusing other vulnerable adults; and (3) statements  
 658.26 of the specific measures to be taken to minimize the risk of abuse to that person and other  
 658.27 vulnerable adults. For the purposes of this paragraph, the term "abuse" includes self-abuse.

658.28 (c) If the facility, except home health agencies and personal care attendant services  
 658.29 providers, knows that the vulnerable adult has committed a violent crime or an act of physical  
 658.30 aggression toward others, the individual abuse prevention plan must detail the measures to  
 658.31 be taken to minimize the risk that the vulnerable adult might reasonably be expected to pose  
 658.32 to visitors to the facility and persons outside the facility, if unsupervised. Under this section,  
 658.33 a facility knows of a vulnerable adult's history of criminal misconduct or physical aggression  
 658.34 if it receives such information from a law enforcement authority or through a medical record

659.1 prepared by another facility, another health care provider, or the facility's ongoing  
659.2 assessments of the vulnerable adult.

659.3 (d) The commissioner of health must issue a correction order and may impose an  
659.4 immediate fine in an amount equal to the amount listed in Minnesota Rules, part 4658.0193,  
659.5 item E, upon a finding that the facility has failed to comply with this subdivision.

659.6 Sec. 54. Minnesota Statutes 2016, section 626.557, subdivision 17, is amended to read:

659.7 Subd. 17. **Retaliation prohibited.** (a) A facility or person shall not retaliate against any  
659.8 person who reports in good faith suspected maltreatment pursuant to this section, or against  
659.9 a vulnerable adult with respect to whom a report is made, because of the report.

659.10 (b) In addition to any remedies allowed under sections 181.931 to 181.935, any facility  
659.11 or person which retaliates against any person because of a report of suspected maltreatment  
659.12 is liable to that person for actual damages, punitive damages up to \$10,000, and attorney  
659.13 fees.

659.14 (c) There shall be a rebuttable presumption that any adverse action, as defined below,  
659.15 within 90 days of a report, is retaliatory. For purposes of this ~~clause~~ paragraph, the term  
659.16 "adverse action" refers to action taken by a facility or person involved in a report against  
659.17 the person making the report or the person with respect to whom the report was made because  
659.18 of the report, and includes, but is not limited to:

- 659.19 (1) discharge or transfer from the facility;
- 659.20 (2) discharge from or termination of employment;
- 659.21 (3) demotion or reduction in remuneration for services;
- 659.22 (4) restriction or prohibition of access to the facility or its residents; or
- 659.23 (5) any restriction of rights set forth in section 144.651, 144A.44, or 144A.441.

659.24 Sec. 55. **ASSISTED LIVING LICENSURE AND DEMENTIA CARE TASK FORCE.**

659.25 Subdivision 1. **Creation.** (a) The Assisted Living Licensure and Dementia Care Task  
659.26 Force consists of 15 members, including the following:

- 659.27 (1) one senator appointed by the majority leader;
- 659.28 (2) one senator appointed by the minority leader;
- 659.29 (3) one member of the house of representatives appointed by the speaker of the house;
- 659.30 (4) one member of the house of representatives appointed by the minority leader;

- 660.1 (5) the ombudsman for long-term care or a designee;
- 660.2 (6) the ombudsman for mental health and developmental disabilities or a designee;
- 660.3 (7) one member appointed by ARRM;
- 660.4 (8) one member appointed by AARP Minnesota;
- 660.5 (9) one member appointed by the Alzheimer's Association Minnesota-North Dakota
- 660.6 Chapter;
- 660.7 (10) one member appointed by Elder Voice Family Advocates;
- 660.8 (11) one member appointed by Minnesota Elder Justice Center;
- 660.9 (12) one member appointed by Care Providers of Minnesota;
- 660.10 (13) one member appointed by LeadingAge Minnesota;
- 660.11 (14) one member appointed by Minnesota HomeCare Association; and
- 660.12 (15) one member appointed by the Minnesota Council on Disability.
- 660.13 (b) The appointing authorities must appoint members by July 1, 2018.
- 660.14 (c) The ombudsman for long-term care or a designee shall act as chair of the task force
- 660.15 and convene the first meeting no later than August 1, 2018.
- 660.16 Subd. 2. **Duties; recommendations.** (a) The assisted living and dementia care licensing
- 660.17 task force shall consider and make recommendations on a new regulatory framework for
- 660.18 assisted living establishments and dementia care. In developing the licensing framework,
- 660.19 the task force must address at least the following:
- 660.20 (1) the appropriate level of regulation, including licensure, registration, or certification;
- 660.21 (2) coordination of care;
- 660.22 (3) the scope of care to be provided and limits on acuity levels of residents;
- 660.23 (4) consumer rights;
- 660.24 (5) building design and physical environment;
- 660.25 (6) dietary services;
- 660.26 (7) support services;
- 660.27 (8) transition planning;
- 660.28 (9) the installation and use of electronic monitoring in settings in which assisted living
- 660.29 or dementia care services are provided;

- 661.1 (10) staff training and qualifications;
- 661.2 (11) options for the engagement of seniors and their families;
- 661.3 (12) notices and financial requirements;
- 661.4 (13) compliance with federal Medicaid waiver requirements for home and
- 661.5 community-based services settings;
- 661.6 (14) policies for providing advance notice to patients and residents of changes in services
- 661.7 or charges unrelated to changes in patient or resident service or care needs;
- 661.8 (15) survey frequency for home care providers;
- 661.9 (16) terminations of services and lease terminations;
- 661.10 (17) appeals of terminations of services and leases; and
- 661.11 (18) relocations within a housing with services establishment or assisted living setting.
- 661.12 (b) The task force shall also:
- 661.13 (1) develop standards in the following areas that nursing homes, boarding care homes,
- 661.14 and housing with services establishments offering care for clients diagnosed with Alzheimer's
- 661.15 disease or other dementias must meet in order to obtain dementia care certification, including
- 661.16 staffing, egress control, access to secured outdoor spaces, specialized therapeutic activities,
- 661.17 and specialized life enrichment programming;
- 661.18 (2) develop requirements for disclosing dementia care certification standards to
- 661.19 consumers; and
- 661.20 (3) develop mechanisms for enforcing dementia care certification standards.
- 661.21 (c) Facilities and providers licensed by the commissioner of human services shall be
- 661.22 exempt from licensing requirements for assisted living recommended under this section.
- 661.23 Subd. 3. **Meetings.** The commissioner of health or a designee shall convene the first
- 661.24 meeting of the task force no later than August 1, 2018. The members of the task force shall
- 661.25 elect a chair from among the task force's members at the first meeting, and the commissioner
- 661.26 of health or a designee shall serve as the task force's chair until a chair is elected. Meetings
- 661.27 of the task force shall be open to the public.
- 661.28 Subd. 4. **Compensation.** Members of the task force appointed under subdivision 1,
- 661.29 paragraph (b), shall serve without compensation or reimbursement for expenses.
- 661.30 Subd. 5. **Administrative support.** The commissioner of health shall provide
- 661.31 administrative support for the task force and arrange meeting space.

662.1 Subd. 6. **Report.** By February 1, 2019, the task force must submit an interim report with  
 662.2 findings, recommendations, and draft legislation to the chairs and ranking minority members  
 662.3 of the legislative committees with jurisdiction over health and human services policy and  
 662.4 finance. By January 15, 2020, the task force must submit a final report with findings,  
 662.5 recommendations, and draft legislation to the chairs and ranking minority members of the  
 662.6 legislative committees with jurisdiction over health and human services policy and finance.

662.7 Subd. 7. **Expiration.** The task force expires January 16, 2020, or the day after the task  
 662.8 force submits the final report required under subdivision 6, whichever is later.

662.9 **Sec. 56. ASSISTED LIVING REPORT CARD WORKING GROUP.**

662.10 Subdivision 1. **Establishment; membership.** (a) An assisted living report card working  
 662.11 group, tasked with researching and making recommendations on the development of an  
 662.12 assisted living report card, is established.

662.13 (b) The commissioner of human services shall appoint the following members of the  
 662.14 working group:

662.15 (1) two persons who reside in senior housing with services establishments, one residing  
 662.16 in an establishment in the seven-county metropolitan area and one residing in an  
 662.17 establishment outside the seven-county metropolitan area;

662.18 (2) four representatives of the senior housing with services profession, two providing  
 662.19 services in the seven-county metropolitan area and two providing services outside the  
 662.20 seven-county metropolitan area;

662.21 (3) one family member of a person who resides in a senior housing with services  
 662.22 establishment in the seven-county metropolitan area, and one family member of a person  
 662.23 who resides in a senior housing with services establishment outside the seven-county  
 662.24 metropolitan area;

662.25 (4) a representative from the Home Care and Assisted Living Program Advisory Council;

662.26 (5) a representative from the University of Minnesota with expertise in data and analytics;

662.27 (6) a representative from Care Providers of Minnesota; and

662.28 (7) a representative from LeadingAge Minnesota.

662.29 (c) The following individuals shall also be appointed to the working group:

662.30 (1) the commissioner of human services or a designee;

662.31 (2) the commissioner of health or a designee;

663.1 (3) the ombudsman for long-term care or a designee;

663.2 (4) one member of the Minnesota Board on Aging, appointed by the board; and

663.3 (5) the executive director of the Minnesota Board on Aging who shall serve on the  
663.4 working group as a nonvoting member.

663.5 (d) The appointing authorities under this subdivision must complete the appointments  
663.6 no later than July 1, 2018.

663.7 Subd. 2. **Duties.** The assisted living report card working group shall consider and make  
663.8 recommendations on the development of an assisted living report card. The quality metrics  
663.9 considered shall include, but are not limited to:

663.10 (1) an annual customer satisfaction survey measure using the CoreQ questions for  
663.11 assisted-living residents and family members;

663.12 (2) a measure utilizing level 3 or 4 citations from Department of Health home care survey  
663.13 findings and substantiated Office of Health Facility Complaints findings against a home  
663.14 care provider;

663.15 (3) a home care staff retention measure; and

663.16 (4) a measure that scores a provider's staff according to their level of training and  
663.17 education.

663.18 Subd. 3. **Meetings.** The commissioner of human services or a designee shall convene  
663.19 the first meeting of the working group no later than August 1, 2018. The members of the  
663.20 working group shall elect a chair from among the group's members at the first meeting, and  
663.21 the commissioner of human services or a designee shall serve as the working group's chair  
663.22 until a chair is elected. Meetings of the working group shall be open to the public.

663.23 Subd. 4. **Compensation.** Members of the working group shall serve without compensation  
663.24 or reimbursement for expenses.

663.25 Subd. 5. **Administrative support.** The commissioner of human services shall provide  
663.26 administrative support and arrange meeting space for the working group.

663.27 Subd. 6. **Report.** By January 15, 2019, the working group must submit a report with  
663.28 findings, recommendations, and draft legislation to the chairs and ranking minority members  
663.29 of the legislative committees with jurisdiction over health and human services policy and  
663.30 finance.

663.31 Subd. 7. **Expiration.** The working group expires January 16, 2019, or the day after the  
663.32 working group submits the report required in subdivision 6, whichever is later.

- 664.1 Sec. 57. **CRIMES AGAINST VULNERABLE ADULTS ADVISORY TASK FORCE.**
- 664.2 **Subdivision 1. Task force established; membership.** (a) The Crimes Against Vulnerable
- 664.3 Adults Advisory Task Force is established and consists of the following members:
- 664.4 (1) the commissioner of public safety or a designee;
- 664.5 (2) the commissioner of human services or a designee;
- 664.6 (3) the commissioner of health or a designee;
- 664.7 (4) the attorney general or a designee;
- 664.8 (5) a representative from the Minnesota Bar Association;
- 664.9 (6) a representative from the Minnesota judicial branch;
- 664.10 (7) one member appointed by the Minnesota County Attorneys Association;
- 664.11 (8) one member appointed by the Minnesota Association of City Attorneys;
- 664.12 (9) one member appointed by the Minnesota Elder Justice Center;
- 664.13 (10) one member appointed by the Minnesota Home Care Association;
- 664.14 (11) one member appointed by Care Providers of Minnesota;
- 664.15 (12) one member appointed by LeadingAge Minnesota;
- 664.16 (13) one member appointed by ARC Minnesota;
- 664.17 (14) one member appointed by AARP Minnesota; and
- 664.18 (15) one representative from a union that represents persons working in long-term care
- 664.19 settings.
- 664.20 (b) The advisory task force may appoint additional members that it deems would be
- 664.21 helpful in carrying out its duties under subdivision 2.
- 664.22 (c) The appointing authorities must complete the appointments listed in paragraph (a)
- 664.23 by July 1, 2018.
- 664.24 (d) At its first meeting, the task force shall elect a chair from among the members listed
- 664.25 in paragraph (a).
- 664.26 **Subd. 2. Duties; recommendations and report.** (a) The advisory task force's duties
- 664.27 are to review and evaluate laws relating to crimes against vulnerable adults, and any other
- 664.28 information the task force deems relevant.

665.1 (b) By December 1, 2018, the advisory task force shall submit a report to the chairs and  
665.2 ranking minority members of the legislative committees with primary jurisdiction over  
665.3 health and human services and criminal policy. The report must contain the task force's  
665.4 findings and recommendations, including a discussion of the benefits and problems associated  
665.5 with proposed changes. The report must include draft legislation to implement any  
665.6 recommended changes to statute.

665.7 Subd. 3. **Administrative provisions.** (a) The commissioner of human services shall  
665.8 provide meeting space and administrative support to the advisory task force.

665.9 (b) The commissioners of human services and health and the attorney general shall  
665.10 provide technical assistance to the advisory task force.

665.11 (c) Advisory task force members shall serve without compensation and shall not be  
665.12 reimbursed for expenses.

665.13 Subd. 4. **Expiration.** The advisory task force expires May 20, 2019.

665.14 **Sec. 58. DIRECTION TO COMMISSIONER OF HEALTH; PROGRESS IN**  
665.15 **IMPLEMENTING RECOMMENDATIONS OF LEGISLATIVE AUDITOR.**

665.16 By March 1, 2019, the commissioner of health must submit a report to the chairs and  
665.17 ranking minority members of the legislative committees with jurisdiction over health, human  
665.18 services, or aging on the progress toward implementing each recommendation of the Office  
665.19 of the Legislative Auditor with which the commissioner agreed in the commissioner's letter  
665.20 to the legislative auditor dated March 1, 2018. The commissioner shall include in the report  
665.21 existing data collected in the course of the commissioner's continuing oversight of the Office  
665.22 of Health Facility Complaints sufficient to demonstrate the implementation of the  
665.23 recommendations with which the commissioner agreed.

665.24 **Sec. 59. REPORTS; OFFICE OF HEALTH FACILITY COMPLAINTS' RESPONSE**  
665.25 **TO VULNERABLE ADULT MALTREATMENT ALLEGATIONS.**

665.26 (a) On a quarterly basis until January 2021, and annually thereafter, the commissioner  
665.27 of health must publish on the Department of Health Web site, a report on the Office of  
665.28 Health Facility Complaints' response to allegations of maltreatment of vulnerable adults.  
665.29 The report must include:

665.30 (1) a description and assessment of the office's efforts to improve its internal processes  
665.31 and compliance with federal and state requirements concerning allegations of maltreatment  
665.32 of vulnerable adults, including any relevant timelines;

666.1 (2)(i) the number of reports received by type of reporter; (ii) the number of reports  
 666.2 investigated; (iii) the percentage and number of reported cases awaiting triage; (iv) the  
 666.3 number and percentage of open investigations; (v) the number and percentage of reports  
 666.4 that have failed to meet state or federal timelines for triaging, investigating, or making a  
 666.5 final disposition of an investigation by cause of delay; and (vi) processes the office will  
 666.6 implement to bring the office into compliance with state and federal timelines for triaging,  
 666.7 investigating, and making final dispositions of investigations;

666.8 (3) a trend analysis of internal audits conducted by the office; and

666.9 (4) trends and patterns in maltreatment of vulnerable adults, licensing violations by  
 666.10 facilities or providers serving vulnerable adults, and other metrics as determined by the  
 666.11 commissioner.

666.12 (b) The commissioner shall maintain on the Department of Health Web site reports  
 666.13 published under this section for at least the past three years.

666.14 Sec. 60. **REPORT; SAFETY AND QUALITY IMPROVEMENT PRACTICES.**

666.15 By January 15, 2019, the safety and quality improvement technical panel established  
 666.16 under Minnesota Statutes, section 144A.53, subdivision 5, shall provide recommendations  
 666.17 to the legislature on legislative changes needed to promote safety and quality improvement  
 666.18 practices in long-term care settings and with long-term care providers. The recommendations  
 666.19 must address:

666.20 (1) how to implement a system for adverse health events reporting, learning, and  
 666.21 prevention in long-term care settings and with long-term care providers; and

666.22 (2) interim actions to improve systems for the timely analysis of reports and complaints  
 666.23 submitted to the Office of Health Facility Complaints to identify common themes and key  
 666.24 prevention opportunities, and to disseminate key findings to providers across the state for  
 666.25 the purposes of shared learning and prevention.

666.26 Sec. 61. **REPEALER.**

666.27 Minnesota Statutes 2016, section 144A.479, subdivision 2, is repealed.

## 666.28 **ARTICLE 40**

### 666.29 **CHILDREN AND FAMILIES; LICENSING**

666.30 Section 1. Minnesota Statutes 2016, section 119B.011, is amended by adding a subdivision  
 666.31 to read:

667.1 Subd. 13b. **Homeless.** "Homeless" means a self-declared housing status as defined in  
 667.2 the McKinney-Vento Homeless Assistance Act and United States Code, title 42, section  
 667.3 11302, paragraph (a).

667.4 **EFFECTIVE DATE.** This section is effective August 12, 2019.

667.5 Sec. 2. Minnesota Statutes 2016, section 119B.011, subdivision 19, is amended to read:

667.6 Subd. 19. **Provider.** "Provider" means: (1) an individual or child care center or facility;  
 667.7 ~~either licensed or unlicensed~~; providing licensed legal child care services as defined under  
 667.8 section 245A.03; ~~or~~ (2) a license exempt center required to be certified under chapter 245H;

667.9 (3) an individual or child care center or facility ~~holding that~~:

667.10 (i) holds a valid child care license issued by another state or a tribe ~~and providing~~;

667.11 (ii) provides child care services in the licensing state or in the area under the licensing  
 667.12 tribe's jurisdiction; and

667.13 (iii) is in compliance with federal health and safety requirements as certified by the  
 667.14 licensing state or tribe, or as determined by receipt of child care development block grant  
 667.15 funds in the licensing state; or

667.16 (4) a legal nonlicensed child care provider as defined under section 119B.011, subdivision  
 667.17 16, providing legal child care services. A ~~legally unlicensed family~~ legal nonlicensed child  
 667.18 care provider must be at least 18 years of age, and not a member of the MFIP assistance  
 667.19 unit or a member of the family receiving child care assistance to be authorized under this  
 667.20 chapter.

667.21 **EFFECTIVE DATE.** This section is effective September 24, 2018.

667.22 Sec. 3. Minnesota Statutes 2017 Supplement, section 119B.011, subdivision 20, is amended  
 667.23 to read:

667.24 Subd. 20. **Transition year families.** "Transition year families" means families who have  
 667.25 received MFIP assistance, or who were eligible to receive MFIP assistance after choosing  
 667.26 to discontinue receipt of the cash portion of MFIP assistance under section 256J.31,  
 667.27 subdivision 12, or families who have received DWP assistance under section 256J.95 for  
 667.28 at least ~~three~~ one of the last six months before losing eligibility for MFIP or DWP.

667.29 Notwithstanding Minnesota Rules, parts 3400.0040, subpart 10, and 3400.0090, subpart 2,  
 667.30 transition year child care may be used to support employment, approved education or training  
 667.31 programs, or job search that meets the requirements of section 119B.10. Transition year

668.1 child care is not available to families who have been disqualified from MFIP or DWP due  
668.2 to fraud.

668.3 **EFFECTIVE DATE.** This section is effective October 8, 2018.

668.4 Sec. 4. Minnesota Statutes 2016, section 119B.02, subdivision 7, is amended to read:

668.5 Subd. 7. **Child care market rate survey.** ~~Biennially~~; The commissioner shall conduct  
668.6 the next survey of prices charged by child care providers in Minnesota in state fiscal year  
668.7 2021 and every three years thereafter to determine the 75th percentile for like-care  
668.8 arrangements in county price clusters.

668.9 Sec. 5. Minnesota Statutes 2017 Supplement, section 119B.025, subdivision 1, is amended  
668.10 to read:

668.11 Subdivision 1. **Applications.** (a) Except as provided in paragraph (c), clause (4), the  
668.12 county shall verify the following at all initial child care applications using the universal  
668.13 application:

668.14 (1) identity of adults;

668.15 (2) presence of the minor child in the home, if questionable;

668.16 (3) relationship of minor child to the parent, stepparent, legal guardian, eligible relative  
668.17 caretaker, or the spouses of any of the foregoing;

668.18 (4) age;

668.19 (5) immigration status, if related to eligibility;

668.20 (6) Social Security number, if given;

668.21 (7) counted income;

668.22 (8) spousal support and child support payments made to persons outside the household;

668.23 (9) residence; and

668.24 (10) inconsistent information, if related to eligibility.

668.25 (b) The county must mail a notice of approval or denial of assistance to the applicant  
668.26 within 30 calendar days after receiving the application. The county may extend the response  
668.27 time by 15 calendar days if the applicant is informed of the extension.

668.28 (c) For an applicant who declares that the applicant is homeless and who meets the  
668.29 definition of homeless in section 119B.011, subdivision 13b, the county must:

669.1 (1) if information is needed to determine eligibility, send a request for information to  
 669.2 the applicant within five working days after receiving the application;

669.3 (2) if the applicant is eligible, send a notice of approval of assistance within five working  
 669.4 days after receiving the application;

669.5 (3) if the applicant is ineligible, send a notice of denial of assistance within 30 days after  
 669.6 receiving the application. The county may extend the response time by 15 calendar days if  
 669.7 the applicant is informed of the extension;

669.8 (4) not require verifications required by paragraph (a) before issuing the notice of approval  
 669.9 or denial; and

669.10 (5) follow limits set by the commissioner for how frequently expedited application  
 669.11 processing may be used for an applicant who declares that the applicant is homeless.

669.12 (d) An applicant who declares that the applicant is homeless must submit proof of  
 669.13 eligibility within three months of the date the application was received. If proof of eligibility  
 669.14 is not submitted within three months, eligibility ends. A 15-day adverse action notice is  
 669.15 required to end eligibility.

669.16 **EFFECTIVE DATE.** This section is effective August 12, 2019.

669.17 Sec. 6. Minnesota Statutes 2016, section 119B.03, subdivision 9, is amended to read:

669.18 Subd. 9. **Portability pool.** (a) The commissioner shall establish a pool of up to five  
 669.19 percent of the annual appropriation for the basic sliding fee program to provide continuous  
 669.20 child care assistance for eligible families who move between Minnesota counties. At the  
 669.21 end of each allocation period, any unspent funds in the portability pool must be used for  
 669.22 assistance under the basic sliding fee program. If expenditures from the portability pool  
 669.23 exceed the amount of money available, the reallocation pool must be reduced to cover these  
 669.24 shortages.

669.25 ~~(b) To be eligible for portable basic sliding fee assistance,~~ A family that has moved from  
 669.26 a county in which it was receiving basic sliding fee assistance to a county with a waiting  
 669.27 list for the basic sliding fee program must:

669.28 (1) meet the income and eligibility guidelines for the basic sliding fee program; and

669.29 ~~(2) notify the new county of residence within 60 days of moving and submit information~~  
 669.30 ~~to the new county of residence to verify eligibility for the basic sliding fee program~~ the  
 669.31 family's previous county of residence of the family's move to a new county of residence.

669.32 (c) The receiving county must:

670.1 (1) accept administrative responsibility for applicants for portable basic sliding fee  
670.2 assistance at the end of the two months of assistance under the Unitary Residency Act;

670.3 (2) continue portability pool basic sliding fee assistance ~~for the lesser of six months or~~  
670.4 until the family is able to receive assistance under the county's regular basic sliding program;  
670.5 and

670.6 (3) notify the commissioner through the quarterly reporting process of any family that  
670.7 meets the criteria of the portable basic sliding fee assistance pool.

670.8 **EFFECTIVE DATE.** This section is effective October 8, 2018.

670.9 Sec. 7. Minnesota Statutes 2017 Supplement, section 119B.06, subdivision 1, is amended  
670.10 to read:

670.11 Subdivision 1. **Commissioner to administer block grant.** The commissioner is  
670.12 authorized and directed to receive, administer, and expend child care funds available under  
670.13 the child care and development block grant authorized under the Child Care and Development  
670.14 Block Grant Act of 2014, Public Law 113-186. From the discretionary amounts provided  
670.15 for federal fiscal year 2018 and reserved for quality activities, the commissioner shall ensure  
670.16 that funds are prioritized to increase the availability of training and business planning  
670.17 assistance for child care providers.

670.18 Sec. 8. Minnesota Statutes 2016, section 119B.06, is amended by adding a subdivision to  
670.19 read:

670.20 Subd. 4. **Administration of additional funds.** If the state of Minnesota receives  
670.21 additional federal child care development block grant funds (CCDBG) in federal fiscal year  
670.22 2018 under the federal Consolidated Appropriations Act of 2018, Public Law 115-141, and  
670.23 any subsequent federal appropriation for federal fiscal year 2019, compared to CCDBG  
670.24 funds received in federal fiscal year 2017, the commissioner shall allocate the additional  
670.25 funds to provisions enacted in state law in 2018 to comply with the Child Care Development  
670.26 Block Grant Act of 2014, and to child care provider rates under section 119B.13. The  
670.27 commissioner shall allocate the additional federal funds to maximize child care rates during  
670.28 the time the additional federal funding is available. The commissioner must allocate any  
670.29 additional federal funding received after federal fiscal year 2019, at the level received in  
670.30 federal fiscal year 2019, to compliance provisions enacted in state law in 2018 and to child  
670.31 care rates under section 119B.13. If federal CCDBG funds are less than the amount received  
670.32 in federal fiscal year 2017, the commissioner, in consultation with the commissioner of  
670.33 management and budget, shall administer funding for child care programs to ensure that

671.1 the amount of general fund money allocated to child care programs does not increase to  
671.2 replace the reduction in federal CCDBG funds.

671.3 Sec. 9. Minnesota Statutes 2017 Supplement, section 119B.09, subdivision 1, is amended  
671.4 to read:

671.5 Subdivision 1. **General eligibility requirements.** (a) Child care services must be  
671.6 available to families who need child care to find or keep employment or to obtain the training  
671.7 or education necessary to find employment and who:

671.8 (1) have household income less than or equal to 67 percent of the state median income,  
671.9 adjusted for family size, at application and redetermination, and meet the requirements of  
671.10 section 119B.05; receive MFIP assistance; and are participating in employment and training  
671.11 services under chapter 256J; or

671.12 (2) have household income less than or equal to 47 percent of the state median income,  
671.13 adjusted for family size, at application and less than or equal to 67 percent of the state  
671.14 median income, adjusted for family size, at redetermination.

671.15 (b) Child care services must be made available as in-kind services.

671.16 (c) All applicants for child care assistance and families currently receiving child care  
671.17 assistance must be assisted and required to cooperate in establishment of paternity and  
671.18 enforcement of child support obligations for all children in the family at application and  
671.19 redetermination as a condition of program eligibility. For purposes of this section, a family  
671.20 is considered to meet the requirement for cooperation when the family complies with the  
671.21 requirements of section 256.741.

671.22 (d) All applicants for child care assistance and families currently receiving child care  
671.23 assistance must pay the co-payment fee under section 119B.12, subdivision 2, as a condition  
671.24 of eligibility. The co-payment fee may include additional recoupment fees due to a child  
671.25 care assistance program overpayment.

671.26 (e) If a family has one child with a child care authorization and the child turns 13 years  
671.27 of age or the child has a disability and turns 15 years of age, the family remains eligible  
671.28 until the redetermination.

671.29 **EFFECTIVE DATE.** This section is effective October 8, 2018.

672.1 Sec. 10. Minnesota Statutes 2017 Supplement, section 119B.095, subdivision 2, is amended  
672.2 to read:

672.3 Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota  
672.4 Rules, chapter 3400, the amount of child care authorized under section 119B.10 for  
672.5 employment, education, or an MFIP or DWP employment plan shall continue at the same  
672.6 number of hours or more hours until redetermination, including:

672.7 (1) when the other parent moves in and is employed or has an education plan under  
672.8 section 119B.10, subdivision 3, or has an MFIP or DWP employment plan; or

672.9 (2) when the participant's work hours are reduced or a participant temporarily stops  
672.10 working or attending an approved education program. Temporary changes include, but are  
672.11 not limited to, a medical leave, seasonal employment fluctuations, or a school break between  
672.12 semesters.

672.13 (b) The county may increase the amount of child care authorized at any time if the  
672.14 participant verifies the need for increased hours for authorized activities.

672.15 (c) The county may reduce the amount of child care authorized if a parent requests a  
672.16 reduction or because of a change in:

672.17 (1) the child's school schedule;

672.18 (2) the custody schedule; or

672.19 (3) the provider's availability.

672.20 (d) The amount of child care authorized for a family subject to subdivision 1, paragraph  
672.21 (b), must change when the participant's activity schedule changes. Paragraph (a) does not  
672.22 apply to a family subject to subdivision 1, paragraph (b).

672.23 (e) When a child reaches 13 years of age or a child with a disability reaches 15 years of  
672.24 age, the amount of child care authorized shall continue at the same number of hours or more  
672.25 hours until redetermination.

672.26 **EFFECTIVE DATE.** This section is effective October 8, 2018.

672.27 Sec. 11. Minnesota Statutes 2017 Supplement, section 119B.095, is amended by adding  
672.28 a subdivision to read:

672.29 **Subd. 3. Assistance for persons who are experiencing homelessness.** An applicant  
672.30 who is homeless and eligible for child care assistance under this chapter is eligible for 60  
672.31 hours of child care assistance per service period for three months from the date the county

673.1 receives the application. Additional hours may be authorized as needed based on the  
 673.2 applicant's participation in employment, education, or MFIP or DWP employment plan. To  
 673.3 continue receiving child care assistance after the initial three months, the parent must verify  
 673.4 that the parent meets eligibility and activity requirements for child care assistance under  
 673.5 this chapter.

673.6 **EFFECTIVE DATE.** This section is effective August 12, 2019.

673.7 Sec. 12. Minnesota Statutes 2017 Supplement, section 119B.13, subdivision 1, is amended  
 673.8 to read:

673.9 Subdivision 1. **Subsidy restrictions.** (a) ~~Beginning February 3, 2014,~~ The maximum  
 673.10 rate paid for child care assistance in any county or county price cluster under the child care  
 673.11 fund shall be the greater of the ~~25th percentile of the 2011~~ 25th percentile, of the most  
 673.12 recent child care provider rate survey under section 119B.06, subdivision 4, but not to exceed the 25th percentile, of the most  
 673.13 recent child care provider rate survey under section 119B.02, subdivision 7, or the maximum  
 673.14 ~~rate effective November 28, 2011~~ rates in effect at the time of the most recent child care  
 673.15 provider rate survey. For a child care provider located within the boundaries of a city located  
 673.16 in two or more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid  
 673.17 for child care assistance shall be equal to the maximum rate paid in the county with the  
 673.18 highest maximum reimbursement rates or the provider's charge, whichever is less. The  
 673.19 commissioner may: (1) assign a county with no reported provider prices to a similar price  
 673.20 cluster; and (2) consider county level access when determining final price clusters.

673.21 (b) A rate which includes a special needs rate paid under subdivision 3 may be in excess  
 673.22 of the maximum rate allowed under this subdivision.

673.23 (c) The department shall monitor the effect of this paragraph on provider rates. The  
 673.24 county shall pay the provider's full charges for every child in care up to the maximum  
 673.25 established. The commissioner shall determine the maximum rate for each type of care on  
 673.26 an hourly, full-day, and weekly basis, including special needs and disability care.

673.27 (d) If a child uses one provider, the maximum payment for one day of care must not  
 673.28 exceed the daily rate. The maximum payment for one week of care must not exceed the  
 673.29 weekly rate.

673.30 (e) If a child uses two providers under section 119B.097, the maximum payment must  
 673.31 not exceed:

673.32 (1) the daily rate for one day of care;

673.33 (2) the weekly rate for one week of care by the child's primary provider; and

674.1 (3) two daily rates during two weeks of care by a child's secondary provider.

674.2 (f) Child care providers receiving reimbursement under this chapter must not be paid  
674.3 activity fees or an additional amount above the maximum rates for care provided during  
674.4 nonstandard hours for families receiving assistance.

674.5 (g) If the provider charge is greater than the maximum provider rate allowed, the parent  
674.6 is responsible for payment of the difference in the rates in addition to any family co-payment  
674.7 fee.

674.8 (h) All maximum provider rates changes shall be implemented on the Monday following  
674.9 the effective date of the maximum provider rate.

674.10 (i) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum registration  
674.11 fees in effect on January 1, 2013, shall remain in effect.

674.12 **EFFECTIVE DATE.** This section is effective for child care provider payments beginning  
674.13 February 22, 2019.

674.14 Sec. 13. Minnesota Statutes 2017 Supplement, section 245A.06, subdivision 8, is amended  
674.15 to read:

674.16 Subd. 8. **Requirement to post ~~correction order~~ conditional license.** (a) For licensed  
674.17 family child care providers and child care centers, upon receipt of any ~~correction order or~~  
674.18 order of conditional license issued by the commissioner under this section, and  
674.19 notwithstanding a pending request for reconsideration of the ~~correction order or~~ order of  
674.20 conditional license by the license holder, the license holder shall post the ~~correction order~~  
674.21 ~~or~~ order of conditional license in a place that is conspicuous to the people receiving services  
674.22 and all visitors to the facility for two years. When the ~~correction order or~~ order of conditional  
674.23 license is accompanied by a maltreatment investigation memorandum prepared under section  
674.24 626.556 or 626.557, the investigation memoranda must be posted with the ~~correction order~~  
674.25 ~~or~~ order of conditional license.

674.26 ~~(b) If the commissioner reverses or rescinds a violation in a correction order upon~~  
674.27 ~~reconsideration under subdivision 2, the commissioner shall issue an amended correction~~  
674.28 ~~order and the license holder shall post the amended order according to paragraph (a).~~

674.29 ~~(c) If the correction order is rescinded or reversed in full upon reconsideration under~~  
674.30 ~~subdivision 2, the license holder shall remove the original correction order posted according~~  
674.31 ~~to paragraph (a).~~

675.1 Sec. 14. Minnesota Statutes 2016, section 245A.175, is amended to read:

675.2 **245A.175 CHILD FOSTER CARE TRAINING REQUIREMENT; MENTAL**  
675.3 **HEALTH TRAINING; FETAL ALCOHOL SPECTRUM DISORDERS TRAINING.**

675.4 Prior to a nonemergency placement of a child in a foster care home, the child foster care  
675.5 license holder and caregivers in foster family and treatment foster care settings, and all staff  
675.6 providing care in foster residence settings must complete two hours of training that addresses  
675.7 the causes, symptoms, and key warning signs of mental health disorders; cultural  
675.8 considerations; and effective approaches for dealing with a child's behaviors. At least one  
675.9 hour of the annual training requirement for the foster family license holder and caregivers,  
675.10 and foster residence staff must be on children's mental health issues and treatment. Except  
675.11 for providers and services under chapter 245D, the annual training must also include at least  
675.12 one hour of training on fetal alcohol spectrum disorders ~~within the first 12 months of~~  
675.13 ~~licensure. After the first 12 months of licensure, training on fetal alcohol spectrum disorders~~  
675.14 ~~may count,~~ which must be counted toward the 12 hours of required in-service training per  
675.15 year. Short-term substitute caregivers are exempt from these requirements. Training  
675.16 curriculum shall be approved by the commissioner of human services.

675.17 Sec. 15. Minnesota Statutes 2017 Supplement, section 245A.50, subdivision 7, is amended  
675.18 to read:

675.19 Subd. 7. **Training requirements for family and group family child care.** (a) For  
675.20 purposes of family and group family child care, the license holder and each primary caregiver  
675.21 must complete 16 hours of ongoing training each year. For purposes of this subdivision, a  
675.22 primary caregiver is an adult caregiver who provides services in the licensed setting for  
675.23 more than 30 days in any 12-month period. Repeat of topical training requirements in  
675.24 subdivisions 2 to ~~8~~ 9 shall count toward the annual 16-hour training requirement. Additional  
675.25 ongoing training subjects to meet the annual 16-hour training requirement must be selected  
675.26 from the following areas:

675.27 (1) child development and learning training under subdivision 2, paragraph (a);

675.28 (2) developmentally appropriate learning experiences, including training in creating  
675.29 positive learning experiences, promoting cognitive development, promoting social and  
675.30 emotional development, promoting physical development, promoting creative development;  
675.31 and behavior guidance;

675.32 (3) relationships with families, including training in building a positive, respectful  
675.33 relationship with the child's family;

676.1 (4) assessment, evaluation, and individualization, including training in observing,  
 676.2 recording, and assessing development; assessing and using information to plan; and assessing  
 676.3 and using information to enhance and maintain program quality;

676.4 (5) historical and contemporary development of early childhood education, including  
 676.5 training in past and current practices in early childhood education and how current events  
 676.6 and issues affect children, families, and programs;

676.7 (6) professionalism, including training in knowledge, skills, and abilities that promote  
 676.8 ongoing professional development; and

676.9 (7) health, safety, and nutrition, including training in establishing healthy practices;  
 676.10 ensuring safety; and providing healthy nutrition.

676.11 (b) A family or group family child care license holder or primary caregiver who is an  
 676.12 approved trainer through the Minnesota Center for Professional Development and who  
 676.13 conducts an approved training course through the Minnesota Center for Professional  
 676.14 Development in any of the topical training in subdivisions 2 to 9 shall receive training credit  
 676.15 for the training topic in the applicable annual period. Each hour of approved training  
 676.16 conducted shall count toward the annual 16-hour training requirement.

676.17 **EFFECTIVE DATE.** This section is effective July 1, 2018.

676.18 Sec. 16. Minnesota Statutes 2016, section 254A.035, subdivision 2, is amended to read:

676.19 Subd. 2. **Membership terms, compensation, removal and expiration.** The membership  
 676.20 of this council shall be composed of 17 persons who are American Indians and who are  
 676.21 appointed by the commissioner. The commissioner shall appoint one representative from  
 676.22 each of the following groups: Red Lake Band of Chippewa Indians; Fond du Lac Band,  
 676.23 Minnesota Chippewa Tribe; Grand Portage Band, Minnesota Chippewa Tribe; Leech Lake  
 676.24 Band, Minnesota Chippewa Tribe; Mille Lacs Band, Minnesota Chippewa Tribe; Bois Forte  
 676.25 Band, Minnesota Chippewa Tribe; White Earth Band, Minnesota Chippewa Tribe; Lower  
 676.26 Sioux Indian Reservation; Prairie Island Sioux Indian Reservation; Shakopee Mdewakanton  
 676.27 Sioux Indian Reservation; Upper Sioux Indian Reservation; International Falls Northern  
 676.28 Range; Duluth Urban Indian Community; and two representatives from the Minneapolis  
 676.29 Urban Indian Community and two from the St. Paul Urban Indian Community. The terms,  
 676.30 compensation, and removal of American Indian Advisory Council members shall be as  
 676.31 provided in section 15.059. The council expires June 30, ~~2018~~ 2023.

677.1 Sec. 17. Minnesota Statutes 2016, section 256.01, subdivision 14b, is amended to read:

677.2 Subd. 14b. **American Indian child welfare projects.** (a) The commissioner of human  
677.3 services may authorize projects to test tribal delivery of child welfare services to American  
677.4 Indian children and their parents and custodians living on the reservation. The commissioner  
677.5 has authority to solicit and determine which tribes may participate in a project. Grants may  
677.6 be issued to Minnesota Indian tribes to support the projects. The commissioner may waive  
677.7 existing state rules as needed to accomplish the projects. The commissioner may authorize  
677.8 projects to use alternative methods of (1) investigating and assessing reports of child  
677.9 maltreatment, and (2) administrative reconsideration, administrative appeal, and judicial  
677.10 appeal of maltreatment determinations, provided the alternative methods used by the projects  
677.11 comply with the provisions of sections 256.045 and 626.556 dealing with the rights of  
677.12 individuals who are the subjects of reports or investigations, including notice and appeal  
677.13 rights and data practices requirements. The commissioner may seek any federal approvals  
677.14 necessary to carry out the projects as well as seek and use any funds available to the  
677.15 commissioner, including use of federal funds, foundation funds, existing grant funds, and  
677.16 other funds. The commissioner is authorized to advance state funds as necessary to operate  
677.17 the projects. Federal reimbursement applicable to the projects is appropriated to the  
677.18 commissioner for the purposes of the projects. The projects must be required to address  
677.19 responsibility for safety, permanency, and well-being of children.

677.20 (b) For the purposes of this section, "American Indian child" means a person under 21  
677.21 years old and who is a tribal member or eligible for membership in one of the tribes chosen  
677.22 for a project under this subdivision and who is residing on the reservation of that tribe.

677.23 (c) In order to qualify for an American Indian child welfare project, a tribe must:

677.24 (1) be one of the existing tribes with reservation land in Minnesota;

677.25 (2) have a tribal court with jurisdiction over child custody proceedings;

677.26 (3) have a substantial number of children for whom determinations of maltreatment have  
677.27 occurred;

677.28 (4) have capacity to respond to reports of abuse and neglect under section 626.556;

677.29 (5) provide a wide range of services to families in need of child welfare services; and

677.30 (6) have a tribal-state title IV-E agreement in effect.

677.31 (d) Grants awarded under this section may be used for the nonfederal costs of providing  
677.32 child welfare services to American Indian children on the tribe's reservation, including costs  
677.33 associated with:

678.1 (1) assessment and prevention of child abuse and neglect;

678.2 (2) family preservation;

678.3 (3) facilitative, supportive, and reunification services;

678.4 (4) out-of-home placement for children removed from the home for child protective  
678.5 purposes; and

678.6 (5) other activities and services approved by the commissioner that further the goals of  
678.7 providing safety, permanency, and well-being of American Indian children.

678.8 (e) When a tribe has initiated a project and has been approved by the commissioner to  
678.9 assume child welfare responsibilities for American Indian children of that tribe under this  
678.10 section, the affected county social service agency is relieved of responsibility for responding  
678.11 to reports of abuse and neglect under section 626.556 for those children during the time  
678.12 within which the tribal project is in effect and funded. The commissioner shall work with  
678.13 tribes and affected counties to develop procedures for data collection, evaluation, and  
678.14 clarification of ongoing role and financial responsibilities of the county and tribe for child  
678.15 welfare services prior to initiation of the project. Children who have not been identified by  
678.16 the tribe as participating in the project shall remain the responsibility of the county. Nothing  
678.17 in this section shall alter responsibilities of the county for law enforcement or court services.

678.18 (f) Participating tribes may conduct children's mental health screenings under section  
678.19 245.4874, subdivision 1, paragraph (a), clause (12), for children who are eligible for the  
678.20 initiative and living on the reservation and who meet one of the following criteria:

678.21 (1) the child must be receiving child protective services;

678.22 (2) the child must be in foster care; or

678.23 (3) the child's parents must have had parental rights suspended or terminated.

678.24 Tribes may access reimbursement from available state funds for conducting the screenings.  
678.25 Nothing in this section shall alter responsibilities of the county for providing services under  
678.26 section 245.487.

678.27 (g) Participating tribes may establish a local child mortality review panel. In establishing  
678.28 a local child mortality review panel, the tribe agrees to conduct local child mortality reviews  
678.29 for child deaths or near-fatalities occurring on the reservation under subdivision 12. Tribes  
678.30 with established child mortality review panels shall have access to nonpublic data and shall  
678.31 protect nonpublic data under subdivision 12, paragraphs (c) to (e). The tribe shall provide  
678.32 written notice to the commissioner and affected counties when a local child mortality review

679.1 panel has been established and shall provide data upon request of the commissioner for  
679.2 purposes of sharing nonpublic data with members of the state child mortality review panel  
679.3 in connection to an individual case.

679.4 (h) The commissioner shall collect information on outcomes relating to child safety,  
679.5 permanency, and well-being of American Indian children who are served in the projects.  
679.6 Participating tribes must provide information to the state in a format and completeness  
679.7 deemed acceptable by the state to meet state and federal reporting requirements.

679.8 (i) In consultation with the White Earth Band, the commissioner shall develop and submit  
679.9 to the chairs and ranking minority members of the legislative committees with jurisdiction  
679.10 over health and human services a plan to transfer legal responsibility for providing child  
679.11 protective services to White Earth Band member children residing in Hennepin County to  
679.12 the White Earth Band. The plan shall include a financing proposal, definitions of key terms,  
679.13 statutory amendments required, and other provisions required to implement the plan. The  
679.14 commissioner shall submit the plan by January 15, 2012.

679.15 (j) The commissioner and the Red Lake Nation, in consultation with Beltrami County,  
679.16 Clearwater County, and Lake of the Woods County, shall develop a proposal to transfer  
679.17 legal and financial responsibility to the tribe for providing child welfare and child protection  
679.18 services to tribal members and families who reside on the Red Lake Reservation in Beltrami,  
679.19 Clearwater, and Lake of the Woods Counties. The proposal shall be provided to the members  
679.20 of the house of representatives and senate committees with jurisdiction over health and  
679.21 human services no later than January 15, 2019.

679.22 Sec. 18. Minnesota Statutes 2016, section 256K.45, subdivision 2, is amended to read:

679.23 Subd. 2. **Homeless youth report.** The commissioner shall prepare a biennial report,  
679.24 beginning in February 2015, which provides meaningful information to the legislative  
679.25 committees having jurisdiction over the issue of homeless youth, that includes, but is not  
679.26 limited to: (1) a list of the areas of the state with the greatest need for services and housing  
679.27 for homeless youth, and the level and nature of the needs identified; (2) details about grants  
679.28 made; (3) the distribution of funds throughout the state based on population need; (4)  
679.29 follow-up information, if available, on the status of homeless youth and whether they have  
679.30 stable housing two years after services are provided; and (5) any other outcomes for  
679.31 populations served to determine the effectiveness of the programs and use of funding. The  
679.32 commissioner is exempt from preparing this report in 2019 and must instead update the  
679.33 2007 report on homeless youth under section 24.

680.1 Sec. 19. [256K.46] STABLE HOUSING AND SUPPORT SERVICES FOR  
680.2 VULNERABLE YOUTH.

680.3 Subdivision 1. Definitions. For purposes of this section, the following terms have the  
680.4 meanings given them:

680.5 (a) "Eligible applicant" means a program licensed by the commissioner of human services  
680.6 to provide transitional housing and support services to youth. An eligible applicant must  
680.7 have staff on site 24 hours per day and must have established confidentiality protocols as  
680.8 required by state and federal law.

680.9 (b) "Living essentials" means clothing, toiletries, transportation, interpreters, other  
680.10 supplies, and services necessary for daily living.

680.11 (c) "Support services" has the meaning given in section 256E.33, subdivision 1, paragraph  
680.12 (b), and includes crisis intervention, conflict mediation, family reunification services,  
680.13 educational services, and employment resources.

680.14 (d) "Transitional housing" means secure shelter and housing that:

680.15 (1) is provided at low or no cost;

680.16 (2) is designed to assist people transitioning from homelessness, family or relationship  
680.17 violence, or sexual exploitation, to living independently in the community; and

680.18 (3) provides residents with regular staff interaction, supervision plans, and living skills  
680.19 training and assistance.

680.20 (e) "Vulnerable youth" means youth 13 years of age through 17 years of age who have  
680.21 reported histories of sexual exploitation or family or relationship violence. Vulnerable youth  
680.22 includes youth who are homeless and youth who are parents and their children.

680.23 Subd. 2. Grants authorized. The commissioner of human services may award grants  
680.24 to eligible applicants to plan, establish, or operate programs to provide transitional housing  
680.25 and support services to vulnerable youth. An applicant may apply for and the commissioner  
680.26 may award grants for two-year periods, and the commissioner shall determine the number  
680.27 of grants awarded. The commissioner may reallocate underspending among grantees within  
680.28 the same grant period.

680.29 Subd. 3. Program variance. For purposes of this grant program, the commissioner may  
680.30 grant a program variance under chapter 245A allowing a program licensed to provide  
680.31 transitional housing and support services to youth 16 years of age through 17 years of age  
680.32 to serve youth 13 years of age through 17 years of age.

- 681.1 Subd. 4. Allocation of grants. (a) An application must be on a form and contain  
681.2 information as specified by the commissioner but at a minimum must contain:
- 681.3 (1) a description of the purpose or project for which grant funds will be used;  
681.4 (2) a description of the specific problem the grant funds are intended to address;  
681.5 (3) a description of achievable objectives, a work plan, and a timeline for implementation  
681.6 and completion of processes or projects enabled by the grant;  
681.7 (4) a description of the eligible applicant's existing frameworks and experience providing  
681.8 transitional housing and support services to vulnerable youth; and  
681.9 (5) a proposed process for documenting and evaluating results of the grant.
- 681.10 (b) Grant funds allocated under this section may be used for purposes that include, but  
681.11 are not limited to, the following:
- 681.12 (1) transitional housing, meals, and living essentials for vulnerable youth and their  
681.13 children;  
681.14 (2) support services;  
681.15 (3) mental health and substance use disorder counseling;  
681.16 (4) staff training;  
681.17 (5) case management and referral services; and  
681.18 (6) aftercare and follow-up services, including ongoing adult and peer support.
- 681.19 (c) The commissioner shall review each application to determine whether the application  
681.20 is complete and whether the applicant and the project are eligible for a grant. In evaluating  
681.21 applications, the commissioner shall establish criteria including, but not limited to:
- 681.22 (1) the eligibility of the applicant or project;  
681.23 (2) the applicant's thoroughness and clarity in describing the problem grant funds are  
681.24 intended to address;  
681.25 (3) a description of the population demographics and service area of the proposed project;  
681.26 and  
681.27 (4) the proposed project's longevity and demonstrated financial sustainability after the  
681.28 initial grant period.

682.1 (d) In evaluating applications, the commissioner may request additional information  
682.2 regarding a proposed project, including information on project cost. An applicant's failure  
682.3 to provide the information requested disqualifies an applicant.

682.4 Subd. 5. **Awarding of grants.** The commissioner must notify grantees of awards by  
682.5 January 1, 2019.

682.6 Subd. 6. **Update.** The commissioner shall consult with providers serving homeless youth,  
682.7 sex-trafficked youth, or sexually exploited youth, including providers serving older youth  
682.8 under the Safe Harbor Act and Homeless Youth Act to make recommendations that resolve  
682.9 conflicting requirements placed on providers and foster best practices in delivering services  
682.10 to these populations of older youth. The recommendations may include the development  
682.11 of additional certifications not currently available under Minnesota Rules, chapter 2960.  
682.12 The commissioner shall provide an update on the stakeholder work and recommendations  
682.13 identified through this process to the chairs and ranking minority members of the legislative  
682.14 committees with jurisdiction over health and human services finance and policy by January  
682.15 15, 2019.

682.16 Sec. 20. Minnesota Statutes 2016, section 260.835, subdivision 2, is amended to read:

682.17 Subd. 2. **Expiration.** The American Indian Child Welfare Advisory Council expires  
682.18 June 30, ~~2018~~ 2023.

682.19 Sec. 21. **[260C.008] FOSTER CARE SIBLING BILL OF RIGHTS.**

682.20 Subdivision 1. **Statement of rights.** (a) A child placed in foster care who has a sibling  
682.21 has the right to:

682.22 (1) be placed in foster care homes with the child's siblings, when possible and when it  
682.23 is in the best interest of each sibling, in order to sustain family relationships;

682.24 (2) be placed in close geographical distance to the child's siblings, if placement together  
682.25 is not possible, to facilitate frequent and meaningful contact;

682.26 (3) have frequent contact with the child's siblings in foster care and, whenever possible,  
682.27 with the child's siblings who are not in foster care, unless the responsible social services  
682.28 agency has documented that contact is not in the best interest of any sibling. Contact includes,  
682.29 but is not limited to, telephone calls, text messaging, social media and other Internet use,  
682.30 and video calls;

682.31 (4) annually receive a telephone number, address, and e-mail address for all siblings in  
682.32 foster care, and receive updated photographs of siblings regularly, by regular mail or e-mail;

683.1 (5) participate in regular face-to-face visits with the child's siblings in foster care and,  
683.2 whenever possible, with the child's siblings who are not in foster care. Participation in these  
683.3 visits shall not be withheld or restricted as a consequence for behavior, and shall only be  
683.4 restricted if the responsible social services agency documents that the visits are contrary to  
683.5 the safety or well-being of any sibling. Social workers, parents, foster care providers, and  
683.6 older children must cooperate to ensure regular visits and must coordinate dates, times,  
683.7 transportation, and other accommodations as necessary. The timing and regularity of visits  
683.8 shall be outlined in each sibling's service plan, based on the individual circumstances and  
683.9 needs of each child. A social worker need not give explicit permission for each visit or  
683.10 possible overnight visit, but foster care providers shall communicate with social workers  
683.11 about these visits;

683.12 (6) be actively involved in each other's lives and share celebrations, if they choose to  
683.13 do so, including but not limited to birthdays, holidays, graduations, school and extracurricular  
683.14 activities, cultural customs in the siblings' native language, and other milestones;

683.15 (7) be promptly informed about changes in sibling placements or circumstances, including  
683.16 but not limited to new placements, discharge from placements, significant life events, and  
683.17 discharge from foster care;

683.18 (8) be included in permanency planning decisions for siblings, if appropriate; and

683.19 (9) be informed of the expectations for and possibility of continued contact with a sibling  
683.20 after an adoption or transfer of permanent physical and legal custody to a relative.

683.21 (b) Adult siblings of children in foster care shall have the right to be considered as foster  
683.22 care providers, adoptive parents, and relative custodians for their siblings, if they choose  
683.23 to do so.

683.24 Subd. 2. **Interpretation.** The rights under this section are established for the benefit of  
683.25 siblings in foster care. This statement of rights does not replace or diminish other rights,  
683.26 liberties, and responsibilities that may exist relative to children in foster care, adult siblings  
683.27 of children in foster care, foster care providers, parents, relatives, or responsible social  
683.28 services agencies.

683.29 Subd. 3. **Disclosure.** Child welfare agency staff shall provide a copy of these rights to  
683.30 a child who has a sibling at the time the child enters foster care, to any adult siblings of a  
683.31 child entering foster care, if known, and to the foster care provider, in a format specified  
683.32 by the commissioner of human services. The copy shall contain the address and telephone  
683.33 number of the Office of Ombudsman for Families and a brief statement describing how to  
683.34 file a complaint with the office.

684.1 **EFFECTIVE DATE.** This section is effective for children entering foster care on or  
 684.2 after August 1, 2018. Subdivision 3 is effective August 1, 2018, and applies to all children  
 684.3 in foster care on that date, regardless of when the child entered foster care.

684.4 Sec. 22. Minnesota Statutes 2016, section 518A.32, subdivision 3, is amended to read:

684.5 Subd. 3. **Parent not considered voluntarily unemployed, underemployed, or employed**  
 684.6 **on a less than full-time basis.** A parent is not considered voluntarily unemployed,  
 684.7 underemployed, or employed on a less than full-time basis upon a showing by the parent  
 684.8 that:

684.9 (1) the unemployment, underemployment, or employment on a less than full-time basis  
 684.10 is temporary and will ultimately lead to an increase in income;

684.11 (2) the unemployment, underemployment, or employment on a less than full-time basis  
 684.12 represents a bona fide career change that outweighs the adverse effect of that parent's  
 684.13 diminished income on the child; ~~or~~

684.14 (3) the unemployment, underemployment, or employment on a less than full-time basis  
 684.15 is because a parent is physically or mentally incapacitated or due to incarceration, ~~except~~  
 684.16 ~~where the reason for incarceration is the parent's nonpayment of support;~~ or

684.17 (4) the parent has been determined by an authorized government agency to be eligible  
 684.18 to receive general assistance or Supplemental Security Income payments. Any income, not  
 684.19 including public assistance payments, earned by the parent who is eligible for general  
 684.20 assistance or Supplemental Security Income payments may be considered for the purpose  
 684.21 of calculating child support.

684.22 Sec. 23. Minnesota Statutes 2016, section 518A.685, is amended to read:

684.23 **518A.685 CONSUMER REPORTING AGENCY; REPORTING ARREARS.**

684.24 (a) If a public authority determines that an obligor has not paid the current monthly  
 684.25 support obligation plus any required arrearage payment for three months, the public authority  
 684.26 must report this information to a consumer reporting agency.

684.27 (b) Before reporting that an obligor is in arrears for court-ordered child support, the  
 684.28 public authority must:

684.29 (1) provide written notice to the obligor that the public authority intends to report the  
 684.30 arrears to a consumer reporting agency; and

685.1 (2) mail the written notice to the obligor's last known mailing address at least 30 days  
685.2 before the public authority reports the arrears to a consumer reporting agency.

685.3 (c) The obligor may, within 21 days of receipt of the notice, do the following to prevent  
685.4 the public authority from reporting the arrears to a consumer reporting agency:

685.5 (1) pay the arrears in full; or

685.6 (2) request an administrative review. An administrative review is limited to issues of  
685.7 mistaken identity, a pending legal action involving the arrears, or an incorrect arrears balance.

685.8 ~~(d) If the public authority has reported that an obligor is in arrears for court-ordered~~  
685.9 ~~child support and subsequently determines that the obligor has paid the court-ordered child~~  
685.10 ~~support arrears in full, or is paying the current monthly support obligation plus any required~~  
685.11 ~~arrearage payment, the public authority must report to the consumer reporting agency that~~  
685.12 ~~the obligor is currently paying child support as ordered by the court.~~

685.13 ~~(e)~~ (d) A public authority that reports arrearage information under this section must  
685.14 make monthly reports to a consumer reporting agency. The monthly report must be consistent  
685.15 with credit reporting industry standards for child support.

685.16 ~~(f)~~ (e) For purposes of this section, "consumer reporting agency" has the meaning given  
685.17 in section 13C.001, subdivision 4, and United States Code, title 15, section 1681a(f).

685.18 Sec. 24. **2018 REPORT TO LEGISLATURE ON HOMELESS YOUTH.**

685.19 Subdivision 1. Report development. In lieu of the biennial homeless youth report under  
685.20 Minnesota Statutes, section 256K.45, subdivision 2, the commissioner of human services  
685.21 shall update the information in the 2007 legislative report on runaway and homeless youth.  
685.22 In developing the updated report, the commissioner may use existing data, studies, and  
685.23 analysis provided by state, county, and other entities including, but not limited to:

685.24 (1) Minnesota Housing Finance Agency analysis on housing availability;

685.25 (2) Minnesota state plan to end homelessness;

685.26 (3) continuum of care counts of youth experiencing homelessness and assessments as  
685.27 provided by Department of Housing and Urban Development (HUD)-required coordinated  
685.28 entry systems;

685.29 (4) data collected through the Department of Human Services Homeless Youth Act grant  
685.30 program;

685.31 (5) Wilder Research homeless study;

686.1 (6) Voices of Youth Count sponsored by Hennepin County; and

686.2 (7) privately funded analysis, including:

686.3 (i) nine evidence-based principles to support youth in overcoming homelessness;

686.4 (ii) return on investment analysis conducted for YouthLink by Foldes Consulting; and

686.5 (iii) evaluation of Homeless Youth Act resources conducted by Rainbow Research.

686.6 Subd. 2. **Key elements; due date.** (a) The report may include three key elements where  
686.7 significant learning has occurred in the state since the 2007 report, including:

686.8 (1) unique causes of youth homelessness;

686.9 (2) targeted responses to youth homelessness, including significance of positive youth  
686.10 development as fundamental to each targeted response; and

686.11 (3) recommendations based on existing reports and analysis on what it will take to end  
686.12 youth homelessness.

686.13 (b) To the extent data is available, the report must include:

686.14 (1) general accounting of the federal and philanthropic funds leveraged to support  
686.15 homeless youth activities;

686.16 (2) general accounting of the increase in volunteer responses to support youth  
686.17 experiencing homelessness; and

686.18 (3) data-driven accounting of geographic areas or distinct populations that have gaps in  
686.19 service or are not yet served by homeless youth responses.

686.20 (c) The commissioner of human services may consult with community-based providers  
686.21 of homeless youth services and other expert stakeholders to complete the report. The  
686.22 commissioner shall submit the report to the chairs and ranking minority members of the  
686.23 legislative committees with jurisdiction over youth homelessness by February 15, 2019.

686.24 Sec. 25. **DEPARTMENT OF INVESTIGATION, COMPLIANCE, AND**  
686.25 **ELIGIBILITY.**

686.26 (a) The commissioners of human services and health shall consider the benefits of  
686.27 consolidating into one state agency the licensing, background study, and related oversight  
686.28 functions currently in the Department of Human Services and Department of Health.

686.29 (b) The revisor shall, in consultation with the commissioners of human services and  
686.30 health, provide draft legislation for the chairs and ranking minority members of the senate

687.1 and house of representatives committees with jurisdiction over health and human services  
687.2 by July 1, 2019.

687.3 **Sec. 26. COMMISSIONER OF HUMAN SERVICES CHILD CARE LICENSING**  
687.4 **RULEMAKING AUTHORITY.**

687.5 Notwithstanding any provision of law to the contrary, the commissioner of human  
687.6 services may not adopt rules under Minnesota Statutes, chapter 14, that modify Minnesota  
687.7 Rules, chapters 9502 and 9503, or adopt additional rules relating to child care licensing,  
687.8 unless otherwise expressly authorized by law enacted on or after the effective date of this  
687.9 section.

687.10 **EFFECTIVE DATE.** This section is effective July 1, 2018.

687.11 **Sec. 27. TASK FORCE ON CHILDHOOD TRAUMA-INFORMED POLICY AND**  
687.12 **PRACTICES.**

687.13 Subdivision 1. **Establishment.** The commissioner of human services must establish and  
687.14 appoint a task force on trauma-informed policy and practices to prevent and reduce children's  
687.15 exposure to adverse childhood experiences (ACEs) consisting of the following members:

687.16 (1) the commissioners of human services, public safety, health, and education or the  
687.17 commissioners' designees;

687.18 (2) two members representing law enforcement with expertise in juvenile justice;

687.19 (3) two members representing county social services agencies;

687.20 (4) four members, one representing each of the three ethnic councils established under  
687.21 Minnesota Statutes, section 15.0145, and one representing the Indian Affairs Council  
687.22 established under Minnesota Statutes, section 3.922;

687.23 (5) two members representing tribal social services providers;

687.24 (6) two members with expertise in prekindergarten through grade 12 education;

687.25 (7) three licensed health care professionals with expertise in the neurobiology of  
687.26 childhood development representing public health, mental health, and primary health;

687.27 (8) one member representing family service or children's mental health collaboratives;

687.28 (9) two parents who had ACEs;

687.29 (10) two ombudspersons from the Minnesota Office of Ombudsperson for Families; and

688.1 (11) representatives of any other group the commissioner of human services deems  
688.2 appropriate to complete the duties of the task force.

688.3 Subd. 2. **Staff.** The commissioner of human services must provide meeting space, support  
688.4 staff, and administrative services for the task force.

688.5 Subd. 3. **Duties.** The task force must perform the following duties:

688.6 (1) engage the human services, education, public health, juvenile justice, and criminal  
688.7 justice systems in the creation of trauma-informed policy and practices in each of these  
688.8 systems to prevent and reduce ACEs and to support the health and well-being of all families;  
688.9 and

688.10 (2) identify social determinants of the health and well-being of all families and  
688.11 recommend solutions to eliminate racial and ethnic disparities in the state.

688.12 Subd. 4. **Report.** The task force must submit a report on the results of its duties outlined  
688.13 in subdivision 3 and any policy recommendations to the chairs and ranking minority members  
688.14 of the legislative committees with jurisdiction over health and human services, public safety,  
688.15 judiciary, and education by January 15, 2019.

688.16 Subd. 5. **Expiration.** The task force expires upon submission of the report required  
688.17 under subdivision 4.

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

688.19 Sec. 28. **REVISOR'S INSTRUCTION.**

688.20 The revisor of statutes, in consultation with the Department of Human Services, House  
688.21 Research Department, and Senate Counsel, Research and Fiscal Analysis shall change the  
688.22 terms "food support" and "food stamps" to "Supplemental Nutrition Assistance Program"  
688.23 or "SNAP" in Minnesota Statutes and Minnesota Rules when appropriate. The revisor may  
688.24 make technical and other necessary changes to sentence structure to preserve the meaning  
688.25 of the text.

688.26 **ARTICLE 41**

688.27 **STATE-OPERATED SERVICES; CHEMICAL AND MENTAL HEALTH**

688.28 Section 1. Minnesota Statutes 2016, section 13.851, is amended by adding a subdivision  
688.29 to read:

689.1 Subd. 11. **Mental health screening.** The treatment of data collected by a sheriff or local  
 689.2 corrections agency related to individuals who may have a mental illness is governed by  
 689.3 section 641.15, subdivision 3a.

689.4 Sec. 2. Minnesota Statutes 2016, section 245A.04, subdivision 7, is amended to read:

689.5 **Subd. 7. Grant of license; license extension.** (a) If the commissioner determines that  
 689.6 the program complies with all applicable rules and laws, the commissioner shall issue a  
 689.7 license consistent with this section or, if applicable, a temporary change of ownership license  
 689.8 under section 245A.043. At minimum, the license shall state:

689.9 (1) the name of the license holder;

689.10 (2) the address of the program;

689.11 (3) the effective date and expiration date of the license;

689.12 (4) the type of license;

689.13 (5) the maximum number and ages of persons that may receive services from the program;

689.14 and

689.15 (6) any special conditions of licensure.

689.16 (b) The commissioner may issue ~~an initial~~ a license for a period not to exceed two years  
 689.17 if:

689.18 (1) the commissioner is unable to conduct the evaluation or observation required by  
 689.19 subdivision 4, paragraph (a), clauses (3) and (4), because the program is not yet operational;

689.20 (2) certain records and documents are not available because persons are not yet receiving  
 689.21 services from the program; and

689.22 (3) the applicant complies with applicable laws and rules in all other respects.

689.23 (c) A decision by the commissioner to issue a license does not guarantee that any person  
 689.24 or persons will be placed or cared for in the licensed program. ~~A license shall not be~~  
 689.25 ~~transferable to another individual, corporation, partnership, voluntary association, other~~  
 689.26 ~~organization, or controlling individual or to another location.~~

689.27 ~~(d) A license holder must notify the commissioner and obtain the commissioner's approval~~  
 689.28 ~~before making any changes that would alter the license information listed under paragraph~~  
 689.29 ~~(a).~~

689.30 ~~(e)~~ (d) Except as provided in paragraphs ~~(g)~~ (f) and ~~(h)~~ (g), the commissioner shall not  
 689.31 issue or reissue a license if the applicant, license holder, or controlling individual has:

690.1 (1) been disqualified and the disqualification was not set aside and no variance has been  
690.2 granted;

690.3 (2) been denied a license within the past two years;

690.4 (3) had a license issued under this chapter revoked within the past five years;

690.5 (4) an outstanding debt related to a license fee, licensing fine, or settlement agreement  
690.6 for which payment is delinquent; or

690.7 (5) failed to submit the information required of an applicant under subdivision 1,  
690.8 paragraph (f) or (g), after being requested by the commissioner.

690.9 When a license issued under this chapter is revoked under clause (1) or (3), the license  
690.10 holder and controlling individual may not hold any license under chapter 245A or 245D for  
690.11 five years following the revocation, and other licenses held by the applicant, license holder,  
690.12 or controlling individual shall also be revoked.

690.13 ~~(f)~~ (e) The commissioner shall not issue or reissue a license under this chapter if an  
690.14 individual living in the household where the licensed services will be provided as specified  
690.15 under section 245C.03, subdivision 1, has been disqualified and the disqualification has not  
690.16 been set aside and no variance has been granted.

690.17 ~~(g)~~ (f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued  
690.18 under this chapter has been suspended or revoked and the suspension or revocation is under  
690.19 appeal, the program may continue to operate pending a final order from the commissioner.  
690.20 If the license under suspension or revocation will expire before a final order is issued, a  
690.21 temporary provisional license may be issued provided any applicable license fee is paid  
690.22 before the temporary provisional license is issued.

690.23 ~~(h)~~ (g) Notwithstanding paragraph ~~(g)~~ (f), when a revocation is based on the  
690.24 disqualification of a controlling individual or license holder, and the controlling individual  
690.25 or license holder is ordered under section 245C.17 to be immediately removed from direct  
690.26 contact with persons receiving services or is ordered to be under continuous, direct  
690.27 supervision when providing direct contact services, the program may continue to operate  
690.28 only if the program complies with the order and submits documentation demonstrating  
690.29 compliance with the order. If the disqualified individual fails to submit a timely request for  
690.30 reconsideration, or if the disqualification is not set aside and no variance is granted, the  
690.31 order to immediately remove the individual from direct contact or to be under continuous,  
690.32 direct supervision remains in effect pending the outcome of a hearing and final order from  
690.33 the commissioner.

691.1 ~~(h)~~ (h) For purposes of reimbursement for meals only, under the Child and Adult Care  
 691.2 Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A,  
 691.3 part 226, relocation within the same county by a licensed family day care provider, shall  
 691.4 be considered an extension of the license for a period of no more than 30 calendar days or  
 691.5 until the new license is issued, whichever occurs first, provided the county agency has  
 691.6 determined the family day care provider meets licensure requirements at the new location.

691.7 ~~(i)~~ (i) Unless otherwise specified by statute, all licenses issued under this chapter expire  
 691.8 at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must  
 691.9 apply for and be granted a new license to operate the program or the program must not be  
 691.10 operated after the expiration date.

691.11 ~~(j)~~ (j) The commissioner shall not issue or reissue a license under this chapter if it has  
 691.12 been determined that a tribal licensing authority has established jurisdiction to license the  
 691.13 program or service.

691.14 Sec. 3. Minnesota Statutes 2016, section 245A.04, is amended by adding a subdivision to  
 691.15 read:

691.16 Subd. 7a. **Notification required.** (a) A license holder must notify the commissioner and  
 691.17 obtain the commissioner's approval before making any change that would alter the license  
 691.18 information listed under subdivision 7, paragraph (a).

691.19 (b) At least 30 days before the effective date of a change, the license holder must notify  
 691.20 the commissioner in writing of any change:

691.21 (1) to the license holder's controlling individual as defined in section 245A.02, subdivision  
 691.22 5a;

691.23 (2) to license holder information on file with the secretary of state;

691.24 (3) in the location of the program or service licensed under this chapter; and

691.25 (4) in the federal or state tax identification number associated with the license holder.

691.26 (c) When a license holder notifies the commissioner of a change to the business structure  
 691.27 governing the licensed program or services but is not selling the business, the license holder  
 691.28 must provide amended articles of incorporation and other documentation of the change and  
 691.29 any other information requested by the commissioner.

691.30 **EFFECTIVE DATE.** This section is effective August 1, 2018.

692.1 Sec. 4. **[245A.043] LICENSE APPLICATION AFTER CHANGE OF OWNERSHIP.**

692.2 Subdivision 1. **Transfer prohibited.** A license issued under this chapter is only valid  
692.3 for a premises and individual, organization, or government entity identified by the  
692.4 commissioner on the license. A license is not transferable or assignable.

692.5 Subd. 2. **Change of ownership.** If the commissioner determines that there will be a  
692.6 change of ownership, the commissioner shall require submission of a new license application.  
692.7 A change of ownership occurs when:

692.8 (1) the license holder sells or transfers 100 percent of the property, stock, or assets;

692.9 (2) the license holder merges with another organization;

692.10 (3) the license holder consolidates with two or more organizations, resulting in the  
692.11 creation of a new organization;

692.12 (4) there is a change in the federal tax identification number associated with the license  
692.13 holder; or

692.14 (5) there is a turnover of each controlling individual associated with the license within  
692.15 a 12-month period. A change to the license holder's controlling individuals, including a  
692.16 change due to a transfer of stock, is not a change of ownership if at least one controlling  
692.17 individual who was listed on the license for at least 12 consecutive months continues to be  
692.18 a controlling individual after the reported change.

692.19 Subd. 3. **Change of ownership requirements.** (a) A license holder who intends to  
692.20 change the ownership of the program or service under subdivision 2 to a party that intends  
692.21 to assume operation without an interruption in service longer than 60 days after acquiring  
692.22 the program or service must provide the commissioner with written notice of the proposed  
692.23 sale or change, on a form provided by the commissioner, at least 60 days before the  
692.24 anticipated date of the change in ownership. For purposes of this subdivision and subdivision  
692.25 4, "party" means the party that intends to operate the service or program.

692.26 (b) The party must submit a license application under this chapter on a form and in the  
692.27 manner prescribed by the commissioner at least 30 days before the change of ownership is  
692.28 complete and must include documentation to support the upcoming change. The form and  
692.29 manner of the application prescribed by the commissioner shall require only information  
692.30 which is specifically required by statute or rule. The party must comply with background  
692.31 study requirements under chapter 245C and shall pay the application fee required in section  
692.32 245A.10. A party that intends to assume operation without an interruption in service longer

693.1 than 60 days after acquiring the program or service is exempt from the requirements of  
693.2 Minnesota Rules, part 9530.6800.

693.3 (c) The commissioner may develop streamlined application procedures when the party  
693.4 is an existing license holder under this chapter and is acquiring a program licensed under  
693.5 this chapter or service in the same service class as one or more licensed programs or services  
693.6 the party operates and those licenses are in substantial compliance according to the licensing  
693.7 standards in this chapter and applicable rules. For purposes of this subdivision, "substantial  
693.8 compliance" means within the past 12 months the commissioner did not: (i) issue a sanction  
693.9 under section 245A.07 against a license held by the party or (ii) make a license held by the  
693.10 party conditional according to section 245A.06.

693.11 (d) Except when a temporary change of ownership license is issued pursuant to  
693.12 subdivision 4, the existing license holder is solely responsible for operating the program  
693.13 according to applicable rules and statutes until a license under this chapter is issued to the  
693.14 party.

693.15 (e) If a licensing inspection of the program or service was conducted within the previous  
693.16 12 months and the existing license holder's license record demonstrates substantial  
693.17 compliance with the applicable licensing requirements, the commissioner may waive the  
693.18 party's inspection required by section 245A.04, subdivision 4. The party must submit to the  
693.19 commissioner proof that the premises was inspected by a fire marshal or that the fire marshal  
693.20 deemed that an inspection was not warranted and proof that the premises was inspected for  
693.21 compliance with the building code or that no inspection was deemed warranted.

693.22 (f) If the party is seeking a license for a program or service that has an outstanding  
693.23 correction order, the party must submit a letter with the license application identifying how  
693.24 and within what length of time the party shall resolve the outstanding correction order and  
693.25 come into full compliance with the licensing requirements.

693.26 (g) Any action taken under section 245A.06 or 245A.07 against the existing license  
693.27 holder's license at the time the party is applying for a license, including when the existing  
693.28 license holder is operating under a conditional license or is subject to a revocation, shall  
693.29 remain in effect until the commissioner determines that the grounds for the action are  
693.30 corrected or no longer exist.

693.31 (h) The commissioner shall evaluate the application of the party according to section  
693.32 245A.04, subdivision 6. Pursuant to section 245A.04, subdivision 7, if the commissioner  
693.33 determines that the party complies with applicable laws and rules, the commissioner may  
693.34 issue a license or a temporary change of ownership license.

694.1 (i) The commissioner may deny an application as provided in section 245A.05. An  
694.2 applicant whose application was denied by the commissioner may appeal the denial according  
694.3 to section 245A.05.

694.4 (j) This subdivision does not apply to a licensed program or service located in a home  
694.5 where the license holder resides.

694.6 **Subd. 4. Temporary change of ownership license.** (a) After receiving the party's  
694.7 application and upon the written request of the existing license holder and the party, the  
694.8 commissioner may issue a temporary change of ownership license to the party while the  
694.9 commissioner evaluates the party's application. Until a decision is made to grant or deny a  
694.10 license under this chapter, the existing license holder and the party shall both be responsible  
694.11 for operating the program or service according to applicable laws and rules, and the sale or  
694.12 transfer of the license holder's ownership interest in the licensed program or service does  
694.13 not terminate the existing license.

694.14 (b) The commissioner may establish criteria to issue a temporary change of ownership  
694.15 license, if a license holder's death, divorce, or other event affects the ownership of the  
694.16 program, when an applicant seeks to assume operation of the program or service to ensure  
694.17 continuity of the program or service while a license application is evaluated. This subdivision  
694.18 applies to any program or service licensed under this chapter.

694.19 **EFFECTIVE DATE.** This section is effective August 1, 2018.

694.20 Sec. 5. Minnesota Statutes 2016, section 245C.22, subdivision 4, is amended to read:

694.21 **Subd. 4. Risk of harm; set aside.** (a) The commissioner may set aside the disqualification  
694.22 if the commissioner finds that the individual has submitted sufficient information to  
694.23 demonstrate that the individual does not pose a risk of harm to any person served by the  
694.24 applicant, license holder, or other entities as provided in this chapter.

694.25 (b) In determining whether the individual has met the burden of proof by demonstrating  
694.26 the individual does not pose a risk of harm, the commissioner shall consider:

694.27 (1) the nature, severity, and consequences of the event or events that led to the  
694.28 disqualification;

694.29 (2) whether there is more than one disqualifying event;

694.30 (3) the age and vulnerability of the victim at the time of the event;

694.31 (4) the harm suffered by the victim;

694.32 (5) vulnerability of persons served by the program;

695.1 (6) the similarity between the victim and persons served by the program;

695.2 (7) the time elapsed without a repeat of the same or similar event;

695.3 (8) documentation of successful completion by the individual studied of training or  
695.4 rehabilitation pertinent to the event; and

695.5 (9) any other information relevant to reconsideration.

695.6 (c) If the individual requested reconsideration on the basis that the information relied  
695.7 upon to disqualify the individual was incorrect or inaccurate and the commissioner determines  
695.8 that the information relied upon to disqualify the individual is correct, the commissioner  
695.9 must also determine if the individual poses a risk of harm to persons receiving services in  
695.10 accordance with paragraph (b).

695.11 (d) For an individual in the chemical dependency field, the commissioner must set aside  
695.12 the disqualification if the following criteria are met:

695.13 (1) the individual submits sufficient documentation to demonstrate that the individual  
695.14 is a nonviolent controlled substance offender under section 244.0513, subdivision 2, clauses  
695.15 (1), (2), and (6);

695.16 (2) the individual is disqualified exclusively for one or more offenses listed under section  
695.17 152.021, subdivision 2 or 2a; 152.022, subdivision 2; 152.023, subdivision 2; 152.024; or  
695.18 152.025;

695.19 (3) the individual provided documentation of successful completion of treatment, at least  
695.20 one year prior to the date of the request for reconsideration, at a program licensed under  
695.21 chapter 245G;

695.22 (4) the individual provided documentation demonstrating abstinence from controlled  
695.23 substances, as defined in section 152.01, subdivision 4, for the period one year prior to the  
695.24 date of the request for reconsideration; and

695.25 (5) the individual is seeking employment in the chemical dependency field.

695.26 Sec. 6. Minnesota Statutes 2017 Supplement, section 245C.22, subdivision 5, is amended  
695.27 to read:

695.28 Subd. 5. **Scope of set-aside.** (a) If the commissioner sets aside a disqualification under  
695.29 this section, the disqualified individual remains disqualified, but may hold a license and  
695.30 have direct contact with or access to persons receiving services. Except as provided in  
695.31 paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the  
695.32 licensed program, applicant, or agency specified in the set aside notice under section 245C.23.

696.1 For personal care provider organizations, the commissioner's set-aside may further be limited  
 696.2 to a specific individual who is receiving services. For new background studies required  
 696.3 under section 245C.04, subdivision 1, paragraph (h), if an individual's disqualification was  
 696.4 previously set aside for the license holder's program and the new background study results  
 696.5 in no new information that indicates the individual may pose a risk of harm to persons  
 696.6 receiving services from the license holder, the previous set-aside shall remain in effect.

696.7 (b) If the commissioner has previously set aside an individual's disqualification for one  
 696.8 or more programs or agencies, and the individual is the subject of a subsequent background  
 696.9 study for a different program or agency, the commissioner shall determine whether the  
 696.10 disqualification is set aside for the program or agency that initiated the subsequent  
 696.11 background study. A notice of a set-aside under paragraph (c) shall be issued within 15  
 696.12 working days if all of the following criteria are met:

696.13 (1) the subsequent background study was initiated in connection with a program licensed  
 696.14 or regulated under the same provisions of law and rule for at least one program for which  
 696.15 the individual's disqualification was previously set aside by the commissioner;

696.16 (2) the individual is not disqualified for an offense specified in section 245C.15,  
 696.17 subdivision 1 ~~or 2~~;

696.18 (3) the individual is not disqualified for an offense specified in section 245C.15,  
 696.19 subdivision 2, unless the individual is employed in the chemical dependency field;

696.20 (4) the commissioner has received no new information to indicate that the individual  
 696.21 may pose a risk of harm to any person served by the program; and

696.22 ~~(4)~~ (5) the previous set-aside was not limited to a specific person receiving services.

696.23 (c) When a disqualification is set aside under paragraph (b), the notice of background  
 696.24 study results issued under section 245C.17, in addition to the requirements under section  
 696.25 245C.17, shall state that the disqualification is set aside for the program or agency that  
 696.26 initiated the subsequent background study. The notice must inform the individual that the  
 696.27 individual may request reconsideration of the disqualification under section 245C.21 on the  
 696.28 basis that the information used to disqualify the individual is incorrect.

696.29 Sec. 7. Minnesota Statutes 2016, section 254B.02, subdivision 1, is amended to read:

696.30 Subdivision 1. **Chemical dependency treatment allocation.** The chemical dependency  
 696.31 treatment appropriation shall be placed in a special revenue account. ~~The commissioner~~  
 696.32 ~~shall annually transfer funds from the chemical dependency fund to pay for operation of~~  
 696.33 ~~the drug and alcohol abuse normative evaluation system and to pay for all costs incurred~~

697.1 ~~by adding two positions for licensing of chemical dependency treatment and rehabilitation~~  
697.2 ~~programs located in hospitals for which funds are not otherwise appropriated. The remainder~~  
697.3 ~~of the money in the special revenue account must be used according to the requirements in~~  
697.4 this chapter.

697.5 **EFFECTIVE DATE.** This section is effective July 1, 2018.

697.6 Sec. 8. Minnesota Statutes 2017 Supplement, section 254B.03, subdivision 2, is amended  
697.7 to read:

697.8 Subd. 2. **Chemical dependency fund payment.** (a) Payment from the chemical  
697.9 dependency fund is limited to payments for services other than detoxification licensed under  
697.10 Minnesota Rules, parts 9530.6510 to 9530.6590, that, if located outside of federally  
697.11 recognized tribal lands, would be required to be licensed by the commissioner as a chemical  
697.12 dependency treatment or rehabilitation program under sections 245A.01 to 245A.16, and  
697.13 services other than detoxification provided in another state that would be required to be  
697.14 licensed as a chemical dependency program if the program were in the state. Out of state  
697.15 vendors must also provide the commissioner with assurances that the program complies  
697.16 substantially with state licensing requirements and possesses all licenses and certifications  
697.17 required by the host state to provide chemical dependency treatment. Vendors receiving  
697.18 payments from the chemical dependency fund must not require co-payment from a recipient  
697.19 of benefits for services provided under this subdivision. The vendor is prohibited from using  
697.20 the client's public benefits to offset the cost of services paid under this section. The vendor  
697.21 shall not require the client to use public benefits for room or board costs. This includes but  
697.22 is not limited to cash assistance benefits under chapters 119B, 256D, and 256J, or SNAP  
697.23 benefits. Retention of SNAP benefits is a right of a client receiving services through the  
697.24 consolidated chemical dependency treatment fund or through state contracted managed care  
697.25 entities. Payment from the chemical dependency fund shall be made for necessary room  
697.26 and board costs provided by vendors certified according to section 254B.05, or in a  
697.27 community hospital licensed by the commissioner of health according to sections 144.50  
697.28 to 144.56 to a client who is:

697.29 (1) determined to meet the criteria for placement in a residential chemical dependency  
697.30 treatment program according to rules adopted under section 254A.03, subdivision 3; and

697.31 (2) concurrently receiving a chemical dependency treatment service in a program licensed  
697.32 by the commissioner and reimbursed by the chemical dependency fund.

697.33 (b) A county may, from its own resources, provide chemical dependency services for  
697.34 which state payments are not made. A county may elect to use the same invoice procedures

698.1 and obtain the same state payment services as are used for chemical dependency services  
698.2 for which state payments are made under this section if county payments are made to the  
698.3 state in advance of state payments to vendors. When a county uses the state system for  
698.4 payment, the commissioner shall make monthly billings to the county using the most recent  
698.5 available information to determine the anticipated services for which payments will be made  
698.6 in the coming month. Adjustment of any overestimate or underestimate based on actual  
698.7 expenditures shall be made by the state agency by adjusting the estimate for any succeeding  
698.8 month.

698.9 (c) The commissioner shall coordinate chemical dependency services and determine  
698.10 whether there is a need for any proposed expansion of chemical dependency treatment  
698.11 services. ~~The commissioner shall deny vendor certification to any provider that has not~~  
698.12 ~~received prior approval from the commissioner for the creation of new programs or the~~  
698.13 ~~expansion of existing program capacity. The commissioner shall consider the provider's~~  
698.14 ~~capacity to obtain clients from outside the state based on plans, agreements, and previous~~  
698.15 ~~utilization history, when determining the need for new treatment services~~ The commissioner  
698.16 may deny vendor certification to a provider if the commissioner determines that the services  
698.17 currently available in the local area are sufficient to meet local need and that the addition  
698.18 of new services would be detrimental to individuals seeking these services.

698.19 Sec. 9. Minnesota Statutes 2016, section 254B.06, subdivision 1, is amended to read:

698.20 Subdivision 1. **State collections.** The commissioner is responsible for all collections  
698.21 from persons determined to be partially responsible for the cost of care of an eligible person  
698.22 receiving services under Laws 1986, chapter 394, sections 8 to 20. The commissioner may  
698.23 initiate, or request the attorney general to initiate, necessary civil action to recover the unpaid  
698.24 cost of care. The commissioner may collect all third-party payments for chemical dependency  
698.25 services provided under Laws 1986, chapter 394, sections 8 to 20, including private insurance  
698.26 and federal Medicaid and Medicare financial participation. ~~The commissioner shall deposit~~  
698.27 ~~in a dedicated account a percentage of collections to pay for the cost of operating the chemical~~  
698.28 ~~dependency consolidated treatment fund invoice processing and vendor payment system,~~  
698.29 ~~billing, and collections.~~ The remaining receipts must be deposited in the chemical dependency  
698.30 fund.

698.31 **EFFECTIVE DATE.** This section is effective July 1, 2018.

699.1 Sec. 10. Minnesota Statutes 2017 Supplement, section 256.045, subdivision 3, is amended  
699.2 to read:

699.3 Subd. 3. **State agency hearings.** (a) State agency hearings are available for the following:

699.4 (1) any person applying for, receiving or having received public assistance, medical  
699.5 care, or a program of social services granted by the state agency or a county agency or the  
699.6 federal Food Stamp Act whose application for assistance is denied, not acted upon with  
699.7 reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed  
699.8 to have been incorrectly paid;

699.9 (2) any patient or relative aggrieved by an order of the commissioner under section  
699.10 252.27;

699.11 (3) a party aggrieved by a ruling of a prepaid health plan;

699.12 (4) except as provided under chapter 245C, any individual or facility determined by a  
699.13 lead investigative agency to have maltreated a vulnerable adult under section 626.557 after  
699.14 they have exercised their right to administrative reconsideration under section 626.557;

699.15 (5) any person whose claim for foster care payment according to a placement of the  
699.16 child resulting from a child protection assessment under section 626.556 is denied or not  
699.17 acted upon with reasonable promptness, regardless of funding source;

699.18 (6) any person to whom a right of appeal according to this section is given by other  
699.19 provision of law;

699.20 (7) an applicant aggrieved by an adverse decision to an application for a hardship waiver  
699.21 under section 256B.15;

699.22 (8) an applicant aggrieved by an adverse decision to an application or redetermination  
699.23 for a Medicare Part D prescription drug subsidy under section 256B.04, subdivision 4a;

699.24 (9) except as provided under chapter 245A, an individual or facility determined to have  
699.25 maltreated a minor under section 626.556, after the individual or facility has exercised the  
699.26 right to administrative reconsideration under section 626.556;

699.27 (10) except as provided under chapter 245C, an individual disqualified under sections  
699.28 245C.14 and 245C.15, following a reconsideration decision issued under section 245C.23,  
699.29 on the basis of serious or recurring maltreatment; a preponderance of the evidence that the  
699.30 individual has committed an act or acts that meet the definition of any of the crimes listed  
699.31 in section 245C.15, subdivisions 1 to 4; or for failing to make reports required under section  
699.32 626.556, subdivision 3, or 626.557, subdivision 3. Hearings regarding a maltreatment

700.1 determination under clause (4) or (9) and a disqualification under this clause in which the  
700.2 basis for a disqualification is serious or recurring maltreatment, shall be consolidated into  
700.3 a single fair hearing. In such cases, the scope of review by the human services judge shall  
700.4 include both the maltreatment determination and the disqualification. The failure to exercise  
700.5 the right to an administrative reconsideration shall not be a bar to a hearing under this section  
700.6 if federal law provides an individual the right to a hearing to dispute a finding of  
700.7 maltreatment;

700.8 (11) any person with an outstanding debt resulting from receipt of public assistance,  
700.9 medical care, or the federal Food Stamp Act who is contesting a setoff claim by the  
700.10 Department of Human Services or a county agency. The scope of the appeal is the validity  
700.11 of the claimant agency's intention to request a setoff of a refund under chapter 270A against  
700.12 the debt;

700.13 (12) a person issued a notice of service termination under section 245D.10, subdivision  
700.14 3a, from residential supports and services as defined in section 245D.03, subdivision 1,  
700.15 paragraph (c), clause (3), that is not otherwise subject to appeal under subdivision 4a;

700.16 (13) an individual disability waiver recipient based on a denial of a request for a rate  
700.17 exception under section 256B.4914; ~~or~~

700.18 (14) a person issued a notice of service termination under section 245A.11, subdivision  
700.19 11, that is not otherwise subject to appeal under subdivision 4a; or

700.20 (15) a county disputes cost of care under section 246.54 based on administrative or other  
700.21 delay of a client's discharge from a state-operated facility after notification to a county that  
700.22 the client no longer meets medical criteria for the state-operated facility, when the county  
700.23 has developed a viable discharge plan.

700.24 (b) The hearing for an individual or facility under paragraph (a), clause (4), (9), or (10),  
700.25 is the only administrative appeal to the final agency determination specifically, including  
700.26 a challenge to the accuracy and completeness of data under section 13.04. Hearings requested  
700.27 under paragraph (a), clause (4), apply only to incidents of maltreatment that occur on or  
700.28 after October 1, 1995. Hearings requested by nursing assistants in nursing homes alleged  
700.29 to have maltreated a resident prior to October 1, 1995, shall be held as a contested case  
700.30 proceeding under the provisions of chapter 14. Hearings requested under paragraph (a),  
700.31 clause (9), apply only to incidents of maltreatment that occur on or after July 1, 1997. A  
700.32 hearing for an individual or facility under paragraph (a), clauses (4), (9), and (10), is only  
700.33 available when there is no district court action pending. If such action is filed in district  
700.34 court while an administrative review is pending that arises out of some or all of the events

701.1 or circumstances on which the appeal is based, the administrative review must be suspended  
701.2 until the judicial actions are completed. If the district court proceedings are completed,  
701.3 dismissed, or overturned, the matter may be considered in an administrative hearing.

701.4 (c) For purposes of this section, bargaining unit grievance procedures are not an  
701.5 administrative appeal.

701.6 (d) The scope of hearings involving claims to foster care payments under paragraph (a),  
701.7 clause (5), shall be limited to the issue of whether the county is legally responsible for a  
701.8 child's placement under court order or voluntary placement agreement and, if so, the correct  
701.9 amount of foster care payment to be made on the child's behalf and shall not include review  
701.10 of the propriety of the county's child protection determination or child placement decision.

701.11 (e) The scope of hearings under paragraph (a), clauses (12) and (14), shall be limited to  
701.12 whether the proposed termination of services is authorized under section 245D.10,  
701.13 subdivision 3a, paragraph (b), or 245A.11, subdivision 11, and whether the requirements  
701.14 of section 245D.10, subdivision 3a, paragraphs (c) to (e), or 245A.11, subdivision 2a,  
701.15 paragraphs (d) to (f), were met. If the appeal includes a request for a temporary stay of  
701.16 termination of services, the scope of the hearing shall also include whether the case  
701.17 management provider has finalized arrangements for a residential facility, a program, or  
701.18 services that will meet the assessed needs of the recipient by the effective date of the service  
701.19 termination.

701.20 (f) A vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor  
701.21 under contract with a county agency to provide social services is not a party and may not  
701.22 request a hearing under this section, except if assisting a recipient as provided in subdivision  
701.23 4.

701.24 (g) An applicant or recipient is not entitled to receive social services beyond the services  
701.25 prescribed under chapter 256M or other social services the person is eligible for under state  
701.26 law.

701.27 (h) The commissioner may summarily affirm the county or state agency's proposed  
701.28 action without a hearing when the sole issue is an automatic change due to a change in state  
701.29 or federal law.

701.30 (i) Unless federal or Minnesota law specifies a different time frame in which to file an  
701.31 appeal, an individual or organization specified in this section may contest the specified  
701.32 action, decision, or final disposition before the state agency by submitting a written request  
701.33 for a hearing to the state agency within 30 days after receiving written notice of the action,  
701.34 decision, or final disposition, or within 90 days of such written notice if the applicant,

702.1 recipient, patient, or relative shows good cause, as defined in section 256.0451, subdivision  
 702.2 13, why the request was not submitted within the 30-day time limit. The individual filing  
 702.3 the appeal has the burden of proving good cause by a preponderance of the evidence.

702.4 Sec. 11. Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 56a, is  
 702.5 amended to read:

702.6 Subd. 56a. ~~Post-arrest~~ Officer-involved community-based service care coordination.

702.7 (a) Medical assistance covers ~~post-arrest~~ officer-involved community-based ~~service care~~  
 702.8 coordination for an individual who:

702.9 (1) has ~~been identified as having~~ screened positive for benefiting from treatment for a  
 702.10 mental illness or substance use disorder using a ~~screening~~ tool approved by the commissioner;

702.11 (2) does not require the security of a public detention facility and is not considered an  
 702.12 inmate of a public institution as defined in Code of Federal Regulations, title 42, section  
 702.13 435.1010;

702.14 (3) meets the eligibility requirements in section 256B.056; and

702.15 (4) has agreed to participate in ~~post-arrest~~ officer-involved community-based ~~service~~  
 702.16 care coordination through a diversion contract in lieu of incarceration.

702.17 (b) ~~Post-arrest~~ Officer-involved community-based ~~service care~~ coordination means  
 702.18 navigating services to address a client's mental health, chemical health, social, economic,  
 702.19 and housing needs, or any other activity targeted at reducing the incidence of jail utilization  
 702.20 and connecting individuals with existing covered services available to them, including, but  
 702.21 not limited to, targeted case management, waiver case management, or care coordination.

702.22 (c) ~~Post-arrest~~ Officer-involved community-based ~~service care~~ coordination must be  
 702.23 provided by an individual who is an employee of ~~a county~~ or is under contract with a county,  
 702.24 or is an employee of or under contract with an Indian health service facility or facility owned  
 702.25 and operated by a tribe or a tribal organization operating under Public Law 93-638 as a 638  
 702.26 facility to provide ~~post-arrest~~ officer-involved community-based care coordination and is  
 702.27 qualified under one of the following criteria:

702.28 (1) a licensed mental health professional as defined in section 245.462, subdivision 18,  
 702.29 clauses (1) to (6);

702.30 (2) a mental health practitioner as defined in section 245.462, subdivision 17, working  
 702.31 under the clinical supervision of a mental health professional; ~~or~~

703.1 (3) a certified peer specialist under section 256B.0615, working under the clinical  
703.2 supervision of a mental health professional;

703.3 (4) an individual qualified as an alcohol and drug counselor under section 254G.11,  
703.4 subdivision 5; or

703.5 (5) a recovery peer qualified under section 245G.11, subdivision 8, working under the  
703.6 supervision of an individual qualified as an alcohol and drug counselor under section  
703.7 245G.11, subdivision 5.

703.8 (d) Reimbursement is allowed for up to 60 days following the initial determination of  
703.9 eligibility.

703.10 (e) Providers of ~~post-arrest~~ officer-involved community-based ~~service~~ care coordination  
703.11 shall annually report to the commissioner on the number of individuals served, and number  
703.12 of the community-based services that were accessed by recipients. The commissioner shall  
703.13 ensure that services and payments provided under ~~post-arrest~~ officer-involved  
703.14 community-based ~~service~~ care coordination do not duplicate services or payments provided  
703.15 under section 256B.0625, subdivision 20, 256B.0753, 256B.0755, or 256B.0757.

703.16 ~~(f) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of cost for~~  
703.17 ~~post-arrest community-based service coordination services shall be provided by the county~~  
703.18 ~~providing the services, from sources other than federal funds or funds used to match other~~  
703.19 ~~federal funds.~~

703.20 Sec. 12. Minnesota Statutes 2017 Supplement, section 256B.0941, subdivision 3, is  
703.21 amended to read:

703.22 Subd. 3. **Per diem rate.** (a) The commissioner shall establish a statewide per diem rate  
703.23 for psychiatric residential treatment facility services for individuals 21 years of age or  
703.24 younger. The rate for a provider must not exceed the rate charged by that provider for the  
703.25 same service to other payers. Payment must not be made to more than one entity for each  
703.26 individual for services provided under this section on a given day. The commissioner shall  
703.27 set rates prospectively for the annual rate period. The commissioner shall require providers  
703.28 to submit annual cost reports on a uniform cost reporting form and shall use submitted cost  
703.29 reports to inform the rate-setting process. The cost reporting shall be done according to  
703.30 federal requirements for Medicare cost reports.

703.31 (b) The following are included in the rate:

703.32 (1) costs necessary for licensure and accreditation, meeting all staffing standards for  
703.33 participation, meeting all service standards for participation, meeting all requirements for

704.1 active treatment, maintaining medical records, conducting utilization review, meeting  
704.2 inspection of care, and discharge planning. The direct services costs must be determined  
704.3 using the actual cost of salaries, benefits, payroll taxes, and training of direct services staff  
704.4 and service-related transportation; and

704.5 (2) payment for room and board provided by facilities meeting all accreditation and  
704.6 licensing requirements for participation.

704.7 (c) A facility may submit a claim for payment outside of the per diem for professional  
704.8 services arranged by and provided at the facility by an appropriately licensed professional  
704.9 who is enrolled as a provider with Minnesota health care programs. Arranged services ~~must~~  
704.10 ~~be billed by the facility on a separate claim, and the facility shall be responsible for payment~~  
704.11 ~~to the provider~~ may be billed by either the facility or the licensed professional. These services  
704.12 must be included in the individual plan of care and are subject to prior authorization by the  
704.13 state's medical review agent.

704.14 (d) Medicaid shall reimburse for concurrent services as approved by the commissioner  
704.15 to support continuity of care and successful discharge from the facility. "Concurrent services"  
704.16 means services provided by another entity or provider while the individual is admitted to a  
704.17 psychiatric residential treatment facility. Payment for concurrent services may be limited  
704.18 and these services are subject to prior authorization by the state's medical review agent.  
704.19 Concurrent services may include targeted case management, assertive community treatment,  
704.20 clinical care consultation, team consultation, and treatment planning.

704.21 (e) Payment rates under this subdivision shall not include the costs of providing the  
704.22 following services:

704.23 (1) educational services;

704.24 (2) acute medical care or specialty services for other medical conditions;

704.25 (3) dental services; and

704.26 (4) pharmacy drug costs.

704.27 (f) For purposes of this section, "actual cost" means costs that are allowable, allocable,  
704.28 reasonable, and consistent with federal reimbursement requirements in Code of Federal  
704.29 Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and the Office of  
704.30 Management and Budget Circular Number A-122, relating to nonprofit entities.

705.1 Sec. 13. Minnesota Statutes 2016, section 641.15, subdivision 3a, is amended to read:

705.2 Subd. 3a. **Intake procedure; approved mental health screening.** As part of its intake  
705.3 procedure for new ~~prisoners~~ inmates, the sheriff or local corrections shall use a mental health  
705.4 screening tool approved by the commissioner of corrections in consultation with the  
705.5 commissioner of human services and local corrections staff to identify persons who may  
705.6 have mental illness. Names of persons who have screened positive or may have a mental  
705.7 illness may be shared with the local county social services agency. The jail may refer an  
705.8 offender to county personnel of the welfare system, as defined in section 13.46, subdivision  
705.9 1, paragraph (c), in order to arrange for services upon discharge and may share private data  
705.10 as necessary to carry out the following:

705.11 (1) providing assistance in filling out an application for medical assistance or  
705.12 MinnesotaCare;

705.13 (2) making a referral for case management as outlined under section 245.467, subdivision  
705.14 4;

705.15 (3) providing assistance in obtaining a state photo identification;

705.16 (4) securing a timely appointment with a psychiatrist or other appropriate community  
705.17 mental health provider;

705.18 (5) providing prescriptions for a 30-day supply of all necessary medications; or

705.19 (6) behavioral health service coordination.

705.20 Sec. 14. Laws 2017, First Special Session chapter 6, article 8, section 71, the effective  
705.21 date, is amended to read:

705.22 **EFFECTIVE DATE.** This section is effective for services provided on July 1, 2017,  
705.23 through ~~April 30, 2019, and expires May 1, 2019~~ June 30, 2019, and expires July 1, 2019.

705.24 Sec. 15. Laws 2017, First Special Session chapter 6, article 8, section 72, the effective  
705.25 date, is amended to read:

705.26 **EFFECTIVE DATE.** This section is effective for services provided on July 1, 2017,  
705.27 through ~~April 30, 2019, and expires May 1, 2019~~ June 30, 2019, and expires July 1, 2019.

706.1 Sec. 16. Laws 2017, First Special Session chapter 6, article 8, section 74, is amended to  
706.2 read:

706.3 Sec. 74. **CHILDREN'S MENTAL HEALTH REPORT AND**  
706.4 **RECOMMENDATIONS.**

706.5 The commissioner of human services shall conduct a comprehensive analysis of  
706.6 Minnesota's continuum of intensive mental health services and shall develop  
706.7 recommendations for a sustainable and community-driven continuum of care for children  
706.8 with serious mental health needs, including children currently being served in residential  
706.9 treatment. The commissioner's analysis shall include, but not be limited to:

706.10 (1) data related to access, utilization, efficacy, and outcomes for Minnesota's current  
706.11 system of residential mental health treatment for a child with a severe emotional disturbance;

706.12 (2) potential expansion of the state's psychiatric residential treatment facility (PRTF)  
706.13 capacity, including increasing the number of PRTF beds and conversion of existing children's  
706.14 mental health residential treatment programs into PRTFs;

706.15 (3) the capacity need for PRTF and other group settings within the state if adequate  
706.16 community-based alternatives are accessible, equitable, and effective statewide;

706.17 (4) recommendations for expanding alternative community-based service models to  
706.18 meet the needs of a child with a serious mental health disorder who would otherwise require  
706.19 residential treatment and potential service models that could be utilized, including data  
706.20 related to access, utilization, efficacy, and outcomes;

706.21 (5) models of care used in other states; and

706.22 (6) analysis and specific recommendations for the design and implementation of new  
706.23 service models, including analysis to inform rate setting as necessary.

706.24 The analysis shall be supported and informed by extensive stakeholder engagement.  
706.25 Stakeholders include individuals who receive services, family members of individuals who  
706.26 receive services, providers, counties, health plans, advocates, and others. Stakeholder  
706.27 engagement shall include interviews with key stakeholders, intentional outreach to individuals  
706.28 who receive services and the individual's family members, and regional listening sessions.

706.29 The commissioner shall provide a report with specific recommendations and timelines  
706.30 for implementation to the legislative committees with jurisdiction over children's mental  
706.31 health policy and finance by ~~November 15, 2018~~ January 15, 2019.

707.1 **Sec. 17. STUDENT HEALTH INITIATIVE TO LIMIT OPIOID HARM.**

707.2 Subdivision 1. **Grant awards.** The commissioner of human services, in consultation  
707.3 with the commissioner of education, the Board of Trustees of the Minnesota State Colleges  
707.4 and Universities, the Board of Directors of the Minnesota Private College Council, and the  
707.5 regents of the University of Minnesota, shall develop and administer a program to award  
707.6 grants to secondary school students in grades 7 through 12 and undergraduate students  
707.7 attending a Minnesota postsecondary educational institution, and their community partner  
707.8 or partners, to conduct opioid awareness and opioid abuse prevention activities. If a grant  
707.9 proposal includes more than one community partner, the proposal must designate a primary  
707.10 community partner. Grant applications must be submitted by the primary community partner  
707.11 and any grant award must be managed by the primary community partner on behalf of  
707.12 secondary school and undergraduate student applicants and grantees. Grants are onetime  
707.13 and available to the grantee through June 30, 2021.

707.14 Subd. 2. **Grant criteria.** (a) Grant dollars may be used for opioid awareness campaigns  
707.15 and events, education related to opioid addiction and abuse prevention, initiatives to limit  
707.16 inappropriate opioid prescriptions, peer education programs targeted to students at high risk  
707.17 of opioid addiction and abuse, and other related initiatives as approved by the commissioner.  
707.18 Grant projects must include one or more of the following components as they relate to opioid  
707.19 abuse and prevention and the role of the community partner: high-risk populations, law  
707.20 enforcement, education, clinical services, or social services.

707.21 (b) The commissioner of human services shall seek to provide grant funding for at least  
707.22 one proposal that addresses opioid abuse in the American Indian community.

707.23 Subd. 3. **Community partners.** For purposes of the grant program, community partners  
707.24 may include but are not limited to public health agencies; local law enforcement; community  
707.25 health centers; medical clinics; emergency medical service professionals; schools and  
707.26 postsecondary educational institutions; opioid addiction, advocacy, and recovery  
707.27 organizations; tribal governments; local chambers of commerce; and city councils and  
707.28 county boards.

707.29 Subd. 4. **Report.** The commissioner of human services shall report to the chairs and  
707.30 ranking minority members of the legislative committees with jurisdiction over health and  
707.31 human services policy and finance, K-12 education policy and finance, and higher education  
707.32 policy and finance by September 1, 2019, on the implementation of the grant program and  
707.33 the grants awarded under this section.

708.1 Subd. 5. **Federal grants.** (a) The commissioner of human services shall apply for any  
708.2 federal grant funding that aligns with the purposes of this section. The commissioner shall  
708.3 submit to the legislature any changes to the program established under this section that are  
708.4 necessary to comply with the terms of the federal grant.

708.5 (b) The commissioner shall notify the chairs and ranking minority members of the  
708.6 legislative committees with jurisdiction over health and human services policy and finance,  
708.7 K-12 education policy and finance, and higher education policy and finance of any grant  
708.8 applications submitted and any federal actions taken related to the grant applications.

708.9 **Sec. 18. REPEALER.**

708.10 Minnesota Rules, parts 9530.6800; and 9530.6810, are repealed.

## 708.11 **ARTICLE 42**

### 708.12 **COMMUNITY SUPPORTS AND CONTINUING CARE**

708.13 Section 1. Minnesota Statutes 2017 Supplement, section 245A.03, subdivision 7, is  
708.14 amended to read:

708.15 **Subd. 7. Licensing moratorium.** (a) The commissioner shall not issue an initial license  
708.16 for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult  
708.17 foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter  
708.18 for a physical location that will not be the primary residence of the license holder for the  
708.19 entire period of licensure. If a license is issued during this moratorium, and the license  
708.20 holder changes the license holder's primary residence away from the physical location of  
708.21 the foster care license, the commissioner shall revoke the license according to section  
708.22 245A.07. The commissioner shall not issue an initial license for a community residential  
708.23 setting licensed under chapter 245D. When approving an exception under this paragraph,  
708.24 the commissioner shall consider the resource need determination process in paragraph (h),  
708.25 the availability of foster care licensed beds in the geographic area in which the licensee  
708.26 seeks to operate, the results of a person's choices during their annual assessment and service  
708.27 plan review, and the recommendation of the local county board. The determination by the  
708.28 commissioner is final and not subject to appeal. Exceptions to the moratorium include:

708.29 (1) foster care settings that are required to be registered under chapter 144D;

708.30 (2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or  
708.31 community residential setting licenses replacing adult foster care licenses in existence on

709.1 December 31, 2013, and determined to be needed by the commissioner under paragraph  
709.2 (b);

709.3 (3) new foster care licenses or community residential setting licenses determined to be  
709.4 needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD,  
709.5 or regional treatment center; restructuring of state-operated services that limits the capacity  
709.6 of state-operated facilities; or allowing movement to the community for people who no  
709.7 longer require the level of care provided in state-operated facilities as provided under section  
709.8 256B.092, subdivision 13, or 256B.49, subdivision 24;

709.9 (4) new foster care licenses or community residential setting licenses determined to be  
709.10 needed by the commissioner under paragraph (b) for persons requiring hospital level care;

709.11 (5) new foster care licenses or community residential setting licenses determined to be  
709.12 needed by the commissioner for the transition of people from personal care assistance to  
709.13 the home and community-based services;

709.14 (6) new foster care licenses or community residential setting licenses determined to be  
709.15 needed by the commissioner for the transition of people from the residential care waiver  
709.16 services to foster care services. This exception applies only when:

709.17 (i) the person's case manager provided the person with information about the choice of  
709.18 service, service provider, and location of service to help the person make an informed choice;  
709.19 and

709.20 (ii) the person's foster care services are less than or equal to the cost of the person's  
709.21 services delivered in the residential care waiver service setting as determined by the lead  
709.22 agency; ~~or~~

709.23 (7) new foster care licenses or community residential setting licenses for people receiving  
709.24 services under chapter 245D and residing in an unlicensed setting before May 1, 2017, and  
709.25 for which a license is required. This exception does not apply to people living in their own  
709.26 home. For purposes of this clause, there is a presumption that a foster care or community  
709.27 residential setting license is required for services provided to three or more people in a  
709.28 dwelling unit when the setting is controlled by the provider. A license holder subject to this  
709.29 exception may rebut the presumption that a license is required by seeking a reconsideration  
709.30 of the commissioner's determination. The commissioner's disposition of a request for  
709.31 reconsideration is final and not subject to appeal under chapter 14. The exception is available  
709.32 until June 30, ~~2018~~ 2019. This exception is available when:

710.1 (i) the person's case manager provided the person with information about the choice of  
710.2 service, service provider, and location of service, including in the person's home, to help  
710.3 the person make an informed choice; and

710.4 (ii) the person's services provided in the licensed foster care or community residential  
710.5 setting are less than or equal to the cost of the person's services delivered in the unlicensed  
710.6 setting as determined by the lead agency; or

710.7 (8) a vacancy in a setting granted an exception under clause (7), created between January  
710.8 1, 2017, and the date of the exception request, by the departure of a person receiving services  
710.9 under chapter 245D and residing in the unlicensed setting between January 1, 2017, and  
710.10 May 1, 2017. This exception is available when the lead agency provides documentation to  
710.11 the commissioner on the eligibility criteria being met. This exception is available until June  
710.12 30, 2019.

710.13 (b) The commissioner shall determine the need for newly licensed foster care homes or  
710.14 community residential settings as defined under this subdivision. As part of the determination,  
710.15 the commissioner shall consider the availability of foster care capacity in the area in which  
710.16 the licensee seeks to operate, and the recommendation of the local county board. The  
710.17 determination by the commissioner must be final. A determination of need is not required  
710.18 for a change in ownership at the same address.

710.19 (c) When an adult resident served by the program moves out of a foster home that is not  
710.20 the primary residence of the license holder according to section 256B.49, subdivision 15,  
710.21 paragraph (f), or the adult community residential setting, the county shall immediately  
710.22 inform the Department of Human Services Licensing Division. The department may decrease  
710.23 the statewide licensed capacity for adult foster care settings.

710.24 (d) Residential settings that would otherwise be subject to the decreased license capacity  
710.25 established in paragraph (c) shall be exempt if the license holder's beds are occupied by  
710.26 residents whose primary diagnosis is mental illness and the license holder is certified under  
710.27 the requirements in subdivision 6a or section 245D.33.

710.28 (e) A resource need determination process, managed at the state level, using the available  
710.29 reports required by section 144A.351, and other data and information shall be used to  
710.30 determine where the reduced capacity determined under section 256B.493 will be  
710.31 implemented. The commissioner shall consult with the stakeholders described in section  
710.32 144A.351, and employ a variety of methods to improve the state's capacity to meet the  
710.33 informed decisions of those people who want to move out of corporate foster care or  
710.34 community residential settings, long-term service needs within budgetary limits, including

711.1 seeking proposals from service providers or lead agencies to change service type, capacity,  
711.2 or location to improve services, increase the independence of residents, and better meet  
711.3 needs identified by the long-term services and supports reports and statewide data and  
711.4 information.

711.5 (f) At the time of application and reapplication for licensure, the applicant and the license  
711.6 holder that are subject to the moratorium or an exclusion established in paragraph (a) are  
711.7 required to inform the commissioner whether the physical location where the foster care  
711.8 will be provided is or will be the primary residence of the license holder for the entire period  
711.9 of licensure. If the primary residence of the applicant or license holder changes, the applicant  
711.10 or license holder must notify the commissioner immediately. The commissioner shall print  
711.11 on the foster care license certificate whether or not the physical location is the primary  
711.12 residence of the license holder.

711.13 (g) License holders of foster care homes identified under paragraph (f) that are not the  
711.14 primary residence of the license holder and that also provide services in the foster care home  
711.15 that are covered by a federally approved home and community-based services waiver, as  
711.16 authorized under section 256B.0915, 256B.092, or 256B.49, must inform the human services  
711.17 licensing division that the license holder provides or intends to provide these waiver-funded  
711.18 services.

711.19 (h) The commissioner may adjust capacity to address needs identified in section  
711.20 144A.351. Under this authority, the commissioner may approve new licensed settings or  
711.21 delicense existing settings. Delicensing of settings will be accomplished through a process  
711.22 identified in section 256B.493. Annually, by August 1, the commissioner shall provide  
711.23 information and data on capacity of licensed long-term services and supports, actions taken  
711.24 under the subdivision to manage statewide long-term services and supports resources, and  
711.25 any recommendations for change to the legislative committees with jurisdiction over the  
711.26 health and human services budget.

711.27 (i) The commissioner must notify a license holder when its corporate foster care or  
711.28 community residential setting licensed beds are reduced under this section. The notice of  
711.29 reduction of licensed beds must be in writing and delivered to the license holder by certified  
711.30 mail or personal service. The notice must state why the licensed beds are reduced and must  
711.31 inform the license holder of its right to request reconsideration by the commissioner. The  
711.32 license holder's request for reconsideration must be in writing. If mailed, the request for  
711.33 reconsideration must be postmarked and sent to the commissioner within 20 calendar days  
711.34 after the license holder's receipt of the notice of reduction of licensed beds. If a request for

712.1 reconsideration is made by personal service, it must be received by the commissioner within  
712.2 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

712.3 (j) The commissioner shall not issue an initial license for children's residential treatment  
712.4 services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter  
712.5 for a program that Centers for Medicare and Medicaid Services would consider an institution  
712.6 for mental diseases. Facilities that serve only private pay clients are exempt from the  
712.7 moratorium described in this paragraph. The commissioner has the authority to manage  
712.8 existing statewide capacity for children's residential treatment services subject to the  
712.9 moratorium under this paragraph and may issue an initial license for such facilities if the  
712.10 initial license would not increase the statewide capacity for children's residential treatment  
712.11 services subject to the moratorium under this paragraph.

712.12 **EFFECTIVE DATE.** This section is effective June 29, 2018.

712.13 Sec. 2. Minnesota Statutes 2017 Supplement, section 245A.11, subdivision 2a, is amended  
712.14 to read:

712.15 Subd. 2a. **Adult foster care and community residential setting license capacity.** (a)  
712.16 The commissioner shall issue adult foster care and community residential setting licenses  
712.17 with a maximum licensed capacity of four beds, including nonstaff roomers and boarders,  
712.18 except that the commissioner may issue a license with a capacity of five beds, including  
712.19 roomers and boarders, according to paragraphs (b) to (g).

712.20 (b) The license holder may have a maximum license capacity of five if all persons in  
712.21 care are age 55 or over and do not have a serious and persistent mental illness or a  
712.22 developmental disability.

712.23 (c) The commissioner may grant variances to paragraph (b) to allow a facility with a  
712.24 licensed capacity of up to five persons to admit an individual under the age of 55 if the  
712.25 variance complies with section 245A.04, subdivision 9, and approval of the variance is  
712.26 recommended by the county in which the licensed facility is located.

712.27 (d) The commissioner may grant variances to paragraph (a) to allow the use of an  
712.28 additional bed, up to five, for emergency crisis services for a person with serious and  
712.29 persistent mental illness or a developmental disability, regardless of age, if the variance  
712.30 complies with section 245A.04, subdivision 9, and approval of the variance is recommended  
712.31 by the county in which the licensed facility is located.

712.32 (e) The commissioner may grant a variance to paragraph (b) to allow for the use of an  
712.33 additional bed, up to five, for respite services, as defined in section 245A.02, for persons

713.1 with disabilities, regardless of age, if the variance complies with sections 245A.03,  
713.2 subdivision 7, and 245A.04, subdivision 9, and approval of the variance is recommended  
713.3 by the county in which the licensed facility is located. Respite care may be provided under  
713.4 the following conditions:

713.5 (1) staffing ratios cannot be reduced below the approved level for the individuals being  
713.6 served in the home on a permanent basis;

713.7 (2) no more than two different individuals can be accepted for respite services in any  
713.8 calendar month and the total respite days may not exceed 120 days per program in any  
713.9 calendar year;

713.10 (3) the person receiving respite services must have his or her own bedroom, which could  
713.11 be used for alternative purposes when not used as a respite bedroom, and cannot be the  
713.12 room of another person who lives in the facility; and

713.13 (4) individuals living in the facility must be notified when the variance is approved. The  
713.14 provider must give 60 days' notice in writing to the residents and their legal representatives  
713.15 prior to accepting the first respite placement. Notice must be given to residents at least two  
713.16 days prior to service initiation, or as soon as the license holder is able if they receive notice  
713.17 of the need for respite less than two days prior to initiation, each time a respite client will  
713.18 be served, unless the requirement for this notice is waived by the resident or legal guardian.

713.19 (f) The commissioner may issue an adult foster care or community residential setting  
713.20 license with a capacity of five adults if the fifth bed does not increase the overall statewide  
713.21 capacity of licensed adult foster care or community residential setting beds in homes that  
713.22 are not the primary residence of the license holder, as identified in a plan submitted to the  
713.23 commissioner by the county, when the capacity is recommended by the county licensing  
713.24 agency of the county in which the facility is located and if the recommendation verifies  
713.25 that:

713.26 (1) the facility meets the physical environment requirements in the adult foster care  
713.27 licensing rule;

713.28 (2) the five-bed living arrangement is specified for each resident in the resident's:

713.29 (i) individualized plan of care;

713.30 (ii) individual service plan under section 256B.092, subdivision 1b, if required; or

713.31 (iii) individual resident placement agreement under Minnesota Rules, part 9555.5105,  
713.32 subpart 19, if required;

714.1 (3) the license holder obtains written and signed informed consent from each resident  
714.2 or resident's legal representative documenting the resident's informed choice to remain  
714.3 living in the home and that the resident's refusal to consent would not have resulted in  
714.4 service termination; and

714.5 (4) the facility was licensed for adult foster care before ~~March 1, 2011~~ June 30, 2016.

714.6 (g) The commissioner shall not issue a new adult foster care license under paragraph (f)  
714.7 after June 30, ~~2019~~ 2021. The commissioner shall allow a facility with an adult foster care  
714.8 license issued under paragraph (f) before June 30, ~~2019~~ 2021, to continue with a capacity  
714.9 of five adults if the license holder continues to comply with the requirements in paragraph  
714.10 (f).

714.11 Sec. 3. Minnesota Statutes 2017 Supplement, section 245D.03, subdivision 1, is amended  
714.12 to read:

714.13 Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home  
714.14 and community-based services to persons with disabilities and persons age 65 and older  
714.15 pursuant to this chapter. The licensing standards in this chapter govern the provision of  
714.16 basic support services and intensive support services.

714.17 (b) Basic support services provide the level of assistance, supervision, and care that is  
714.18 necessary to ensure the health and welfare of the person and do not include services that  
714.19 are specifically directed toward the training, treatment, habilitation, or rehabilitation of the  
714.20 person. Basic support services include:

714.21 (1) in-home and out-of-home respite care services as defined in section 245A.02,  
714.22 subdivision 15, and under the brain injury, community alternative care, community access  
714.23 for disability inclusion, developmental ~~disability~~ disabilities, and elderly waiver plans,  
714.24 excluding out-of-home respite care provided to children in a family child foster care home  
714.25 licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care  
714.26 license holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7,  
714.27 and 8, or successor provisions; and section 245D.061 or successor provisions, which must  
714.28 be stipulated in the statement of intended use required under Minnesota Rules, part  
714.29 2960.3000, subpart 4;

714.30 (2) adult companion services as defined under the brain injury, community access for  
714.31 disability inclusion, community alternative care, and elderly waiver plans, excluding adult  
714.32 companion services provided under the Corporation for National and Community Services

715.1 Senior Companion Program established under the Domestic Volunteer Service Act of 1973,  
715.2 Public Law 98-288;

715.3 (3) personal support as defined under the developmental ~~disability~~ disabilities waiver  
715.4 plan;

715.5 (4) 24-hour emergency assistance, personal emergency response as defined under the  
715.6 community access for disability inclusion and developmental ~~disability~~ disabilities waiver  
715.7 plans;

715.8 (5) night supervision services as defined under the brain injury, community access for  
715.9 disability inclusion, community alternative care, and developmental disabilities waiver ~~plan~~  
715.10 plans;

715.11 (6) homemaker services as defined under the community access for disability inclusion,  
715.12 brain injury, community alternative care, developmental ~~disability~~ disabilities, and elderly  
715.13 waiver plans, excluding providers licensed by the Department of Health under chapter 144A  
715.14 and those providers providing cleaning services only; and

715.15 (7) individual community living support under section 256B.0915, subdivision 3j.

715.16 (c) Intensive support services provide assistance, supervision, and care that is necessary  
715.17 to ensure the health and welfare of the person and services specifically directed toward the  
715.18 training, habilitation, or rehabilitation of the person. Intensive support services include:

715.19 (1) intervention services, including:

715.20 (i) ~~behavioral~~ positive support services as defined under the brain injury ~~and~~, community  
715.21 access for disability inclusion, community alternative care, and developmental disabilities  
715.22 waiver plans;

715.23 (ii) in-home or out-of-home crisis respite services as defined under the brain injury,  
715.24 community access for disability inclusion, community alternative care, and developmental  
715.25 disability disabilities waiver plan plans; and

715.26 (iii) specialist services as defined under the current brain injury, community access for  
715.27 disability inclusion, community alternative care, and developmental ~~disability~~ disabilities  
715.28 waiver plan plans;

715.29 (2) in-home support services, including:

715.30 (i) in-home family support and supported living services as defined under the  
715.31 developmental ~~disability~~ disabilities waiver plan;

- 716.1 (ii) independent living services training as defined under the brain injury and community  
716.2 access for disability inclusion waiver plans;
- 716.3 (iii) semi-independent living services; and
- 716.4 (iv) individualized home supports services as defined under the brain injury, community  
716.5 alternative care, and community access for disability inclusion waiver plans;
- 716.6 (3) residential supports and services, including:
- 716.7 (i) supported living services as defined under the developmental ~~disability~~ disabilities  
716.8 waiver plan provided in a family or corporate child foster care residence, a family adult  
716.9 foster care residence, a community residential setting, or a supervised living facility;
- 716.10 (ii) foster care services as defined in the brain injury, community alternative care, and  
716.11 community access for disability inclusion waiver plans provided in a family or corporate  
716.12 child foster care residence, a family adult foster care residence, or a community residential  
716.13 setting; and
- 716.14 (iii) residential services provided to more than four persons with developmental  
716.15 disabilities in a supervised living facility, including ICFs/DD;
- 716.16 (4) day services, including:
- 716.17 (i) structured day services as defined under the brain injury waiver plan;
- 716.18 (ii) day training and habilitation services under sections 252.41 to 252.46, and as defined  
716.19 under the developmental ~~disability~~ disabilities waiver plan; and
- 716.20 (iii) prevocational services as defined under the brain injury and community access for  
716.21 disability inclusion waiver plans; and
- 716.22 (5) employment exploration services as defined under the brain injury, community  
716.23 alternative care, community access for disability inclusion, and developmental ~~disability~~  
716.24 disabilities waiver plans;
- 716.25 (6) employment development services as defined under the brain injury, community  
716.26 alternative care, community access for disability inclusion, and developmental ~~disability~~  
716.27 disabilities waiver plans; and
- 716.28 (7) employment support services as defined under the brain injury, community alternative  
716.29 care, community access for disability inclusion, and developmental ~~disability~~ disabilities  
716.30 waiver plans.

717.1 Sec. 4. Minnesota Statutes 2016, section 245D.071, subdivision 5, is amended to read:

717.2 Subd. 5. **Service plan review and evaluation.** (a) The license holder must give the  
717.3 person or the person's legal representative and case manager an opportunity to participate  
717.4 in the ongoing review and development of the service plan and the methods used to support  
717.5 the person and accomplish outcomes identified in subdivisions 3 and 4. At least once per  
717.6 year, or within 30 days of a written request by the person, the person's legal representative,  
717.7 or the case manager, the license holder, in coordination with the person's support team or  
717.8 expanded support team, must meet with the person, the person's legal representative, and  
717.9 the case manager, and participate in service plan review meetings following stated timelines  
717.10 established in the person's coordinated service and support plan or coordinated service and  
717.11 support plan addendum ~~or within 30 days of a written request by the person, the person's~~  
717.12 ~~legal representative, or the case manager, at a minimum of once per year.~~ The purpose of  
717.13 the service plan review is to determine whether changes are needed to the service plan based  
717.14 on the assessment information, the license holder's evaluation of progress towards  
717.15 accomplishing outcomes, or other information provided by the support team or expanded  
717.16 support team.

717.17 (b) At least once per year, the license holder, in coordination with the person's support  
717.18 team or expanded support team, must meet with the person, the person's legal representative,  
717.19 and the case manager to discuss how technology might be used to meet the person's desired  
717.20 outcomes. The coordinated service and support plan or support plan addendum must include  
717.21 a summary of this discussion. The summary must include a statement regarding any decision  
717.22 made related to the use of technology and a description of any further research that must  
717.23 be completed before a decision regarding the use of technology can be made. Nothing in  
717.24 this paragraph requires the coordinated service and support plan to include the use of  
717.25 technology for the provision of services.

717.26 ~~(b)~~ (c) The license holder must summarize the person's status and progress toward  
717.27 achieving the identified outcomes and make recommendations and identify the rationale  
717.28 for changing, continuing, or discontinuing implementation of supports and methods identified  
717.29 in subdivision 4 in a report available at the time of the progress review meeting. The report  
717.30 must be sent at least five working days prior to the progress review meeting if requested by  
717.31 the team in the coordinated service and support plan or coordinated service and support  
717.32 plan addendum.

717.33 ~~(e)~~ (d) The license holder must send the coordinated service and support plan addendum  
717.34 to the person, the person's legal representative, and the case manager by mail within ten  
717.35 working days of the progress review meeting. Within ten working days of the mailing of

718.1 the coordinated service and support plan addendum, the license holder must obtain dated  
 718.2 signatures from the person or the person's legal representative and the case manager to  
 718.3 document approval of any changes to the coordinated service and support plan addendum.

718.4 ~~(d)~~ (e) If, within ten working days of submitting changes to the coordinated service and  
 718.5 support plan and coordinated service and support plan addendum, the person or the person's  
 718.6 legal representative or case manager has not signed and returned to the license holder the  
 718.7 coordinated service and support plan or coordinated service and support plan addendum or  
 718.8 has not proposed written modifications to the license holder's submission, the submission  
 718.9 is deemed approved and the coordinated service and support plan addendum becomes  
 718.10 effective and remains in effect until the legal representative or case manager submits a  
 718.11 written request to revise the coordinated service and support plan addendum.

718.12 Sec. 5. Minnesota Statutes 2016, section 245D.091, subdivision 2, is amended to read:

718.13 Subd. 2. ~~Behavior~~ **Positive support professional qualifications.** A ~~behavior~~ positive  
 718.14 support professional providing ~~behavioral~~ positive support services as identified in section  
 718.15 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the  
 718.16 following areas as required under the brain injury ~~and~~ community access for disability  
 718.17 inclusion, community alternative care, and developmental disabilities waiver plans or  
 718.18 successor plans:

718.19 (1) ethical considerations;

718.20 (2) functional assessment;

718.21 (3) functional analysis;

718.22 (4) measurement of behavior and interpretation of data;

718.23 (5) selecting intervention outcomes and strategies;

718.24 (6) behavior reduction and elimination strategies that promote least restrictive approved  
 718.25 alternatives;

718.26 (7) data collection;

718.27 (8) staff and caregiver training;

718.28 (9) support plan monitoring;

718.29 (10) co-occurring mental disorders or neurocognitive disorder;

718.30 (11) demonstrated expertise with populations being served; and

718.31 (12) must be a:

719.1 (i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board  
719.2 of Psychology competencies in the above identified areas;

719.3 (ii) clinical social worker licensed as an independent clinical social worker under chapter  
719.4 148D, or a person with a master's degree in social work from an accredited college or  
719.5 university, with at least 4,000 hours of post-master's supervised experience in the delivery  
719.6 of clinical services in the areas identified in clauses (1) to (11);

719.7 (iii) physician licensed under chapter 147 and certified by the American Board of  
719.8 Psychiatry and Neurology or eligible for board certification in psychiatry with competencies  
719.9 in the areas identified in clauses (1) to (11);

719.10 (iv) licensed professional clinical counselor licensed under sections 148B.29 to 148B.39  
719.11 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical  
719.12 services who has demonstrated competencies in the areas identified in clauses (1) to (11);

719.13 (v) person with a master's degree from an accredited college or university in one of the  
719.14 behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised  
719.15 experience in the delivery of clinical services with demonstrated competencies in the areas  
719.16 identified in clauses (1) to (11); ~~or~~

719.17 (vi) person with a master's degree or PhD in one of the behavioral sciences or related  
719.18 fields with demonstrated expertise in positive support services; or

719.19 (vii) registered nurse who is licensed under sections 148.171 to 148.285, and who is  
719.20 certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and  
719.21 mental health nursing by a national nurse certification organization, or who has a master's  
719.22 degree in nursing or one of the behavioral sciences or related fields from an accredited  
719.23 college or university or its equivalent, with at least 4,000 hours of post-master's supervised  
719.24 experience in the delivery of clinical services.

719.25 Sec. 6. Minnesota Statutes 2016, section 245D.091, subdivision 3, is amended to read:

719.26 Subd. 3. ~~Behavior~~ **Positive support analyst qualifications.** (a) A ~~behavior~~ positive  
719.27 support analyst providing behavioral positive support services as identified in section  
719.28 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the  
719.29 following areas as required under the brain injury ~~and~~<sub>2</sub> community access for disability  
719.30 inclusion, community alternative care, and developmental disabilities waiver plans or  
719.31 successor plans:

719.32 (1) have obtained a baccalaureate degree, master's degree, or PhD in a social services  
719.33 discipline; ~~or~~

720.1 (2) meet the qualifications of a mental health practitioner as defined in section 245.462,  
720.2 subdivision 17; or

720.3 (3) be a board certified behavior analyst or board certified assistant behavior analyst by  
720.4 the Behavior Analyst Certification Board, Incorporated.

720.5 (b) In addition, a ~~behavior~~ positive support analyst must:

720.6 (1) have four years of supervised experience ~~working with individuals who exhibit~~  
720.7 ~~challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder~~  
720.8 conducting functional behavior assessments and designing, implementing, and evaluating  
720.9 effectiveness of positive practices behavior support strategies for people who exhibit  
720.10 challenging behaviors as well as co-occurring mental disorders and neurocognitive disorder;

720.11 (2) have received ~~ten hours of instruction in functional assessment and functional analysis;~~  
720.12 training prior to hire or within 90 calendar days of hire that includes:

720.13 (i) ten hours of instruction in functional assessment and functional analysis;

720.14 (ii) 20 hours of instruction in the understanding of the function of behavior;

720.15 (iii) ten hours of instruction on design of positive practices behavior support strategies;

720.16 (iv) 20 hours of instruction preparing written intervention strategies, designing data  
720.17 collection protocols, training other staff to implement positive practice strategies,  
720.18 summarizing and reporting program evaluation data, analyzing program evaluation data to  
720.19 identify design flaws in behavioral interventions or failures in implementation fidelity, and  
720.20 recommending enhancements based on evaluation data; and

720.21 (v) eight hours of instruction on principles of person-centered thinking;

720.22 ~~(3) have received 20 hours of instruction in the understanding of the function of behavior;~~

720.23 ~~(4) have received ten hours of instruction on design of positive practices behavior support~~  
720.24 ~~strategies;~~

720.25 ~~(5) have received 20 hours of instruction on the use of behavior reduction approved~~  
720.26 ~~strategies used only in combination with behavior positive practices strategies;~~

720.27 ~~(6)~~ (3) be determined by a ~~behavior~~ positive support professional to have the training  
720.28 and prerequisite skills required to provide positive practice strategies as well as behavior  
720.29 reduction approved and permitted intervention to the person who receives ~~behavioral~~ positive  
720.30 support; and

720.31 ~~(7)~~ (4) be under the direct supervision of a ~~behavior~~ positive support professional.

721.1 (c) Meeting the qualifications for a positive support professional under subdivision 2  
 721.2 shall substitute for meeting the qualifications listed in paragraph (b).

721.3 Sec. 7. Minnesota Statutes 2016, section 245D.091, subdivision 4, is amended to read:

721.4 Subd. 4. ~~Behavior~~ **Positive support specialist qualifications.** (a) A ~~behavior~~ positive  
 721.5 support specialist providing ~~behavioral~~ positive support services as identified in section  
 721.6 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the  
 721.7 following areas as required under the brain injury ~~and~~ community access for disability  
 721.8 inclusion, community alternative care, and developmental disabilities waiver plans or  
 721.9 successor plans:

721.10 (1) have an associate's degree in a social services discipline; or

721.11 (2) have two years of supervised experience working with individuals who exhibit  
 721.12 challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder.

721.13 (b) In addition, a behavior specialist must:

721.14 (1) have received training prior to hire or within 90 calendar days of hire that includes:

721.15 (i) a minimum of four hours of training in functional assessment;

721.16 ~~(2) have received~~ (ii) 20 hours of instruction in the understanding of the function of  
 721.17 behavior;

721.18 ~~(3) have received~~ (iii) ten hours of instruction on design of positive practices behavioral  
 721.19 support strategies; and

721.20 (iv) eight hours of instruction on principles of person-centered thinking;

721.21 ~~(4)~~ (2) be determined by a ~~behavior~~ positive support professional to have the training  
 721.22 and prerequisite skills required to provide positive practices strategies as well as behavior  
 721.23 reduction approved intervention to the person who receives ~~behavioral~~ positive support;  
 721.24 and

721.25 ~~(5)~~ (3) be under the direct supervision of a ~~behavior~~ positive support professional.

721.26 (c) Meeting the qualifications for a positive support professional under subdivision 2  
 721.27 shall substitute for meeting the qualifications listed in paragraphs (a) and (b).

721.28 Sec. 8. Minnesota Statutes 2016, section 256B.0659, subdivision 3a, is amended to read:

721.29 Subd. 3a. **Assessment; defined.** (a) "Assessment" means a review and evaluation of a  
 721.30 recipient's need for personal care assistance services conducted in person. Assessments for

722.1 personal care assistance services shall be conducted by the county public health nurse or a  
722.2 certified public health nurse under contract with the county except when a long-term care  
722.3 consultation assessment is being conducted for the purposes of determining a person's  
722.4 eligibility for home and community-based waiver services including personal care assistance  
722.5 services according to section 256B.0911. During the transition to MnCHOICES, a certified  
722.6 assessor may complete the assessment defined in this subdivision. An in-person assessment  
722.7 must include: documentation of health status, determination of need, evaluation of service  
722.8 effectiveness, identification of appropriate services, service plan development or modification,  
722.9 coordination of services, referrals and follow-up to appropriate payers and community  
722.10 resources, completion of required reports, recommendation of service authorization, and  
722.11 consumer education. Once the need for personal care assistance services is determined under  
722.12 this section, the county public health nurse or certified public health nurse under contract  
722.13 with the county is responsible for communicating this recommendation to the commissioner  
722.14 and the recipient. An in-person assessment must occur at least annually or when there is a  
722.15 significant change in the recipient's condition or when there is a change in the need for  
722.16 personal care assistance services. A service update may substitute for the annual face-to-face  
722.17 assessment when there is not a significant change in recipient condition or a change in the  
722.18 need for personal care assistance service. A service update may be completed by telephone,  
722.19 used when there is no need for an increase in personal care assistance services, and used  
722.20 for two consecutive assessments if followed by a face-to-face assessment. A service update  
722.21 must be completed on a form approved by the commissioner. A service update or review  
722.22 for temporary increase includes a review of initial baseline data, evaluation of service  
722.23 effectiveness, redetermination of service need, modification of service plan and appropriate  
722.24 referrals, update of initial forms, obtaining service authorization, and on going consumer  
722.25 education. Assessments or reassessments must be completed on forms provided by the  
722.26 commissioner within 30 days of a request for home care services by a recipient or responsible  
722.27 party.

722.28 (b) This subdivision expires when notification is given by the commissioner as described  
722.29 in section 256B.0911, subdivision 3a.

722.30 Sec. 9. Minnesota Statutes 2016, section 256B.0659, subdivision 11, is amended to read:

722.31 Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant must  
722.32 meet the following requirements:

722.33 (1) be at least 18 years of age with the exception of persons who are 16 or 17 years of  
722.34 age with these additional requirements:

- 723.1 (i) supervision by a qualified professional every 60 days; and
- 723.2 (ii) employment by only one personal care assistance provider agency responsible for  
723.3 compliance with current labor laws;
- 723.4 (2) be employed by a personal care assistance provider agency;
- 723.5 (3) enroll with the department as a personal care assistant after clearing a background  
723.6 study. Except as provided in subdivision 11a, before a personal care assistant provides  
723.7 services, the personal care assistance provider agency must initiate a background study on  
723.8 the personal care assistant under chapter 245C, and the personal care assistance provider  
723.9 agency must have received a notice from the commissioner that the personal care assistant  
723.10 is:
- 723.11 (i) not disqualified under section 245C.14; or
- 723.12 (ii) is disqualified, but the personal care assistant has received a set aside of the  
723.13 disqualification under section 245C.22;
- 723.14 (4) be able to effectively communicate with the recipient and personal care assistance  
723.15 provider agency;
- 723.16 (5) be able to provide covered personal care assistance services according to the recipient's  
723.17 personal care assistance care plan, respond appropriately to recipient needs, and report  
723.18 changes in the recipient's condition to the supervising qualified professional or physician;
- 723.19 (6) not be a consumer of personal care assistance services;
- 723.20 (7) maintain daily written records including, but not limited to, time sheets under  
723.21 subdivision 12;
- 723.22 (8) effective January 1, 2010, complete standardized training as determined by the  
723.23 commissioner before completing enrollment. The training must be available in languages  
723.24 other than English and to those who need accommodations due to disabilities. Personal care  
723.25 assistant training must include successful completion of the following training components:  
723.26 basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic  
723.27 roles and responsibilities of personal care assistants including information about assistance  
723.28 with lifting and transfers for recipients, emergency preparedness, orientation to positive  
723.29 behavioral practices, fraud issues, and completion of time sheets. Upon completion of the  
723.30 training components, the personal care assistant must demonstrate the competency to provide  
723.31 assistance to recipients;
- 723.32 (9) complete training and orientation on the needs of the recipient; and

724.1 (10) be limited to providing and being paid for up to 275 hours per month of personal  
724.2 care assistance services regardless of the number of recipients being served or the number  
724.3 of personal care assistance provider agencies enrolled with. The number of hours worked  
724.4 per day shall not be disallowed by the department unless in violation of the law.

724.5 (b) A legal guardian may be a personal care assistant if the guardian is not being paid  
724.6 for the guardian services and meets the criteria for personal care assistants in paragraph (a).

724.7 (c) Persons who do not qualify as a personal care assistant include parents, stepparents,  
724.8 and legal guardians of minors; spouses; paid legal guardians of adults; family foster care  
724.9 providers, except as otherwise allowed in section 256B.0625, subdivision 19a; and staff of  
724.10 a residential setting.

724.11 (d) Personal care services qualify for the enhanced rate described in subdivision 17a if  
724.12 the personal care assistant providing the services:

724.13 (1) provides services, according to the care plan in subdivision 7, to a recipient who  
724.14 qualifies for 12 or more hours per day of PCA services; and

724.15 (2) satisfies the current requirements of Medicare for training and competency or  
724.16 competency evaluation of home health aides or nursing assistants, as provided in the Code  
724.17 of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state approved  
724.18 training or competency requirements.

724.19 **EFFECTIVE DATE.** This section is effective July 1, 2018.

724.20 Sec. 10. Minnesota Statutes 2016, section 256B.0659, is amended by adding a subdivision  
724.21 to read:

724.22 Subd. 17a. **Enhanced rate.** An enhanced rate of 105 percent of the rate paid for PCA  
724.23 services shall be paid for services provided to persons who qualify for 12 or more hours of  
724.24 PCA service per day when provided by a PCA who meets the requirements of subdivision  
724.25 11, paragraph (d). The enhanced rate for PCA services includes, and is not in addition to,  
724.26 any rate adjustments implemented by the commissioner on July 1, 2018, to comply with  
724.27 the terms of a collective bargaining agreement between the state of Minnesota and an  
724.28 exclusive representative of individual providers under section 179A.54 that provides for  
724.29 wage increases for individual providers who serve participants assessed to need 12 or more  
724.30 hours of PCA services per day.

724.31 **EFFECTIVE DATE.** This section is effective July 1, 2018.

725.1 Sec. 11. Minnesota Statutes 2016, section 256B.0659, subdivision 21, is amended to read:

725.2 Subd. 21. **Requirements for provider enrollment of personal care assistance provider**  
725.3 **agencies.** (a) All personal care assistance provider agencies must provide, at the time of  
725.4 enrollment, reenrollment, and revalidation as a personal care assistance provider agency in  
725.5 a format determined by the commissioner, information and documentation that includes,  
725.6 but is not limited to, the following:

725.7 (1) the personal care assistance provider agency's current contact information including  
725.8 address, telephone number, and e-mail address;

725.9 (2) proof of surety bond coverage. Upon new enrollment, or if the provider's Medicaid  
725.10 revenue in the previous calendar year is up to and including \$300,000, the provider agency  
725.11 must purchase a surety bond of \$50,000. If the Medicaid revenue in the previous year is  
725.12 over \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety  
725.13 bond must be in a form approved by the commissioner, must be renewed annually, and must  
725.14 allow for recovery of costs and fees in pursuing a claim on the bond;

725.15 (3) proof of fidelity bond coverage in the amount of \$20,000;

725.16 (4) proof of workers' compensation insurance coverage;

725.17 (5) proof of liability insurance;

725.18 (6) a description of the personal care assistance provider agency's organization identifying  
725.19 the names of all owners, managing employees, staff, board of directors, and the affiliations  
725.20 of the directors, owners, or staff to other service providers;

725.21 (7) a copy of the personal care assistance provider agency's written policies and  
725.22 procedures including: hiring of employees; training requirements; service delivery; and  
725.23 employee and consumer safety including process for notification and resolution of consumer  
725.24 grievances, identification and prevention of communicable diseases, and employee  
725.25 misconduct;

725.26 (8) copies of all other forms the personal care assistance provider agency uses in the  
725.27 course of daily business including, but not limited to:

725.28 (i) a copy of the personal care assistance provider agency's time sheet if the time sheet  
725.29 varies from the standard time sheet for personal care assistance services approved by the  
725.30 commissioner, and a letter requesting approval of the personal care assistance provider  
725.31 agency's nonstandard time sheet;

726.1 (ii) the personal care assistance provider agency's template for the personal care assistance  
726.2 care plan; and

726.3 (iii) the personal care assistance provider agency's template for the written agreement  
726.4 in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

726.5 (9) a list of all training and classes that the personal care assistance provider agency  
726.6 requires of its staff providing personal care assistance services;

726.7 (10) documentation that the personal care assistance provider agency and staff have  
726.8 successfully completed all the training required by this section, including the requirements  
726.9 under subdivision 11, paragraph (d), if enhanced PCA services are provided and submitted  
726.10 for an enhanced rate under subdivision 17a;

726.11 (11) documentation of the agency's marketing practices;

726.12 (12) disclosure of ownership, leasing, or management of all residential properties that  
726.13 is used or could be used for providing home care services;

726.14 (13) documentation that the agency will use the following percentages of revenue  
726.15 generated from the medical assistance rate paid for personal care assistance services for  
726.16 employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal  
726.17 care assistance choice option and 72.5 percent of revenue from other personal care assistance  
726.18 providers. The revenue generated by the qualified professional and the reasonable costs  
726.19 associated with the qualified professional shall not be used in making this calculation; and

726.20 (14) effective May 15, 2010, documentation that the agency does not burden recipients'  
726.21 free exercise of their right to choose service providers by requiring personal care assistants  
726.22 to sign an agreement not to work with any particular personal care assistance recipient or  
726.23 for another personal care assistance provider agency after leaving the agency and that the  
726.24 agency is not taking action on any such agreements or requirements regardless of the date  
726.25 signed.

726.26 (b) Personal care assistance provider agencies shall provide the information specified  
726.27 in paragraph (a) to the commissioner at the time the personal care assistance provider agency  
726.28 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect  
726.29 the information specified in paragraph (a) from all personal care assistance providers  
726.30 beginning July 1, 2009.

726.31 (c) All personal care assistance provider agencies shall require all employees in  
726.32 management and supervisory positions and owners of the agency who are active in the  
726.33 day-to-day management and operations of the agency to complete mandatory training as

727.1 determined by the commissioner before enrollment of the agency as a provider. Employees  
 727.2 in management and supervisory positions and owners who are active in the day-to-day  
 727.3 operations of an agency who have completed the required training as an employee with a  
 727.4 personal care assistance provider agency do not need to repeat the required training if they  
 727.5 are hired by another agency, if they have completed the training within the past three years.  
 727.6 By September 1, 2010, the required training must be available with meaningful access  
 727.7 according to title VI of the Civil Rights Act and federal regulations adopted under that law  
 727.8 or any guidance from the United States Health and Human Services Department. The  
 727.9 required training must be available online or by electronic remote connection. The required  
 727.10 training must provide for competency testing. Personal care assistance provider agency  
 727.11 billing staff shall complete training about personal care assistance program financial  
 727.12 management. This training is effective July 1, 2009. Any personal care assistance provider  
 727.13 agency enrolled before that date shall, if it has not already, complete the provider training  
 727.14 within 18 months of July 1, 2009. Any new owners or employees in management and  
 727.15 supervisory positions involved in the day-to-day operations are required to complete  
 727.16 mandatory training as a requisite of working for the agency. Personal care assistance provider  
 727.17 agencies certified for participation in Medicare as home health agencies are exempt from  
 727.18 the training required in this subdivision. When available, Medicare-certified home health  
 727.19 agency owners, supervisors, or managers must successfully complete the competency test.

727.20 **EFFECTIVE DATE.** This section is effective July 1, 2018.

727.21 Sec. 12. Minnesota Statutes 2016, section 256B.0659, subdivision 24, is amended to read:

727.22 Subd. 24. **Personal care assistance provider agency; general duties.** A personal care  
 727.23 assistance provider agency shall:

727.24 (1) enroll as a Medicaid provider meeting all provider standards, including completion  
 727.25 of the required provider training;

727.26 (2) comply with general medical assistance coverage requirements;

727.27 (3) demonstrate compliance with law and policies of the personal care assistance program  
 727.28 to be determined by the commissioner;

727.29 (4) comply with background study requirements;

727.30 (5) verify and keep records of hours worked by the personal care assistant and qualified  
 727.31 professional;

727.32 (6) not engage in any agency-initiated direct contact or marketing in person, by phone,  
 727.33 or other electronic means to potential recipients, guardians, or family members;

- 728.1 (7) pay the personal care assistant and qualified professional based on actual hours of  
 728.2 services provided;
- 728.3 (8) withhold and pay all applicable federal and state taxes;
- 728.4 (9) ~~effective January 1, 2010,~~ document that the agency uses a minimum of 72.5 percent  
 728.5 of the revenue generated by the medical assistance rate for personal care assistance services  
 728.6 for employee personal care assistant wages and benefits. The revenue generated by the  
 728.7 qualified professional and the reasonable costs associated with the qualified professional  
 728.8 shall not be used in making this calculation;
- 728.9 (10) make the arrangements and pay unemployment insurance, taxes, workers'  
 728.10 compensation, liability insurance, and other benefits, if any;
- 728.11 (11) enter into a written agreement under subdivision 20 before services are provided;
- 728.12 (12) report suspected neglect and abuse to the common entry point according to section  
 728.13 256B.0651;
- 728.14 (13) provide the recipient with a copy of the home care bill of rights at start of service;  
 728.15 ~~and~~
- 728.16 (14) request reassessments at least 60 days prior to the end of the current authorization  
 728.17 for personal care assistance services, on forms provided by the commissioner; and
- 728.18 (15) document that the agency uses the additional revenue due to the enhanced rate under  
 728.19 subdivision 17a for the wages and benefits of the PCAs whose services meet the requirements  
 728.20 under subdivision 11, paragraph (d).

728.21 **EFFECTIVE DATE.** This section is effective July 1, 2018.

728.22 Sec. 13. Minnesota Statutes 2016, section 256B.0659, subdivision 28, is amended to read:

728.23 Subd. 28. **Personal care assistance provider agency; required documentation.** (a)  
 728.24 Required documentation must be completed and kept in the personal care assistance provider  
 728.25 agency file or the recipient's home residence. The required documentation consists of:

- 728.26 (1) employee files, including:
- 728.27 (i) applications for employment;
- 728.28 (ii) background study requests and results;
- 728.29 (iii) orientation records about the agency policies;

729.1 (iv) trainings completed with demonstration of competence, including verification of  
729.2 the completion of training required under subdivision 11, paragraph (d), for any billing of  
729.3 the enhanced rate under subdivision 17a;

729.4 (v) supervisory visits;

729.5 (vi) evaluations of employment; and

729.6 (vii) signature on fraud statement;

729.7 (2) recipient files, including:

729.8 (i) demographics;

729.9 (ii) emergency contact information and emergency backup plan;

729.10 (iii) personal care assistance service plan;

729.11 (iv) personal care assistance care plan;

729.12 (v) month-to-month service use plan;

729.13 (vi) all communication records;

729.14 (vii) start of service information, including the written agreement with recipient; and

729.15 (viii) date the home care bill of rights was given to the recipient;

729.16 (3) agency policy manual, including:

729.17 (i) policies for employment and termination;

729.18 (ii) grievance policies with resolution of consumer grievances;

729.19 (iii) staff and consumer safety;

729.20 (iv) staff misconduct; and

729.21 (v) staff hiring, service delivery, staff and consumer safety, staff misconduct, and

729.22 resolution of consumer grievances;

729.23 (4) time sheets for each personal care assistant along with completed activity sheets for  
729.24 each recipient served; and

729.25 (5) agency marketing and advertising materials and documentation of marketing activities  
729.26 and costs.

729.27 (b) The commissioner may assess a fine of up to \$500 on provider agencies that do not  
729.28 consistently comply with the requirements of this subdivision.

729.29 **EFFECTIVE DATE.** This section is effective July 1, 2018.

730.1 Sec. 14. Minnesota Statutes 2017 Supplement, section 256B.0911, subdivision 1a, is  
730.2 amended to read:

730.3 Subd. 1a. **Definitions.** For purposes of this section, the following definitions apply:

730.4 (a) Until additional requirements apply under paragraph (b), "long-term care consultation  
730.5 services" means:

730.6 (1) intake for and access to assistance in identifying services needed to maintain an  
730.7 individual in the most inclusive environment;

730.8 (2) providing recommendations for and referrals to cost-effective community services  
730.9 that are available to the individual;

730.10 (3) development of an individual's person-centered community support plan;

730.11 (4) providing information regarding eligibility for Minnesota health care programs;

730.12 (5) face-to-face long-term care consultation assessments, which may be completed in a  
730.13 hospital, nursing facility, intermediate care facility for persons with developmental disabilities  
730.14 (ICF/DDs), regional treatment centers, or the person's current or planned residence;

730.15 (6) determination of home and community-based waiver and other service eligibility as  
730.16 required under sections 256B.0913, 256B.0915, and 256B.49, including level of care  
730.17 determination for individuals who need an institutional level of care as determined under  
730.18 subdivision 4e, based on assessment and community support plan development, appropriate  
730.19 referrals to obtain necessary diagnostic information, and including an eligibility determination  
730.20 for consumer-directed community supports;

730.21 (7) providing recommendations for institutional placement when there are no  
730.22 cost-effective community services available;

730.23 (8) providing access to assistance to transition people back to community settings after  
730.24 institutional admission; and

730.25 (9) providing information about competitive employment, with or without supports, for  
730.26 school-age youth and working-age adults and referrals to the Disability Linkage Line and  
730.27 Disability Benefits 101 to ensure that an informed choice about competitive employment  
730.28 can be made. For the purposes of this subdivision, "competitive employment" means work  
730.29 in the competitive labor market that is performed on a full-time or part-time basis in an  
730.30 integrated setting, and for which an individual is compensated at or above the minimum  
730.31 wage, but not less than the customary wage and level of benefits paid by the employer for  
730.32 the same or similar work performed by individuals without disabilities.

731.1 (b) Upon statewide implementation of lead agency requirements in subdivisions 2b, 2c,  
731.2 and 3a, "long-term care consultation services" also means:

731.3 (1) service eligibility determination for state plan ~~home care~~ services identified in:

731.4 (i) section 256B.0625, subdivisions 7, 19a; and 19c;

731.5 (ii) consumer support grants under section 256.476; or

731.6 (iii) section 256B.85;

731.7 (2) notwithstanding provisions in Minnesota Rules, parts 9525.0004 to 9525.0024,  
731.8 determination of eligibility for case management services available under sections 256B.0621,  
731.9 subdivision 2, paragraph clause (4), and 256B.0924 ~~and Minnesota Rules, part 9525.0016;~~

731.10 (3) determination of institutional level of care, home and community-based service  
731.11 waiver, and other service eligibility as required under section 256B.092, ~~determination of~~  
731.12 ~~eligibility for family support grants under section 252.32,~~ semi-independent living services  
731.13 under section 252.275, and day training and habilitation services under section 256B.092;  
731.14 ~~and~~

731.15 (4) obtaining necessary diagnostic information to determine eligibility under clauses (2)  
731.16 and (3); and

731.17 (5) notwithstanding Minnesota Rules, parts 9525.0004 to 9525.0024, initial eligibility  
731.18 determination for case management services available under Minnesota Rules, part  
731.19 9525.0016.

731.20 (c) "Long-term care options counseling" means the services provided by the linkage  
731.21 lines as mandated by sections 256.01, subdivision 24, and 256.975, subdivision 7, and also  
731.22 includes telephone assistance and follow up once a long-term care consultation assessment  
731.23 has been completed.

731.24 (d) "Minnesota health care programs" means the medical assistance program under this  
731.25 chapter and the alternative care program under section 256B.0913.

731.26 (e) "Lead agencies" means counties administering or tribes and health plans under  
731.27 contract with the commissioner to administer long-term care consultation assessment and  
731.28 support planning services.

731.29 (f) "Person-centered planning" is a process that includes the active participation of a  
731.30 person in the planning of the person's services, including in making meaningful and informed  
731.31 choices about the person's own goals, talents, and objectives, as well as making meaningful  
731.32 and informed choices about the services the person receives. For the purposes of this section,

732.1 "informed choice" means a voluntary choice of services by a person from all available  
732.2 service options based on accurate and complete information concerning all available service  
732.3 options and concerning the person's own preferences, abilities, goals, and objectives. In  
732.4 order for a person to make an informed choice, all available options must be developed and  
732.5 presented to the person to empower the person to make decisions.

732.6 Sec. 15. Minnesota Statutes 2017 Supplement, section 256B.0911, subdivision 3a, is  
732.7 amended to read:

732.8 Subd. 3a. **Assessment and support planning.** (a) Persons requesting assessment, services  
732.9 planning, or other assistance intended to support community-based living, including persons  
732.10 who need assessment in order to determine waiver or alternative care program eligibility,  
732.11 must be visited by a long-term care consultation team within 20 calendar days after the date  
732.12 on which an assessment was requested or recommended. Upon statewide implementation  
732.13 of subdivisions 2b, 2c, and 5, this requirement also applies to an assessment of a person  
732.14 requesting personal care assistance services ~~and home care nursing. The commissioner shall~~  
732.15 ~~provide at least a 90-day notice to lead agencies prior to the effective date of this requirement.~~  
732.16 Face-to-face assessments must be conducted according to paragraphs (b) to (i).

732.17 (b) Upon implementation of subdivisions 2b, 2c, and 5, lead agencies shall use certified  
732.18 assessors to conduct the assessment. For a person with complex health care needs, a public  
732.19 health or registered nurse from the team must be consulted.

732.20 (c) The MnCHOICES assessment provided by the commissioner to lead agencies must  
732.21 be used to complete a comprehensive, conversation-based, person-centered assessment.  
732.22 The assessment must include the health, psychological, functional, environmental, and  
732.23 social needs of the individual necessary to develop a community support plan that meets  
732.24 the individual's needs and preferences.

732.25 (d) The assessment must be conducted in a face-to-face conversational interview with  
732.26 the person being assessed ~~and~~. The person's legal representative must provide input during  
732.27 the assessment process and may do so remotely if requested. At the request of the person,  
732.28 other individuals may participate in the assessment to provide information on the needs,  
732.29 strengths, and preferences of the person necessary to develop a community support plan  
732.30 that ensures the person's health and safety. Except for legal representatives or family members  
732.31 invited by the person, persons participating in the assessment may not be a provider of  
732.32 service or have any financial interest in the provision of services. For persons who are to  
732.33 be assessed for elderly waiver customized living or adult day services under section  
732.34 256B.0915, with the permission of the person being assessed or the person's designated or

733.1 legal representative, the client's current or proposed provider of services may submit a copy  
733.2 of the provider's nursing assessment or written report outlining its recommendations regarding  
733.3 the client's care needs. The person conducting the assessment must notify the provider of  
733.4 the date by which this information is to be submitted. This information shall be provided  
733.5 to the person conducting the assessment prior to the assessment. For a person who is to be  
733.6 assessed for waiver services under section 256B.092 or 256B.49, with the permission of  
733.7 the person being assessed or the person's designated legal representative, the person's current  
733.8 provider of services may submit a written report outlining recommendations regarding the  
733.9 person's care needs prepared by a direct service employee with at least 20 hours of service  
733.10 to that client. The person conducting the assessment or reassessment must notify the provider  
733.11 of the date by which this information is to be submitted. This information shall be provided  
733.12 to the person conducting the assessment and the person or the person's legal representative,  
733.13 and must be considered prior to the finalization of the assessment or reassessment.

733.14 (e) The person or the person's legal representative must be provided with a written  
733.15 community support plan within ~~40 calendar days of the assessment visit~~ the timelines  
733.16 established by the commissioner, regardless of whether the individual is eligible for  
733.17 Minnesota health care programs. The timeline for completing the community support plan  
733.18 and any required coordinated service and support plan must not exceed 56 calendar days  
733.19 from the assessment visit.

733.20 (f) For a person being assessed for elderly waiver services under section 256B.0915, a  
733.21 provider who submitted information under paragraph (d) shall receive the final written  
733.22 community support plan when available and the Residential Services Workbook.

733.23 (g) The written community support plan must include:

733.24 (1) a summary of assessed needs as defined in paragraphs (c) and (d);

733.25 (2) the individual's options and choices to meet identified needs, including all available  
733.26 options for case management services and providers, including service provided in a  
733.27 non-disability-specific setting;

733.28 (3) identification of health and safety risks and how those risks will be addressed,  
733.29 including personal risk management strategies;

733.30 (4) referral information; and

733.31 (5) informal caregiver supports, if applicable.

734.1 For a person determined eligible for state plan home care under subdivision 1a, paragraph  
734.2 (b), clause (1), the person or person's representative must also receive a copy of the home  
734.3 care service plan developed by the certified assessor.

734.4 (h) A person may request assistance in identifying community supports without  
734.5 participating in a complete assessment. Upon a request for assistance identifying community  
734.6 support, the person must be transferred or referred to long-term care options counseling  
734.7 services available under sections 256.975, subdivision 7, and 256.01, subdivision 24, for  
734.8 telephone assistance and follow up.

734.9 (i) The person has the right to make the final decision between institutional placement  
734.10 and community placement after the recommendations have been provided, except as provided  
734.11 in section 256.975, subdivision 7a, paragraph (d).

734.12 (j) The lead agency must give the person receiving assessment or support planning, or  
734.13 the person's legal representative, materials, and forms supplied by the commissioner  
734.14 containing the following information:

734.15 (1) written recommendations for community-based services and consumer-directed  
734.16 options;

734.17 (2) documentation that the most cost-effective alternatives available were offered to the  
734.18 individual. For purposes of this clause, "cost-effective" means community services and  
734.19 living arrangements that cost the same as or less than institutional care. For an individual  
734.20 found to meet eligibility criteria for home and community-based service programs under  
734.21 section 256B.0915 or 256B.49, "cost-effectiveness" has the meaning found in the federally  
734.22 approved waiver plan for each program;

734.23 (3) the need for and purpose of preadmission screening conducted by long-term care  
734.24 options counselors according to section 256.975, subdivisions 7a to 7c, if the person selects  
734.25 nursing facility placement. If the individual selects nursing facility placement, the lead  
734.26 agency shall forward information needed to complete the level of care determinations and  
734.27 screening for developmental disability and mental illness collected during the assessment  
734.28 to the long-term care options counselor using forms provided by the commissioner;

734.29 (4) the role of long-term care consultation assessment and support planning in eligibility  
734.30 determination for waiver and alternative care programs, and state plan home care, case  
734.31 management, and other services as defined in subdivision 1a, paragraphs (a), clause (6),  
734.32 and (b);

734.33 (5) information about Minnesota health care programs;

- 735.1 (6) the person's freedom to accept or reject the recommendations of the team;
- 735.2 (7) the person's right to confidentiality under the Minnesota Government Data Practices  
735.3 Act, chapter 13;
- 735.4 (8) the certified assessor's decision regarding the person's need for institutional level of  
735.5 care as determined under criteria established in subdivision 4e and the certified assessor's  
735.6 decision regarding eligibility for all services and programs as defined in subdivision 1a,  
735.7 paragraphs (a), clause (6), and (b); and
- 735.8 (9) the person's right to appeal the certified assessor's decision regarding eligibility for  
735.9 all services and programs as defined in subdivision 1a, paragraphs (a), clauses (6), (7), and  
735.10 (8), and (b), and incorporating the decision regarding the need for institutional level of care  
735.11 or the lead agency's final decisions regarding public programs eligibility according to section  
735.12 256.045, subdivision 3. The certified assessor must verbally communicate this appeal right  
735.13 to the person and must visually point out where in the document the right to appeal is stated.
- 735.14 (k) Face-to-face assessment completed as part of eligibility determination for the  
735.15 alternative care, elderly waiver, developmental disabilities, community access for disability  
735.16 inclusion, community alternative care, and brain injury waiver programs under sections  
735.17 256B.0913, 256B.0915, 256B.092, and 256B.49 is valid to establish service eligibility for  
735.18 no more than 60 calendar days after the date of assessment.
- 735.19 (l) The effective eligibility start date for programs in paragraph (k) can never be prior  
735.20 to the date of assessment. If an assessment was completed more than 60 days before the  
735.21 effective waiver or alternative care program eligibility start date, assessment and support  
735.22 plan information must be updated and documented in the department's Medicaid Management  
735.23 Information System (MMIS). Notwithstanding retroactive medical assistance coverage of  
735.24 state plan services, the effective date of eligibility for programs included in paragraph (k)  
735.25 cannot be prior to the date the most recent updated assessment is completed.
- 735.26 (m) If an eligibility update is completed within 90 days of the previous face-to-face  
735.27 assessment and documented in the department's Medicaid Management Information System  
735.28 (MMIS), the effective date of eligibility for programs included in paragraph (k) is the date  
735.29 of the previous face-to-face assessment when all other eligibility requirements are met.
- 735.30 (n) At the time of reassessment, the certified assessor shall assess each person receiving  
735.31 waiver services currently residing in a community residential setting, or licensed adult foster  
735.32 care home that is not the primary residence of the license holder, or in which the license  
735.33 holder is not the primary caregiver, to determine if that person would prefer to be served in  
735.34 a community-living setting as defined in section 256B.49, subdivision 23. The certified

736.1 assessor shall offer the person, through a person-centered planning process, the option to  
 736.2 receive alternative housing and service options.

736.3 Sec. 16. Minnesota Statutes 2017 Supplement, section 256B.0911, subdivision 3f, is  
 736.4 amended to read:

736.5 Subd. 3f. **Long-term care reassessments and community support plan updates.** (a)  
 736.6 Prior to a face-to-face reassessment, the certified assessor must review the person's most  
 736.7 recent assessment. Reassessments must be tailored using the professional judgment of the  
 736.8 assessor to the person's known needs, strengths, preferences, and circumstances.  
 736.9 Reassessments provide information to support the person's informed choice and opportunities  
 736.10 to express choice regarding activities that contribute to quality of life, as well as information  
 736.11 and opportunity to identify goals related to desired employment, community activities, and  
 736.12 preferred living environment. Reassessments ~~allow for~~ require a review of the most recent  
 736.13 assessment, review of the current coordinated service and support plan's effectiveness,  
 736.14 monitoring of services, and the development of an updated person-centered community  
 736.15 support plan. Reassessments verify continued eligibility or offer alternatives as warranted  
 736.16 and provide an opportunity for quality assurance of service delivery. Face-to-face assessments  
 736.17 reassessments must be conducted annually or as required by federal and state laws and rules.  
 736.18 For reassessments, the certified assessor and the individual responsible for developing the  
 736.19 coordinated service and support plan must ensure the continuity of care for the person  
 736.20 receiving services and complete the updated community support plan and the updated  
 736.21 coordinated service and support plan within the timelines established by the commissioner.

736.22 (b) The commissioner shall develop mechanisms for providers and case managers to  
 736.23 share information with the assessor to facilitate a reassessment and support planning process  
 736.24 tailored to the person's current needs and preferences.

736.25 Sec. 17. Minnesota Statutes 2017 Supplement, section 256B.0911, subdivision 5, is  
 736.26 amended to read:

736.27 Subd. 5. **Administrative activity.** (a) The commissioner shall streamline the processes,  
 736.28 including timelines for when assessments need to be completed, required to provide the  
 736.29 services in this section and shall implement integrated solutions to automate the business  
 736.30 processes to the extent necessary for community support plan approval, reimbursement,  
 736.31 program planning, evaluation, and policy development.

736.32 (b) The commissioner of human services shall work with lead agencies responsible for  
 736.33 conducting long-term consultation services to modify the MnCHOICES application and

737.1 assessment policies to create efficiencies while ensuring federal compliance with medical  
737.2 assistance and long-term services and supports eligibility criteria.

737.3 (c) The commissioner shall work with lead agencies responsible for conducting long-term  
737.4 consultation services to develop a set of measurable benchmarks sufficient to demonstrate  
737.5 quarterly improvement in the average time per assessment and other mutually agreed upon  
737.6 measures of increasing efficiency. The commissioner shall collect data on these benchmarks  
737.7 and provide to the lead agencies and the chairs and ranking minority members of the  
737.8 legislative committees with jurisdiction over human services an annual trend analysis of  
737.9 the data in order to demonstrate the commissioner's compliance with the requirements of  
737.10 this subdivision.

737.11 Sec. 18. Minnesota Statutes 2017 Supplement, section 256B.0915, subdivision 3a, is  
737.12 amended to read:

737.13 Subd. 3a. **Elderly waiver cost limits.** (a) Effective on the first day of the state fiscal  
737.14 year in which the resident assessment system as described in section 256R.17 for nursing  
737.15 home rate determination is implemented and the first day of each subsequent state fiscal  
737.16 year, the monthly limit for the cost of waived services to an individual elderly waiver  
737.17 client shall be the monthly limit of the case mix resident class to which the waiver client  
737.18 would be assigned under Minnesota Rules, parts 9549.0051 to 9549.0059, in effect on the  
737.19 last day of the previous state fiscal year, adjusted by any legislatively adopted home and  
737.20 community-based services percentage rate adjustment. If a legislatively authorized increase  
737.21 is service-specific, the monthly cost limit shall be adjusted based on the overall average  
737.22 increase to the elderly waiver program.

737.23 (b) The monthly limit for the cost of waived services under paragraph (a) to an  
737.24 individual elderly waiver client assigned to a case mix classification A with:

737.25 (1) no dependencies in activities of daily living; or

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

737.32 (c) If extended medical supplies and equipment or environmental modifications are or  
737.33 will be purchased for an elderly waiver client, the costs may be prorated for up to 12

738.1 consecutive months beginning with the month of purchase. If the monthly cost of a recipient's  
738.2 waived services exceeds the monthly limit established in paragraph (a), (b), (d), or (e),  
738.3 the annual cost of all waived services shall be determined. In this event, the annual cost  
738.4 of all waived services shall not exceed 12 times the monthly limit of waived services  
738.5 as described in paragraph (a), (b), (d), or (e).

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

738.14 (e) Effective January 1, 2018, and each January 1 thereafter, the monthly cost limits for  
738.15 elderly waiver services in effect on the previous December 31 shall be increased by the  
738.16 difference between any legislatively adopted home and community-based provider rate  
738.17 increases effective on January 1 or since the previous January 1 and the average statewide  
738.18 percentage increase in nursing facility operating payment rates under chapter 256R, effective  
738.19 the previous January 1. This paragraph shall only apply if the average statewide percentage  
738.20 increase in nursing facility operating payment rates is greater than any legislatively adopted  
738.21 home and community-based provider rate increases effective on January 1, or occurring  
738.22 since the previous January 1.

738.23 (f) The commissioner shall approve an exception to the monthly case mix budget cap  
738.24 in paragraph (a) to pay for an enhanced rate under section 256B.0659, subdivision 17a. The  
738.25 exception shall not exceed 105 percent of the budget otherwise available to the person.

738.26 **EFFECTIVE DATE.** Paragraph (f) is effective July 1, 2018, or upon federal approval,  
738.27 whichever is later. The commissioner of human services shall notify the revisor of statutes  
738.28 when federal approval is obtained.

738.29 Sec. 19. Minnesota Statutes 2016, section 256B.0915, subdivision 6, is amended to read:

738.30 Subd. 6. **Implementation of coordinated service and support plan.** (a) Each elderly  
738.31 waiver client shall be provided a copy of a written coordinated service and support plan  
738.32 ~~which~~ that:

739.1 (1) is developed with and signed by the recipient within ~~ten working days after the case~~  
 739.2 ~~manager receives the assessment information and written community support plan as~~  
 739.3 ~~described in section 256B.0911, subdivision 3a, from the certified assessor~~ the timelines  
 739.4 established by the commissioner. The timeline for completing the community support plan  
 739.5 under section 256B.0911, subdivision 3a, and the coordinated service and support plan must  
 739.6 not exceed 56 calendar days from the assessment visit;

739.7 (2) includes the person's need for service and identification of service needs that will be  
 739.8 or that are met by the person's relatives, friends, and others, as well as community services  
 739.9 used by the general public;

739.10 (3) reasonably ensures the health and welfare of the recipient;

739.11 (4) identifies the person's preferences for services as stated by the person or the person's  
 739.12 legal guardian or conservator;

739.13 (5) reflects the person's informed choice between institutional and community-based  
 739.14 services, as well as choice of services, supports, and providers, including available case  
 739.15 manager providers;

739.16 (6) identifies long-range and short-range goals for the person;

739.17 (7) identifies specific services and the amount, frequency, duration, and cost of the  
 739.18 services to be provided to the person based on assessed needs, preferences, and available  
 739.19 resources;

739.20 (8) includes information about the right to appeal decisions under section 256.045; and

739.21 (9) includes the authorized annual and estimated monthly amounts for the services.

739.22 (b) In developing the coordinated service and support plan, the case manager should  
 739.23 also include the use of volunteers, religious organizations, social clubs, and civic and service  
 739.24 organizations to support the individual in the community. The lead agency must be held  
 739.25 harmless for damages or injuries sustained through the use of volunteers and agencies under  
 739.26 this paragraph, including workers' compensation liability.

739.27 Sec. 20. Minnesota Statutes 2016, section 256B.092, subdivision 1b, is amended to read:

739.28 Subd. 1b. **Coordinated service and support plan.** (a) Each recipient of home and  
 739.29 community-based waived services shall be provided a copy of the written coordinated  
 739.30 service and support plan ~~which~~ that:

739.31 (1) is developed with and signed by the recipient within ~~ten working days after the case~~  
 739.32 ~~manager receives the assessment information and written community support plan as~~

740.1 ~~described in section 256B.0911, subdivision 3a, from the certified assessor~~ the timelines  
740.2 established by the commissioner. The timeline for completing the community support plan  
740.3 under section 256B.0911, subdivision 3a, and the coordinated service and support plan must  
740.4 not exceed 56 calendar days from the assessment visit;

740.5 (2) includes the person's need for service, including identification of service needs that  
740.6 will be or that are met by the person's relatives, friends, and others, as well as community  
740.7 services used by the general public;

740.8 (3) reasonably ensures the health and welfare of the recipient;

740.9 (4) identifies the person's preferences for services as stated by the person, the person's  
740.10 legal guardian or conservator, or the parent if the person is a minor, including the person's  
740.11 choices made on self-directed options and on services and supports to achieve employment  
740.12 goals;

740.13 (5) provides for an informed choice, as defined in section 256B.77, subdivision 2,  
740.14 paragraph (o), of service and support providers, and identifies all available options for case  
740.15 management services and providers;

740.16 (6) identifies long-range and short-range goals for the person;

740.17 (7) identifies specific services and the amount and frequency of the services to be provided  
740.18 to the person based on assessed needs, preferences, and available resources. The coordinated  
740.19 service and support plan shall also specify other services the person needs that are not  
740.20 available;

740.21 (8) identifies the need for an individual program plan to be developed by the provider  
740.22 according to the respective state and federal licensing and certification standards, and  
740.23 additional assessments to be completed or arranged by the provider after service initiation;

740.24 (9) identifies provider responsibilities to implement and make recommendations for  
740.25 modification to the coordinated service and support plan;

740.26 (10) includes notice of the right to request a conciliation conference or a hearing under  
740.27 section 256.045;

740.28 (11) is agreed upon and signed by the person, the person's legal guardian or conservator,  
740.29 or the parent if the person is a minor, and the authorized county representative;

740.30 (12) is reviewed by a health professional if the person has overriding medical needs that  
740.31 impact the delivery of services; and

740.32 (13) includes the authorized annual and monthly amounts for the services.

741.1 (b) In developing the coordinated service and support plan, the case manager is  
 741.2 encouraged to include the use of volunteers, religious organizations, social clubs, and civic  
 741.3 and service organizations to support the individual in the community. The lead agency must  
 741.4 be held harmless for damages or injuries sustained through the use of volunteers and agencies  
 741.5 under this paragraph, including workers' compensation liability.

741.6 (c) Approved, written, and signed changes to a consumer's services that meet the criteria  
 741.7 in this subdivision shall be an addendum to that consumer's individual service plan.

741.8 Sec. 21. Minnesota Statutes 2016, section 256B.092, subdivision 1g, is amended to read:

741.9 Subd. 1g. **Conditions not requiring development of coordinated service and support**  
 741.10 **plan.** (a) Unless otherwise required by federal law, the county agency is not required to  
 741.11 complete a coordinated service and support plan as defined in subdivision 1b for:

741.12 (1) persons whose families are requesting respite care for their family member who  
 741.13 resides with them, or whose families are requesting a family support grant and are not  
 741.14 requesting purchase or arrangement of habilitative services; and

741.15 (2) persons with developmental disabilities, living independently without authorized  
 741.16 services or receiving funding for services at a rehabilitation facility as defined in section  
 741.17 268A.01, subdivision 6, and not in need of or requesting additional services.

741.18 (b) Unless otherwise required by federal law, the county agency is not required to conduct  
 741.19 or arrange for an annual needs reassessment by a certified assessor. The case manager who  
 741.20 works on behalf of the person to identify the person's needs and to minimize the impact of  
 741.21 the disability on the person's life must develop a person-centered service plan based on the  
 741.22 person's assessed needs and preferences. The person-centered service plan must be reviewed  
 741.23 annually. This paragraph applies to persons with developmental disabilities who are receiving  
 741.24 case management services under Minnesota Rules, part 9525.0036, and who make an  
 741.25 informed choice to decline an assessment under section 256B.0911.

741.26 Sec. 22. Minnesota Statutes 2017 Supplement, section 256B.0921, is amended to read:

741.27 **256B.0921 HOME AND COMMUNITY-BASED SERVICES INCENTIVE**  
 741.28 **INNOVATION POOL.**

741.29 The commissioner of human services shall develop an initiative to provide incentives  
 741.30 for innovation in: (1) achieving integrated competitive employment; (2) achieving integrated  
 741.31 competitive employment for youth under age 25 upon their graduation from school; (3)  
 741.32 living in the most integrated setting; and (4) other outcomes determined by the commissioner.

742.1 The commissioner shall seek requests for proposals and shall contract with one or more  
742.2 entities to provide incentive payments for meeting identified outcomes.

742.3 Sec. 23. Minnesota Statutes 2017 Supplement, section 256B.49, subdivision 13, is amended  
742.4 to read:

742.5 Subd. 13. **Case management.** (a) Each recipient of a home and community-based waiver  
742.6 shall be provided case management services by qualified vendors as described in the federally  
742.7 approved waiver application. The case management service activities provided must include:

742.8 (1) finalizing the written coordinated service and support plan within ~~ten working days~~  
742.9 ~~after the case manager receives the plan from the certified assessor~~ the timelines established  
742.10 by the commissioner. The timeline for completing the community support plan under section  
742.11 256B.0911, subdivision 3a, and the coordinated service and support plan must not exceed  
742.12 56 calendar days from the assessment visit;

742.13 (2) informing the recipient or the recipient's legal guardian or conservator of service  
742.14 options;

742.15 (3) assisting the recipient in the identification of potential service providers and available  
742.16 options for case management service and providers, including services provided in a  
742.17 non-disability-specific setting;

742.18 (4) assisting the recipient to access services and assisting with appeals under section  
742.19 256.045; and

742.20 (5) coordinating, evaluating, and monitoring of the services identified in the service  
742.21 plan.

742.22 (b) The case manager may delegate certain aspects of the case management service  
742.23 activities to another individual provided there is oversight by the case manager. The case  
742.24 manager may not delegate those aspects which require professional judgment including:

742.25 (1) finalizing the coordinated service and support plan;

742.26 (2) ongoing assessment and monitoring of the person's needs and adequacy of the  
742.27 approved coordinated service and support plan; and

742.28 (3) adjustments to the coordinated service and support plan.

742.29 (c) Case management services must be provided by a public or private agency that is  
742.30 enrolled as a medical assistance provider determined by the commissioner to meet all of  
742.31 the requirements in the approved federal waiver plans. Case management services must not  
742.32 be provided to a recipient by a private agency that has any financial interest in the provision

743.1 of any other services included in the recipient's coordinated service and support plan. For  
743.2 purposes of this section, "private agency" means any agency that is not identified as a lead  
743.3 agency under section 256B.0911, subdivision 1a, paragraph (e).

743.4 (d) For persons who need a positive support transition plan as required in chapter 245D,  
743.5 the case manager shall participate in the development and ongoing evaluation of the plan  
743.6 with the expanded support team. At least quarterly, the case manager, in consultation with  
743.7 the expanded support team, shall evaluate the effectiveness of the plan based on progress  
743.8 evaluation data submitted by the licensed provider to the case manager. The evaluation must  
743.9 identify whether the plan has been developed and implemented in a manner to achieve the  
743.10 following within the required timelines:

743.11 (1) phasing out the use of prohibited procedures;

743.12 (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's  
743.13 timeline; and

743.14 (3) accomplishment of identified outcomes.

743.15 If adequate progress is not being made, the case manager shall consult with the person's  
743.16 expanded support team to identify needed modifications and whether additional professional  
743.17 support is required to provide consultation.

743.18 Sec. 24. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 2, is  
743.19 amended to read:

743.20 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the  
743.21 meanings given them, unless the context clearly indicates otherwise.

743.22 (b) "Commissioner" means the commissioner of human services.

743.23 (c) "Component value" means underlying factors that are part of the cost of providing  
743.24 services that are built into the waiver rates methodology to calculate service rates.

743.25 (d) "Customized living tool" means a methodology for setting service rates that delineates  
743.26 and documents the amount of each component service included in a recipient's customized  
743.27 living service plan.

743.28 (e) "Direct care staff" means employees providing direct service provision to people  
743.29 receiving services under this section. Direct care staff does not include executive, managerial,  
743.30 and administrative staff.

744.1 ~~(f)~~ (f) "Disability waiver rates system" means a statewide system that establishes rates that  
744.2 are based on uniform processes and captures the individualized nature of waiver services  
744.3 and recipient needs.

744.4 ~~(f)~~ (g) "Individual staffing" means the time spent as a one-to-one interaction specific to  
744.5 an individual recipient by staff to provide direct support and assistance with activities of  
744.6 daily living, instrumental activities of daily living, and training to participants, and is based  
744.7 on the requirements in each individual's coordinated service and support plan under section  
744.8 245D.02, subdivision 4b; any coordinated service and support plan addendum under section  
744.9 245D.02, subdivision 4c; and an assessment tool. Provider observation of an individual's  
744.10 needs must also be considered.

744.11 ~~(g)~~ (h) "Lead agency" means a county, partnership of counties, or tribal agency charged  
744.12 with administering waived services under sections 256B.092 and 256B.49.

744.13 ~~(h)~~ (i) "Median" means the amount that divides distribution into two equal groups,  
744.14 one-half above the median and one-half below the median.

744.15 ~~(i)~~ (j) "Payment or rate" means reimbursement to an eligible provider for services  
744.16 provided to a qualified individual based on an approved service authorization.

744.17 ~~(j)~~ (k) "Rates management system" means a Web-based software application that uses  
744.18 a framework and component values, as determined by the commissioner, to establish service  
744.19 rates.

744.20 ~~(k)~~ (l) "Recipient" means a person receiving home and community-based services funded  
744.21 under any of the disability waivers.

744.22 ~~(l)~~ (m) "Shared staffing" means time spent by employees, not defined under paragraph  
744.23 ~~(f)~~ (g), providing or available to provide more than one individual with direct support and  
744.24 assistance with activities of daily living as defined under section 256B.0659, subdivision  
744.25 1, paragraph (b); instrumental activities of daily living as defined under section 256B.0659,  
744.26 subdivision 1, paragraph (i); ancillary activities needed to support individual services; and  
744.27 training to participants, and is based on the requirements in each individual's coordinated  
744.28 service and support plan under section 245D.02, subdivision 4b; any coordinated service  
744.29 and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and  
744.30 provider observation of an individual's service need. Total shared staffing hours are divided  
744.31 proportionally by the number of individuals who receive the shared service provisions.

744.32 ~~(m)~~ (n) "Staffing ratio" means the number of recipients a service provider employee  
744.33 supports during a unit of service based on a uniform assessment tool, provider observation,

745.1 case history, and the recipient's services of choice, and not based on the staffing ratios under  
745.2 section 245D.31.

745.3 ~~(n)~~ (o) "Unit of service" means the following:

745.4 (1) for residential support services under subdivision 6, a unit of service is a day. Any  
745.5 portion of any calendar day, within allowable Medicaid rules, where an individual spends  
745.6 time in a residential setting is billable as a day;

745.7 (2) for day services under subdivision 7:

745.8 (i) for day training and habilitation services, a unit of service is either:

745.9 (A) a day unit of service is defined as six or more hours of time spent providing direct  
745.10 services and transportation; or

745.11 (B) a partial day unit of service is defined as fewer than six hours of time spent providing  
745.12 direct services and transportation; and

745.13 (C) for new day service recipients after January 1, 2014, 15 minute units of service must  
745.14 be used for fewer than six hours of time spent providing direct services and transportation;

745.15 (ii) for adult day and structured day services, a unit of service is a day or 15 minutes. A  
745.16 day unit of service is six or more hours of time spent providing direct services;

745.17 (iii) for prevocational services, a unit of service is a day or an hour. A day unit of service  
745.18 is six or more hours of time spent providing direct service;

745.19 (3) for unit-based services with programming under subdivision 8:

745.20 (i) for supported living services, a unit of service is a day or 15 minutes. When a day  
745.21 rate is authorized, any portion of a calendar day where an individual receives services is  
745.22 billable as a day; and

745.23 (ii) for all other services, a unit of service is 15 minutes; and

745.24 (4) for unit-based services without programming under subdivision 9, a unit of service  
745.25 is 15 minutes.

745.26 Sec. 25. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 3, is  
745.27 amended to read:

745.28 Subd. 3. **Applicable services.** Applicable services are those authorized under the state's  
745.29 home and community-based services waivers under sections 256B.092 and 256B.49,  
745.30 including the following, as defined in the federally approved home and community-based  
745.31 services plan:

- 746.1 (1) 24-hour customized living;
- 746.2 (2) adult day care;
- 746.3 (3) adult day care bath;
- 746.4 ~~(4) behavioral programming;~~
- 746.5 ~~(5)~~ (4) companion services;
- 746.6 ~~(6)~~ (5) customized living;
- 746.7 ~~(7)~~ (6) day training and habilitation;
- 746.8 (7) employment development services;
- 746.9 (8) employment exploration services;
- 746.10 (9) employment support services;
- 746.11 ~~(8)~~ (10) housing access coordination;
- 746.12 ~~(9)~~ (11) independent living skills;
- 746.13 (12) independent living skills specialist services;
- 746.14 (13) individualized home supports;
- 746.15 ~~(10)~~ (14) in-home family support;
- 746.16 ~~(11)~~ (15) night supervision;
- 746.17 ~~(12)~~ (16) personal support;
- 746.18 (17) positive support service;
- 746.19 ~~(13)~~ (18) prevocational services;
- 746.20 ~~(14)~~ (19) residential care services;
- 746.21 ~~(15)~~ (20) residential support services;
- 746.22 ~~(16)~~ (21) respite services;
- 746.23 ~~(17)~~ (22) structured day services;
- 746.24 ~~(18)~~ (23) supported employment services;
- 746.25 ~~(19)~~ (24) supported living services;
- 746.26 ~~(20)~~ (25) transportation services;
- 746.27 ~~(21) individualized home supports;~~

747.1 ~~(22) independent living skills specialist services;~~

747.2 ~~(23) employment exploration services;~~

747.3 ~~(24) employment development services;~~

747.4 ~~(25) employment support services; and~~

747.5 (26) other services as approved by the federal government in the state home and  
747.6 community-based services plan.

747.7 Sec. 26. Minnesota Statutes 2016, section 256B.4914, subdivision 4, is amended to read:

747.8 Subd. 4. **Data collection for rate determination.** (a) Rates for applicable home and  
747.9 community-based waived services, including rate exceptions under subdivision 12, are  
747.10 set by the rates management system.

747.11 (b) Data for services under section 256B.4913, subdivision 4a, shall be collected in a  
747.12 manner prescribed by the commissioner.

747.13 (c) Data and information in the rates management system may be used to calculate an  
747.14 individual's rate.

747.15 (d) Service providers, with information from the community support plan and oversight  
747.16 by lead agencies, shall provide values and information needed to calculate an individual's  
747.17 rate into the rates management system. The determination of service levels must be part of  
747.18 a discussion with members of the support team as defined in section 245D.02, subdivision  
747.19 34. This discussion must occur prior to the final establishment of each individual's rate. The  
747.20 values and information include:

747.21 (1) shared staffing hours;

747.22 (2) individual staffing hours;

747.23 (3) direct registered nurse hours;

747.24 (4) direct licensed practical nurse hours;

747.25 (5) staffing ratios;

747.26 (6) information to document variable levels of service qualification for variable levels  
747.27 of reimbursement in each framework;

747.28 (7) shared or individualized arrangements for unit-based services, including the staffing  
747.29 ratio;

747.30 (8) number of trips and miles for transportation services; and

748.1 (9) service hours provided through monitoring technology.

748.2 (e) Updates to individual data must include:

748.3 (1) data for each individual that is updated annually when renewing service plans; and

748.4 (2) requests by individuals or lead agencies to update a rate whenever there is a change  
748.5 in an individual's service needs, with accompanying documentation.

748.6 (f) Lead agencies shall review and approve all services reflecting each individual's needs,  
748.7 and the values to calculate the final payment rate for services with variables under  
748.8 subdivisions 6, 7, 8, and 9 for each individual. Lead agencies must notify the individual and  
748.9 the service provider of the final agreed-upon values and rate, and provide information that  
748.10 is identical to what was entered into the rates management system. If a value used was  
748.11 mistakenly or erroneously entered and used to calculate a rate, a provider may petition lead  
748.12 agencies to correct it. Lead agencies must respond to these requests. When responding to  
748.13 the request, the lead agency must consider:

748.14 (1) meeting the health and welfare needs of the individual or individuals receiving  
748.15 services by service site, identified in their coordinated service and support plan under section  
748.16 245D.02, subdivision 4b, and any addendum under section 245D.02, subdivision 4c;

748.17 (2) meeting the requirements for staffing under subdivision 2, paragraphs ~~(f)~~ (g), ~~(i)~~ (m),  
748.18 and ~~(m)~~ (n); and meeting or exceeding the licensing standards for staffing required under  
748.19 section 245D.09, subdivision 1; and

748.20 (3) meeting the staffing ratio requirements under subdivision 2, paragraph (n), and  
748.21 meeting or exceeding the licensing standards for staffing required under section 245D.31.

748.22 Sec. 27. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 5, is  
748.23 amended to read:

748.24 Subd. 5. **Base wage index and standard component values.** (a) The base wage index  
748.25 is established to determine staffing costs associated with providing services to individuals  
748.26 receiving home and community-based services. For purposes of developing and calculating  
748.27 the proposed base wage, Minnesota-specific wages taken from job descriptions and standard  
748.28 occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in  
748.29 the most recent edition of the Occupational Handbook must be used. The base wage index  
748.30 must be calculated as follows:

748.31 (1) for residential direct care staff, the sum of:

749.1 (i) 15 percent of the subtotal of 50 percent of the median wage for personal and home  
749.2 health aide (SOC code 39-9021); 30 percent of the median wage for nursing assistant (SOC  
749.3 code 31-1014); and 20 percent of the median wage for social and human services aide (SOC  
749.4 code 21-1093); and

749.5 (ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide  
749.6 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide  
749.7 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code  
749.8 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);  
749.9 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

749.10 (2) for day services, 20 percent of the median wage for nursing assistant (SOC code  
749.11 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);  
749.12 and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

749.13 (3) for residential asleep-overnight staff, the wage is the minimum wage in Minnesota  
749.14 for large employers, except in a family foster care setting, the wage is 36 percent of the  
749.15 minimum wage in Minnesota for large employers;

749.16 (4) for behavior program analyst staff, 100 percent of the median wage for mental health  
749.17 counselors (SOC code 21-1014);

749.18 (5) for behavior program professional staff, 100 percent of the median wage for clinical  
749.19 counseling and school psychologist (SOC code 19-3031);

749.20 (6) for behavior program specialist staff, 100 percent of the median wage for psychiatric  
749.21 technicians (SOC code 29-2053);

749.22 (7) for supportive living services staff, 20 percent of the median wage for nursing assistant  
749.23 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code  
749.24 29-2053); and 60 percent of the median wage for social and human services aide (SOC code  
749.25 21-1093);

749.26 (8) for housing access coordination staff, 100 percent of the median wage for community  
749.27 and social services specialist (SOC code 21-1099);

749.28 (9) for in-home family support staff, 20 percent of the median wage for nursing aide  
749.29 (SOC code 31-1012); 30 percent of the median wage for community social service specialist  
749.30 (SOC code 21-1099); 40 percent of the median wage for social and human services aide  
749.31 (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC  
749.32 code 29-2053);

750.1 (10) for individualized home supports services staff, 40 percent of the median wage for  
750.2 community social service specialist (SOC code 21-1099); 50 percent of the median wage  
750.3 for social and human services aide (SOC code 21-1093); and ten percent of the median  
750.4 wage for psychiatric technician (SOC code 29-2053);

750.5 (11) for independent living skills staff, 40 percent of the median wage for community  
750.6 social service specialist (SOC code 21-1099); 50 percent of the median wage for social and  
750.7 human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric  
750.8 technician (SOC code 29-2053);

750.9 (12) for independent living skills specialist staff, 100 percent of mental health and  
750.10 substance abuse social worker (SOC code 21-1023);

750.11 (13) for supported employment staff, 20 percent of the median wage for nursing assistant  
750.12 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code  
750.13 29-2053); and 60 percent of the median wage for social and human services aide (SOC code  
750.14 21-1093);

750.15 (14) for employment support services staff, 50 percent of the median wage for  
750.16 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for  
750.17 community and social services specialist (SOC code 21-1099);

750.18 (15) for employment exploration services staff, 50 percent of the median wage for  
750.19 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for  
750.20 community and social services specialist (SOC code 21-1099);

750.21 (16) for employment development services staff, 50 percent of the median wage for  
750.22 education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent  
750.23 of the median wage for community and social services specialist (SOC code 21-1099);

750.24 (17) for adult companion staff, 50 percent of the median wage for personal and home  
750.25 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant  
750.26 (SOC code 31-1014);

750.27 (18) for night supervision staff, 20 percent of the median wage for home health aide  
750.28 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide  
750.29 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code  
750.30 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);  
750.31 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

751.1 (19) for respite staff, 50 percent of the median wage for personal and home care aide  
751.2 (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code  
751.3 31-1014);

751.4 (20) for personal support staff, 50 percent of the median wage for personal and home  
751.5 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant  
751.6 (SOC code 31-1014);

751.7 (21) for supervisory staff, 100 percent of the median wage for community and social  
751.8 services specialist (SOC code 21-1099), with the exception of the supervisor of behavior  
751.9 professional, behavior analyst, and behavior specialists, which is 100 percent of the median  
751.10 wage for clinical counseling and school psychologist (SOC code 19-3031);

751.11 (22) for registered nurse staff, 100 percent of the median wage for registered nurses  
751.12 (SOC code 29-1141); and

751.13 (23) for licensed practical nurse staff, 100 percent of the median wage for licensed  
751.14 practical nurses (SOC code 29-2061).

751.15 (b) Component values for residential support services are:

751.16 (1) supervisory span of control ratio: 11 percent;

751.17 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

751.18 (3) employee-related cost ratio: 23.6 percent;

751.19 (4) general administrative support ratio: 13.25 percent;

751.20 (5) program-related expense ratio: 1.3 percent; and

751.21 (6) absence and utilization factor ratio: 3.9 percent.

751.22 (c) Component values for family foster care are:

751.23 (1) supervisory span of control ratio: 11 percent;

751.24 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

751.25 (3) employee-related cost ratio: 23.6 percent;

751.26 (4) general administrative support ratio: 3.3 percent;

751.27 (5) program-related expense ratio: 1.3 percent; and

751.28 (6) absence factor: 1.7 percent.

751.29 (d) Component values for day services for all services are:

- 752.1 (1) supervisory span of control ratio: 11 percent;
- 752.2 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 752.3 (3) employee-related cost ratio: 23.6 percent;
- 752.4 (4) program plan support ratio: 5.6 percent;
- 752.5 (5) client programming and support ratio: ten percent;
- 752.6 (6) general administrative support ratio: 13.25 percent;
- 752.7 (7) program-related expense ratio: 1.8 percent; and
- 752.8 (8) absence and utilization factor ratio: 9.4 percent.
- 752.9 (e) Component values for unit-based services with programming are:
- 752.10 (1) supervisory span of control ratio: 11 percent;
- 752.11 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 752.12 (3) employee-related cost ratio: 23.6 percent;
- 752.13 (4) program plan supports ratio: 15.5 percent;
- 752.14 (5) client programming and supports ratio: 4.7 percent;
- 752.15 (6) general administrative support ratio: 13.25 percent;
- 752.16 (7) program-related expense ratio: 6.1 percent; and
- 752.17 (8) absence and utilization factor ratio: 3.9 percent.
- 752.18 (f) Component values for unit-based services without programming except respite are:
- 752.19 (1) supervisory span of control ratio: 11 percent;
- 752.20 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 752.21 (3) employee-related cost ratio: 23.6 percent;
- 752.22 (4) program plan support ratio: 7.0 percent;
- 752.23 (5) client programming and support ratio: 2.3 percent;
- 752.24 (6) general administrative support ratio: 13.25 percent;
- 752.25 (7) program-related expense ratio: 2.9 percent; and
- 752.26 (8) absence and utilization factor ratio: 3.9 percent.
- 752.27 (g) Component values for unit-based services without programming for respite are:

753.1 (1) supervisory span of control ratio: 11 percent;

753.2 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

753.3 (3) employee-related cost ratio: 23.6 percent;

753.4 (4) general administrative support ratio: 13.25 percent;

753.5 (5) program-related expense ratio: 2.9 percent; and

753.6 (6) absence and utilization factor ratio: 3.9 percent.

753.7 (h) On July 1, 2017, the commissioner shall update the base wage index in paragraph

753.8 (a) based on the wage data by standard occupational code (SOC) from the Bureau of Labor

753.9 Statistics available on December 31, 2016. The commissioner shall publish these updated

753.10 values and load them into the rate management system. On July 1, 2022, and every ~~five~~ two

753.11 years thereafter, the commissioner shall update the base wage index in paragraph (a) based

753.12 on the ~~most recently available~~ wage data by SOC from the Bureau of Labor Statistics

753.13 available on December 31 of the year two years prior to the scheduled update. The

753.14 commissioner shall publish these updated values and load them into the rate management

753.15 system.

753.16 (i) On July 1, 2017, the commissioner shall update the framework components in

753.17 paragraph (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision

753.18 6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the

753.19 Consumer Price Index. The commissioner will adjust these values higher or lower by the

753.20 percentage change in the Consumer Price Index-All Items, United States city average

753.21 (CPI-U) from January 1, 2014, to January 1, 2017. The commissioner shall publish these

753.22 updated values and load them into the rate management system. On July 1, 2022, and every

753.23 ~~five~~ two years thereafter, the commissioner shall update the framework components in

753.24 paragraph (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision

753.25 6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the

753.26 Consumer Price Index. The commissioner shall adjust these values higher or lower by the

753.27 percentage change in the CPI-U from the date of the previous update to the ~~date of the data~~

753.28 ~~most recently available~~ on December 31 of the year two years prior to the scheduled update.

753.29 The commissioner shall publish these updated values and load them into the rate management

753.30 system.

753.31 (j) In this subdivision, if Bureau of Labor Statistics occupational codes or Consumer

753.32 Price Index items are unavailable in the future, the commissioner shall recommend to the

753.33 legislature codes or items to update and replace missing component values.

754.1 (k) The commissioner shall increase the updated base wage index in paragraph (h) with  
 754.2 a competitive workforce factor as follows:

754.3 (1) effective January 1, 2019, or upon federal approval, whichever is later, the competitive  
 754.4 workforce factor is 8.35 percent;

754.5 (2) effective July 1, 2019, the competitive workforce factor is decreased to 4.55 percent;  
 754.6 and

754.7 (3) effective July 1, 2022, the competitive workforce factor is increased to 5.55 percent.

754.8 The lead agencies must implement the competitive workforce factor on the dates listed in  
 754.9 clauses (1) and (2) and not as reassessments, reauthorizations, or service plan renewals  
 754.10 occur. Lead agencies must implement adjustments to the competitive workforce factor in  
 754.11 clause (3) in conjunction with the base wage index updates required in paragraph (h) as  
 754.12 reassessments, reauthorizations, or service plan renewals occur.

754.13 **EFFECTIVE DATE.** (a) The amendments to paragraphs (h) and (i) are effective July  
 754.14 1, 2022, or upon federal approval, whichever is later. The commissioner shall inform the  
 754.15 revisor of statutes when federal approval is obtained.

754.16 (b) Paragraph (k) is effective January 1, 2019, or upon federal approval, whichever is  
 754.17 later. The commissioner shall inform the revisor of statutes when federal approval is obtained.

754.18 Sec. 28. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 6, is  
 754.19 amended to read:

754.20 **Subd. 6. Payments for residential support services.** (a) Payments for residential support  
 754.21 services, as defined in sections 256B.092, subdivision 11, and 256B.49, subdivision 22,  
 754.22 must be calculated as follows:

754.23 (1) determine the number of shared staffing and individual direct staff hours to meet a  
 754.24 recipient's needs provided on site or through monitoring technology;

754.25 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics  
 754.26 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision  
 754.27 5. This is defined as the direct-care rate;

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

755.1 (4) multiply the number of shared and individual direct staff hours provided on site or  
755.2 through monitoring technology and nursing hours by the appropriate staff wages in  
755.3 subdivision 5, paragraph (a), or the customized direct-care rate;

755.4 (5) multiply the number of shared and individual direct staff hours provided on site or  
755.5 through monitoring technology and nursing hours by the product of the supervision span  
755.6 of control ratio in subdivision 5, paragraph (b), clause (1), and the appropriate supervision  
755.7 wage in subdivision 5, paragraph (a), clause (21);

755.8 (6) combine the results of clauses (4) and (5), excluding any shared and individual direct  
755.9 staff hours provided through monitoring technology, and multiply the result by one plus  
755.10 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (b),  
755.11 clause (2). This is defined as the direct staffing cost;

755.12 (7) for employee-related expenses, multiply the direct staffing cost, excluding any shared  
755.13 and individual direct staff hours provided through monitoring technology, by one plus the  
755.14 employee-related cost ratio in subdivision 5, paragraph (b), clause (3);

755.15 (8) for client programming and supports, the commissioner shall add \$2,179; and

755.16 (9) for transportation, if provided, the commissioner shall add \$1,680, or \$3,000 if  
755.17 customized for adapted transport, based on the resident with the highest assessed need.

755.18 (b) The total rate must be calculated using the following steps:

755.19 (1) subtotal paragraph (a), clauses (7) to (9), and the direct staffing cost of any shared  
755.20 and individual direct staff hours provided through monitoring technology that was excluded  
755.21 in clause (7);

755.22 (2) sum the standard general and administrative rate, the program-related expense ratio,  
755.23 and the absence and utilization ratio; and

755.24 (3) divide the result of clause (1) by one minus the result of clause (2). This is the total  
755.25 payment amount; and

755.26 ~~(4) adjust the result of clause (3) by a factor to be determined by the commissioner to~~  
755.27 ~~adjust for regional differences in the cost of providing services.~~

755.28 (c) The payment methodology for customized living, 24-hour customized living, and  
755.29 residential care services must be the customized living tool. Revisions to the customized  
755.30 living tool must be made to reflect the services and activities unique to disability-related  
755.31 recipient needs.

756.1 (d) For individuals enrolled prior to January 1, 2014, the days of service authorized must  
756.2 meet or exceed the days of service used to convert service agreements in effect on December  
756.3 1, 2013, and must not result in a reduction in spending or service utilization due to conversion  
756.4 during the implementation period under section 256B.4913, subdivision 4a. If during the  
756.5 implementation period, an individual's historical rate, including adjustments required under  
756.6 section 256B.4913, subdivision 4a, paragraph (c), is equal to or greater than the rate  
756.7 determined in this subdivision, the number of days authorized for the individual is 365.

756.8 (e) The number of days authorized for all individuals enrolling after January 1, 2014,  
756.9 in residential services must include every day that services start and end.

756.10 **EFFECTIVE DATE.** This section is effective July 1, 2022.

756.11 Sec. 29. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 7, is  
756.12 amended to read:

756.13 Subd. 7. **Payments for day programs.** Payments for services with day programs  
756.14 including adult day care, day treatment and habilitation, prevocational services, and structured  
756.15 day services must be calculated as follows:

756.16 (1) determine the number of units of service and staffing ratio to meet a recipient's needs:

756.17 (i) the staffing ratios for the units of service provided to a recipient in a typical week  
756.18 must be averaged to determine an individual's staffing ratio; and

756.19 (ii) the commissioner, in consultation with service providers, shall develop a uniform  
756.20 staffing ratio worksheet to be used to determine staffing ratios under this subdivision;

756.21 (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics  
756.22 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision  
756.23 5;

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

756.27 (4) multiply the number of day program direct staff hours and nursing hours by the  
756.28 appropriate staff wage in subdivision 5, paragraph (a), or the customized direct-care rate;

756.29 (5) multiply the number of day direct staff hours by the product of the supervision span  
756.30 of control ratio in subdivision 5, paragraph (d), clause (1), and the appropriate supervision  
756.31 wage in subdivision 5, paragraph (a), clause (21);

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

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

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

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

757.10 (10) for program facility costs, add \$19.30 per week with consideration of staffing ratios  
757.11 to meet individual needs;

757.12 (11) for adult day bath services, add \$7.01 per 15 minute unit;

757.13 (12) this is the subtotal rate;

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

757.16 (14) divide the result of clause (12) by one minus the result of clause (13). This is the  
757.17 total payment amount;

757.18 ~~(15) adjust the result of clause (14) by a factor to be determined by the commissioner~~  
757.19 ~~to adjust for regional differences in the cost of providing services;~~

757.20 ~~(16)~~ (15) for transportation provided as part of day training and habilitation for an  
757.21 individual who does not require a lift, add:

757.22 (i) \$10.50 for a trip between zero and ten miles for a nonshared ride in a vehicle without  
757.23 a lift, \$8.83 for a shared ride in a vehicle without a lift, and \$9.25 for a shared ride in a  
757.24 vehicle with a lift;

757.25 (ii) \$15.75 for a trip between 11 and 20 miles for a nonshared ride in a vehicle without  
757.26 a lift, \$10.58 for a shared ride in a vehicle without a lift, and \$11.88 for a shared ride in a  
757.27 vehicle with a lift;

757.28 (iii) \$25.75 for a trip between 21 and 50 miles for a nonshared ride in a vehicle without  
757.29 a lift, \$13.92 for a shared ride in a vehicle without a lift, and \$16.88 for a shared ride in a  
757.30 vehicle with a lift; or

758.1 (iv) \$33.50 for a trip of 51 miles or more for a nonshared ride in a vehicle without a lift,  
 758.2 \$16.50 for a shared ride in a vehicle without a lift, and \$20.75 for a shared ride in a vehicle  
 758.3 with a lift; and

758.4 ~~(17)~~ (16) for transportation provided as part of day training and habilitation for an  
 758.5 individual who does require a lift, add:

758.6 (i) \$19.05 for a trip between zero and ten miles for a nonshared ride in a vehicle with a  
 758.7 lift, and \$15.05 for a shared ride in a vehicle with a lift;

758.8 (ii) \$32.16 for a trip between 11 and 20 miles for a nonshared ride in a vehicle with a  
 758.9 lift, and \$28.16 for a shared ride in a vehicle with a lift;

758.10 (iii) \$58.76 for a trip between 21 and 50 miles for a nonshared ride in a vehicle with a  
 758.11 lift, and \$58.76 for a shared ride in a vehicle with a lift; or

758.12 (iv) \$80.93 for a trip of 51 miles or more for a nonshared ride in a vehicle with a lift,  
 758.13 and \$80.93 for a shared ride in a vehicle with a lift.

758.14 **EFFECTIVE DATE.** This section is effective July 1, 2022.

758.15 Sec. 30. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 8, is  
 758.16 amended to read:

758.17 Subd. 8. **Payments for unit-based services with programming.** Payments for unit-based  
 758.18 services with programming, including behavior programming, housing access coordination,  
 758.19 in-home family support, independent living skills training, independent living skills specialist  
 758.20 services, individualized home supports, hourly supported living services, employment  
 758.21 exploration services, employment development services, supported employment, and  
 758.22 employment support services provided to an individual outside of any day or residential  
 758.23 service plan must be calculated as follows, unless the services are authorized separately  
 758.24 under subdivision 6 or 7:

758.25 (1) determine the number of units of service to meet a recipient's needs;

758.26 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics  
 758.27 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision  
 758.28 5;

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

759.1 (4) multiply the number of direct staff hours by the appropriate staff wage in subdivision  
759.2 5, paragraph (a), or the customized direct-care rate;

759.3 (5) multiply the number of direct staff hours by the product of the supervision span of  
759.4 control ratio in subdivision 5, paragraph (e), clause (1), and the appropriate supervision  
759.5 wage in subdivision 5, paragraph (a), clause (21);

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

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

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

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

759.15 (10) this is the subtotal rate;

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

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

759.20 (13) for supported employment provided in a shared manner, divide the total payment  
759.21 amount in clause (12) by the number of service recipients, not to exceed three. For  
759.22 employment support services provided in a shared manner, divide the total payment amount  
759.23 in clause (12) by the number of service recipients, not to exceed six. For independent living  
759.24 skills training and individualized home supports provided in a shared manner, divide the  
759.25 total payment amount in clause (12) by the number of service recipients, not to exceed two;  
759.26 and.

759.27 ~~(14) adjust the result of clause (13) by a factor to be determined by the commissioner~~  
759.28 ~~to adjust for regional differences in the cost of providing services.~~

759.29 **EFFECTIVE DATE.** This section is effective July 1, 2022.

760.1 Sec. 31. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 9, is  
760.2 amended to read:

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

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

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

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

760.15 (4) multiply the number of direct staff hours by the appropriate staff wage in subdivision  
760.16 5 or the customized direct care rate;

760.17 (5) multiply the number of direct staff hours by the product of the supervision span of  
760.18 control ratio in subdivision 5, paragraph (f), clause (1), and the appropriate supervision  
760.19 wage in subdivision 5, paragraph (a), clause (21);

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

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

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

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

760.29 (10) this is the subtotal rate;

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

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

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

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

761.7 (15) for a recipient requiring deaf and hard-of-hearing customization under subdivision  
761.8 12, add the customization rate provided in subdivision 12 to the result of clause (14). This  
761.9 is defined as the customized direct care rate;

761.10 (16) multiply the number of direct staff hours by the appropriate staff wage in subdivision  
761.11 5, paragraph (a);

761.12 (17) multiply the number of direct staff hours by the product of the supervisory span of  
761.13 control ratio in subdivision 5, paragraph (g), clause (1), and the appropriate supervision  
761.14 wage in subdivision 5, paragraph (a), clause (21);

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

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

761.20 (20) this is the subtotal rate;

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

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

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

761.27 **EFFECTIVE DATE.** This section is effective July 1, 2022.

762.1 Sec. 32. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 10, is  
762.2 amended to read:

762.3 Subd. 10. **Updating payment values and additional information.** (a) From January  
762.4 1, 2014, through December 31, 2017, the commissioner shall develop and implement uniform  
762.5 procedures to refine terms and adjust values used to calculate payment rates in this section.

762.6 (b) No later than July 1, 2014, the commissioner shall, within available resources, begin  
762.7 to conduct research and gather data and information from existing state systems or other  
762.8 outside sources on the following items:

762.9 (1) differences in the underlying cost to provide services and care across the state; and

762.10 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and  
762.11 units of transportation for all day services, which must be collected from providers using  
762.12 the rate management worksheet and entered into the rates management system; and

762.13 (3) the distinct underlying costs for services provided by a license holder under sections  
762.14 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided  
762.15 by a license holder certified under section 245D.33.

762.16 (c) Beginning January 1, 2014, through December 31, 2018, using a statistically valid  
762.17 set of rates management system data, the commissioner, in consultation with stakeholders,  
762.18 shall analyze for each service the average difference in the rate on December 31, 2013, and  
762.19 the framework rate at the individual, provider, lead agency, and state levels. The  
762.20 commissioner shall issue semiannual reports to the stakeholders on the difference in rates  
762.21 by service and by county during the banding period under section 256B.4913, subdivision  
762.22 4a. The commissioner shall issue the first report by October 1, 2014, and the final report  
762.23 shall be issued by December 31, 2018.

762.24 (d) No later than July 1, 2014, the commissioner, in consultation with stakeholders, shall  
762.25 begin the review and evaluation of the following values already in subdivisions 6 to 9, or  
762.26 issues that impact all services, including, but not limited to:

762.27 (1) values for transportation rates;

762.28 (2) values for services where monitoring technology replaces staff time;

762.29 (3) values for indirect services;

762.30 (4) values for nursing;

762.31 (5) values for the facility use rate in day services, and the weightings used in the day  
762.32 service ratios and adjustments to those weightings;

- 763.1 (6) values for workers' compensation as part of employee-related expenses;
- 763.2 (7) values for unemployment insurance as part of employee-related expenses;
- 763.3 (8) any changes in state or federal law with a direct impact on the underlying cost of
- 763.4 providing home and community-based services; ~~and~~
- 763.5 (9) direct care staff labor market measures; and
- 763.6 (10) outcome measures, determined by the commissioner, for home and community-based
- 763.7 services rates determined under this section.

763.8 (e) The commissioner shall report to the chairs and the ranking minority members of

763.9 the legislative committees and divisions with jurisdiction over health and human services

763.10 policy and finance with the information and data gathered under paragraphs (b) to (d) on

763.11 the following dates:

763.12 (1) January 15, 2015, with preliminary results and data;

763.13 (2) January 15, 2016, with a status implementation update, and additional data and

763.14 summary information;

763.15 (3) January 15, 2017, with the full report; and

763.16 (4) January 15, 2020, with another full report, and a full report once every four years

763.17 thereafter.

763.18 (f) The commissioner shall implement a regional adjustment factor to all rate calculations

763.19 in subdivisions 6 to 9, effective no later than January 1, 2015. Beginning July 1, 2017, the

763.20 commissioner shall renew analysis and implement changes to the regional adjustment factors

763.21 when adjustments required under subdivision 5, paragraph (h), occur. Prior to

763.22 implementation, the commissioner shall consult with stakeholders on the methodology to

763.23 calculate the adjustment.

763.24 (g) The commissioner shall provide a public notice via LISTSERV in October of each

763.25 year beginning October 1, 2014, containing information detailing legislatively approved

763.26 changes in:

763.27 (1) calculation values including derived wage rates and related employee and

763.28 administrative factors;

763.29 (2) service utilization;

763.30 (3) county and tribal allocation changes; and

764.1 (4) information on adjustments made to calculation values and the timing of those  
764.2 adjustments.

764.3 The information in this notice must be effective January 1 of the following year.

764.4 (h) When the available shared staffing hours in a residential setting are insufficient to  
764.5 meet the needs of an individual who enrolled in residential services after January 1, 2014,  
764.6 or insufficient to meet the needs of an individual with a service agreement adjustment  
764.7 described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing hours  
764.8 shall be used.

764.9 (i) The commissioner shall study the underlying cost of absence and utilization for day  
764.10 services. Based on the commissioner's evaluation of the data collected under this paragraph,  
764.11 the commissioner shall make recommendations to the legislature by January 15, 2018, for  
764.12 changes, if any, to the absence and utilization factor ratio component value for day services.

764.13 (j) Beginning July 1, 2017, the commissioner shall collect transportation and trip  
764.14 information for all day services through the rates management system.

764.15 Sec. 33. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 10a, is  
764.16 amended to read:

764.17 Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure  
764.18 that wage values and component values in subdivisions 5 to 9 reflect the cost to provide the  
764.19 service. As determined by the commissioner, in consultation with stakeholders identified  
764.20 in section 256B.4913, subdivision 5, a provider enrolled to provide services with rates  
764.21 determined under this section must submit requested cost data to the commissioner to support  
764.22 research on the cost of providing services that have rates determined by the disability waiver  
764.23 rates system. Requested cost data may include, but is not limited to:

764.24 (1) worker wage costs;

764.25 (2) benefits paid;

764.26 (3) supervisor wage costs;

764.27 (4) executive wage costs;

764.28 (5) vacation, sick, and training time paid;

764.29 (6) taxes, workers' compensation, and unemployment insurance costs paid;

764.30 (7) administrative costs paid;

764.31 (8) program costs paid;

765.1 (9) transportation costs paid;

765.2 (10) vacancy rates; and

765.3 (11) other data relating to costs required to provide services requested by the  
765.4 commissioner.

765.5 (b) At least once in any five-year period, a provider must submit cost data for a fiscal  
765.6 year that ended not more than 18 months prior to the submission date. The commissioner  
765.7 shall provide each provider a 90-day notice prior to its submission due date. If a provider  
765.8 fails to submit required reporting data, the commissioner shall provide notice to providers  
765.9 that have not provided required data 30 days after the required submission date, and a second  
765.10 notice for providers who have not provided required data 60 days after the required  
765.11 submission date. The commissioner shall temporarily suspend payments to the provider if  
765.12 cost data is not received 90 days after the required submission date. Withheld payments  
765.13 shall be made once data is received by the commissioner.

765.14 (c) The commissioner shall conduct a random validation of data submitted under  
765.15 paragraph (a) to ensure data accuracy. The commissioner shall analyze cost documentation  
765.16 in paragraph (a) and provide recommendations for adjustments to cost components.

765.17 (d) The commissioner shall analyze cost documentation in paragraph (a) and, in  
765.18 consultation with stakeholders identified in section 256B.4913, subdivision 5, may submit  
765.19 recommendations on component values and inflationary factor adjustments to the chairs  
765.20 and ranking minority members of the legislative committees with jurisdiction over human  
765.21 services every four years beginning January 1, 2020. The commissioner shall make  
765.22 recommendations in conjunction with reports submitted to the legislature according to  
765.23 subdivision 10, paragraph (e). The commissioner shall release cost data in an aggregate  
765.24 form, and cost data from individual providers shall not be released except as provided for  
765.25 in current law.

765.26 (e) The commissioner, in consultation with stakeholders identified in section 256B.4913,  
765.27 subdivision 5, shall develop and implement a process for providing training and technical  
765.28 assistance necessary to support provider submission of cost documentation required under  
765.29 paragraph (a).

765.30 (f) Beginning November 1, 2018, providers enrolled to provide services with rates  
765.31 determined under this section shall submit labor market data to the commissioner annually,  
765.32 including, but not limited to:

765.33 (1) number of direct care staff;

- 766.1 (2) wages of direct care staff;  
 766.2 (3) overtime wages of direct care staff;  
 766.3 (4) hours worked by direct care staff;  
 766.4 (5) overtime hours worked by direct care staff;  
 766.5 (6) benefits provided to direct care staff;  
 766.6 (7) direct care staff job vacancies; and  
 766.7 (8) direct care staff retention rates.

766.8 (g) Beginning February 1, 2019, the commissioner shall publish annual reports on  
 766.9 provider and state-level labor market data, including, but not limited to:

- 766.10 (1) number of direct care staff;  
 766.11 (2) wages of direct care staff;  
 766.12 (3) overtime wages of direct care staff;  
 766.13 (4) hours worked by direct care staff;  
 766.14 (5) overtime hours worked by direct care staff;  
 766.15 (6) benefits provided to direct care staff;  
 766.16 (7) direct care staff job vacancies; and  
 766.17 (8) direct care staff retention rates.

766.18 Sec. 34. Minnesota Statutes 2016, section 256B.5012, is amended by adding a subdivision  
 766.19 to read:

766.20 Subd. 18. **ICF/DD rate increase effective July 1, 2018; Steele County.** Effective July  
 766.21 1, 2018, the daily rate for an intermediate care facility for persons with developmental  
 766.22 disabilities located in Steele County that is classified as a class B facility and licensed for  
 766.23 16 beds is \$400. The increase under this subdivision is in addition to any other increase that  
 766.24 is effective on July 1, 2018.

766.25 Sec. 35. Minnesota Statutes 2017 Supplement, section 256I.03, subdivision 8, is amended  
 766.26 to read:

766.27 Subd. 8. **Supplementary services.** "Supplementary services" means housing support  
 766.28 services provided to individuals in addition to room and board including, but not limited  
 766.29 to, oversight and up to 24-hour supervision, medication reminders, assistance with

767.1 transportation, arranging for meetings and appointments, and arranging for medical and  
767.2 social services. Providers must comply with section 256I.04, subdivision 2h.

767.3 Sec. 36. Minnesota Statutes 2017 Supplement, section 256I.04, subdivision 2b, is amended  
767.4 to read:

767.5 Subd. 2b. **Housing support agreements.** (a) Agreements between agencies and providers  
767.6 of housing support must be in writing on a form developed and approved by the commissioner  
767.7 and must specify the name and address under which the establishment subject to the  
767.8 agreement does business and under which the establishment, or service provider, if different  
767.9 from the group residential housing establishment, is licensed by the Department of Health  
767.10 or the Department of Human Services; the specific license or registration from the  
767.11 Department of Health or the Department of Human Services held by the provider and the  
767.12 number of beds subject to that license; the address of the location or locations at which  
767.13 group residential housing is provided under this agreement; the per diem and monthly rates  
767.14 that are to be paid from housing support funds for each eligible resident at each location;  
767.15 the number of beds at each location which are subject to the agreement; whether the license  
767.16 holder is a not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code;  
767.17 and a statement that the agreement is subject to the provisions of sections 256I.01 to 256I.06  
767.18 and subject to any changes to those sections.

767.19 (b) Providers are required to verify the following minimum requirements in the  
767.20 agreement:

767.21 (1) current license or registration, including authorization if managing or monitoring  
767.22 medications;

767.23 (2) all staff who have direct contact with recipients meet the staff qualifications;

767.24 (3) the provision of housing support;

767.25 (4) the provision of supplementary services, if applicable;

767.26 (5) reports of adverse events, including recipient death or serious injury; ~~and~~

767.27 (6) submission of residency requirements that could result in recipient eviction; and

767.28 (7) confirmation that the provider will not limit or restrict the number of hours an  
767.29 applicant or recipient chooses to be employed, as specified in subdivision 5.

767.30 (c) Agreements may be terminated with or without cause by the commissioner, the  
767.31 agency, or the provider with two calendar months prior notice. The commissioner may  
767.32 immediately terminate an agreement under subdivision 2d.

768.1 Sec. 37. Minnesota Statutes 2016, section 256I.04, is amended by adding a subdivision  
768.2 to read:

768.3 Subd. 2h. **Required supplementary services.** Providers of supplementary services shall  
768.4 ensure that recipients have, at a minimum, assistance with services as identified in the  
768.5 recipient's professional statement of need under section 256I.03, subdivision 12. Providers  
768.6 of supplementary services shall maintain case notes with the date and description of services  
768.7 provided to individual recipients.

768.8 Sec. 38. Minnesota Statutes 2016, section 256I.04, is amended by adding a subdivision  
768.9 to read:

768.10 Subd. 5. **Employment.** A provider is prohibited from limiting or restricting the number  
768.11 of hours an applicant or recipient is employed.

768.12 Sec. 39. Minnesota Statutes 2017 Supplement, section 256I.05, subdivision 3, is amended  
768.13 to read:

768.14 Subd. 3. **Limits on rates.** ~~When a room and board rate is used to pay for an individual's~~  
768.15 ~~room and board,~~ The room and board rate payable to the residence ~~must~~ may not exceed  
768.16 the rate paid by an individual who is eligible for housing support under section 256I.04,  
768.17 subdivision 1, but who is not receiving a room and board rate ~~under this chapter.~~

768.18 Sec. 40. Minnesota Statutes 2016, section 256R.53, subdivision 2, is amended to read:

768.19 Subd. 2. **Nursing facility facilities in Breckenridge border cities.** The operating  
768.20 payment rate of a nonprofit nursing facility that exists on January 1, 2015, is located within  
768.21 the boundaries of the city cities of Breckenridge or Moorhead, and is reimbursed under this  
768.22 chapter, is equal to the greater of:

768.23 (1) the operating payment rate determined under section 256R.21, subdivision 3; or

768.24 (2) the median case mix adjusted rates, including comparable rate components as  
768.25 determined by the median case mix adjusted rates, including comparable rate components  
768.26 as determined by the commissioner, for the equivalent case mix indices of the nonprofit  
768.27 nursing facility or facilities located in an adjacent city in another state and in cities contiguous  
768.28 to the adjacent city. The commissioner shall make the comparison required in this subdivision  
768.29 on November 1 of each year and shall apply it to the rates to be effective on the following  
768.30 January 1. The Minnesota facility's operating payment rate with a case mix index of 1.0 is  
768.31 computed by dividing the adjacent city's nursing facility or facilities' median operating  
768.32 payment rate with an index of 1.02 by 1.02. If the adjustments under this subdivision result

769.1 in a rate that exceeds the limits in section 256R.23, subdivision 5, and whose costs exceed  
 769.2 the rate in section 256R.24, subdivision 3, in a given rate year, the facility's rate shall not  
 769.3 be subject to the limits in section 256R.23, subdivision 5, and shall not be limited to the  
 769.4 rate established in section 256R.24, subdivision 3, for that rate year.

769.5 **EFFECTIVE DATE.** The rate increases for a facility located in Moorhead are effective  
 769.6 for the rate year beginning January 1, 2020, and annually thereafter.

769.7 Sec. 41. Laws 2014, chapter 312, article 27, section 76, is amended to read:

769.8 Sec. 76. **DISABILITY WAIVER REIMBURSEMENT RATE ADJUSTMENTS.**

769.9 Subdivision 1. **Historical rate.** The commissioner of human services shall adjust the  
 769.10 historical rates calculated in Minnesota Statutes, section 256B.4913, subdivision 4a,  
 769.11 paragraph (b), in effect during the banding period under Minnesota Statutes, section  
 769.12 256B.4913, subdivision 4a, paragraph (a), for the reimbursement rate increases effective  
 769.13 April 1, 2014, and any rate modification enacted during the 2014 legislative session.

769.14 ~~Subd. 2. **Residential support services.** The commissioner of human services shall adjust~~  
 769.15 ~~the rates calculated in Minnesota Statutes, section 256B.4914, subdivision 6, paragraphs~~  
 769.16 ~~(b), clause (4), and (c), for the reimbursement rate increases effective April 1, 2014, and~~  
 769.17 ~~any rate modification enacted during the 2014 legislative session.~~

769.18 ~~Subd. 3. **Day programs.** The commissioner of human services shall adjust the rates~~  
 769.19 ~~calculated in Minnesota Statutes, section 256B.4914, subdivision 7, paragraph (a), clauses~~  
 769.20 ~~(15) to (17), for the reimbursement rate increases effective April 1, 2014, and any rate~~  
 769.21 ~~modification enacted during the 2014 legislative session.~~

769.22 ~~Subd. 4. **Unit-based services with programming.** The commissioner of human services~~  
 769.23 ~~shall adjust the rate calculated in Minnesota Statutes, section 256B.4914, subdivision 8,~~  
 769.24 ~~paragraph (a), clause (14), for the reimbursement rate increases effective April 1, 2014, and~~  
 769.25 ~~any rate modification enacted during the 2014 legislative session.~~

769.26 ~~Subd. 5. **Unit-based services without programming.** The commissioner of human~~  
 769.27 ~~services shall adjust the rate calculated in Minnesota Statutes, section 256B.4914, subdivision~~  
 769.28 ~~9, paragraph (a), clause (23), for the reimbursement rate increases effective April 1, 2014,~~  
 769.29 ~~and any rate modification enacted during the 2014 legislative session.~~

769.30 **EFFECTIVE DATE.** This section is effective January 1, 2019.

770.1 Sec. 42. Laws 2017, First Special Session chapter 6, article 3, section 49, is amended to  
770.2 read:

770.3 Sec. 49. ~~ELECTRONIC SERVICE DELIVERY DOCUMENTATION SYSTEM~~  
770.4 VISIT VERIFICATION.

770.5 Subdivision 1. **Documentation; establishment.** The commissioner of human services  
770.6 shall establish implementation requirements and standards for ~~an electronic service delivery~~  
770.7 ~~documentation system~~ visit verification to comply with the 21st Century Cures Act, Public  
770.8 Law 114-255. Within available appropriations, the commissioner shall take steps to comply  
770.9 with the electronic visit verification requirements in the 21st Century Cures Act, Public  
770.10 Law 114-255.

770.11 Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have  
770.12 the meanings given them.

770.13 (b) "Electronic ~~service delivery documentation~~ visit verification" means the electronic  
770.14 documentation of the:

770.15 (1) type of service performed;

770.16 (2) individual receiving the service;

770.17 (3) date of the service;

770.18 (4) location of the service delivery;

770.19 (5) individual providing the service; and

770.20 (6) time the service begins and ends.

770.21 (c) "Electronic ~~service delivery documentation~~ visit verification system" means a system  
770.22 that provides electronic ~~service delivery documentation~~ verification of services that complies  
770.23 with the 21st Century Cures Act, Public Law 114-255, and the requirements of subdivision  
770.24 3.

770.25 (d) "Service" means one of the following:

770.26 (1) personal care assistance services as defined in Minnesota Statutes, section 256B.0625,  
770.27 subdivision 19a, and provided according to Minnesota Statutes, section 256B.0659; ~~or~~

770.28 (2) community first services and supports under Minnesota Statutes, section 256B.85;

770.29 (3) home health services under Minnesota Statutes, section 256B.0625, subdivision 6a;

770.30 or

771.1 (4) other medical supplies and equipment or home and community-based services that  
 771.2 are required to be electronically verified by the 21st Century Cures Act, Public Law 114-255.

771.3 Subd. 3. **System requirements.** (a) In developing implementation requirements for ~~an~~  
 771.4 ~~electronic service delivery documentation system~~ visit verification, the commissioner shall  
 771.5 ~~consider electronic visit verification systems and other electronic service delivery~~  
 771.6 ~~documentation methods. The commissioner shall convene stakeholders that will be impacted~~  
 771.7 ~~by an electronic service delivery system, including service providers and their representatives,~~  
 771.8 ~~service recipients and their representatives, and, as appropriate, those with expertise in the~~  
 771.9 ~~development and operation of an electronic service delivery documentation system, to ensure~~  
 771.10 that the requirements:

771.11 (1) are minimally administratively and financially burdensome to a provider;

771.12 (2) are minimally burdensome to the service recipient and the least disruptive to the  
 771.13 service recipient in receiving and maintaining allowed services;

771.14 (3) consider existing best practices and use of electronic ~~service delivery documentation~~  
 771.15 visit verification;

771.16 (4) are conducted according to all state and federal laws;

771.17 (5) are effective methods for preventing fraud when balanced against the requirements  
 771.18 of clauses (1) and (2); and

771.19 (6) are consistent with the Department of Human Services' policies related to covered  
 771.20 services, flexibility of service use, and quality assurance.

771.21 (b) The commissioner shall make training available to providers on the electronic ~~service~~  
 771.22 ~~delivery documentation~~ visit verification system requirements.

771.23 (c) The commissioner shall establish baseline measurements related to preventing fraud  
 771.24 and establish measures to determine the effect of electronic ~~service delivery documentation~~  
 771.25 visit verification requirements on program integrity.

771.26 (d) The commissioner shall make a state-selected electronic visit verification system  
 771.27 available to providers of services.

771.28 Subd. 3a. **Provider requirements.** (a) Providers of services may select their own  
 771.29 electronic visit verification system that meets the requirements established by the  
 771.30 commissioner.

772.1 (b) All electronic visit verification systems used by providers to comply with the  
 772.2 requirements established by the commissioner must provide data to the commissioner in a  
 772.3 format and at a frequency to be established by the commissioner.

772.4 (c) Providers must implement the electronic visit verification systems required under  
 772.5 this section by January 1, 2019, for personal care services and by January 1, 2023, for home  
 772.6 health services in accordance with the 21st Century Cures Act, Public Law 114-255, and  
 772.7 the Centers for Medicare and Medicaid Services guidelines. For the purposes of this  
 772.8 paragraph, "personal care services" and "home health services" have the meanings given  
 772.9 in United States Code, title 42, section 1396b(1)(5).

772.10 ~~Subd. 4. **Legislative report.** (a) The commissioner shall submit a report by January 15,~~  
 772.11 ~~2018, to the chairs and ranking minority members of the legislative committees with~~  
 772.12 ~~jurisdiction over human services with recommendations, based on the requirements of~~  
 772.13 ~~subdivision 3, to establish electronic service delivery documentation system requirements~~  
 772.14 ~~and standards. The report shall identify:~~

772.15 ~~(1) the essential elements necessary to operationalize a base-level electronic service~~  
 772.16 ~~delivery documentation system to be implemented by January 1, 2019; and~~

772.17 ~~(2) enhancements to the base-level electronic service delivery documentation system to~~  
 772.18 ~~be implemented by January 1, 2019, or after, with projected operational costs and the costs~~  
 772.19 ~~and benefits for system enhancements.~~

772.20 ~~(b) The report must also identify current regulations on service providers that are either~~  
 772.21 ~~inefficient, minimally effective, or will be unnecessary with the implementation of an~~  
 772.22 ~~electronic service delivery documentation system.~~

772.23 **Sec. 43. DIRECTION TO COMMISSIONER; BI AND CADI WAIVER**  
 772.24 **CUSTOMIZED LIVING SERVICES PROVIDER LOCATED IN HENNEPIN**  
 772.25 **COUNTY.**

772.26 (a) The commissioner of human services shall allow a housing with services establishment  
 772.27 located in Minneapolis that provides customized living and 24-hour customized living  
 772.28 services for clients enrolled in the brain injury (BI) or community access for disability  
 772.29 inclusion (CADI) waiver and had a capacity to serve 66 clients as of July 1, 2017, to transfer  
 772.30 service capacity of up to 66 clients to no more than three new housing with services  
 772.31 establishments located in Hennepin County.

772.32 (b) Notwithstanding Minnesota Statutes, section 256B.492, the commissioner shall  
 772.33 determine whether the new housing with services establishments described under paragraph

773.1 (a) meet the BI and CADI waiver customized living and 24-hour customized living size  
 773.2 limitation exception for clients receiving those services at the new housing with services  
 773.3 establishments described under paragraph (a).

773.4 Sec. 44. **DIRECTION TO COMMISSIONER.**

773.5 (a) The commissioner of human services must ensure that the MnCHOICES 2.0  
 773.6 assessment and support planning tool incorporates a qualitative approach with open-ended  
 773.7 questions and a conversational, culturally sensitive approach to interviewing that captures  
 773.8 the assessor's professional judgment based on the person's responses.

773.9 (b) If the commissioner of human services convenes a working group or consults with  
 773.10 stakeholders for the purposes of modifying the assessment and support planning process or  
 773.11 tool, the commissioner must include members of the disability community, including  
 773.12 representatives of organizations and individuals involved in assessment and support planning.

773.13 Sec. 45. **DIRECTION TO COMMISSIONER; DISABILITY WAIVER RATE**  
 773.14 **SYSTEM.**

773.15 (a) Between July 1, 2018, and December 31, 2018, the commissioner of human services  
 773.16 shall continue to reimburse the Centers for Medicare and Medicaid Services for the  
 773.17 disallowed federal share of the rate increases described in Laws 2014, chapter 312, article  
 773.18 27, section 76, subdivisions 2 to 5.

773.19 (b) No later than July 1, 2018, the commissioner of human services shall submit to the  
 773.20 federal Centers for Medicare and Medicaid Services any home and community-based services  
 773.21 waivers or plan amendments necessary to implement the changes to the disability waiver  
 773.22 rate system under Minnesota Statutes, sections 256B.4913 and 256B.4914. The priorities  
 773.23 for submittal to the federal Centers for Medicare and Medicaid Services are as follows:

773.24 (1) first priority for submittal are the changes related to the establishment of the new  
 773.25 competitive workforce factor; and

773.26 (2) second priority for submittal are the changes related to the inflationary adjustments,  
 773.27 removal of the regional variance factor, and changes to the reporting requirements.

773.28 **EFFECTIVE DATE.** This section is effective July 1, 2018.

773.29 Sec. 46. **REVISOR'S INSTRUCTION.**

773.30 (a) The revisor of statutes shall codify Laws 2017, First Special Session chapter 6, article  
 773.31 3, section 49, as amended in this article, in Minnesota Statutes, chapter 256B.

774.1 (b) The revisor of statutes shall change the term "developmental disability waiver" or  
 774.2 similar terms to "developmental disabilities waiver" or similar terms wherever they appear  
 774.3 in Minnesota Statutes and Minnesota Rules. The revisor shall also make technical and other  
 774.4 necessary changes to sentence structure to preserve the meaning of the text.

774.5 Sec. 47. **REPEALER.**

774.6 Minnesota Statutes 2016, section 256B.0705, is repealed.

774.7 **EFFECTIVE DATE.** This section is effective January 1, 2019.

## 774.8 **ARTICLE 43**

### 774.9 **MISCELLANEOUS**

774.10 Section 1. Minnesota Statutes 2016, section 62V.05, subdivision 5, is amended to read:

774.11 Subd. 5. **Health carrier and health plan requirements; participation.** (a) Beginning  
 774.12 January 1, 2015, the board may establish certification requirements for health carriers and  
 774.13 health plans to be offered through MNsure that satisfy federal requirements under ~~section~~  
 774.14 ~~1311(e)(1) of the Affordable Care Act, Public Law 111-148~~ United States Code, title 42,  
 774.15 section 18031(c)(1).

774.16 (b) Paragraph (a) does not apply if by June 1, 2013, the legislature enacts regulatory  
 774.17 requirements that:

774.18 (1) apply uniformly to all health carriers and health plans in the individual market;

774.19 (2) apply uniformly to all health carriers and health plans in the small group market; and

774.20 (3) satisfy minimum federal certification requirements under ~~section 1311(e)(1) of the~~  
 774.21 ~~Affordable Care Act, Public Law 111-148~~ United States Code, title 42, section 18031(c)(1).

774.22 (c) In accordance with ~~section 1311(e) of the Affordable Care Act, Public Law 111-148~~  
 774.23 United States Code, title 42, section 18031(e), the board shall establish policies and  
 774.24 procedures for certification and selection of health plans to be offered as qualified health  
 774.25 plans through MNsure. The board shall certify and select a health plan as a qualified health  
 774.26 plan to be offered through MNsure, if:

774.27 (1) the health plan meets the minimum certification requirements established in paragraph  
 774.28 (a) or the market regulatory requirements in paragraph (b);

774.29 (2) the board determines that making the health plan available through MNsure is in the  
 774.30 interest of qualified individuals and qualified employers;

775.1 (3) the health carrier applying to offer the health plan through MNsure also applies to  
 775.2 offer health plans at each actuarial value level and service area that the health carrier currently  
 775.3 offers in the individual and small group markets; and

775.4 (4) the health carrier does not apply to offer health plans in the individual and small  
 775.5 group markets through MNsure under a separate license of a parent organization or holding  
 775.6 company under section 60D.15, that is different from what the health carrier offers in the  
 775.7 individual and small group markets outside MNsure.

775.8 (d) In determining the interests of qualified individuals and employers under paragraph  
 775.9 (c), clause (2), the board may not exclude a health plan for any reason specified under ~~section~~  
 775.10 ~~1311(e)(1)(B) of the Affordable Care Act, Public Law 111-148~~ United States Code, title  
 775.11 42, section 18031(e)(1)(B). ~~The board may consider:~~

775.12 ~~(1) affordability;~~

775.13 ~~(2) quality and value of health plans;~~

775.14 ~~(3) promotion of prevention and wellness;~~

775.15 ~~(4) promotion of initiatives to reduce health disparities;~~

775.16 ~~(5) market stability and adverse selection;~~

775.17 ~~(6) meaningful choices and access;~~

775.18 ~~(7) alignment and coordination with state agency and private sector purchasing strategies~~  
 775.19 ~~and payment reform efforts; and~~

775.20 ~~(8) other criteria that the board determines appropriate.~~

775.21 (e) A health plan that meets the minimum certification requirements under paragraph  
 775.22 (c) and United States Code, title 42, section 18031(c)(1), and any regulations and guidance  
 775.23 issued under that section, is deemed to be in the interest of qualified individuals and qualified  
 775.24 employers. The board shall not establish certification requirements for health carriers and  
 775.25 health plans for participation in MNsure that are in addition to the certification requirements  
 775.26 under paragraph (c) and United States Code, title 42, section 18031(c)(1), and any regulations  
 775.27 and guidance issued under that section. The board shall not determine the cost of, cost-sharing  
 775.28 elements of, or benefits provided in health plans sold through MNsure.

775.29 ~~(e)~~ (f) For qualified health plans offered through MNsure on or after January 1, 2015,  
 775.30 the board shall establish policies and procedures under paragraphs (c) and (d) for selection  
 775.31 of health plans to be offered as qualified health plans through MNsure by February 1 of  
 775.32 each year, beginning February 1, 2014. The board shall consistently and uniformly apply

776.1 all policies and procedures and any requirements, standards, or criteria to all health carriers  
776.2 and health plans. For any policies, procedures, requirements, standards, or criteria that are  
776.3 defined as rules under section 14.02, subdivision 4, the board may use the process described  
776.4 in subdivision 9.

776.5 ~~(f) For 2014, the board shall not have the power to select health carriers and health plans~~  
776.6 ~~for participation in MNsure. The board shall permit all health plans that meet the certification~~  
776.7 ~~requirements under section 1311(e)(1) of the Affordable Care Act, Public Law 111-148, to~~  
776.8 ~~be offered through MNsure.~~

776.9 (g) Under this subdivision, the board shall have the power to verify that health carriers  
776.10 and health plans are properly certified to be eligible for participation in MNsure.

776.11 (h) The board has the authority to decertify health carriers and health plans that fail to  
776.12 maintain compliance with ~~section 1311(e)(1) of the Affordable Care Act, Public Law 111-148~~  
776.13 United States Code, title 42, section 18031(c)(1).

776.14 (i) For qualified health plans offered through MNsure beginning January 1, 2015, health  
776.15 carriers must use the most current addendum for Indian health care providers approved by  
776.16 the Centers for Medicare and Medicaid Services and the tribes as part of their contracts with  
776.17 Indian health care providers. MNsure shall comply with all future changes in federal law  
776.18 with regard to health coverage for the tribes.

776.19 Sec. 2. Minnesota Statutes 2016, section 62V.05, subdivision 10, is amended to read:

776.20 Subd. 10. **Limitations; risk-bearing.** (a) The board shall not bear insurance risk or enter  
776.21 into any agreement with health care providers to pay claims.

776.22 (b) Nothing in this subdivision shall prevent MNsure from providing insurance for its  
776.23 employees.

776.24 (c) The commissioner of human services shall not bear insurance risk or enter into any  
776.25 agreement with providers to pay claims for any health coverage administered by the  
776.26 commissioner that is made available for purchase through the MNsure Web site as an  
776.27 alternative to purchasing a qualifying health plan through MNsure or an individual health  
776.28 plan offered outside of MNsure.

776.29 (d) Nothing in this subdivision shall prohibit:

776.30 (1) the commissioner of human services from administering the medical assistance  
776.31 program under chapter 256B and the MinnesotaCare program under chapter 256L, as long

777.1 as health coverage under these programs is not purchased by the individual through the  
 777.2 MNsure Web site; and

777.3 (2) employees of the Department of Human Services from obtaining insurance from the  
 777.4 state employee group insurance program.

777.5 **EFFECTIVE DATE.** This section is effective July 1, 2018.

777.6 Sec. 3. Minnesota Statutes 2016, section 243.166, subdivision 4b, is amended to read:

777.7 Subd. 4b. **Health care facility; notice of status.** (a) For the purposes of this subdivision:

777.8 (1) "health care facility" means a facility:

777.9 ~~(1)~~ (i) licensed by the commissioner of health as a hospital, boarding care home or  
 777.10 supervised living facility under sections 144.50 to 144.58, or a nursing home under chapter  
 777.11 144A;

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

777.14 ~~(3)~~ (iii) licensed by the commissioner of human services as a residential facility under  
 777.15 chapter 245A to provide adult foster care, adult mental health treatment, chemical dependency  
 777.16 treatment to adults, or residential services to persons with disabilities; and

777.17 (2) "home care provider" has the meaning given in section 144A.43.

777.18 (b) Prior to admission to a health care facility or home care services from a home care  
 777.19 provider, a person required to register under this section shall disclose to:

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

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

777.25 (c) A law enforcement authority or corrections agent who receives notice under paragraph  
 777.26 (b) or who knows that a person required to register under this section is planning to be  
 777.27 admitted and receive, or has been admitted and is receiving health care at a health care  
 777.28 facility or home care services from a home care provider, shall notify the administrator of  
 777.29 the facility or the home care provider and deliver a fact sheet to the administrator or provider  
 777.30 containing the following information: (1) name and physical description of the offender;  
 777.31 (2) the offender's conviction history, including the dates of conviction; (3) the risk level



779.1	<u>Health Care Access</u>		
779.2	<u>Fund</u>	<u>7,620,000</u>	<u>9,258,000</u>
779.3	<u>Federal TANF</u>	<u>(6,500,000)</u>	<u>5,914,000</u>
779.4	<u>Subd. 2. Forecasted Programs</u>		
779.5	<u>(a) MFIP/DWP</u>		
779.6	<u>Appropriations by Fund</u>		
779.7	<u>General Fund</u>	<u>(3,749,000)</u>	<u>(11,267,000)</u>
779.8	<u>Federal TANF</u>	<u>(7,418,000)</u>	<u>4,565,000</u>
779.9	<u>(b) MFIP Child Care Assistance</u>		<u>(7,995,000)</u> <u>(521,000)</u>
779.10	<u>(c) General Assistance</u>		<u>(4,850,000)</u> <u>(3,770,000)</u>
779.11	<u>(d) Minnesota Supplemental Aid</u>		<u>(1,179,000)</u> <u>(821,000)</u>
779.12	<u>(e) Housing Support</u>		<u>(3,260,000)</u> <u>(3,038,000)</u>
779.13	<u>(f) Northstar Care for Children</u>		<u>(5,168,000)</u> <u>(6,458,000)</u>
779.14	<u>(g) MinnesotaCare</u>		<u>7,620,000</u> <u>9,258,000</u>
779.15	<u>These appropriations are from the health care</u>		
779.16	<u>access fund.</u>		
779.17	<u>(h) Medical Assistance</u>		
779.18	<u>Appropriations by Fund</u>		
779.19	<u>General Fund</u>	<u>(199,817,000)</u>	<u>(106,124,000)</u>
779.20	<u>Health Care Access</u>		
779.21	<u>Fund</u>	<u>-0-</u>	<u>-0-</u>
779.22	<u>The health care access fund base for medical</u>		
779.23	<u>assistance is \$358,943,000 in fiscal year 2020</u>		
779.24	<u>and \$399,929,000 in fiscal year 2021.</u>		
779.25	<u>(i) Alternative Care Program</u>		<u>-0-</u> <u>-0-</u>
779.26	<u>(j) CCDTF Entitlements</u>		<u>15,935,000</u> <u>28,464,000</u>
779.27	<u>Subd. 3. Technical Activities</u>		<u>918,000</u> <u>1,349,000</u>
779.28	<u>These appropriations are from the federal</u>		
779.29	<u>TANF fund.</u>		
779.30	<u><b>EFFECTIVE DATE.</b> This section is effective June 1, 2018.</u>		

780.1 **ARTICLE 45**780.2 **HEALTH AND HUMAN SERVICES APPROPRIATIONS**780.3 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

780.4 The sums shown in the columns marked "Appropriations" are added to or, if shown in  
 780.5 parentheses, subtracted from the appropriations in Laws 2017, First Special Session chapter  
 780.6 6, article 18, to the agencies and for the purposes specified in this article. The appropriations  
 780.7 are from the general fund, or another named fund, and are available for the fiscal years  
 780.8 indicated for each purpose. The figures "2018" and "2019" used in this article mean that  
 780.9 the addition to or subtraction from appropriations listed under them are available for the  
 780.10 fiscal year ending June 30, 2018, or June 30, 2019, respectively. Base level adjustments  
 780.11 mean the addition or subtraction from the base level adjustments in Laws 2017, First Special  
 780.12 Session chapter 6, article 18. "The first year" is fiscal year 2018. "The second year" is fiscal  
 780.13 year 2019. "The biennium" is fiscal years 2018 and 2019. Supplemental appropriations and  
 780.14 reductions to appropriations for the fiscal year ending June 30, 2018, are effective June 1,  
 780.15 2018, unless a different effective date is specified.

780.16 **APPROPRIATIONS**780.17 **Available for the Year**780.18 **Ending June 30**

780.19	<b><u>2018</u></b>	<b><u>2019</u></b>
--------	--------------------	--------------------

780.20 **Sec. 2. COMMISSIONER OF HUMAN**  
 780.21 **SERVICES**

780.22 <b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$</u></b>	<b><u>31,401,000</u></b>
---	------------------	-------------------	------------------	--------------------------

780.23 The amounts that may be spent for each  
 780.24 purpose are specified in the following  
 780.25 subdivisions.

780.26 <b><u>Subd. 2. Central Office; Operations</u></b>	<b><u>-0-</u></b>	<b><u>6,549,000</u></b>
--	-------------------	-------------------------

780.27 **(a) Advisory Council on Rare Diseases.**

780.28 \$150,000 in fiscal year 2019 is for transfer to  
 780.29 the Board of Regents of the University of  
 780.30 Minnesota for the advisory council on rare

781.1 diseases under Minnesota Statutes, section  
781.2 137.68.

781.3 **(b) Study and Report on Health Insurance**  
781.4 **Rate Disparities between Geographic**  
781.5 **Rating Areas. \$251,000 in fiscal year 2019**  
781.6 is for transfer to the Legislative Coordinating  
781.7 Commission for the Office of the Legislative  
781.8 Auditor to study and report on disparities  
781.9 between geographic rating areas in individual  
781.10 and small group market health insurance rates.  
781.11 This is a onetime appropriation and a onetime  
781.12 transfer.

781.13 **(c) Substance Abuse Recovery Services**  
781.14 **Provided through Minnesota Recovery**  
781.15 **Corps. \$309,000 in fiscal year 2019 is for**  
781.16 transfer to ServeMinnesota under Minnesota  
781.17 Statutes, section 124D.37, to provide  
781.18 evidenced-based substance abuse recovery  
781.19 services through Minnesota Recovery Corps.  
781.20 Funds shall be used to support training,  
781.21 supervision, and deployment of AmeriCorps  
781.22 members to serve as recovery navigators. The  
781.23 Minnesota Commission on National and  
781.24 Community Service shall include in the  
781.25 commission's report to the legislature under  
781.26 Minnesota Statutes, section 124D.385,  
781.27 subdivision 3, an evaluation of program data  
781.28 to determine the efficacy of the services in  
781.29 promoting sustained substance abuse recovery,  
781.30 including but not limited to stable housing,  
781.31 relationship-building, employment skills, or  
781.32 a year of AmeriCorps service. This is a  
781.33 onetime appropriation and a onetime transfer.

781.34 **(d) Base Level Adjustment. The general fund**  
781.35 **base is increased by \$6,993,000 in fiscal year**

782.1	<u>2020 and increased by \$6,936,000 in fiscal</u>		
782.2	<u>year 2021.</u>		
782.3	<b><u>Subd. 3. Central Office; Children and Families</u></b>	<u>-0-</u>	<u>84,000</u>
782.4	<b><u>Task Force on Childhood</u></b>		
782.5	<b><u>Trauma-Informed Policy and Practices.</u></b>		
782.6	<u>\$84,000 in fiscal year 2019 is for the task force</u>		
782.7	<u>on childhood trauma-informed policy and</u>		
782.8	<u>practices. This is a onetime appropriation.</u>		
782.9	<b><u>Subd. 4. Central Office; Health Care</u></b>	<u>-0-</u>	<u>1,058,000</u>
782.10	<b><u>Base Level Adjustment.</u></b> The general fund		
782.11	<u>base is increased by \$1,574,000 in fiscal year</u>		
782.12	<u>2020 and increased by \$1,580,000 in fiscal</u>		
782.13	<u>year 2021.</u>		
782.14	<b><u>Subd. 5. Central Office; Continuing Care for</u></b>		
782.15	<b><u>Older Adults</u></b>	<u>-0-</u>	<u>2,353,000</u>
782.16	<b><u>(a) Regional Ombudsmen.</u></b> \$1,283,000 in		
782.17	<u>fiscal year 2019 is for nine additional regional</u>		
782.18	<u>ombudsmen and one policy lead in the Office</u>		
782.19	<u>of Ombudsman for Long-Term Care, to</u>		
782.20	<u>perform the duties in Minnesota Statutes,</u>		
782.21	<u>section 256.9742. The base for this</u>		
782.22	<u>appropriation is \$1,459,000 in fiscal year 2020</u>		
782.23	<u>and \$1,459,000 in fiscal year 2021.</u>		
782.24	<b><u>(b) Base Level Adjustment.</u></b> The general fund		
782.25	<u>base is increased by \$2,149,000 in fiscal year</u>		
782.26	<u>2020 and increased by \$2,149,000 in fiscal</u>		
782.27	<u>year 2021.</u>		
782.28	<b><u>Subd. 6. Central Office; Community Supports</u></b>	<u>-0-</u>	<u>4,072,000</u>
782.29	<b><u>Base Level Adjustment.</u></b> The general fund		
782.30	<u>base is increased by \$4,012,000 in fiscal year</u>		
782.31	<u>2020 and increased by \$4,012,000 in fiscal</u>		
782.32	<u>year 2021.</u>		
782.33	<b><u>Subd. 7. Forecasted Programs; Medical</u></b>		
782.34	<b><u>Assistance</u></b>	<u>-0-</u>	<u>27,338,000</u>

783.1	<u>Subd. 8. Forecasted Programs; Alternative Care</u>	<u>-0-</u>	<u>(28,000)</u>
783.2	<u>Subd. 9. Forecasted Programs; Chemical</u>		
783.3	<u>Dependency Treatment Fund</u>	<u>-0-</u>	<u>(12,153,000)</u>
783.4	<u>Subd. 10. Grant Programs; Children's Services</u>		
783.5	<u>Grants</u>	<u>-0-</u>	<u>365,000</u>
783.6	<u>American Indian Child Welfare Initiative.</u>		
783.7	<u>\$365,000 in fiscal year 2019 is for planning</u>		
783.8	<u>efforts to expand the American Indian Child</u>		
783.9	<u>Welfare Initiative authorized under Minnesota</u>		
783.10	<u>Statutes, section 256.01, subdivision 14b. Of</u>		
783.11	<u>this appropriation, \$240,000 is for a grant to</u>		
783.12	<u>the Mille Lacs Band of Ojibwe and \$125,000</u>		
783.13	<u>is for a grant to the Red Lake Nation. This is</u>		
783.14	<u>a onetime appropriation.</u>		
783.15	<u>Subd. 11. Grant Programs; Child and Economic</u>		
783.16	<u>Support Grants</u>	<u>-0-</u>	<u>517,000</u>
783.17	<u>(a) Community Action Grants. \$200,000 in</u>		
783.18	<u>fiscal year 2019 is for community action grants</u>		
783.19	<u>under Minnesota Statutes, sections 256E.30</u>		
783.20	<u>to 256E.32. The base for this appropriation is</u>		
783.21	<u>\$150,000 in fiscal year 2020 and \$150,000 in</u>		
783.22	<u>fiscal year 2021.</u>		
783.23	<u>(b) Mobile food shelf grants. (1) \$117,000</u>		
783.24	<u>in fiscal year 2019 is for mobile food shelf</u>		
783.25	<u>grants under Minnesota Statutes, section</u>		
783.26	<u>256E.34. The base for this appropriation is</u>		
783.27	<u>\$115,000 in fiscal year 2020 and \$115,000 in</u>		
783.28	<u>fiscal year 2021.</u>		
783.29	<u>(c) Project Legacy. \$200,000 in fiscal year</u>		
783.30	<u>2019 is for a grant to Project Legacy to</u>		
783.31	<u>provide counseling and outreach to youth and</u>		
783.32	<u>young adults from families with a history of</u>		
783.33	<u>generational poverty. This appropriation must</u>		
783.34	<u>be used for mental health care, medical care,</u>		
783.35	<u>chemical dependency interventions, housing,</u>		

784.1 and mentoring and counseling services for  
 784.2 first generation college students. This is a  
 784.3 onetime appropriation.

784.4 (d) **Base Level Adjustment.** The general fund  
 784.5 base is increased by \$265,000 in fiscal year  
 784.6 2020 and increased by \$265,000 in fiscal year  
 784.7 2021.

784.8 Subd. 12. **Grant Programs; Aging and Adult**  
 784.9 **Services Grants**

-0-

-0-

784.10 **Live Well At Home Grants.** Of the fiscal  
 784.11 year 2019 general fund appropriation in Laws  
 784.12 2017, First Special Session chapter 6, article  
 784.13 18, section 2, subdivision 27: (1) \$50,000 shall  
 784.14 be used to provide a live well at home grant  
 784.15 under Minnesota Statutes, section 256B.0917,  
 784.16 to an organization that provides block nurse  
 784.17 services to the elderly in the city of McGregor;  
 784.18 and (2) \$120,000 shall be used to provide a  
 784.19 live well at home grant under Minnesota  
 784.20 Statutes, section 256B.0917, to an organization  
 784.21 that provides block nurse services to the  
 784.22 elderly in the city of Grove City.

784.23 Subd. 13. **Grant Programs; Chemical**  
 784.24 **Dependency Treatment Support Grants**

-0-

1,246,000

784.25 (a) **Student Health Initiative to Limit Opioid**  
 784.26 **Harm.** \$195,000 in fiscal year 2019 is for the  
 784.27 student health initiative to limit opioid harm.  
 784.28 This is a onetime appropriation.

784.29 (b) **Opioid Epidemic Response Grants.**  
 784.30 \$1,051,000 is for opioid epidemic response  
 784.31 grants under Minnesota Statutes, section  
 784.32 256.043. The base for this appropriation is  
 784.33 \$1,000,000 in fiscal year 2020 and \$1,000,000  
 784.34 in fiscal year 2021. The commissioner shall  
 784.35 transfer \$1,051,000 in fiscal year 2019 from



786.1 **(c) The TAP Program.** Notwithstanding  
786.2 Minnesota Statutes, section 16B.97, \$10,000  
786.3 in fiscal year 2019 is for a grant to the TAP  
786.4 in St. Paul to support mental health in  
786.5 disability communities through spoken art  
786.6 forms, community supports, and community  
786.7 engagement. This is a onetime appropriation  
786.8 and none of it may be used for administration.

786.9 **(d) Opioid Overdose Reduction Pilot**  
786.10 **Program.** \$1,000,000 in fiscal year 2019 is  
786.11 for the opioid overdose reduction pilot  
786.12 program. This is a onetime appropriation and  
786.13 is available until June 30, 2021. None of this  
786.14 appropriation may be used for administration.

786.15 **(e) Reduction of Statewide Health**  
786.16 **Improvement Program Appropriation.** The  
786.17 appropriation in Laws 2017, First Special  
786.18 Session chapter 6, article 18, section 3,  
786.19 subdivision 2, from the health care access fund  
786.20 for the statewide health improvement program  
786.21 under Minnesota Statutes, section 145.986, is  
786.22 reduced by \$291,000 in fiscal year 2019. The  
786.23 base for this reduction is \$1,550,000 in fiscal  
786.24 year 2020, and \$2,955,000 in fiscal year 2021.

786.25 **(f) Statewide Tobacco Cessation Services.**  
786.26 \$291,000 in fiscal year 2019 is appropriated  
786.27 from the health care access fund for statewide  
786.28 tobacco cessation services under Minnesota  
786.29 Statutes, section 144.397. The base for this  
786.30 appropriation is \$1,550,000 in fiscal year  
786.31 2020, and \$2,955,000 in fiscal year 2021.

786.32 **(g) Additional Funding for Opioid**  
786.33 **Prevention Pilot Projects.** \$2,000,000 in  
786.34 fiscal year 2019 is for opioid abuse prevention  
786.35 pilot projects under Laws 2017, First Special

787.1 Session chapter 6, article 10, section 144. Of  
 787.2 this amount, \$1,400,000 is for the opioid abuse  
 787.3 prevention pilot project through CHI St.  
 787.4 Gabriel's Health Family Medical Center, also  
 787.5 known as Unity Family Health Care. \$600,000  
 787.6 is for Project Echo through CHI St. Gabriel's  
 787.7 Health Family Medical Center for e-learning  
 787.8 sessions centered around opioid case  
 787.9 management and best practices for opioid  
 787.10 abuse prevention. This is a onetime  
 787.11 appropriation and none of it may be used for  
 787.12 administration.

787.13 **(h) Suicide Prevention Grants.** \$969,000 in  
 787.14 fiscal year 2019 is for suicide prevention  
 787.15 grants under Minnesota Statutes, section  
 787.16 145.56, subdivision 2, clause (7). This is a  
 787.17 onetime appropriation.

787.18 **(i) Base Level Adjustments.** The general fund  
 787.19 base is increased by \$500,000 in fiscal year  
 787.20 2020 and increased by \$500,000 in fiscal year  
 787.21 2021.

787.22 Subd. 3. **Health Protection**

787.23	<u>Appropriations by Fund</u>		
787.24	<u>General</u>	<u>-0-</u>	<u>2,490,000</u>
787.25	<u>State Government</u>		
787.26	<u>Special Revenue</u>	<u>-0-</u>	<u>25,000</u>

787.27 **(a) Regulation of Low-Dose X-Ray Security**  
 787.28 **Screening Systems.** \$29,000 in fiscal year  
 787.29 2019 is from the state government special  
 787.30 revenue fund for rulemaking under Minnesota  
 787.31 Statutes, section 144.121. The base for this  
 787.32 appropriation is \$21,000 in fiscal year 2020  
 787.33 and \$21,000 in fiscal year 2021.

787.34 **(b) Assisted Living Report Card Working**  
 787.35 **Group.** \$27,000 in fiscal year 2019 is from

788.1 the general fund for the assisted living report  
 788.2 card working group. This is a onetime  
 788.3 appropriation.

788.4 **(c) Assisted Living Licensure and Dementia**  
 788.5 **Care Task Force. \$60,000 in fiscal year 2019**  
 788.6 is from the general fund for the Assisted  
 788.7 Living Licensure and Dementia Care Task  
 788.8 Force. This is a onetime appropriation.

788.9 **(d) Safety and Quality Improvement**  
 788.10 **Practices Report. \$33,000 in fiscal year 2019**  
 788.11 is from the general fund for the safety and  
 788.12 quality improvement practices report.

788.13 **(e) Technology Upgrades. \$1,755,000 in**  
 788.14 fiscal year 2019 is from the general fund for  
 788.15 Web site improvements and data analytics at  
 788.16 the Office of Health Facility Complaints. The  
 788.17 general fund base for this appropriation is  
 788.18 \$971,000 in fiscal year 2020 and \$853,000 in  
 788.19 fiscal year 2021.

788.20 **(f) Base Level Adjustment. The general fund**  
 788.21 base is increased by \$1,420,000 in fiscal year  
 788.22 2020 and increased by \$1,289,000 in fiscal  
 788.23 year 2021. The state government special  
 788.24 revenue fund base is increased by \$17,000 in  
 788.25 fiscal year 2020 and increased by \$17,000 in  
 788.26 fiscal year 2021.

788.27 Sec. 4. **HEALTH-RELATED BOARDS**

788.28 **Subdivision 1. Total Appropriation**                    **\$**                    **-0-** **\$**                    **368,000**

788.29 This appropriation is from the state  
 788.30 government special revenue fund. The  
 788.31 amounts that may be spent for each purpose  
 788.32 are specified in the following subdivisions.

789.1	<u>Subd. 2. Board of Dentistry</u>	<u>-0-</u>	<u>13,000</u>
789.2	<u>Base Adjustments. The state government</u>		
789.3	<u>special revenue fund base is increased by</u>		
789.4	<u>\$5,000 in fiscal year 2020 and increased by</u>		
789.5	<u>\$5,000 in fiscal year 2021.</u>		
789.6	<u>Subd. 3. Board of Nursing</u>	<u>-0-</u>	<u>5,000</u>
789.7	<u>This is a onetime appropriation.</u>		
789.8	<u>Subd. 4. Board of Optometry</u>	<u>-0-</u>	<u>5,000</u>
789.9	<u>This is a onetime appropriation.</u>		
789.10	<u>Subd. 5. Board of Pharmacy</u>	<u>-0-</u>	<u>340,000</u>
789.11	<u>(a) Prescription Monitoring Program.</u>		
789.12	<u>\$284,000 is for migration to a new information</u>		
789.13	<u>technology platform for the prescription</u>		
789.14	<u>monitoring program and \$42,000 is for</u>		
789.15	<u>administration of the prescription monitoring</u>		
789.16	<u>program.</u>		
789.17	<u>(b) Drug Repository. \$14,000 in fiscal year</u>		
789.18	<u>2019 is for the repository program in</u>		
789.19	<u>Minnesota Statutes, section 151.555.</u>		
789.20	<u>Notwithstanding section 10, the base for this</u>		
789.21	<u>appropriation is \$12,000 in fiscal year 2020,</u>		
789.22	<u>\$12,000 in fiscal year 2021, \$12,000 in fiscal</u>		
789.23	<u>year 2022, and \$0 in fiscal year 2023.</u>		
789.24	<u>(c) Base Adjustments. The state government</u>		
789.25	<u>special revenue fund base is increased by</u>		
789.26	<u>\$338,000 in fiscal year 2020 and increased by</u>		
789.27	<u>\$338,000 in fiscal year 2021.</u>		
789.28	<u>Subd. 6. Board of Podiatric Medicine</u>	<u>-0-</u>	<u>5,000</u>
789.29	<u>This is a onetime appropriation.</u>		
789.30	<u>Sec. 5. LEGISLATIVE COORDINATING</u>		
789.31	<u>COMMISSION.</u>	<u>\$</u>	<u>-0- \$</u>
			<u>137,000</u>

790.1 (a) Health Policy Commission. \$137,000 in  
 790.2 fiscal year 2019 is for administration of the  
 790.3 Health Policy Commission under Minnesota  
 790.4 Statutes, section 62J.90. The base for this  
 790.5 appropriation is \$405,000 in fiscal year 2020  
 790.6 and \$410,000 in fiscal year 2021.

790.7 (b) Base Level Adjustment. The general fund  
 790.8 base is increased by \$405,000 in fiscal year  
 790.9 2020 and increased by \$410,000 in fiscal year  
 790.10 2021.

790.11 Sec. 6. Laws 2017, First Special Session chapter 6, article 18, section 3, subdivision 2, is  
 790.12 amended to read:

790.13 **Subd. 2. Health Improvement**

790.14	Appropriations by Fund		
790.15	General	81,438,000	78,100,000
790.16	State Government		
790.17	Special Revenue	6,215,000	6,182,000
790.18	Health Care Access	36,643,000	36,258,000
790.19	Federal TANF	11,713,000	11,713,000

790.20 **(a) TANF Appropriations.** (1) \$3,579,000  
 790.21 of the TANF fund each year is for home  
 790.22 visiting and nutritional services listed under  
 790.23 Minnesota Statutes, section 145.882,  
 790.24 subdivision 7, clauses (6) and (7). Funds must  
 790.25 be distributed to community health boards  
 790.26 according to Minnesota Statutes, section  
 790.27 145A.131, subdivision 1.

790.28 (2) \$2,000,000 of the TANF fund each year  
 790.29 is for decreasing racial and ethnic disparities  
 790.30 in infant mortality rates under Minnesota  
 790.31 Statutes, section 145.928, subdivision 7.

790.32 (3) \$4,978,000 of the TANF fund each year  
 790.33 is for the family home visiting grant program  
 790.34 according to Minnesota Statutes, section

791.1 145A.17. \$4,000,000 of the funding must be  
791.2 distributed to community health boards  
791.3 according to Minnesota Statutes, section  
791.4 145A.131, subdivision 1. \$978,000 of the  
791.5 funding must be distributed to tribal  
791.6 governments according to Minnesota Statutes,  
791.7 section 145A.14, subdivision 2a.

791.8 (4) \$1,156,000 of the TANF fund each year  
791.9 is for family planning grants under Minnesota  
791.10 Statutes, section 145.925.

791.11 (5) The commissioner may use up to 6.23  
791.12 percent of the funds appropriated each year to  
791.13 conduct the ongoing evaluations required  
791.14 under Minnesota Statutes, section 145A.17,  
791.15 subdivision 7, and training and technical  
791.16 assistance as required under Minnesota  
791.17 Statutes, section 145A.17, subdivisions 4 and  
791.18 5.

791.19 (b) **TANF Carryforward.** Any unexpended  
791.20 balance of the TANF appropriation in the first  
791.21 year of the biennium does not cancel but is  
791.22 available for the second year.

791.23 (c) ~~Evidence-Based Home Visiting to~~  
791.24 Pregnant Women and Families with Young  
791.25 Children. \$6,000,000 in fiscal year 2018 and  
791.26 \$6,000,000 in fiscal year 2019 are from the  
791.27 general fund to start up or expand  
791.28 ~~evidence-based home visiting programs to~~  
791.29 pregnant women and families with young  
791.30 children. The commissioner shall award grants  
791.31 to community health boards, nonprofits, or  
791.32 tribal nations in urban and rural areas of the  
791.33 state. Grant funds must be used to start up or  
791.34 expand evidence-based or culturally or  
791.35 ethnically targeted home visiting programs in

792.1 the county, reservation, or region to serve  
792.2 families, such as parents with high risk or high  
792.3 needs, parents with a history of mental illness,  
792.4 domestic abuse, or substance abuse, or  
792.5 first-time mothers prenatally until the child is  
792.6 four years of age, who are eligible for medical  
792.7 assistance under Minnesota Statutes, chapter  
792.8 256B, or the federal Special Supplemental  
792.9 Nutrition Program for Women, Infants, and  
792.10 Children. For fiscal year 2019, the  
792.11 commissioner shall allocate at least 75 percent  
792.12 of the grant funds not yet awarded to  
792.13 evidence-based home visiting programs and  
792.14 up to 25 percent of the grant funds not yet  
792.15 awarded to other culturally or ethnically  
792.16 targeted home visiting programs in order to  
792.17 promote innovation and serve high-need  
792.18 families. Beginning in fiscal year 2020, the  
792.19 commissioner shall allocate at least 75 percent  
792.20 of the grant funds to evidence-based home  
792.21 visiting programs and up to 25 percent of the  
792.22 grant funds to culturally or ethnically targeted  
792.23 home visiting programs. Priority for grants to  
792.24 rural areas shall be given to community health  
792.25 boards, nonprofits, and tribal nations that  
792.26 expand services within regional partnerships  
792.27 that provide the ~~evidence-based~~ home visiting  
792.28 programs. This funding shall only be used to  
792.29 supplement, not to replace, funds being used  
792.30 for evidence-based or culturally or ethnically  
792.31 targeted home visiting services as of June 30,  
792.32 2017. Up to seven percent of the appropriation  
792.33 may be used for training, technical assistance,  
792.34 evaluation, and other costs to administer the  
792.35 grants. The general fund base for this program  
792.36 is \$16,500,000 in fiscal year 2020 and

793.1 \$16,500,000 in fiscal year 2021.  
793.2 Notwithstanding section 18, this paragraph  
793.3 does not expire.

793.4 **(d) Safe Harbor for Sexually Exploited**  
793.5 **Youth Services.** \$250,000 in fiscal year 2018  
793.6 and \$250,000 in fiscal year 2019 are from the  
793.7 general fund for trauma-informed, culturally  
793.8 specific services for sexually exploited youth.  
793.9 Youth 24 years of age or younger are eligible  
793.10 for services under this paragraph.

793.11 **(e) Safe Harbor Program Technical**  
793.12 **Assistance and Evaluation.** \$200,000 in  
793.13 fiscal year 2018 and \$200,000 in fiscal year  
793.14 2019 are from the general fund for training,  
793.15 technical assistance, protocol implementation,  
793.16 and evaluation activities related to the safe  
793.17 harbor program. Of these amounts:

793.18 (1) \$90,000 each fiscal year is for providing  
793.19 training and technical assistance to individuals  
793.20 and organizations that provide safe harbor  
793.21 services and receive funds for that purpose  
793.22 from the commissioner of human services or  
793.23 commissioner of health;

793.24 (2) \$90,000 each fiscal year is for protocol  
793.25 implementation, which includes providing  
793.26 technical assistance in establishing best  
793.27 practices-based systems for effectively  
793.28 identifying, interacting with, and referring  
793.29 sexually exploited youth to appropriate  
793.30 resources; and

793.31 (3) \$20,000 each fiscal year is for program  
793.32 evaluation activities in compliance with  
793.33 Minnesota Statutes, section 145.4718.

794.1 **(f) Promoting Safe Harbor Capacity.** In  
794.2 funding services and activities under  
794.3 paragraphs (d) and (e), the commissioner shall  
794.4 emphasize activities that promote  
794.5 capacity-building and development of  
794.6 resources in greater Minnesota.

794.7 **(g) Administration of Safe Harbor**  
794.8 **Program.** \$60,000 in fiscal year 2018 and  
794.9 \$60,000 in fiscal year 2019 are for  
794.10 administration of the safe harbor for sexually  
794.11 exploited youth program.

794.12 **(h) Palliative Care Advisory Council.**  
794.13 \$44,000 in fiscal year 2018 and \$44,000 in  
794.14 fiscal year 2019 are from the general fund for  
794.15 the Palliative Care Advisory Council under  
794.16 Minnesota Statutes, section 144.059. This is  
794.17 a onetime appropriation.

794.18 **(i) Transfer; Minnesota Biomedicine and**  
794.19 **Bioethics Innovation Grants.** \$2,500,000 in  
794.20 fiscal year 2018 is from the general fund for  
794.21 transfer to the Board of Regents of the  
794.22 University of Minnesota for Minnesota  
794.23 biomedicine and bioethics innovation grants  
794.24 under Minnesota Statutes, section 137.67. The  
794.25 full amount of the appropriation is for grants,  
794.26 and the University of Minnesota shall not use  
794.27 any portion for administrative or monitoring  
794.28 expenses. The steering committee of the  
794.29 University of Minnesota and Mayo Foundation  
794.30 partnership must submit a preliminary report  
794.31 by April 1, 2018, and a final report by April  
794.32 1, 2019, on all grant activities funded under  
794.33 Minnesota Statutes, section 137.67, to the  
794.34 chairs and ranking minority members of the  
794.35 legislative committees with jurisdiction over

795.1 health and human services finance. This is a  
795.2 onetime appropriation and is available until  
795.3 June 30, 2021.

795.4 **(j) Statewide Strategic Plan for Victims of**  
795.5 **Sex Trafficking.** \$73,000 in fiscal year 2018  
795.6 is from the general fund for the development  
795.7 of a comprehensive statewide strategic plan  
795.8 and report to address the needs of sex  
795.9 trafficking victims statewide. This is a onetime  
795.10 appropriation.

795.11 **(k) Home and Community-Based Services**  
795.12 **Employee Scholarship Program.** \$500,000  
795.13 in fiscal year 2018 and \$500,000 in fiscal year  
795.14 2019 are from the general fund for the home  
795.15 and community-based services employee  
795.16 scholarship program under Minnesota Statutes,  
795.17 section 144.1503.

795.18 **(l) Comprehensive Advanced Life Support**  
795.19 **Educational Program.** \$100,000 in fiscal  
795.20 year 2018 and \$100,000 in fiscal year 2019  
795.21 are from the general fund for the  
795.22 comprehensive advanced life support  
795.23 educational program under Minnesota Statutes,  
795.24 section 144.6062. This is a onetime  
795.25 appropriation.

795.26 **(m) Opioid Abuse Prevention.** \$1,028,000  
795.27 in fiscal year 2018 is to establish and evaluate  
795.28 accountable community for health opioid  
795.29 abuse prevention pilot projects. \$28,000 of  
795.30 this amount is for administration. This is a  
795.31 onetime appropriation and is available until  
795.32 June 30, 2021.

795.33 **(n) Advanced Care Planning.** \$250,000 in  
795.34 fiscal year 2018 and \$250,000 in fiscal year

796.1 2019 are from the general fund for a grant to  
796.2 a statewide advanced care planning resource  
796.3 organization that has expertise in convening  
796.4 and coordinating community-based strategies  
796.5 to encourage individuals, families, caregivers,  
796.6 and health care providers to begin  
796.7 conversations regarding end-of-life care  
796.8 choices that express an individual's health care  
796.9 values and preferences and are based on  
796.10 informed health care decisions. Of this  
796.11 amount, \$9,000 each year is for administration.  
796.12 This is a onetime appropriation.

796.13 **(o) Health Professionals Clinical Training**  
796.14 **Expansion Grant Program.** \$526,000 in  
796.15 fiscal year 2018 and \$526,000 in fiscal year  
796.16 2019 are from the general fund for the primary  
796.17 care and mental health professions clinical  
796.18 training expansion grant program under  
796.19 Minnesota Statutes, section 144.1505. Of this  
796.20 amount, \$26,000 each year is for  
796.21 administration.

796.22 **(p) Federally Qualified Health Centers.**  
796.23 \$500,000 in fiscal year 2018 and \$500,000 in  
796.24 fiscal year 2019 are from the general fund to  
796.25 provide subsidies to federally qualified health  
796.26 centers under Minnesota Statutes, section  
796.27 145.9269. This is a onetime appropriation.

796.28 **(q) Base Level Adjustments.** The general  
796.29 fund base is \$87,656,000 in fiscal year 2020  
796.30 and \$87,706,000 in fiscal year 2021. The  
796.31 health care access fund base is \$36,858,000  
796.32 in fiscal year 2020 and \$36,258,000 in fiscal  
796.33 year 2021.

797.1 Sec. 7. Laws 2017, First Special Session chapter 6, article 18, section 3, subdivision 3, is  
797.2 amended to read:

797.3 **Subd. 3. Health Protection**

797.4 Appropriations by Fund

797.5	General	20,928,000	17,339,000
797.6	State Government		
797.7	Special Revenue	47,392,000	47,920,000

797.8 **(a) Prescribed Pediatric Extended Care**

797.9 **Center Licensure Activities.** \$64,000 in fiscal  
797.10 year 2018 and \$17,000 in fiscal year 2019 are  
797.11 from the state government special revenue  
797.12 fund for licensure of prescribed pediatric  
797.13 extended care centers under Minnesota  
797.14 Statutes, chapter 144H.

797.15 **(b) ~~Vulnerable Adults in Health Care~~**

797.16 **~~Settings~~ Electronic Case Management**

797.17 **System.** \$1,162,000 in fiscal year 2018 and  
797.18 \$2,030,000 in fiscal year 2019 are from the  
797.19 general fund ~~for regulating health care and~~  
797.20 ~~home care settings.~~ for an electronic case  
797.21 management system for the Office of Health  
797.22 Facility Complaints. Any unexpended balance  
797.23 must be used to purchase and operate an  
797.24 electronic case management system. The case  
797.25 management system must be able to track and  
797.26 cross-reference multiple maltreatment reports  
797.27 and complaints concerning the same alleged  
797.28 perpetrator, facility, or licensee; the same  
797.29 vulnerable adult; and the same incident. The  
797.30 general fund base for this purpose is  
797.31 \$2,401,000 in fiscal year 2020 and \$3,405,000  
797.32 in fiscal year 2021.

797.33 **(c) Transfer; Public Health Response**

797.34 **Contingency Account.** The commissioner  
797.35 shall transfer \$5,000,000 in fiscal year 2018

798.1 from the general fund to the public health  
798.2 response contingency account established in  
798.3 Minnesota Statutes, section 144.4199.

798.4 **(d) Base Level Adjustment.** The general fund  
798.5 base is \$17,710,000 in fiscal year 2020 and  
798.6 \$18,714,000 in fiscal year 2021. The state  
798.7 government special revenue fund base is  
798.8 \$47,958,000 in fiscal year 2020 and  
798.9 \$48,295,000 in fiscal year 2021.

798.10 Sec. 8. Laws 2017, First Special Session chapter 6, article 18, section 16, subdivision 2,  
798.11 is amended to read:

798.12 Subd. 2. **Administration.** Subject to Minnesota Statutes, section 256.01, subdivision  
798.13 17a, positions, salary money, and nonsalary administrative money may be transferred within  
798.14 the Departments of Health and Human Services as the commissioners consider necessary,  
798.15 with the advance approval of the commissioner of management and budget. The  
798.16 commissioner shall inform the chairs and ranking minority members of the senate Health  
798.17 and Human Services Finance and Policy Committee, the senate Human Services Reform  
798.18 Finance and Policy Committee, and the house of representatives Health and Human Services  
798.19 Finance Committee quarterly about transfers made under this subdivision.

798.20 Sec. 9. **TRANSFERS.**

798.21 (a) By June 30, 2019, the commissioner of human services shall transfer \$1,211,000  
798.22 from the general fund to the health care access fund. Notwithstanding section 10, by June  
798.23 30, 2020, the commissioner of human services shall transfer \$1,211,000 from the health  
798.24 care access fund to the general fund. These are onetime transfers.

798.25 (b) By June 30, 2018, the commissioner of human services shall transfer:

798.26 (1) \$14,000,000 from the systems operations account in the special revenue fund to the  
798.27 general fund. This is a onetime transfer;

798.28 (2) \$2,224,000 from the systems fund long-term care options project account in the  
798.29 special revenue fund to the general fund. This is a onetime transfer; and

798.30 (3) \$2,400,000 from the direct care and treatment special health care receipts account  
798.31 in the special revenue fund to the general fund. This is a onetime transfer.

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

799.1 Sec. 10. **EXPIRATION OF UNCODIFIED LANGUAGE.**

799.2 All uncodified language contained in this article expires on June 30, 2019, unless a  
799.3 different expiration date is specified.

799.4 Sec. 11. **EFFECTIVE DATE.**

799.5 This article is effective July 1, 2018, unless a different effective date is specified.

799.6 **ARTICLE 46**

799.7 **STUDENT AND SCHOOL SAFETY**

799.8 Section 1. **[121A.35] SCHOOL SAFETY ASSESSMENT.**

799.9 Subdivision 1. **School safety assessment.** "School safety assessment" means a fact-based  
799.10 process using an integrated team approach that helps schools evaluate and assess potentially  
799.11 threatening situations or students whose behavior may pose a threat to the safety of school  
799.12 staff or students.

799.13 Subd. 2. **Policy.** A school board must adopt a policy to establish safety assessment teams  
799.14 to conduct school safety assessments consistent with subdivision 1. A safety assessment  
799.15 policy must be consistent with district policies developed in accordance with section  
799.16 121A.035, and with any guidance provided by the Department of Public Safety's School  
799.17 Safety Center. A safety assessment policy must include procedures for referrals to mental  
799.18 health centers or health care providers for evaluation or treatment, when appropriate. A  
799.19 safety assessment policy must require notice to the parent or guardian of a student whose  
799.20 behavior is assessed to determine whether the student poses a threat to the safety of school  
799.21 staff or students, unless notice to the parent or guardian is not in the minor's best interests,  
799.22 consistent with section 13.02, subdivision 8, and 13.32, subdivision 2.

799.23 Subd. 3. **Oversight committees.** The superintendent of a school district must establish  
799.24 a committee or individual charged with oversight of the safety assessment teams operating  
799.25 within the district, which may be an existing committee established by the school board.

799.26 Subd. 4. **Safety assessment teams.** (a) The superintendent of a school district must  
799.27 establish, for each school, a safety assessment team that includes, to the extent practicable,  
799.28 school officials with expertise in counseling, school administration, students with disabilities,  
799.29 and law enforcement. A safety assessment team may serve one or more schools, as  
799.30 determined by the superintendent.

799.31 (b) A safety assessment team must:

800.1 (1) provide guidance to students, faculty, and staff regarding recognition of threatening  
800.2 or aberrant behavior that may represent a threat to the community, school, or self, and the  
800.3 members of the community to whom threatening or aberrant behavior should be reported;

800.4 (2) consider whether there is sufficient information to determine whether or not a student  
800.5 poses a threat;

800.6 (3) implement a policy adopted by the school board under subdivision 2; and

800.7 (4) report summary data on its activities according to guidance developed by the School  
800.8 Safety Center.

800.9 (c) Upon a preliminary determination that a student poses a threat of violence or physical  
800.10 harm to self or others, a safety assessment team must immediately report its determination  
800.11 to the district superintendent or the superintendent's designee, who must immediately attempt  
800.12 to notify the student's parent or legal guardian. The safety assessment team must consider  
800.13 services to address the student's underlying issues, which may include counseling, social  
800.14 work services, character education consistent with section 120B.232, evidence-based  
800.15 academic and positive behavioral interventions and supports, mental health services, and  
800.16 referrals for special education or section 504 evaluations.

800.17 (d) Upon determining that a student exhibits suicidal ideation or self-harm, a school  
800.18 safety assessment team must follow the district's suicide prevention policy or protocol or  
800.19 refer the student to an appropriate school-linked mental health professional or other support  
800.20 personnel. Access to information regarding a student exhibiting suicidal ideation or self-harm  
800.21 is subject to section 13.32, subdivision 2.

800.22 (e) Nothing in this section precludes a school district official or employee from acting  
800.23 immediately to address an imminent threat.

800.24 Subd. 5. **Redislosure.** (a) A safety assessment team member must not redisclose  
800.25 educational records or use any record of an individual beyond the purpose for which the  
800.26 disclosure was made to the safety assessment team. A school district employee who has  
800.27 access to information related to a safety assessment is subject to this subdivision.

800.28 (b) Nothing in this section prohibits the disclosure of educational records in health,  
800.29 including mental health, and safety emergencies in accordance with state and federal law.

800.30 **EFFECTIVE DATE.** This section is effective for the 2019-2020 school year and later.

801.1 Sec. 2. [121A.441] EXPULSION FOR MAKING A THREAT OF VIOLENCE.

801.2 Notwithstanding the time limitation in section 121A.41, subdivision 5, a school board  
 801.3 may expel for a period of at least one year a pupil who makes a threat of gun violence against  
 801.4 another person or makes a threat of violence with the intent to cause evacuation of a school  
 801.5 site or school administration building. A school board may modify the expulsion for a pupil  
 801.6 on a case-by-case basis.

801.7 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

801.8 Sec. 3. Minnesota Statutes 2016, section 123B.595, as amended by Laws 2017, First  
 801.9 Special Session chapter 5, article 5, sections 3 and 4, is amended to read:

801.10 **123B.595 LONG-TERM FACILITIES MAINTENANCE REVENUE.**

801.11 Subdivision 1. **Long-term facilities maintenance revenue.** ~~(a) For fiscal year 2017~~  
 801.12 ~~only, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) \$193~~  
 801.13 ~~times the district's adjusted pupil units times the lesser of one or the ratio of the district's~~  
 801.14 ~~average building age to 35 years, plus the cost approved by the commissioner for indoor~~  
 801.15 ~~air quality, fire alarm and suppression, and asbestos abatement projects under section~~  
 801.16 ~~123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (ii) for a~~  
 801.17 ~~school district with an approved voluntary prekindergarten program under section 124D.151,~~  
 801.18 ~~the cost approved by the commissioner for remodeling existing instructional space to~~  
 801.19 ~~accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would~~  
 801.20 ~~have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes~~  
 801.21 ~~2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school~~  
 801.22 ~~district with an approved voluntary prekindergarten program under section 124D.151, the~~  
 801.23 ~~cost approved by the commissioner for remodeling existing instructional space to~~  
 801.24 ~~accommodate prekindergarten instruction.~~

801.25 ~~(b)~~ (a) For fiscal year 2018 only, long-term facilities maintenance revenue equals the  
 801.26 greater of (1) the sum of (i) \$292 times the district's adjusted pupil units times the lesser of  
 801.27 one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved  
 801.28 by the commissioner for indoor air quality, fire alarm and suppression, and asbestos  
 801.29 abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000  
 801.30 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten  
 801.31 program under section 124D.151, the cost approved by the commissioner for remodeling  
 801.32 existing instructional space to accommodate prekindergarten instruction, or (2) the sum of  
 801.33 (i) the amount the district would have qualified for under Minnesota Statutes 2014, section  
 801.34 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section

802.1 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program  
 802.2 under section 124D.151, the cost approved by the commissioner for remodeling existing  
 802.3 instructional space to accommodate prekindergarten instruction.

802.4 ~~(e)~~ (b) For fiscal year 2019 and later, long-term facilities maintenance revenue equals  
 802.5 the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the lesser  
 802.6 of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved  
 802.7 by the commissioner for indoor air quality, fire alarm and suppression, and asbestos  
 802.8 abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000  
 802.9 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten  
 802.10 program under section 124D.151, the cost approved by the commissioner for remodeling  
 802.11 existing instructional space to accommodate prekindergarten instruction, or (2) the sum of  
 802.12 (i) the amount the district would have qualified for under Minnesota Statutes 2014, section  
 802.13 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section  
 802.14 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program  
 802.15 under section 124D.151, the cost approved by the commissioner for remodeling existing  
 802.16 instructional space to accommodate prekindergarten instruction.

802.17 ~~(d)~~ (c) Notwithstanding paragraphs (a); and (b), ~~and (e)~~, a school district that qualified  
 802.18 for eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph  
 802.19 (a), for fiscal year 2010 remains eligible for funding under this section as a district that  
 802.20 would have qualified for eligibility under Minnesota Statutes 2014, section 123B.59,  
 802.21 subdivision 1, paragraph (a), for fiscal year 2017 and later.

802.22 **Subd. 2. Long-term facilities maintenance revenue for a charter school.** ~~(a) For fiscal~~  
 802.23 ~~year 2017 only, long-term facilities maintenance revenue for a charter school equals \$34~~  
 802.24 ~~times the adjusted pupil units.~~

802.25 ~~(b)~~ (a) For fiscal year 2018 only, long-term facilities maintenance revenue for a charter  
 802.26 school equals \$85 times the adjusted pupil units.

802.27 ~~(e)~~ (b) For fiscal year 2019 and later, long-term facilities maintenance revenue for a  
 802.28 charter school equals \$132 times the adjusted pupil units.

802.29 **Subd. 3. Intermediate districts and other cooperative units.** Upon approval through  
 802.30 the adoption of a resolution by each member district school board of an intermediate district  
 802.31 or other cooperative units under section 123A.24, subdivision 2, and the approval of the  
 802.32 commissioner of education, a school district may include in its authority under this section  
 802.33 a proportionate share of the long-term maintenance costs of the intermediate district or  
 802.34 cooperative unit. The cooperative unit may issue bonds to finance the project costs or levy

803.1 for the costs, using long-term maintenance revenue transferred from member districts to  
803.2 make debt service payments or pay project costs. Authority under this subdivision is in  
803.3 addition to the authority for individual district projects under subdivision 1.

803.4 Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school district  
803.5 or intermediate district, not including a charter school, must have a ten-year facility plan  
803.6 adopted by the school board and approved by the commissioner. The plan must include  
803.7 provisions for implementing a health and safety program that complies with health, safety,  
803.8 and environmental regulations and best practices, including indoor air quality management  
803.9 and remediation of lead hazards. The plan may include provisions for enhancing school  
803.10 safety through physical modifications to school facilities as described in subdivision 4a.

803.11 (b) The district must annually update the plan, submit the plan to the commissioner for  
803.12 approval by July 31, and indicate whether the district will issue bonds to finance the plan  
803.13 or levy for the costs.

803.14 (c) For school districts issuing bonds to finance the plan, the plan must include a debt  
803.15 service schedule demonstrating that the debt service revenue required to pay the principal  
803.16 and interest on the bonds each year will not exceed the projected long-term facilities revenue  
803.17 for that year.

803.18 Subd. 4a. **School safety facility enhancements.** For fiscal years 2020 and 2021 only,  
803.19 a school district may include in its facilities plan a school safety facilities plan. School safety  
803.20 projects may include remodeling and new construction for school security enhancements,  
803.21 and equipment and facility modifications related to violence prevention and facility security.  
803.22 Projects authorized prior to July 1, 2021, may be included in the plan until the projects are  
803.23 complete.

803.24 Subd. 5. **Bond authorization.** (a) A school district may issue general obligation bonds  
803.25 under this section to finance facilities plans approved by its board and the commissioner.  
803.26 Chapter 475, except sections 475.58 and 475.59, must be complied with. The authority to  
803.27 issue bonds under this section is in addition to any bonding authority authorized by this  
803.28 chapter or other law. The amount of bonding authority authorized under this section must  
803.29 be disregarded in calculating the bonding or net debt limits of this chapter, or any other law  
803.30 other than section 475.53, subdivision 4.

803.31 (b) At least 20 days before the earliest of solicitation of bids, the issuance of bonds, or  
803.32 the final certification of levies under subdivision 6, the district must publish notice of the  
803.33 intended projects, the amount of the bond issue, and the total amount of district indebtedness.

804.1 (c) The portion of revenue under this section for bonded debt must be recognized in the  
804.2 debt service fund.

804.3 Subd. 6. **Levy authorization.** A district may levy for costs related to an approved plan  
804.4 under subdivision 4 as follows:

804.5 (1) if the district has indicated to the commissioner that bonds will be issued, the district  
804.6 may levy for the principal and interest payments on outstanding bonds issued under  
804.7 subdivision 5 after reduction for any aid receivable under subdivision 9;

804.8 (2) if the district has indicated to the commissioner that the plan will be funded through  
804.9 levy, the district may levy according to the schedule approved in the plan after reduction  
804.10 for any aid receivable under subdivision 9; or

804.11 (3) if the debt service revenue for a district required to pay the principal and interest on  
804.12 bonds issued under subdivision 5 exceeds the district's long-term facilities maintenance  
804.13 revenue for the same fiscal year, the district's general fund levy must be reduced by the  
804.14 amount of the excess.

804.15 Subd. 7. **Long-term facilities maintenance equalization revenue.** ~~(a) For fiscal year~~  
804.16 ~~2017 only, a district's long-term facilities maintenance equalization revenue equals the lesser~~  
804.17 ~~of (1) \$193 times the adjusted pupil units or (2) the district's revenue under subdivision 1.~~

804.18 ~~(b)~~ (a) For fiscal year 2018 only, a district's long-term facilities maintenance equalization  
804.19 revenue equals the lesser of: (1) \$292 times the adjusted pupil units; or (2) the district's  
804.20 revenue under subdivision 1.

804.21 ~~(c)~~ (b) For fiscal year 2019 and later, a district's long-term facilities maintenance  
804.22 equalization revenue equals the lesser of: (1) \$380 times the adjusted pupil units; or (2) the  
804.23 district's revenue under subdivision 1.

804.24 ~~(d)~~ (c) Notwithstanding paragraphs (a) ~~to (e)~~ and (b), a district's long-term facilities  
804.25 maintenance equalization revenue must not be less than the lesser of the district's long-term  
804.26 facilities maintenance revenue or the amount of aid the district received for fiscal year 2015  
804.27 under Minnesota Statutes 2014, section 123B.59, subdivision 6.

804.28 Subd. 8. **Long-term facilities maintenance equalized levy.** ~~(a) For fiscal year 2017~~  
804.29 ~~and later,~~ A district's long-term facilities maintenance equalized levy equals the district's  
804.30 long-term facilities maintenance equalization revenue minus the greater of:

804.31 (1) the lesser of the district's long-term facilities maintenance equalization revenue or  
804.32 the amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014,  
804.33 section 123B.59, subdivision 6; or

805.1 (2) the district's long-term facilities maintenance equalization revenue times the greater  
 805.2 of (i) zero or (ii) one minus the ratio of its adjusted net tax capacity per adjusted pupil unit  
 805.3 in the year preceding the year the levy is certified to 123 percent of the state average adjusted  
 805.4 net tax capacity per adjusted pupil unit for all school districts in the year preceding the year  
 805.5 the levy is certified.

805.6 (b) For purposes of this subdivision, "adjusted net tax capacity" means the value described  
 805.7 in section 126C.01, subdivision 2, paragraph (b).

805.8 Subd. 8a. **Long-term facilities maintenance unequalized levy.** ~~For fiscal year 2017~~  
 805.9 ~~and later,~~ A district's long-term facilities maintenance unequalized levy equals the difference  
 805.10 between the district's revenue under subdivision 1 and the district's equalization revenue  
 805.11 under subdivision 7.

805.12 Subd. 9. **Long-term facilities maintenance equalized aid.** ~~For fiscal year 2017 and~~  
 805.13 ~~later,~~ A district's long-term facilities maintenance equalized aid equals its long-term facilities  
 805.14 maintenance equalization revenue minus its long-term facilities maintenance equalized levy  
 805.15 times the ratio of the actual equalized amount levied to the permitted equalized levy.

805.16 Subd. 10. **Allowed uses for long-term facilities maintenance revenue.** (a) A district  
 805.17 may use revenue under this section for any of the following:

805.18 (1) deferred capital expenditures and maintenance projects necessary to prevent further  
 805.19 erosion of facilities;

805.20 (2) increasing accessibility of school facilities;

805.21 (3) health and safety capital projects under section 123B.57;

805.22 (4) school safety facility enhancements authorized under subdivision 4a; or

805.23 ~~(4)~~(5) by board resolution, to transfer money from the general fund reserve for long-term  
 805.24 facilities maintenance to the debt redemption fund to pay the amounts needed to meet, when  
 805.25 due, principal and interest on general obligation bonds issued under subdivision 5.

805.26 (b) A charter school may use revenue under this section for any purpose related to the  
 805.27 school, including school safety facility enhancements.

805.28 Subd. 11. **Restrictions on long-term facilities maintenance revenue.** Notwithstanding  
 805.29 subdivision 10, for projects other than school safety facility enhancements authorized under  
 805.30 subdivision 4a, long-term facilities maintenance revenue may not be used:

805.31 (1) for the construction of new facilities, remodeling of existing facilities, or the purchase  
 805.32 of portable classrooms;

806.1 (2) to finance a lease purchase agreement, installment purchase agreement, or other  
806.2 deferred payments agreement;

806.3 (3) for energy-efficiency projects under section 123B.65, for a building or property or  
806.4 part of a building or property used for postsecondary instruction or administration, or for a  
806.5 purpose unrelated to elementary and secondary education; or

806.6 (4) for violence prevention and facility security, ergonomics, or emergency  
806.7 communication devices.

806.8 Subd. 12. **Reserve account.** The portion of long-term facilities maintenance revenue  
806.9 not recognized under subdivision 5, paragraph (c), must be maintained in a reserve account  
806.10 within the general fund.

806.11 Sec. 4. Minnesota Statutes 2016, section 123B.61, is amended to read:

806.12 **123B.61 PURCHASE OF CERTAIN EQUIPMENT.**

806.13 (a) The board of a district may issue general obligation certificates of indebtedness or  
806.14 capital notes subject to the district debt limits to:

806.15 ~~(a)~~ (1) purchase vehicles, computers, telephone systems, cable equipment, photocopy  
806.16 and office equipment, technological equipment for instruction, public announcement systems,  
806.17 emergency communications devices, other equipment related to violence prevention and  
806.18 facility security, and other capital equipment having an expected useful life at least as long  
806.19 as the terms of the certificates or notes;

806.20 ~~(b)~~ (2) purchase computer hardware and software, without regard to its expected useful  
806.21 life, whether bundled with machinery or equipment or unbundled, together with application  
806.22 development services and training related to the use of the computer; and

806.23 ~~(c)~~ (3) prepay special assessments.

806.24 (b) The certificates or notes must be payable in not more than ten years and must be  
806.25 issued on the terms and in the manner determined by the board, except that certificates or  
806.26 notes issued to prepay special assessments must be payable in not more than 20 years. The  
806.27 certificates or notes may be issued by resolution and without the requirement for an election.  
806.28 The certificates or notes are general obligation bonds for purposes of section 126C.55.

806.29 (c) A tax levy must be made for the payment of the principal and interest on the  
806.30 certificates or notes, in accordance with section 475.61, as in the case of bonds. The sum  
806.31 of the tax levies under this section and section 123B.62 for each year must not exceed the  
806.32 lesser of the sum of the amount of the district's total operating capital revenue and safe

807.1 schools revenue or the sum of the district's levy in the general and community service funds  
 807.2 excluding the adjustments under this section for the year preceding the year the initial debt  
 807.3 service levies are certified.

807.4 (d) The district's general fund levy for each year must be reduced by the sum of:

807.5 (1) the amount of the tax levies for debt service certified for each year for payment of  
 807.6 the principal and interest on the certificates or notes issued under this section as required  
 807.7 by section 475.61<sub>5</sub>;

807.8 (2) the amount of the tax levies for debt service certified for each year for payment of  
 807.9 the principal and interest on bonds issued under section 123B.62<sub>5</sub>; and

807.10 (3) any excess amount in the debt redemption fund used to retire bonds, certificates, or  
 807.11 notes issued under this section or section 123B.62 after April 1, 1997, other than amounts  
 807.12 used to pay capitalized interest.

807.13 (e) If the district's general fund levy is less than the amount of the reduction, the balance  
 807.14 shall be deducted first from the district's community service fund levy, and next from the  
 807.15 district's general fund or community service fund levies for the following year.

807.16 (f) A district using an excess amount in the debt redemption fund to retire the certificates  
 807.17 or notes shall report the amount used for this purpose to the commissioner by July 15 of the  
 807.18 following fiscal year. A district having an outstanding capital loan under section 126C.69  
 807.19 or an outstanding debt service loan under section 126C.68 must not use an excess amount  
 807.20 in the debt redemption fund to retire the certificates or notes.

807.21 **EFFECTIVE DATE.** This section is effective July 1, 2018.

807.22 Sec. 5. Minnesota Statutes 2016, section 126C.44, is amended to read:

807.23 **126C.44 SAFE SCHOOLS LEVY REVENUE.**

807.24 **Subdivision 1. Safe schools revenue.** (a) A school district's total safe schools revenue  
 807.25 equals the sum of:

807.26 (1) the greater of: (i) \$30,000; or (ii) \$54 per adjusted pupil unit for fiscal year 2019 or  
 807.27 \$41.50 per adjusted pupil unit for fiscal year 2020 and later;

807.28 (2) the amounts under subdivision 7; and

807.29 (3) for a district not accessing revenue under subdivision 7, the amount under subdivision  
 807.30 8.

808.1 (b) A charter school's safe schools revenue equals \$18 times its adjusted pupil units for  
808.2 fiscal year 2019 and \$5.50 times its adjusted pupil units for fiscal year 2020 and later. The  
808.3 revenue must be reserved and used only for costs associated with safe schools activities  
808.4 authorized under subdivision 6, paragraph (a), clauses (1) to (9), or for building lease  
808.5 expenses not funded by charter school building lease aid that are attributable to facility  
808.6 security enhancements made by the landlord after March 1, 2018.

808.7 Subd. 2. **Equalized safe schools revenue.** A school district's equalized safe schools  
808.8 revenue equals \$36 times the district's adjusted pupil units for that year.

808.9 Subd. 3. **Safe schools equalized levy.** (a) ~~Each district may make a levy on all taxable~~  
808.10 ~~property located within the district for the purposes specified in this section. The maximum~~  
808.11 ~~amount which may be levied for all costs under this section shall be equal to \$36 multiplied~~  
808.12 ~~by the district's~~ For fiscal years 2020 and 2021 only, a school district's safe schools equalized  
808.13 levy equals the product of its equalized safe schools revenue under subdivision 2 times the  
808.14 lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil units for the  
808.15 school year unit to 68.5 percent of the statewide adjusted net tax capacity equalizing factor.

808.16 (b) For fiscal year 2022 and later, a school district's safe schools equalized levy equals  
808.17 its equalized safe schools revenue.

808.18 Subd. 4. **Safe schools aid.** (a) A school district's safe schools aid equals the sum of:

808.19 (1) the greater of (i) the district's revenue under subdivision 1, paragraph (a), clause (1),  
808.20 minus the district's equalized safe schools revenue under subdivision 2, or (ii) \$18 times its  
808.21 adjusted pupil units for fiscal year 2019 and \$5.50 times its adjusted pupil units for fiscal  
808.22 year 2020 and later;

808.23 (2) its safe schools equalization aid equal to: (i) the difference between its safe schools  
808.24 equalized revenue minus its safe schools equalized levy; times (ii) the ratio of the actual  
808.25 amount levied to the permitted levy under subdivision 3;

808.26 (3) its intermediate school district aid under subdivision 7; and

808.27 (4) its cooperative unit aid under subdivision 8.

808.28 (b) A charter school's safe schools aid equals its safe schools revenue.

808.29 (c) For fiscal year 2019 only, a district's aid under this subdivision is increased by the  
808.30 greater of (1) zero or (2) \$30,000 minus the district's aid under paragraph (a), clause (1),  
808.31 minus the safe schools levy certified by the district for taxes payable in 2018.

809.1 Subd. 5. Revenue reserved. ~~The proceeds of the levy~~ A school district's safe schools  
 809.2 revenue must be reserved and used for directly funding the following purposes or for  
 809.3 reimbursing the cities and counties who contract with the district for the following purposes:  
 809.4 authorized in subdivision 6.

809.5 Subd. 6. Revenue uses. (a) A school district must use its safe schools revenue for the  
 809.6 following:

809.7 (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace  
 809.8 officers and sheriffs for liaison in services in the district's schools, whether through contract  
 809.9 or reimbursement to the city or county employing authority;

809.10 (2) to pay the costs for a drug abuse prevention program as defined in section 609.101,  
 809.11 subdivision 3, paragraph (e), in the elementary schools;

809.12 (3) to pay the costs for a gang resistance education training curriculum in the district's  
 809.13 schools;

809.14 (4) to pay the costs for security in the district's schools and on school property;

809.15 (5) to pay the costs for other crime prevention, drug abuse, student and staff safety,  
 809.16 voluntary opt-in suicide prevention tools, and violence prevention measures taken by the  
 809.17 school district;

809.18 (6) to pay costs for licensed school counselors, licensed school nurses, licensed school  
 809.19 social workers, licensed school psychologists, and licensed alcohol and chemical dependency  
 809.20 counselors to help provide early responses to problems;

809.21 (7) to pay for facility security enhancements including laminated glass, public  
 809.22 announcement systems, emergency communications devices, and equipment and facility  
 809.23 modifications related to violence prevention and facility security;

809.24 (8) to pay for costs associated with improving the school climate; ~~or~~

809.25 (9) to pay costs for colocating and collaborating with mental health professionals who  
 809.26 are not district employees or contractors; or

809.27 (10) by board resolution, to transfer money into the debt redemption fund to pay the  
 809.28 amounts needed to meet, when due, principal and interest payments on obligations issued  
 809.29 under sections 123B.61 and 123B.62 for purposes included in clause (7).

809.30 (b) For expenditures under paragraph (a), clause (1), the district must initially attempt  
 809.31 to contract for services to be provided by peace officers or sheriffs with the police department  
 809.32 of each city or the sheriff's department of the county within the district containing the school

810.1 receiving the services. If a local police department or a county sheriff's department does  
 810.2 not wish to provide the necessary services, the district may contract for these services with  
 810.3 any other police or sheriff's department located entirely or partially within the school district's  
 810.4 boundaries.

810.5 Subd. 7. **Intermediate school districts.** ~~(e)~~ (a) A school district that is a member of an  
 810.6 intermediate school district may ~~include in~~ add to its levy authority under this section the  
 810.7 costs associated with safe schools activities authorized under ~~paragraph (a)~~ subdivision 6  
 810.8 for intermediate school district programs. This levy authority must not exceed \$15 times  
 810.9 the adjusted pupil units of the member districts. This levy authority is in addition to any  
 810.10 other authority authorized under this section. Revenue raised under this ~~paragraph~~ subdivision  
 810.11 must be transferred to the intermediate school district.

810.12 (b) For fiscal year 2019 only, a school district that is a member of an intermediate school  
 810.13 district is eligible for additional safe schools aid equal to \$6 times its adjusted pupil units  
 810.14 for that year.

810.15 Subd. 8. **Other cooperative units.** A school district that is a member of a cooperative  
 810.16 unit defined under section 123A.24, subdivision 2, that enrolls students other than a member  
 810.17 of an intermediate school district, is eligible for additional safe schools aid equal to \$7.50  
 810.18 times its adjusted pupil units for fiscal year 2019 and \$3.50 times its adjusted pupil units  
 810.19 for fiscal year 2020 and later. Revenue raised under this subdivision must be transferred to  
 810.20 the cooperative unit.

810.21 Subd. 9. **Reporting.** A school district or charter school receiving revenue under this  
 810.22 section must annually report safe schools expenditures to the commissioner, in the form  
 810.23 and manner specified by the commissioner. The report must include spending by functional  
 810.24 area and any new staff positions hired and align with the revenue uses according to  
 810.25 subdivision 6.

810.26 **EFFECTIVE DATE.** This section is effective for fiscal year 2019 and later.

810.27 Sec. 6. Minnesota Statutes 2017 Supplement, section 245.4889, subdivision 1, is amended  
 810.28 to read:

810.29 Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to  
 810.30 make grants from available appropriations to assist:

810.31 (1) counties;

810.32 (2) Indian tribes;

- 811.1 (3) children's collaboratives under section 124D.23 or 245.493; or
- 811.2 (4) mental health service providers.
- 811.3 (b) The following services are eligible for grants under this section:
- 811.4 (1) services to children with emotional disturbances as defined in section 245.4871,
- 811.5 subdivision 15, and their families;
- 811.6 (2) transition services under section 245.4875, subdivision 8, for young adults under
- 811.7 age 21 and their families;
- 811.8 (3) respite care services for children with severe emotional disturbances who are at risk
- 811.9 of out-of-home placement;
- 811.10 (4) children's mental health crisis services;
- 811.11 (5) mental health services for people from cultural and ethnic minorities;
- 811.12 (6) children's mental health screening and follow-up diagnostic assessment and treatment;
- 811.13 (7) services to promote and develop the capacity of providers to use evidence-based
- 811.14 practices in providing children's mental health services;
- 811.15 (8) school-linked mental health services, ~~including transportation for children receiving~~
- 811.16 ~~school-linked mental health services when school is not in session;~~
- 811.17 (9) building evidence-based mental health intervention capacity for children birth to age
- 811.18 five;
- 811.19 (10) suicide prevention and counseling services that use text messaging statewide;
- 811.20 (11) mental health first aid training;
- 811.21 (12) training for parents, collaborative partners, and mental health providers on the
- 811.22 impact of adverse childhood experiences and trauma and development of an interactive
- 811.23 Web site to share information and strategies to promote resilience and prevent trauma;
- 811.24 (13) transition age services to develop or expand mental health treatment and supports
- 811.25 for adolescents and young adults 26 years of age or younger;
- 811.26 (14) early childhood mental health consultation;
- 811.27 (15) evidence-based interventions for youth at risk of developing or experiencing a first
- 811.28 episode of psychosis, and a public awareness campaign on the signs and symptoms of
- 811.29 psychosis;
- 811.30 (16) psychiatric consultation for primary care practitioners; and

812.1 (17) providers to begin operations and meet program requirements when establishing a  
812.2 new children's mental health program. These may be start-up grants.

812.3 (c) Services under paragraph (b) must be designed to help each child to function and  
812.4 remain with the child's family in the community and delivered consistent with the child's  
812.5 treatment plan. Transition services to eligible young adults under this paragraph must be  
812.6 designed to foster independent living in the community.

812.7 (d) As a condition of receiving grant funds, a grantee must obtain all available third-party  
812.8 reimbursement sources, if applicable.

812.9 Sec. 7. Minnesota Statutes 2016, section 245.4889, is amended by adding a subdivision  
812.10 to read:

812.11 Subd. 1a. **School-linked mental health services grants.** (a) An eligible applicant for  
812.12 school-linked mental health services grants under subdivision 1, paragraph (b), clause (8),  
812.13 is an entity that is:

812.14 (1) certified under Minnesota Rules, parts 9520.0750 to 9520.0870;

812.15 (2) a community mental health center under section 256B.0625, subdivision 5;

812.16 (3) an Indian health service facility or facility owned and operated by a tribe or tribal  
812.17 organization operating under United States Code, title 25, section 5321;

812.18 (4) a provider of children's therapeutic services and supports as defined in section  
812.19 256B.0943; or

812.20 (5) enrolled in medical assistance as a mental health or substance use disorder provider  
812.21 agency and employs at least two full-time equivalent mental health professionals as defined  
812.22 in section 245.4871, subdivision 27, clauses (1) to (6), or two alcohol and drug counselors  
812.23 licensed or exempt from licensure under chapter 148F who are qualified to provide clinical  
812.24 services to children and families.

812.25 (b) Allowable grant expenses include transportation for children receiving school-linked  
812.26 mental health services when school is not in session, and may be used to purchase equipment,  
812.27 connection charges, on-site coordination, set-up fees, and site fees in order to deliver  
812.28 school-linked mental health services defined in subdivision 1a, via telemedicine consistent  
812.29 with section 256B.0625, subdivision 3b.

813.1 Sec. 8. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 34,  
813.2 is amended to read:

813.3 Subd. 34. **Sanneh Foundation.** (a) For a grant to the Sanneh Foundation to provide  
813.4 all-day, in-school, and before- and after-school academic and behavioral interventions for  
813.5 low-performing and chronically absent students with a focus on low-income students and  
813.6 students of color throughout the school year and during the summer to decrease absenteeism,  
813.7 encourage school engagement, and improve grades and graduation rates.

813.8 \$ 1,000,000 ..... 2018

813.9 \$ 250,000 ..... 2019

813.10 (b) Funds appropriated ~~in this section~~ for fiscal year 2018 must be used to establish and  
813.11 provide services in schools where the Sanneh Foundation does not currently operate, and  
813.12 must not be used for programs operating in schools as of June 30, 2017. Funds appropriated  
813.13 for fiscal year 2019 may be used to provide services under paragraph (a) in any school.

813.14 (c) For the fiscal year 2019 appropriation only, up to three percent is for administering  
813.15 the grant. This is a onetime appropriation. Any balance in the first year does not cancel but  
813.16 is available in the second year.

813.17 Sec. 9. **APPROPRIATIONS.**

813.18 Subdivision 1. Commissioner of education. The sums indicated in this section are  
813.19 appropriated from the general fund to the commissioner of education for the specified  
813.20 purposes.

813.21 Subd. 2. Safe schools aid. (a) For safe schools aid under Minnesota Statutes, section  
813.22 126C.44:

813.23 \$ 19,919,000 ..... 2019

813.24 (b) The 2019 appropriation includes \$0 for 2018 and \$19,919,000 for 2019.

813.25 Subd. 3. Children's school-linked mental health grants. (a) For transfer to the  
813.26 commissioner of human services for children's school-linked mental health grants under  
813.27 Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (8), including  
813.28 the delivery of school-linked mental health services by telemedicine:

813.29 \$ 5,120,000 ..... 2019

813.30 (b) The commissioner's administrative expenses are \$343,000 in fiscal year 2019 and  
813.31 \$381,000 in fiscal year 2020 and later.

813.32 (c) The base for fiscal year 2020 is \$5,133,000.

814.1 Subd. 4. **Physical security audit grants for public schools.** (a) For transfer to the  
 814.2 commissioner of public safety for grants to school districts and charter schools to reimburse  
 814.3 applicants for up to 100 percent of the cost for an audit of the physical security of public  
 814.4 school campuses and crisis management policies adopted pursuant to Minnesota Statutes,  
 814.5 section 121A.035, subdivision 2:

814.6       \$        1,000,000   ..... 2019

814.7       (b) The commissioner of public safety must establish specific eligibility and application  
 814.8 criteria including a requirement that audits be conducted by consultants holding professional  
 814.9 certification deemed acceptable by the commissioner, including but not limited to a Certified  
 814.10 Protection Professional certification from the American Society for Industrial Security.

814.11       (c) Of this amount, up to \$90,000 is for administering the grant. This is a onetime  
 814.12 appropriation and is available until June 30, 2021.

814.13       Subd. 5. **School resource officer training grants.** (a) For grants to reimburse school  
 814.14 districts and charter schools for up to one-half of the costs of school resource officer training:

814.15       \$        250,000   ..... 2019

814.16       (b) The commissioner and the director of the Minnesota School Safety Center are  
 814.17 encouraged to develop school resource officer training guidelines and provide school districts  
 814.18 and charter schools a list of approved school resource officer training programs.

814.19       (c) A district or charter school seeking a grant under this subdivision must submit an  
 814.20 application in the form and manner specified by the commissioner of education.  
 814.21 Reimbursement must not exceed \$500 per officer. The commissioner must prorate grant  
 814.22 amounts if the appropriation is insufficient to fully fund the state's share of the training.

814.23       (d) A recipient school district or charter school and the local law enforcement agency  
 814.24 must enter into an agreement to pay for the remaining training costs for school resource  
 814.25 officer training. The school district or charter school and the law enforcement agency may  
 814.26 seek private funds to pay for the local share of the school resource officer training costs.

814.27       (e) Of this amount, up to three percent is for administering the grant. This is a onetime  
 814.28 appropriation and is available until June 30, 2021.

814.29       Subd. 6. **Safety assessment grants.** (a) For grants to school districts for training for  
 814.30 members of safety assessment teams and oversight committees under Minnesota Statutes,  
 814.31 section 121A.35:

814.32       \$        150,000   ..... 2019

815.1 (b) The commissioner and the director of the Minnesota School Safety Center are  
815.2 encouraged to develop safety assessment training guidelines and provide school districts a  
815.3 list of approved safety assessment training programs.

815.4 (c) Of this amount, up to three percent is for administering the grant. This is a onetime  
815.5 appropriation.

815.6 (d) The fiscal year 2019 appropriation is available until June 30, 2021. Any remaining  
815.7 balance is canceled to the general fund.

815.8 Subd. 7. **Suicide prevention training for teachers.** (a) For a grant to a nationally  
815.9 recognized organization to offer evidence-based online training for teachers on suicide  
815.10 prevention and engaging students experiencing mental distress:

815.11 §           273,000     ..... 2019

815.12 (b) Of this amount, up to three percent is for administering the grant. This is a onetime  
815.13 appropriation and is available until June 30, 2021.

815.14 (c) The recipient of the suicide prevention training grant under this subdivision must  
815.15 make the training accessible to all Minnesota school districts, cooperative units defined  
815.16 under Minnesota Statutes, section 123A.24, subdivision 2, tribal schools, and charter schools.

815.17 Subd. 8. **Incentive grants for character development education.** (a) For incentive  
815.18 grants to public schools and charter schools that offer the Congressional Medal of Honor  
815.19 character development program:

815.20 §           190,000     ..... 2019

815.21 (b) The commissioner must award grants to public schools and charter schools that  
815.22 demonstrate use of the Congressional Medal of Honor character development program. The  
815.23 commissioner must allocate the appropriation proportionally among the public schools and  
815.24 charter schools that apply, not to exceed \$5,000 per school per fiscal year. If the entire  
815.25 appropriation is not expended in fiscal year 2019, the commissioner must award additional  
815.26 grants in fiscal years 2020 and 2021. The grant award may be used for any school-related  
815.27 purpose consistent with Minnesota Statutes, section 120B.232.

815.28 (c) Of this amount, up to three percent is for administering the grant. This is a onetime  
815.29 appropriation and is available until June 30, 2021.

816.1

**ARTICLE 47**

816.2

**GENERAL EDUCATION**

816.3 Section 1. Minnesota Statutes 2017 Supplement, section 123B.41, subdivision 2, is amended  
816.4 to read:

816.5 Subd. 2. **Textbook.** (a) "Textbook" means any book or book substitute, including  
816.6 electronic books as well as other printed materials delivered electronically, which a pupil  
816.7 uses as a text or text substitute in a particular class or program in the school regularly  
816.8 attended and a copy of which is expected to be available for the individual use of each pupil  
816.9 in this class or program. Textbook includes an online book with an annual subscription cost.  
816.10 Textbook includes teacher materials that accompany materials that a pupil uses.

816.11 (b) For purposes of calculating the annual nonpublic pupil aid entitlement for textbooks,  
816.12 the term shall be limited to books, workbooks, or manuals, whether bound or in loose-leaf  
816.13 form, as well as electronic books and other printed materials delivered electronically,  
816.14 intended for use as a principal source of study material for a given class or a group of  
816.15 students.

816.16 (c) For purposes of sections 123B.40 to 123B.48, the terms "textbook" and "software  
816.17 or other educational technology" include only such secular, neutral, and nonideological  
816.18 materials as are available, used by, or of benefit to Minnesota public school pupils.

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

816.20 Sec. 2. Minnesota Statutes 2016, section 123B.41, subdivision 5, is amended to read:

816.21 Subd. 5. **Individualized instructional or cooperative learning materials.** (a)  
816.22 "Individualized instructional or cooperative learning materials" means educational materials  
816.23 which:

816.24 ~~(a)~~ (1) are designed primarily for individual pupil use or use by pupils in a cooperative  
816.25 learning group in a particular class or program in the school the pupil regularly attends,  
816.26 including teacher materials that accompany materials that a pupil uses;

816.27 ~~(b)~~ (2) are secular, neutral, nonideological and not capable of diversion for religious  
816.28 use; and

816.29 ~~(c)~~ (3) are available, used by, or of benefit to Minnesota public school pupils.

816.30 (b) Subject to the requirements in paragraph (a), clauses ~~(a)~~ (1), ~~(b)~~ (2), and ~~(c)~~ (3),  
816.31 "individualized instructional or cooperative learning materials" include, but are not limited

817.1 to, the following if they do not fall within the definition of "textbook" in subdivision 2:  
 817.2 published materials; periodicals; documents; pamphlets; photographs; reproductions; pictorial  
 817.3 or graphic works; prerecorded video programs; prerecorded tapes, cassettes and other sound  
 817.4 recordings; manipulative materials; desk charts; games; study prints and pictures; desk  
 817.5 maps; models; learning kits; blocks or cubes; flash cards; individualized multimedia systems;  
 817.6 prepared instructional computer software programs; choral and band sheet music; electronic  
 817.7 books and other printed materials delivered electronically; and CD-Rom.

817.8 (c) "Individualized instructional or cooperative learning materials" do not include  
 817.9 instructional equipment, instructional hardware, or ordinary daily consumable classroom  
 817.10 supplies.

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

817.12 Sec. 3. Minnesota Statutes 2016, section 123B.42, subdivision 3, is amended to read:

817.13 Subd. 3. **Cost; limitation.** (a) The cost per pupil of the textbooks, individualized  
 817.14 instructional or cooperative learning materials, software or other educational technology,  
 817.15 and standardized tests provided for in this section for each school year must not exceed the  
 817.16 statewide average expenditure per pupil, adjusted pursuant to ~~elause paragraph~~ (b), by the  
 817.17 Minnesota public elementary and secondary schools for textbooks, individualized  
 817.18 instructional materials and standardized tests as computed and established by the department  
 817.19 by February 1 of the preceding school year from the most recent public school year data  
 817.20 then available.

817.21 (b) The cost computed in ~~elause paragraph~~ (a) shall be increased by an inflation  
 817.22 adjustment equal to the percent of increase in the formula allowance, pursuant to section  
 817.23 126C.10, subdivision 2, from the second preceding school year to the current school year.  
 817.24 ~~Notwithstanding the amount of the formula allowance for fiscal years 2015 and 2016 in~~  
 817.25 ~~section 126C.10, subdivision 2, the commissioner shall use the amount of the formula~~  
 817.26 ~~allowance for the current year minus \$414 in determining the inflation adjustment for fiscal~~  
 817.27 ~~years 2015 and 2016.~~

817.28 (c) The commissioner shall allot to the districts or intermediary service areas the total  
 817.29 cost for each school year of providing or loaning the textbooks, individualized instructional  
 817.30 or cooperative learning materials, software or other educational technology, and standardized  
 817.31 tests for the pupils in each nonpublic school. The allotment shall not exceed the product of  
 817.32 the statewide average expenditure per pupil, according to ~~elause paragraph~~ (a), adjusted  
 817.33 pursuant to ~~elause paragraph~~ (b), multiplied by the number of nonpublic school pupils who

818.1 make requests pursuant to this section and who are enrolled as of September 15 of the current  
818.2 school year.

818.3 Sec. 4. Minnesota Statutes 2017 Supplement, section 124D.09, subdivision 3, is amended  
818.4 to read:

818.5 Subd. 3. **Definitions.** For purposes of this section, the following terms have the meanings  
818.6 given to them.

818.7 (a) "Eligible institution" means a Minnesota public postsecondary institution, a private,  
818.8 nonprofit two-year trade and technical school granting associate degrees, an opportunities  
818.9 industrialization center accredited by ~~the North Central Association of Colleges and Schools~~  
818.10 an accreditor recognized by the United States Department of Education, or a private,  
818.11 residential, two-year or four-year, liberal arts, degree-granting college or university located  
818.12 in Minnesota.

818.13 (b) "Course" means a course or program.

818.14 (c) "Concurrent enrollment" means nonsectarian courses in which an eligible pupil under  
818.15 subdivision 5 or 5b enrolls to earn both secondary and postsecondary credits, are taught by  
818.16 a secondary teacher or a postsecondary faculty member, and are offered at a high school  
818.17 for which the district is eligible to receive concurrent enrollment program aid under section  
818.18 124D.091.

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

818.20 Sec. 5. Minnesota Statutes 2016, section 124D.09, subdivision 4, is amended to read:

818.21 Subd. 4. **Alternative pupil.** (a) "Alternative pupil" means ~~an~~ a 10th, 11th, or 12th grade  
818.22 student, subject to paragraph (b), who is not enrolled in a public school district, and includes.  
818.23 Alternative pupil includes students attending nonpublic schools and students who are home  
818.24 schooled. An alternative pupil is considered a pupil for purposes of this section only. An  
818.25 alternative pupil must register with the commissioner of education before participating in  
818.26 the postsecondary enrollment options program. The commissioner ~~shall~~ must prescribe the  
818.27 form and manner of the registration, in consultation with the Nonpublic Education Council  
818.28 under section 123B.445, and may request any necessary information from the alternative  
818.29 pupil.

818.30 (b) A 10th grade student qualifies as an alternative pupil if the student: (1) is enrolled  
818.31 in a career or technical education course offered by an eligible institution; and (2) received  
818.32 a passing score on the 8th grade Minnesota Comprehensive Assessment, or another reading

819.1 assessment accepted by the enrolling postsecondary institution. A career or technical  
 819.2 education course must meet the requirements under subdivision 5a. If an alternative pupil  
 819.3 in 10th grade receives a grade of "C" or better in the career or technical education course  
 819.4 taken under this subdivision, the postsecondary institution must allow the student to take  
 819.5 additional postsecondary courses for credit at that institution, not to exceed the limits in  
 819.6 subdivision 8.

819.7 **EFFECTIVE DATE.** This section is effective for applications submitted on or after  
 819.8 July 1, 2018.

819.9 Sec. 6. Minnesota Statutes 2017 Supplement, section 124D.68, subdivision 2, is amended  
 819.10 to read:

819.11 Subd. 2. **Eligible pupils.** (a) A pupil under the age of 21 or who meets the requirements  
 819.12 of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation  
 819.13 incentives program, if the pupil:

819.14 (1) performs substantially below the performance level for pupils of the same age in a  
 819.15 locally determined achievement test;

819.16 (2) is behind in satisfactorily completing coursework or obtaining credits for graduation;

819.17 (3) is pregnant or is a parent;

819.18 (4) has been assessed as chemically dependent;

819.19 (5) has been excluded or expelled according to sections 121A.40 to 121A.56;

819.20 (6) has been referred by a school district for enrollment in an eligible program or a  
 819.21 program pursuant to section 124D.69;

819.22 (7) is a victim of physical or sexual abuse;

819.23 (8) has experienced mental health problems;

819.24 (9) has experienced homelessness sometime within six months before requesting a  
 819.25 transfer to an eligible program;

819.26 (10) speaks English as a second language or is an English learner; or

819.27 (11) has withdrawn from school or has been chronically truant; or

819.28 (12) is being treated in a hospital in the seven-county metropolitan area for cancer or  
 819.29 other life threatening illness or is the sibling of an eligible pupil who is being currently  
 819.30 treated, and resides with the pupil's family at least 60 miles beyond the outside boundary  
 819.31 of the seven-county metropolitan area.

820.1 (b) For fiscal years 2017 ~~and~~, 2018, and 2019 only, a pupil otherwise qualifying under  
820.2 paragraph (a) who is at least 21 years of age and not yet 22 years of age, is an English learner  
820.3 with an interrupted formal education according to section 124D.59, subdivision 2a, and was  
820.4 in an early middle college program during the previous school year is eligible to participate  
820.5 in the graduation incentives program under section 124D.68 and in concurrent enrollment  
820.6 courses offered under section 124D.09, subdivision 10, and is funded in the same manner  
820.7 as other pupils under this section.

820.8 **EFFECTIVE DATE.** This section is effective July 1, 2018.

820.9 Sec. 7. Minnesota Statutes 2016, section 124E.20, subdivision 1, is amended to read:

820.10 Subdivision 1. **Revenue calculation.** (a) General education revenue must be paid to a  
820.11 charter school as though it were a district. The general education revenue for each adjusted  
820.12 pupil unit is the state average general education revenue per pupil unit, plus the referendum  
820.13 equalization aid allowance and first tier local optional aid allowance in the pupil's district  
820.14 of residence, minus an amount equal to the product of the formula allowance according to  
820.15 section 126C.10, subdivision 2, times .0466, calculated without declining enrollment revenue,  
820.16 local optional revenue, basic skills revenue, extended time revenue, pension adjustment  
820.17 revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment  
820.18 revenue, basic skills revenue, pension adjustment revenue, and transition revenue as though  
820.19 the school were a school district.

820.20 (b) For a charter school operating an extended day, extended week, or summer program,  
820.21 the general education revenue in paragraph (a) is increased by an amount equal to 25 percent  
820.22 of the statewide average extended time revenue per adjusted pupil unit.

820.23 (c) Notwithstanding paragraph (a), the general education revenue for an eligible special  
820.24 education charter school as defined in section 124E.21, subdivision 2, equals the sum of  
820.25 the amount determined under paragraph (a) and the school's unreimbursed cost as defined  
820.26 in section 124E.21, subdivision 2, for educating students not eligible for special education  
820.27 services.

820.28 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2020 and later.

820.29 Sec. 8. Minnesota Statutes 2016, section 126C.10, subdivision 2e, is amended to read:

820.30 Subd. 2e. **Local optional revenue.** (a) For fiscal year 2019, local optional revenue for  
820.31 a school district equals \$424 times the adjusted pupil units of the district for that school  
820.32 year. For fiscal year 2020 and later, local optional revenue for a school district equals the

821.1 sum of the district's first tier local optional revenue and second tier local optional revenue.  
 821.2 A district's first tier local optional revenue equals \$300 times the adjusted pupil units of the  
 821.3 district for that school year. A district's second tier local optional revenue equals \$424 times  
 821.4 the adjusted pupil units of the district for that school year.

821.5 (b) For fiscal year 2019, a district's local optional levy equals its local optional revenue  
 821.6 times the lesser of one or the ratio of its referendum market value per resident pupil unit to  
 821.7 \$510,000. For fiscal year 2020 and later, a district's local optional levy equals the sum of  
 821.8 the first tier local optional levy and the second tier local optional levy. A district's first tier  
 821.9 local optional levy equals the district's first tier local optional revenue times the lesser of  
 821.10 one or the ratio of the district's referendum market value per resident pupil unit to \$880,000.  
 821.11 A district's second tier local optional levy equals the district's second tier local optional  
 821.12 revenue times the lesser of one or the ratio of the district's referendum market value per  
 821.13 resident pupil unit to \$510,000. The local optional revenue levy must be spread on referendum  
 821.14 market value. A district may levy less than the permitted amount.

821.15 (c) A district's local optional aid equals its local optional revenue less minus its local  
 821.16 optional levy, times the ratio of the actual amount levied to the permitted levy. If a district's  
 821.17 actual levy for first or second tier local optional revenue is less than its maximum levy limit  
 821.18 for that tier, its aid must be proportionately reduced.

821.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

821.20 Sec. 9. Minnesota Statutes 2016, section 126C.10, subdivision 24, is amended to read:

821.21 Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

821.22 (1) the school district's adjusted pupil unit amount of basic revenue, transition revenue,  
 821.23 first tier local optional revenue, and referendum revenue is less than the value of the school  
 821.24 district at or immediately above the 95th percentile of school districts in its equity region  
 821.25 for those revenue categories; and

821.26 (2) the school district's administrative offices are not located in a city of the first class  
 821.27 on July 1, 1999.

821.28 (b) ~~Equity revenue for a qualifying district that receives referendum revenue under~~  
 821.29 ~~section 126C.17, subdivision 4, equals the product of (1) the district's adjusted pupil units~~  
 821.30 for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's equity  
 821.31 index computed under subdivision 27.

822.1 ~~(e) Equity revenue for a qualifying district that does not receive referendum revenue~~  
 822.2 ~~under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil units~~  
 822.3 ~~for that year times \$14.~~

822.4 ~~(d)~~ (c) A school district's equity revenue is increased by the greater of zero or an amount  
 822.5 equal to the district's adjusted pupil units times the difference between ten percent of the  
 822.6 statewide average amount of referendum revenue and first tier local optional revenue per  
 822.7 adjusted pupil unit for that year and the sum of the district's referendum revenue and first  
 822.8 tier local optional revenue per adjusted pupil unit. A school district's revenue under this  
 822.9 paragraph must not exceed \$100,000 for that year.

822.10 ~~(e)~~ (d) A school district's equity revenue for a school district located in the metro equity  
 822.11 region equals the amount computed in paragraphs (b); and (c); ~~and (d)~~ multiplied by 1.25.

822.12 ~~(f)~~ (e) For fiscal years 2017, 2018, and 2019 for a school district not included in paragraph  
 822.13 ~~(e)~~ (d), a district's equity revenue equals the amount computed in paragraphs (b); and (c);  
 822.14 ~~and (d)~~ multiplied by 1.16. For fiscal year 2020 and later for a school district not included  
 822.15 in paragraph ~~(e)~~ (d), a district's equity revenue equals the amount computed in paragraphs  
 822.16 (b); and (c); ~~and (d)~~ multiplied by 1.25.

822.17 ~~(g)~~ (f) A school district's additional equity revenue equals \$50 times its adjusted pupil  
 822.18 units.

822.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

822.20 Sec. 10. Minnesota Statutes 2016, section 126C.15, subdivision 5, is amended to read:

822.21 Subd. 5. **Annual expenditure report.** (a) Each year, a district that receives basic skills  
 822.22 revenue must submit a report to the commissioner of education identifying the expenditures  
 822.23 it incurred to meet the needs of eligible learners under subdivision 1.

822.24 (b) The report must:

822.25 (1) conform to uniform financial and reporting standards established for this purpose;<sub>2</sub>

822.26 (2) categorize expenditures by each of the permitted uses authorized in subdivision 1,  
 822.27 in the form and manner specified by the commissioner; and

822.28 (3) report under section 120B.11, using valid and reliable data and measurement criteria,  
 822.29 ~~the report also must determine~~ whether increased expenditures raised student achievement  
 822.30 levels.

822.31 **EFFECTIVE DATE.** This section is effective for reports issued after July 1, 2018.

823.1 Sec. 11. Minnesota Statutes 2016, section 126C.15, is amended by adding a subdivision  
823.2 to read:

823.3 Subd. 6. **Commissioner's report.** By February 15 of each year, the commissioner shall  
823.4 compile the district data submitted under subdivision 5, report the results to the legislative  
823.5 committees with jurisdiction over education, and file the report according to section 3.195.

823.6 **EFFECTIVE DATE.** This section is effective July 1, 2018.

823.7 Sec. 12. Minnesota Statutes 2016, section 126C.17, subdivision 1, is amended to read:

823.8 Subdivision 1. **Referendum allowance.** (a) A district's initial referendum allowance for  
823.9 fiscal year 2020 and later equals the result of the following calculations:

823.10 ~~(1) multiply the referendum allowance the district would have received for fiscal year~~  
823.11 ~~2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on elections~~  
823.12 ~~held before July 1, 2013, by the resident marginal cost pupil units the district would have~~  
823.13 ~~counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;~~

823.14 ~~(2) add to the result of clause (1) the adjustment the district would have received under~~  
823.15 ~~Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based~~  
823.16 ~~on elections held before July 1, 2013;~~

823.17 ~~(3) divide the result of clause (2) by the district's adjusted pupil units for fiscal year~~  
823.18 ~~2015;~~

823.19 ~~(4) add to the result of clause (3) any additional referendum allowance per adjusted pupil~~  
823.20 ~~unit authorized by elections held between July 1, 2013, and December 31, 2013;~~

823.21 ~~(5) add to the result in clause (4) any additional referendum allowance resulting from~~  
823.22 ~~inflation adjustments approved by the voters prior to January 1, 2014;~~

823.23 ~~(6) subtract from the result of clause (5), the sum of a district's actual local optional levy~~  
823.24 ~~and local optional aid under section 126C.10, subdivision 2e, divided by the adjusted pupil~~  
823.25 ~~units of the district for that school year; and~~

823.26 (1) subtract \$424 from the district's allowance under Minnesota Statutes 2016, section  
823.27 126C.17, subdivision 1, paragraph (a), clause (5);

823.28 (2) if the result of clause (1) is less than zero, set the allowance to zero;

823.29 (3) add to the result in clause (2) any new referendum allowance authorized between  
823.30 July 1, 2013, and December 31, 2013, under Minnesota Statutes 2013, section 126C.17,  
823.31 subdivision 9a;

824.1 (4) add to the result in clause (3) any additional referendum allowance per adjusted pupil  
 824.2 unit authorized between January 1, 2014, and June 30, 2018;

824.3 (5) subtract from the result in clause (4) any allowances expiring in fiscal year 2016,  
 824.4 2017, 2018, or 2019;

824.5 (6) subtract \$300 from the result in clause (5); and

824.6 (7) if the result of clause (6) is less than zero, set the allowance to zero.

824.7 (b) A district's referendum allowance equals the sum of the district's initial referendum  
 824.8 allowance calculated in paragraph (a), plus any new referendum allowance authorized  
 824.9 ~~between July 1, 2013, and December 31, 2013, under subdivision 9a, plus any additional~~  
 824.10 ~~referendum allowance per adjusted pupil unit authorized after December 31, 2013, after~~  
 824.11 July 1, 2018, minus any allowances expiring in fiscal year ~~2016~~ 2020 or later, plus any  
 824.12 inflation adjustments for fiscal year 2020 and later approved by the voters prior to July 1,  
 824.13 2018, provided that the allowance may not be less than zero. ~~For a district with more than~~  
 824.14 ~~one referendum allowance for fiscal year 2015 under Minnesota Statutes 2012, section~~  
 824.15 ~~126C.17, the allowance calculated under paragraph (a), clause (3), must be divided into~~  
 824.16 ~~components such that the same percentage of the district's allowance expires at the same~~  
 824.17 ~~time as the old allowances would have expired under Minnesota Statutes 2012, section~~  
 824.18 ~~126C.17. For a district with more than one allowance for fiscal year 2015 that expires in~~  
 824.19 ~~the same year, the reduction under paragraph (a), clause clauses (1) and (6), to offset local~~  
 824.20 ~~optional revenue shall be made first from any allowances that do not have an inflation~~  
 824.21 ~~adjustment approved by the voters.~~

824.22 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

824.23 Sec. 13. Minnesota Statutes 2016, section 126C.17, subdivision 2, is amended to read:

824.24 Subd. 2. **Referendum allowance limit.** (a) Notwithstanding subdivision 1, for fiscal  
 824.25 year ~~2015~~ 2020 and later, a district's referendum allowance must not exceed ~~the annual~~  
 824.26 ~~inflationary increase as calculated under paragraph (b) times the greatest of:~~

824.27 (1) ~~\$1,845~~ the product of the annual inflationary increase as calculated under paragraph  
 824.28 (b), and \$2,012.53, minus \$300;

824.29 (2) the product of the annual inflationary increase as calculated under paragraph (b),  
 824.30 and the sum of the referendum revenue the district would have received for fiscal year 2015  
 824.31 under Minnesota Statutes 2012, section 126C.17, subdivision 4, based on elections held  
 824.32 before July 1, 2013, and the adjustment the district would have received under Minnesota  
 824.33 Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections

825.1 held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015,  
825.2 minus \$300;

825.3 ~~(3) the product of the referendum allowance limit the district would have received for~~  
825.4 ~~fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 2, and the~~  
825.5 ~~resident marginal cost pupil units the district would have received for fiscal year 2015 under~~  
825.6 ~~Minnesota Statutes 2012, section 126C.05, subdivision 6, plus the adjustment the district~~  
825.7 ~~would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7,~~  
825.8 ~~paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the~~  
825.9 ~~district's adjusted pupil units for fiscal year 2015; minus \$424 for a newly reorganized~~  
825.10 ~~district created on July 1, 2019, the referendum revenue authority for each reorganizing~~  
825.11 ~~district in the year preceding reorganization divided by its adjusted pupil units for the year~~  
825.12 ~~preceding reorganization, minus \$300; or~~

825.13 (4) for a newly reorganized district created after July 1, ~~2013~~ 2020, the referendum  
825.14 revenue authority for each reorganizing district in the year preceding reorganization divided  
825.15 by its adjusted pupil units for the year preceding reorganization.

825.16 (b) For purposes of this subdivision, for fiscal year ~~2016~~ 2021 and later, "inflationary  
825.17 increase" means one plus the percentage change in the Consumer Price Index for urban  
825.18 consumers, as prepared by the United States Bureau of Labor ~~Standards~~ Statistics, for the  
825.19 current fiscal year to fiscal year ~~2015~~ 2020. ~~For fiscal year 2016 and later, for purposes of~~  
825.20 ~~paragraph (a), clause (3), the inflationary increase equals one-fourth of the percentage~~  
825.21 ~~increase in the formula allowance for that year compared with the formula allowance for~~  
825.22 ~~fiscal year 2015.~~

825.23 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

825.24 Sec. 14. Minnesota Statutes 2016, section 126C.17, subdivision 5, is amended to read:

825.25 Subd. 5. **Referendum equalization revenue.** (a) A district's referendum equalization  
825.26 revenue equals the sum of the first tier referendum equalization revenue and the second tier  
825.27 referendum equalization revenue, ~~and the third tier referendum equalization revenue.~~

825.28 (b) A district's first tier referendum equalization revenue equals the district's first tier  
825.29 referendum equalization allowance times the district's adjusted pupil units for that year.

825.30 (c) A district's first tier referendum equalization allowance equals the lesser of the  
825.31 district's referendum allowance under subdivision 1 or ~~\$300~~ \$460.

825.32 (d) A district's second tier referendum equalization revenue equals the district's second  
825.33 tier referendum equalization allowance times the district's adjusted pupil units for that year.

826.1 (e) A district's second tier referendum equalization allowance equals the lesser of the  
 826.2 district's referendum allowance under subdivision 1 or \$760, minus the district's first tier  
 826.3 referendum equalization allowance.

826.4 ~~(f) A district's third tier referendum equalization revenue equals the district's third tier~~  
 826.5 ~~referendum equalization allowance times the district's adjusted pupil units for that year.~~

826.6 ~~(g) A district's third tier referendum equalization allowance equals the lesser of the~~  
 826.7 ~~district's referendum allowance under subdivision 1 or 25 percent of the formula allowance,~~  
 826.8 ~~minus the sum of \$300 and the district's first tier referendum equalization allowance and~~  
 826.9 ~~second tier referendum equalization allowance.~~

826.10 ~~(h) (f)~~ Notwithstanding paragraph ~~(g)~~ (e), the ~~third~~ second tier referendum allowance  
 826.11 for a district qualifying for secondary sparsity revenue under section 126C.10, subdivision  
 826.12 7, or elementary sparsity revenue under section 126C.10, subdivision 8, equals the district's  
 826.13 referendum allowance under subdivision 1 minus the ~~sum of the~~ district's first tier referendum  
 826.14 equalization allowance ~~and second tier referendum equalization allowance.~~

826.15 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

826.16 Sec. 15. Minnesota Statutes 2016, section 126C.17, subdivision 6, is amended to read:

826.17 Subd. 6. **Referendum equalization levy.** (a) A district's referendum equalization levy  
 826.18 equals the sum of the first tier referendum equalization levy; and the second tier referendum  
 826.19 equalization levy; ~~and the third tier referendum equalization levy.~~

826.20 (b) A district's first tier referendum equalization levy equals the district's first tier  
 826.21 referendum equalization revenue times the lesser of one or the ratio of the district's  
 826.22 referendum market value per resident pupil unit to ~~\$880,000~~ \$510,000.

826.23 (c) A district's second tier referendum equalization levy equals the district's second tier  
 826.24 referendum equalization revenue times the lesser of one or the ratio of the district's  
 826.25 referendum market value per resident pupil unit to ~~\$510,000~~ \$290,000.

826.26 ~~(d) A district's third tier referendum equalization levy equals the district's third tier~~  
 826.27 ~~referendum equalization revenue times the lesser of one or the ratio of the district's~~  
 826.28 ~~referendum market value per resident pupil unit to \$290,000.~~

826.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

827.1 Sec. 16. Minnesota Statutes 2016, section 126C.17, subdivision 7, is amended to read:

827.2 Subd. 7. **Referendum equalization aid.** (a) A district's referendum equalization aid  
827.3 equals the difference between its referendum equalization revenue and levy.

827.4 (b) If a district's actual levy for first, or second, ~~or third~~ tier referendum equalization  
827.5 revenue is less than its maximum levy limit for that tier, aid shall be proportionately reduced.

827.6 (c) Notwithstanding paragraph (a), the referendum equalization aid for a district, ~~where~~  
827.7 ~~the referendum equalization aid under paragraph (a) exceeds 90 percent of the referendum~~  
827.8 ~~revenue~~, must not exceed: (1) the difference between 25 percent of the formula allowance  
827.9 and \$300; times (2) the district's adjusted pupil units. A district's referendum levy is increased  
827.10 by the amount of any reduction in referendum aid under this paragraph.

827.11 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

827.12 Sec. 17. Minnesota Statutes 2016, section 126C.17, subdivision 7a, is amended to read:

827.13 Subd. 7a. **Referendum tax base replacement aid.** For each school district that had a  
827.14 referendum allowance for fiscal year 2002 exceeding \$415, for each separately authorized  
827.15 referendum levy, the commissioner of revenue, in consultation with the commissioner of  
827.16 education, shall certify the amount of the referendum levy in taxes payable year 2001  
827.17 attributable to the portion of the referendum allowance exceeding \$415 levied against  
827.18 property classified as class 2, noncommercial 4c(1), or 4c(4), under section 273.13, excluding  
827.19 the portion of the tax paid by the portion of class 2a property consisting of the house, garage,  
827.20 and surrounding one acre of land. The resulting amount must be used to reduce the district's  
827.21 referendum levy or first tier local optional levy amount otherwise determined, and must be  
827.22 paid to the district each year that the referendum or first tier local optional authority remains  
827.23 in effect, is renewed, or new referendum authority is approved. The aid payable under this  
827.24 subdivision must be subtracted from the district's referendum equalization aid under  
827.25 subdivision 7. The referendum equalization aid and the first tier local optional aid after the  
827.26 subtraction must not be less than zero.

827.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

827.28 Sec. 18. Minnesota Statutes 2016, section 127A.45, subdivision 11, is amended to read:

827.29 Subd. 11. **Payment percentage for reimbursement aids.** One hundred percent of the  
827.30 aid for the previous fiscal year must be paid in the current year for the following aids:  
827.31 telecommunications/Internet access equity ~~and aid~~ according to section 125B.26, special  
827.32 education special pupil aid according to section 125A.75, subdivision 3, ~~aid for litigation~~

828.1 ~~costs according to section 125A.75, subdivision 9,~~ aid for court-placed special education  
828.2 expenses according to section 125A.79, subdivision 4, and aid for special education  
828.3 out-of-state tuition according to section 125A.79, subdivision 8, and shared time aid  
828.4 according to section 126C.01, subdivision 7.

828.5 Sec. 19. Minnesota Statutes 2016, section 127A.45, subdivision 16, is amended to read:

828.6 Subd. 16. **Payments to third parties.** Notwithstanding subdivision 3, the current year  
828.7 aid payment percentage of the ~~amounts~~ amount under ~~sections 123A.26, subdivision 3, and~~  
828.8 section 124D.041; shall be paid in equal installments on August 30, December 30, and  
828.9 March 30, with a final adjustment payment on October 30 of the next fiscal year of the  
828.10 remaining amount.

828.11 Sec. 20. Minnesota Statutes 2016, section 471.59, subdivision 1, is amended to read:

828.12 Subdivision 1. **Agreement.** (a) Two or more governmental units, by agreement entered  
828.13 into through action of their governing bodies, may jointly or cooperatively exercise any  
828.14 power common to the contracting parties or any similar powers, including those which are  
828.15 the same except for the territorial limits within which they may be exercised. The agreement  
828.16 may provide for the exercise of such powers by one or more of the participating governmental  
828.17 units on behalf of the other participating units.

828.18 (b) The term "governmental unit" as used in this section includes every city, county,  
828.19 town, school district, service cooperative under section 123A.21, independent nonprofit  
828.20 firefighting corporation, other political subdivision of this or another state, another state,  
828.21 federally recognized Indian tribe, the University of Minnesota, the Minnesota Historical  
828.22 Society, nonprofit hospitals licensed under sections 144.50 to 144.56, rehabilitation facilities  
828.23 and extended employment providers that are certified by the commissioner of employment  
828.24 and economic development, day and supported employment services licensed under chapter  
828.25 245D, and any agency of the state of Minnesota or the United States, and includes any  
828.26 instrumentality of a governmental unit. For the purpose of this section, an instrumentality  
828.27 of a governmental unit means an instrumentality having independent policy-making and  
828.28 appropriating authority.

828.29 Sec. 21. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 2,  
828.30 is amended to read:

828.31 Subd. 2. **General education aid.** For general education aid under Minnesota Statutes,  
828.32 section 126C.13, subdivision 4:

829.1 ~~7,032,051,000~~  
 829.2 \$ 7,078,769,000 ..... 2018  
 829.3 ~~7,227,809,000~~  
 829.4 \$ 7,239,247,000 ..... 2019

829.5 The 2018 appropriation includes \$686,828,000 for 2017 and ~~\$6,345,223,000~~  
 829.6 \$6,391,941,000 for 2018.

829.7 The 2019 appropriation includes ~~\$705,024,000~~ \$683,110,000 for 2018 and  
 829.8 ~~\$6,522,785,000~~ \$6,556,137,000 for 2019.

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

829.10 Sec. 22. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 5,  
 829.11 is amended to read:

829.12 Subd. 5. **Consolidation transition aid; grant programs.** (a) ~~For districts consolidating~~  
 829.13 consolidation transition aid under Minnesota Statutes, section 123A.485, or the purposes  
 829.14 in paragraphs (b) to (d):

829.15 ~~185,000~~  
 829.16 \$ 0 ..... 2018  
 829.17 ~~382,000~~  
 829.18 \$ 270,000 ..... 2019

829.19 (b) If no school district is eligible for a consolidation transition aid entitlement for fiscal  
 829.20 year 2019, the fiscal year 2019 appropriation under paragraph (a) must be equally split  
 829.21 between the purposes in paragraphs (c) and (d).

829.22 (c) The commissioner must award character development incentive grants to public  
 829.23 schools and charter schools that demonstrate use of the Congressional Medal of Honor  
 829.24 character development program. The amount available under this paragraph is in addition  
 829.25 to amounts appropriated elsewhere for the same purpose. The commissioner must allocate  
 829.26 the amount proportionally among the public schools and charter schools that apply, not to  
 829.27 exceed \$5,000 per school per fiscal year. If the entire amount is not expended in fiscal year  
 829.28 2019, the commissioner must award additional grants in fiscal years 2020 and 2021. The  
 829.29 grant award may be used for any school-related purpose consistent with Minnesota Statutes,  
 829.30 section 120B.232. Of the amount under this paragraph, up to three percent is for administering  
 829.31 the grants. The amount is available until June 30, 2021.

829.32 (d) For a grant to Independent School District No. 110, Waconia, to establish a career  
 829.33 and technical education dual credit pilot program offering courses in manufacturing and  
 829.34 construction. The program must be established in partnership with at least one higher

830.1 education partner, including Hennepin Technical College or Ridgewater College. A dual  
 830.2 credit course offered under the pilot program must be taught by a qualified school district  
 830.3 teacher or college faculty member. A student that completes a course offered by the career  
 830.4 and technical education dual credit pilot program must receive both a secondary credit and  
 830.5 postsecondary credit. A student may also receive an industry-recognized certificate, if  
 830.6 appropriate. A dual credit course offered under the pilot program is not subject to the  
 830.7 requirements of Minnesota Statutes, section 124D.09. A student enrolled in a dual credit  
 830.8 course is included in the school district's average daily membership in accordance with  
 830.9 Minnesota Statutes, section 126C.05, during the hours of participation in the course. Of the  
 830.10 amount under this paragraph, up to three percent is for administering the grant. The fiscal  
 830.11 year 2019 amount is available until June 30, 2021.

830.12 (e) The 2018 appropriation includes \$0 for 2017 and ~~\$185,000~~ \$0 for 2018.

830.13 (f) The 2019 appropriation includes ~~\$20,000~~ \$0 for 2018 and ~~\$362,000~~ \$270,000 for  
 830.14 2019.

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

830.16 Sec. 23. **FUND TRANSFERS.**

830.17 Subdivision 1. **Minnetonka school district.** (a) Notwithstanding Minnesota Statutes,  
 830.18 section 123B.79, 123B.80, or 124D.20, subdivision 10, on June 30, 2018, Independent  
 830.19 School District No. 276, Minnetonka, may permanently transfer up to \$2,400,000 from its  
 830.20 community education reserve fund balance to its reserved for operating capital account in  
 830.21 the general fund.

830.22 (b) The transferred funds must be used only to design, construct, furnish, and equip an  
 830.23 early childhood classroom addition.

830.24 Subd. 2. **Ivanhoe school district.** Notwithstanding Minnesota Statutes, section 123B.79,  
 830.25 123B.80, or 124D.20, subdivision 10, on June 30, 2018, Independent School District No.  
 830.26 403, Ivanhoe, may permanently transfer up to \$79,000 from its community education reserve  
 830.27 fund balance to its undesignated general fund.

830.28 Subd. 3. **Minneapolis school district.** (a) Notwithstanding Minnesota Statutes, section  
 830.29 123B.79, 123B.80, or 124D.20, subdivision 10, on June 30, 2018, Special School District  
 830.30 No. 1, Minneapolis, may permanently transfer up to \$2,000,000 from its community  
 830.31 education reserve fund balance to its undesignated general fund.

830.32 (b) The transferred funds must be used only for school support services, including mental  
 830.33 health services.

831.1 Subd. 4. **Hopkins school district.** (a) Notwithstanding Minnesota Statutes, section  
 831.2 123B.79, 123B.80, or 124D.20, subdivision 10, on June 30, 2018, Independent School  
 831.3 District No. 270, Hopkins, may permanently transfer up to \$500,000 from its community  
 831.4 education reserve fund balance to its reserved for operating capital account in the general  
 831.5 fund.

831.6 (b) The transferred funds must be used only to design, construct, furnish, and equip an  
 831.7 early childhood classroom addition.

831.8 Subd. 5. **Fund balance policy.** To the extent practicable, when making the fund transfers  
 831.9 under this section, each district must abide by its school board's fund balance policy, unless  
 831.10 the funds are transferred for an eligible use under Minnesota Statutes, section 124D.128.

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

831.12 Sec. 24. **SCHOOL REVENUE GENERATION AND SPENDING; LEGISLATIVE**  
 831.13 **AUDITOR STUDY.**

831.14 (a) The legislative auditor is requested to conduct a study of how students in  
 831.15 prekindergarten through grade 12 generate revenue and compare how that revenue is spent  
 831.16 and reported at the school level for a sample of school districts.

831.17 (b) The study shall focus on a sample of school districts and include the following topics:

831.18 (1) the extent to which the funding generated by students is spent at the school sites  
 831.19 those students attend;

831.20 (2) how district calculations of actual salaries for teachers and staff compare to average  
 831.21 salaries and how those calculations may impact per pupil expenditures at the school level;

831.22 (3) how per pupil expenditures within a given school district compare across school  
 831.23 sites, including expenditures to reduce class sizes, hire additional support staff, and support  
 831.24 other resources;

831.25 (4) the extent to which revenue sources for a given school district vary by school site,  
 831.26 including state and local funding and philanthropic and parent association funds;

831.27 (5) whether there is currently variation in reporting across schools in the Uniform  
 831.28 Financial Accounting and Reporting Standards (UFARS) system; and

831.29 (6) what steps the Department of Education can take to ensure consistent and accurate  
 831.30 UFARS reporting from schools and districts on school-level revenue and expenditures.

832.1 (c) The legislative auditor must deliver the study findings to the chairs and ranking  
832.2 minority members of the legislative committees with primary jurisdiction over kindergarten  
832.3 through grade 12 education no later than February 1, 2019.

832.4 **Sec. 25. PUPIL TRANSPORTATION WORKING GROUP.**

832.5 Subdivision 1. **Duties.** (a) A working group on pupil transportation is created to review  
832.6 pupil transportation and transportation efficiencies in Minnesota, to consult with stakeholders,  
832.7 and to submit a written report to the legislature recommending policy and formula changes.  
832.8 The pupil transportation working group must examine and consider:

832.9 (1) how school districts, charter schools, intermediate school districts, special education  
832.10 cooperatives, education districts, and service cooperatives deliver pupil transportation  
832.11 services and the costs associated with each model;

832.12 (2) relevant state laws and rules;

832.13 (3) trends in pupil transportation services;

832.14 (4) strategies or programs that would be effective in funding necessary pupil  
832.15 transportation services; and

832.16 (5) the effect of the elimination of categorical funding for pupil transportation services.

832.17 (b) In making its recommendations, the pupil transportation working group must consider  
832.18 a ten-year strategic plan informed by the policy findings in paragraph (a) to help make pupil  
832.19 transportation funding more fair.

832.20 Subd. 2. **Members.** (a) By June 1, 2018, the executive director of the following  
832.21 organizations may appoint one representative of that organization to serve as a member of  
832.22 the working group:

832.23 (1) the Minnesota School Boards Association;

832.24 (2) the Minnesota Association of Charter Schools;

832.25 (3) Education Minnesota;

832.26 (4) the Minnesota Rural Education Association;

832.27 (5) the Association of Metropolitan School Districts;

832.28 (6) the Minnesota Association for Pupil Transportation;

832.29 (7) the Minnesota School Bus Operators Association;

832.30 (8) the Minnesota Association of School Administrators;

833.1 (9) the Minnesota Association of School Business Officials;

833.2 (10) Schools for Equity in Education;

833.3 (11) Service Employees International Union Local 284;

833.4 (12) the Minnesota Association of Secondary School Principals;

833.5 (13) the Minnesota Administrators of Special Education; and

833.6 (14) the Minnesota Transportation Alliance.

833.7 (b) The commissioner of education must solicit applications for membership in the  
833.8 working group, and based on the applications received, designate by June 25, 2018, the  
833.9 following individuals to serve as members of the working group:

833.10 (1) a representative from an intermediate school district;

833.11 (2) a representative from a special education cooperative, education district, or service  
833.12 cooperative;

833.13 (3) a representative from a school district in a city of the first class;

833.14 (4) a representative from a school district in a first tier suburb; and

833.15 (5) a representative from a rural school district.

833.16 Subd. 3. **Meetings.** The commissioner of education, or the commissioner's designee,  
833.17 must convene the first meeting of the working group no later than July 15, 2018. The working  
833.18 group must select a chair or cochairs from among its members at the first meeting. The  
833.19 working group must meet periodically. Meetings of the working group must be open to the  
833.20 public.

833.21 Subd. 4. **Compensation.** Working group members are not eligible to receive expenses  
833.22 or per diem payments for serving on the working group.

833.23 Subd. 5. **Administrative support.** The commissioner of education must provide technical  
833.24 and administrative assistance to the working group upon request.

833.25 Subd. 6. **Report.** (a) By January 15, 2019, the working group must submit a report  
833.26 providing its findings and recommendations to the chairs and ranking minority members  
833.27 of the legislative committees with jurisdiction over kindergarten through grade 12 education.

833.28 (b) The legislature convening in January 2019 is encouraged to convene a legislative  
833.29 study group to review the recommendations and ten-year strategic plan to develop its own  
833.30 recommendations for legislative changes, as necessary.

834.1 Subd. 7. **Expiration.** The working group expires on January 16, 2019, unless extended  
 834.2 by law.

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

834.4 Sec. 26. **APPROPRIATIONS.**

834.5 Subdivision 1. **Commissioner of education.** The sums indicated in this section are  
 834.6 appropriated from the general fund to the commissioner of education in the fiscal years  
 834.7 designated.

834.8 Subd. 2. **St. Cloud English language learner summer program.** (a) For a grant to  
 834.9 Independent School District No. 742, St. Cloud, for a summer language academy providing  
 834.10 targeted services and extended year programming for English language learners:

834.11 §            300,000    ..... 2019

834.12 (b) A program funded under this subdivision must:

834.13 (1) provide a research-based language summer instructional program to help English  
 834.14 learners, as defined in Minnesota Statutes, section 124D.59, subdivision 2, acquire English  
 834.15 and achieve academic excellence;

834.16 (2) be consistent with English language development standards under Minnesota Rules,  
 834.17 parts 3501.1200 and 3501.1210; and

834.18 (3) provide instruction by a highly qualified teacher of English as a second language.

834.19 (c) Independent School District No. 742, St. Cloud, must report to the education  
 834.20 committees of the legislature by January 15, 2021, on the program's design, student  
 834.21 participation levels, and any measurable outcomes of the program.

834.22 (d) This is a onetime appropriation and is available until June 30, 2021.

834.23 Subd. 3. **School bus safety campaign.** (a) For transfer to the commissioner of public  
 834.24 safety for an education and awareness campaign on passing school buses:

834.25 §            41,000    ..... 2019

834.26 (b) This is a onetime appropriation.

834.27 (c) The campaign must be designed to: (1) help reduce occurrences of motor vehicles  
 834.28 unlawfully passing school buses; and (2) inform drivers about the safety of pupils boarding  
 834.29 and unloading from school buses, including (i) laws requiring a motor vehicle to stop when  
 834.30 a school bus has extended the stop-signal arm and is flashing red lights, and (ii) penalties  
 834.31 for violations. When developing the campaign, the commissioner must identify best practices,

835.1 review effective communication methods to educate drivers, and consider multiple forms  
 835.2 of media to convey the information.

835.3 **Sec. 27. APPROPRIATION; SCHOOL REVENUE GENERATION AND**  
 835.4 **SPENDING; LEGISLATIVE AUDITOR STUDY.**

835.5 \$200,000 in fiscal year 2019 is appropriated from the general fund to the Office of the  
 835.6 Legislative Auditor for the legislative auditor to study and report on school revenue  
 835.7 generation and spending outlined in section 24. This is a onetime appropriation.

835.8 **Sec. 28. REPEALER.**

835.9 (a) Minnesota Statutes 2016, sections 123A.26, subdivision 3; and 125A.75, subdivision  
 835.10 9, are repealed.

835.11 (b) Minnesota Statutes 2016, section 126C.16, subdivisions 1 and 3, are repealed.

835.12 (c) Minnesota Statutes 2016, section 126C.17, subdivision 9a, is repealed.

835.13 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective July 1, 2018. Paragraph (c)  
 835.14 is effective for revenue for fiscal year 2020 and later.

## 835.15 **ARTICLE 48**

### 835.16 **EDUCATION EXCELLENCE**

835.17 Section 1. Minnesota Statutes 2016, section 120A.22, subdivision 7, is amended to read:

835.18 **Subd. 7. Education records.** (a) A district, a charter school, or a nonpublic school that  
 835.19 receives services or aid under sections 123B.40 to 123B.48 from which a student is  
 835.20 transferring must transmit the student's educational records, within ten business days of a  
 835.21 request, to the district, the charter school, or the nonpublic school in which the student is  
 835.22 enrolling. Districts, charter schools, and nonpublic schools that receive services or aid under  
 835.23 sections 123B.40 to 123B.48 must make reasonable efforts to determine the district, the  
 835.24 charter school, or the nonpublic school in which a transferring student is next enrolling in  
 835.25 order to comply with this subdivision.

835.26 (b) A closed charter school must transfer the student's educational records, within ten  
 835.27 business days of the school's closure, to the student's school district of residence where the  
 835.28 records must be retained unless the records are otherwise transferred under this subdivision.

835.29 (c) A school district, a charter school, or a nonpublic school that receives services or aid  
 835.30 under sections 123B.40 to 123B.48 that transmits a student's educational records to another

836.1 school district or other educational entity, charter school, or nonpublic school to which the  
 836.2 student is transferring must include in the transmitted records information about any formal  
 836.3 suspension, expulsion, and exclusion disciplinary action or pupil withdrawal under sections  
 836.4 121A.40 to 121A.56. The transmitted records must include services a pupil needs. The  
 836.5 district, the charter school, or the nonpublic school that receives services or aid under sections  
 836.6 123B.40 to 123B.48 must provide notice to a student and the student's parent or guardian  
 836.7 that formal disciplinary records will be transferred as part of the student's educational record,  
 836.8 in accordance with data practices under chapter 13 and the Family Educational Rights and  
 836.9 Privacy Act of 1974, United States Code, title 20, section 1232(g).

836.10 (d) Notwithstanding section 138.17, a principal or chief administrative officer must  
 836.11 remove from a student's educational record and destroy a probable cause notice received  
 836.12 under section 260B.171, subdivision 5, or paragraph (e), if one year has elapsed since the  
 836.13 date of the notice and the principal or chief administrative officer has not received a  
 836.14 disposition or court order related to the offense described in the notice. This paragraph does  
 836.15 not apply if the student no longer attends the school when this one-year period expires.

836.16 (e) A principal or chief administrative officer who receives a probable cause notice under  
 836.17 section 260B.171, subdivision 5, or a disposition or court order, must include a copy of that  
 836.18 data in the student's educational records if they are transmitted to another school, unless the  
 836.19 data are required to be destroyed under paragraph (d) or section 121A.75.

836.20 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

836.21 Sec. 2. Minnesota Statutes 2016, section 120A.22, subdivision 12, is amended to read:

836.22 Subd. 12. **Legitimate exemptions.** (a) A parent, guardian, or other person having control  
 836.23 of a child may apply to a school district to have the child excused from attendance for the  
 836.24 whole or any part of the time school is in session during any school year. Application may  
 836.25 be made to any member of the board, a truant officer, a principal, or the superintendent.  
 836.26 The school district may state in its school attendance policy that it may ask the student's  
 836.27 parent or legal guardian to verify in writing the reason for the child's absence from school.  
 836.28 A note from a physician or a licensed mental health professional stating that the child cannot  
 836.29 attend school is a valid excuse. The board of the district in which the child resides may  
 836.30 approve the application upon the following being demonstrated to the satisfaction of that  
 836.31 board:

836.32 (1) that the child's physical or mental health is such as to prevent attendance at school  
 836.33 or application to study for the period required, which includes:

- 837.1 (i) child illness, medical, dental, orthodontic, or counseling appointments;
- 837.2 (ii) family emergencies;
- 837.3 (iii) the death or serious illness or funeral of an immediate family member;
- 837.4 (iv) active duty in any military branch of the United States;
- 837.5 (v) the child has a condition that requires ongoing treatment for a mental health diagnosis;
- 837.6 or
- 837.7 (vi) other exemptions included in the district's school attendance policy;
- 837.8 (2) that the child is participating in any activity necessary for the child to join any branch
- 837.9 of the United States armed forces and may be excused for up to three days for such purpose;
- 837.10 ~~(2)~~ (3) that the child has already completed state and district standards required for
- 837.11 graduation from high school; or
- 837.12 ~~(3)~~ (4) that it is the wish of the parent, guardian, or other person having control of the
- 837.13 child, that the child attend for a period or periods not exceeding in the aggregate three hours
- 837.14 in any week, a school for religious instruction conducted and maintained by some church,
- 837.15 or association of churches, or any Sunday school association incorporated under the laws
- 837.16 of this state, or any auxiliary thereof. This school for religious instruction must be conducted
- 837.17 and maintained in a place other than a public school building, and it must not, in whole or
- 837.18 in part, be conducted and maintained at public expense. However, a child may be absent
- 837.19 from school on such days as the child attends upon instruction according to the ordinances
- 837.20 of some church.
- 837.21 (b) Notwithstanding subdivision 6, paragraph (a), a parent may withdraw a child from
- 837.22 an all-day, every day kindergarten program and put their child in a half-day program, if
- 837.23 offered, or an alternate-day program without being truant. A school board must excuse a
- 837.24 kindergarten child from a part of a school day at the request of the child's parent.
- 837.25 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.
- 837.26 Sec. 3. Minnesota Statutes 2017 Supplement, section 120B.021, subdivision 1, is amended
- 837.27 to read:
- 837.28 Subdivision 1. **Required academic standards.** (a) The following subject areas are
- 837.29 required for statewide accountability:
- 837.30 (1) language arts;
- 837.31 (2) mathematics;

838.1 (3) science;

838.2 (4) social studies, including history, geography, economics, and government and  
838.3 citizenship that includes civics consistent with section 120B.02, subdivision 3;

838.4 (5) physical education;

838.5 (6) health, for which locally developed academic standards apply; and

838.6 (7) the arts, for which statewide or locally developed academic standards apply, as  
838.7 determined by the school district. Public elementary and middle schools must offer at least  
838.8 three and require at least two of the following four arts areas: dance; music; theater; and  
838.9 visual arts. Public high schools must offer at least three and require at least one of the  
838.10 following five arts areas: media arts; dance; music; theater; and visual arts.

838.11 (b) For purposes of applicable federal law, the academic standards for language arts,  
838.12 mathematics, and science apply to all public school students, except the very few students  
838.13 with extreme cognitive or physical impairments for whom an individualized education  
838.14 program team has determined that the required academic standards are inappropriate. An  
838.15 individualized education program team that makes this determination must establish  
838.16 alternative standards.

838.17 (c) The department must adopt the most recent SHAPE America (Society of Health and  
838.18 Physical Educators) kindergarten through grade 12 standards and benchmarks for physical  
838.19 education as the required physical education academic standards. The department may  
838.20 modify and adapt the national standards to accommodate state interest. The modification  
838.21 and adaptations must maintain the purpose and integrity of the national standards. The  
838.22 department must make available sample assessments, which school districts may use as an  
838.23 alternative to local assessments, to assess students' mastery of the physical education  
838.24 standards beginning in the 2018-2019 school year.

838.25 (d) A school district may include child sexual abuse and sexual exploitation prevention  
838.26 instruction in a health curriculum, consistent with paragraph (a), clause (6). Child sexual  
838.27 abuse and sexual exploitation prevention instruction may include age-appropriate instruction  
838.28 on recognizing sexual abuse and, assault, and sexual exploitation; boundary violations; and  
838.29 ways offenders identify, groom, or desensitize victims, as well as strategies to promote  
838.30 disclosure, reduce self-blame, and mobilize bystanders. A school district may consult with  
838.31 other federal, state, or local agencies and community-based organizations to identify  
838.32 research-based tools, curricula, and programs to prevent child sexual abuse and sexual  
838.33 exploitation. A school district may provide instruction under this paragraph in a variety of  
838.34 ways, including at an annual assembly or classroom presentation. A school district may

839.1 also provide parents information on the warning signs of child sexual abuse and sexual  
 839.2 exploitation and available resources. Child sexual exploitation prevention instruction must  
 839.3 be consistent with the definition of sexually exploited youth under section 260C.007,  
 839.4 subdivision 31.

839.5 (e) A school district may include instruction in a health curriculum for students beginning  
 839.6 in grade 5 on substance misuse prevention, including opioids, controlled substances as  
 839.7 defined in section 152.01, subdivision 4, prescription and nonprescription medications, and  
 839.8 illegal drugs. A school district is not required to use a specific methodology or curriculum.

839.9 ~~(e)~~ (f) District efforts to develop, implement, or improve instruction or curriculum as a  
 839.10 result of the provisions of this section must be consistent with sections 120B.10, 120B.11,  
 839.11 and 120B.20.

839.12 Sec. 4. Minnesota Statutes 2016, section 120B.024, subdivision 1, is amended to read:

839.13 Subdivision 1. **Graduation requirements.** Students ~~beginning 9th grade in the~~  
 839.14 ~~2011-2012 school year and later~~ must successfully complete the following high school level  
 839.15 credits for graduation:

839.16 (1) four credits of language arts sufficient to satisfy all of the academic standards in  
 839.17 English language arts;

839.18 (2) three credits of mathematics, including an algebra II credit or its equivalent, sufficient  
 839.19 to satisfy all of the academic standards in mathematics;

839.20 (3) an algebra I credit by the end of 8th grade sufficient to satisfy all of the 8th grade  
 839.21 standards in mathematics;

839.22 (4) three credits of science, including at least one credit of biology, one credit of chemistry  
 839.23 or physics, and one elective credit of science. The combination of credits under this clause  
 839.24 must be sufficient to satisfy (i) all of the academic standards in either chemistry or physics  
 839.25 and (ii) all other academic standards in science;

839.26 (5) three and one-half credits of social studies, including credit for a specific course in  
 839.27 government and citizenship in either 11th or 12th grade for students beginning 9th grade  
 839.28 in the 2020-2021 school year and later, and a combination of other credits encompassing  
 839.29 at least United States history, geography, government and citizenship, world history, and  
 839.30 economics sufficient to satisfy all of the academic standards in social studies;

839.31 (6) one credit of the arts sufficient to satisfy all of the state or local academic standards  
 839.32 in the arts; and

840.1 (7) a minimum of seven elective credits.

840.2 Sec. 5. Minnesota Statutes 2016, section 120B.11, subdivision 1, is amended to read:

840.3 Subdivision 1. **Definitions.** For the purposes of this section and section 120B.10, the  
840.4 following terms have the meanings given them.

840.5 (a) "Instruction" means methods of providing learning experiences that enable a student  
840.6 to meet state and district academic standards and graduation requirements including applied  
840.7 and experiential learning.

840.8 (b) "Curriculum" means district or school adopted programs and written plans for  
840.9 providing students with learning experiences that lead to expected knowledge and skills  
840.10 and career and college readiness.

840.11 (c) "World's best workforce" means striving to: meet school readiness goals; have all  
840.12 third grade students achieve grade-level literacy; close the academic achievement gap among  
840.13 all racial and ethnic groups of students and between students living in poverty and students  
840.14 not living in poverty; have all students attain career and college readiness before graduating  
840.15 from high school; and have all students graduate from high school.

840.16 (d) "Experiential learning" means learning for students that includes career exploration  
840.17 through a specific class or course or through work-based experiences such as job shadowing,  
840.18 mentoring, entrepreneurship, service learning, volunteering, internships, other cooperative  
840.19 work experience, youth apprenticeship, or employment.

840.20 (e) "State plan" means the plan submitted by the commissioner in accordance with the  
840.21 Elementary and Secondary Education Act, as most recently authorized, and approved by  
840.22 the United States Department of Education, including state goals.

840.23 (f) "Ineffective teacher" means a teacher whose most recent summative teacher evaluation  
840.24 resulted in placing or otherwise keeping the teacher on an improvement process pursuant  
840.25 to section 122A.40, subdivision 8, or 122A.41, subdivision 5.

840.26 (g) "Inexperienced teacher" means a licensed teacher who has been employed as a teacher  
840.27 for three years or less.

840.28 (h) "Out-of-field teacher" means a licensed teacher who is providing instruction in an  
840.29 area in which the teacher is not licensed.

841.1 Sec. 6. Minnesota Statutes 2016, section 120B.11, subdivision 1a, is amended to read:

841.2 Subd. 1a. **Performance measures.** Measures to determine school district and school  
841.3 site progress in striving to create the world's best workforce must include at least:

841.4 (1) the size of the academic achievement gap, as measured on the Minnesota  
841.5 Comprehensive Assessments;

841.6 (2) rigorous course taking under section 120B.35, subdivision 3, paragraph (c), clause  
841.7 (2), and enrichment experiences by student ~~subgroup~~ group;

841.8 ~~(2)~~ (3) student performance on the Minnesota Comprehensive Assessments in reading  
841.9 and mathematics;

841.10 ~~(3)~~ (4) high school graduation rates; ~~and~~

841.11 ~~(4)~~ (5) career and college readiness under section 120B.30, subdivision 1, paragraph  
841.12 (p), as measured by student performance on the high school Minnesota Comprehensive  
841.13 Assessments in reading and mathematics, and successful completion of rigorous coursework  
841.14 that is part of a well-rounded education, including advanced placement, international  
841.15 baccalaureate, or concurrent enrollment coursework, or attainment of a certificate or  
841.16 industry-recognized credential; and

841.17 (6) performance measures consistent with the state plan not otherwise required by this  
841.18 subdivision.

841.19 Sec. 7. Minnesota Statutes 2016, section 120B.11, subdivision 2, is amended to read:

841.20 Subd. 2. **Adopting plans and budgets.** A school board, at a public meeting, ~~shall~~ must  
841.21 adopt a comprehensive, long-term strategic plan to support and improve teaching and  
841.22 learning that is aligned with creating the world's best workforce and includes:

841.23 (1) clearly defined district and school site ~~goals and benchmarks for~~ toward meeting  
841.24 statewide goals for instruction and student achievement for all student subgroups identified  
841.25 in section 120B.35, subdivision 3, paragraph (b), clause (2);

841.26 (2) a process to assess and evaluate each student's progress toward meeting state and  
841.27 local academic standards, assess and identify students to participate in gifted and talented  
841.28 programs and accelerate their instruction, ~~and~~ adopt early-admission procedures consistent  
841.29 with section 120B.15, and identifying the strengths and weaknesses of instruction in pursuit  
841.30 of student and school success and curriculum affecting students' progress and growth toward  
841.31 career and college readiness and leading to the world's best workforce;

842.1 (3) a system to periodically review and evaluate the effectiveness of all instruction and  
 842.2 curriculum, taking into account strategies and best practices, student outcomes, school  
 842.3 principal evaluations under section 123B.147, subdivision 3, students' access to effective  
 842.4 teachers who are members of populations underrepresented among the licensed teachers in  
 842.5 the district or school and who reflect the diversity of enrolled students under section 120B.35,  
 842.6 subdivision 3, paragraph (b), clause (2), and teacher evaluations under section 122A.40,  
 842.7 subdivision 8, or 122A.41, subdivision 5;

842.8 (4) strategies for improving instruction, curriculum, and student achievement, including  
 842.9 the English and, where practicable, the native language development and the academic  
 842.10 achievement of English learners;

842.11 (5) a process to examine the equitable distribution of teachers and strategies to ensure  
 842.12 low-income and minority children are not taught at higher rates than other children by  
 842.13 inexperienced, ineffective, or out-of-field teachers;

842.14 (6) education effectiveness practices that integrate high-quality instruction, rigorous  
 842.15 curriculum, technology, and a collaborative professional culture that develops and supports  
 842.16 teacher quality, performance, and effectiveness; and

842.17 (7) an annual budget for continuing to implement the district plan.

842.18 Sec. 8. Minnesota Statutes 2016, section 120B.11, subdivision 5, is amended to read:

842.19 Subd. 5. **Report.** ~~Consistent with requirements for school performance reports under~~  
 842.20 ~~section 120B.36, subdivision 1, the school board shall publish a report in the local newspaper~~  
 842.21 ~~with the largest circulation in the district, by mail, or by electronic means on the district~~  
 842.22 ~~Web site.~~ (a) The school board shall must hold an annual public meeting to review, and  
 842.23 revise where appropriate, student achievement goals, local assessment outcomes, plans,  
 842.24 strategies, and practices for improving curriculum and<sub>2</sub> instruction<sub>2</sub> and cultural competency,  
 842.25 and efforts to equitably distribute diverse, effective, experienced, and in-field teachers, and  
 842.26 to review district success in realizing the previously adopted student achievement goals and  
 842.27 related benchmarks and the improvement plans leading to the world's best workforce. The  
 842.28 school board must transmit an electronic summary of its report to the commissioner in the  
 842.29 form and manner the commissioner determines.

842.30 (b) The commissioner must annually include in the school performance reports required  
 842.31 under section 120B.36, subdivision 1, student performance at each school district and school  
 842.32 site using the performance measures in subdivision 1a and other information required under  
 842.33 this subdivision. The school board must post a copy of the school performance report for

843.1 the district and each school site on the district's Web site, or provide a link to the district  
 843.2 and school site performance reports on the Department of Education's Web site.

843.3 Sec. 9. Minnesota Statutes 2016, section 120B.11, subdivision 9, is amended to read:

843.4 Subd. 9. **Annual evaluation.** (a) The commissioner must identify effective strategies,  
 843.5 practices, and use of resources by districts and school sites in striving for the world's best  
 843.6 workforce. The commissioner must assist districts and sites throughout the state in  
 843.7 implementing these effective strategies, practices, and use of resources.

843.8 (b) The commissioner must use the performance measures in the accountability system  
 843.9 of the state plan, including academic achievement in math and reading, graduation rates,  
 843.10 and a school quality indicator, to identify those districts in any consecutive three-year period  
 843.11 and school sites not making sufficient progress in any consecutive three-year period toward  
 843.12 ~~improving teaching and learning for all students, including English learners with varied~~  
 843.13 ~~needs, consistent with section 124D.59, subdivisions 2 and 2a, and striving for the world's~~  
 843.14 ~~best workforce.~~ meeting state goals. The commissioner must implement evaluation timelines  
 843.15 and measures consistent with the state plan. The commissioner may identify districts or  
 843.16 school sites that do not provide information required for evaluation as failing to make  
 843.17 sufficient progress toward meeting state goals. The commissioner may evaluate, designate,  
 843.18 and report on school districts and charter schools separately, consistent with the evaluation  
 843.19 process under the state plan.

843.20 (c) The commissioner, in collaboration with the identified district, may require the district  
 843.21 to use up to two percent of its basic general education revenue per fiscal year during the  
 843.22 proximate three school years to implement ~~commissioner-specified~~ evidence-based strategies  
 843.23 and best practices, consistent with paragraph (a), to improve and accelerate its progress in  
 843.24 realizing its goals under this section. In implementing this section, the commissioner must  
 843.25 consider districts' budget constraints and legal obligations.

843.26 ~~(e)~~ (d) The commissioner ~~shall~~ must report by January 25 of each year to the committees  
 843.27 of the legislature having jurisdiction over kindergarten through grade 12 education the list  
 843.28 of school districts that have not submitted their report to the commissioner under subdivision  
 843.29 5 and the list of school districts ~~not achieving their performance goals established in their~~  
 843.30 ~~plan under subdivision 2~~ identified as not making sufficient progress toward meeting world's  
 843.31 best workforce goals under paragraph (b).

844.1 Sec. 10. Minnesota Statutes 2016, section 120B.12, as amended by Laws 2017, First  
844.2 Special Session chapter 5, article 2, sections 5, 6, and 7, is amended to read:

844.3 **120B.12 READING PROFICIENTLY NO LATER THAN THE END OF GRADE**

844.4 **3.**

844.5 Subdivision 1. **Literacy goal.** The legislature seeks to have every child reading at or  
844.6 above grade level no later than the end of grade 3, including English learners, and that  
844.7 teachers provide comprehensive, scientifically based reading instruction consistent with  
844.8 section 122A.06, subdivision 4.

844.9 Subd. 2. **Identification; report.** (a) Each school district ~~shall~~ must identify before the  
844.10 end of kindergarten, grade 1, and grade 2 students who are not reading at grade level before  
844.11 the end of the current school year and ~~shall~~ must identify students in grade 3 or higher who  
844.12 demonstrate a reading difficulty to a classroom teacher.

844.13 (b) Reading assessments in English, and in the predominant languages of district students  
844.14 where practicable, must identify and evaluate students' areas of academic need related to  
844.15 literacy. The district also must monitor the progress and provide reading instruction  
844.16 appropriate to the specific needs of English learners. The district must use a locally adopted,  
844.17 developmentally appropriate, and culturally responsive assessment and annually report  
844.18 summary assessment results to the commissioner by July 1.

844.19 (c) The district ~~also~~ must annually report to the commissioner by July 1 a summary of  
844.20 the district's efforts to screen and identify students with:

844.21 (1) dyslexia, using screening tools such as those recommended by the department's  
844.22 dyslexia and literacy specialist; or

844.23 (2) convergence insufficiency disorder.

844.24 ~~(b)~~ (d) A student identified under this subdivision must be provided with alternate  
844.25 instruction under section 125A.56, subdivision 1.

844.26 Subd. 2a. **Parent notification and involvement.** Schools, at least annually, must give  
844.27 the parent of each student who is not reading at or above grade level timely information  
844.28 about:

844.29 (1) the student's reading proficiency as measured by a locally adopted assessment;

844.30 (2) reading-related services currently being provided to the student and the student's  
844.31 progress; and

845.1 (3) strategies for parents to use at home in helping their student succeed in becoming  
845.2 grade-level proficient in reading in English and in their native language.

845.3 A district may not use this section to deny a student's right to a special education  
845.4 evaluation.

845.5 Subd. 3. **Intervention.** (a) For each student identified under subdivision 2, the district  
845.6 ~~shall~~ must provide reading intervention to accelerate student growth and reach the goal of  
845.7 reading at or above grade level by the end of the current grade and school year. If a student  
845.8 does not read at or above grade level by the end of grade 3, the district must continue to  
845.9 provide reading intervention until the student reads at grade level. District intervention  
845.10 methods shall encourage family engagement and, where possible, collaboration with  
845.11 appropriate school and community programs. Intervention methods may include, but are  
845.12 not limited to, requiring attendance in summer school, intensified reading instruction that  
845.13 may require that the student be removed from the regular classroom for part of the school  
845.14 day, extended-day programs, or programs that strengthen students' cultural connections.

845.15 (b) A school district or charter school is strongly encouraged to provide a personal  
845.16 learning plan for a student who is unable to demonstrate grade-level proficiency, as measured  
845.17 by the statewide reading assessment in grade 3. The district or charter school must determine  
845.18 the format of the personal learning plan in collaboration with the student's educators and  
845.19 other appropriate professionals. The school must develop the learning plan in consultation  
845.20 with the student's parent or guardian. The personal learning plan must address knowledge  
845.21 gaps and skill deficiencies through strategies such as specific exercises and practices during  
845.22 and outside of the regular school day, periodic assessments, and reasonable timelines. The  
845.23 personal learning plan may include grade retention, if it is in the student's best interest. A  
845.24 school must maintain and regularly update and modify the personal learning plan until the  
845.25 student reads at grade level. This paragraph does not apply to a student under an  
845.26 individualized education program.

845.27 Subd. 4. **Staff development.** (a) Each district ~~shall~~ must use the data under subdivision  
845.28 2 to identify the staff development needs so that:

845.29 (1) elementary teachers are able to implement comprehensive, scientifically based reading  
845.30 and oral language instruction in the five reading areas of phonemic awareness, phonics,  
845.31 fluency, vocabulary, and comprehension as defined in section 122A.06, subdivision 4, and  
845.32 other literacy-related areas including writing until the student achieves grade-level reading  
845.33 proficiency;

846.1 (2) elementary teachers have sufficient training to provide comprehensive, scientifically  
846.2 based reading and oral language instruction that meets students' developmental, linguistic,  
846.3 and literacy needs using the intervention methods or programs selected by the district for  
846.4 the identified students;

846.5 (3) licensed teachers employed by the district have regular opportunities to improve  
846.6 reading and writing instruction, including screenings, intervention strategies, and  
846.7 accommodations for students showing characteristics associated with dyslexia;

846.8 (4) licensed teachers recognize students' diverse needs in cross-cultural settings and are  
846.9 able to serve the oral language and linguistic needs of students who are English learners by  
846.10 maximizing strengths in their native languages in order to cultivate students' English language  
846.11 development, including oral academic language development, and build academic literacy;  
846.12 and

846.13 (5) licensed teachers are well trained in culturally responsive pedagogy that enables  
846.14 students to master content, develop skills to access content, and build relationships.

846.15 (b) A school district may use its literacy incentive aid under section 124D.98 for the  
846.16 staff development purposes of this subdivision.

846.17 Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must  
846.18 adopt a local literacy plan to have every child reading at or above grade level no later than  
846.19 the end of grade 3, including English learners. The plan must be consistent with section  
846.20 122A.06, subdivision 4, and include the following:

846.21 (1) a process to assess students' level of reading proficiency and data to support the  
846.22 effectiveness of an assessment used to screen and identify a student's level of reading  
846.23 proficiency;

846.24 (2) a process to notify and involve parents;

846.25 (3) a description of how schools in the district will determine the proper reading  
846.26 intervention strategy for a student and the process for intensifying or modifying the reading  
846.27 strategy in order to obtain measurable reading progress;

846.28 (4) evidence-based intervention methods for students who are not reading at or above  
846.29 grade level and progress monitoring to provide information on the effectiveness of the  
846.30 intervention; and

846.31 (5) identification of staff development needs, including a program to meet those needs.

846.32 (b) The district must post its literacy plan on the official school district Web site.

847.1 Subd. 5. **Commissioner.** The commissioner ~~shall~~ must recommend to districts multiple  
847.2 assessment tools to assist districts and teachers with identifying students under subdivision  
847.3 2. The commissioner ~~shall~~ must also make available examples of nationally recognized and  
847.4 research-based instructional methods or programs to districts to provide comprehensive,  
847.5 scientifically based reading instruction and intervention under this section.

847.6 **EFFECTIVE DATE.** Subdivision 2 is effective July 1, 2019. Subdivisions 3 to 5 are  
847.7 effective for revenue for fiscal year 2019 and later.

847.8 Sec. 11. Minnesota Statutes 2017 Supplement, section 120B.122, subdivision 1, is amended  
847.9 to read:

847.10 Subdivision 1. **Purpose Duties.** (a) The department must employ a dyslexia specialist  
847.11 to provide technical assistance for dyslexia and related disorders and to serve as the primary  
847.12 source of information and support for schools in addressing the needs of students with  
847.13 dyslexia and related disorders.

847.14 (b) The dyslexia specialist ~~shall also~~ must act to increase professional awareness and  
847.15 instructional competencies to meet the educational needs of students with dyslexia or  
847.16 identified with risk characteristics associated with dyslexia and ~~shall~~ must develop  
847.17 implementation guidance and make recommendations to the commissioner consistent with  
847.18 section 122A.06, subdivision 4, to be used to assist general education teachers and special  
847.19 education teachers to recognize educational needs and to improve literacy outcomes for  
847.20 students with dyslexia or identified with risk characteristics associated with dyslexia,  
847.21 including recommendations related to increasing the availability of online and asynchronous  
847.22 professional development programs and materials.

847.23 (c) The dyslexia specialist must provide guidance to school districts and charter schools  
847.24 on how to:

847.25 (1) access tools to screen and identify students showing characteristics associated with  
847.26 dyslexia in accordance with section 120B.12, subdivision 2, paragraph (a);

847.27 (2) implement screening for characteristics associated with dyslexia in accordance with  
847.28 section 120B.12, subdivision 2, paragraph (a), and in coordination with other early childhood  
847.29 screenings; and

847.30 (3) participate in professional development opportunities on intervention strategies and  
847.31 accommodations for students with dyslexia or characteristics associated with dyslexia.

847.32 (d) The dyslexia specialist must provide guidance to the Professional Educator Licensing  
847.33 and Standards Board on developing licensing renewal requirements under section 122A.187,

848.1 subdivision 5, on understanding dyslexia, recognizing dyslexia characteristics in students,  
848.2 and using evidence-based dyslexia best practices.

848.3 Sec. 12. Minnesota Statutes 2017 Supplement, section 120B.125, is amended to read:

848.4 **120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION TO**  
848.5 **POSTSECONDARY EDUCATION AND EMPLOYMENT; PERSONAL LEARNING**  
848.6 **PLANS.**

848.7 (a) Consistent with sections 120B.13, 120B.131, 120B.132, 120B.14, 120B.15, 120B.30,  
848.8 subdivision 1, paragraph (c), 125A.08, and other related sections, school districts, beginning  
848.9 in the 2013-2014 school year, must assist all students by no later than grade 9 to explore  
848.10 their educational, college, and career interests, aptitudes, and aspirations and develop a plan  
848.11 for a smooth and successful transition to postsecondary education or employment. All  
848.12 students' plans must:

848.13 (1) provide a comprehensive plan to prepare for and complete a career and college ready  
848.14 curriculum by meeting state and local academic standards and developing career and  
848.15 employment-related skills such as team work, collaboration, creativity, communication,  
848.16 critical thinking, and good work habits;

848.17 (2) emphasize academic rigor and high expectations and inform the student, and the  
848.18 student's parent or guardian if the student is a minor, of the student's achievement level  
848.19 score on the Minnesota Comprehensive Assessments that are administered during high  
848.20 school;

848.21 (3) help students identify interests, aptitudes, aspirations, and personal learning styles  
848.22 that may affect their career and college ready goals and postsecondary education and  
848.23 employment choices;

848.24 (4) set appropriate career and college ready goals with timelines that identify effective  
848.25 means for achieving those goals;

848.26 (5) help students access education and career options, including armed forces career  
848.27 options;

848.28 (6) integrate strong academic content into career-focused courses and applied and  
848.29 experiential learning opportunities and integrate relevant career-focused courses and applied  
848.30 and experiential learning opportunities into strong academic content;

848.31 (7) help identify and access appropriate counseling and other supports and assistance  
848.32 that enable students to complete required coursework, prepare for postsecondary education

849.1 and careers, and obtain information about postsecondary education costs and eligibility for  
849.2 financial aid and scholarship;

849.3 (8) help identify collaborative partnerships among prekindergarten through grade 12  
849.4 schools, postsecondary institutions, economic development agencies, and local and regional  
849.5 employers that support students' transition to postsecondary education and employment and  
849.6 provide students with applied and experiential learning opportunities; and

849.7 (9) be reviewed and revised at least annually by the student, the student's parent or  
849.8 guardian, and the school or district to ensure that the student's course-taking schedule keeps  
849.9 the student making adequate progress to meet state and local academic standards and high  
849.10 school graduation requirements and with a reasonable chance to succeed with employment  
849.11 or postsecondary education without the need to first complete remedial course work.

849.12 (b) A school district may develop grade-level curricula or provide instruction that  
849.13 introduces students to various careers, but must not require any curriculum, instruction, or  
849.14 employment-related activity that obligates an elementary or secondary student to involuntarily  
849.15 select or pursue a career, career interest, employment goals, or related job training.

849.16 (c) Educators must possess the knowledge and skills to effectively teach all English  
849.17 learners in their classrooms. School districts must provide appropriate curriculum, targeted  
849.18 materials, professional development opportunities for educators, and sufficient resources  
849.19 to enable English learners to become career and college ready.

849.20 (d) When assisting students in developing a plan for a smooth and successful transition  
849.21 to postsecondary education and employment, districts must recognize the unique possibilities  
849.22 of each student and ensure that the contents of each student's plan reflect the student's unique  
849.23 talents, skills, and abilities as the student grows, develops, and learns.

849.24 (e) If a student with a disability has an individualized education program (IEP) or  
849.25 standardized written plan that meets the plan components of this section, the IEP satisfies  
849.26 the requirement and no additional transition plan is needed.

849.27 (f) Students who do not meet or exceed Minnesota academic standards, as measured by  
849.28 the Minnesota Comprehensive Assessments that are administered during high school, shall  
849.29 be informed that admission to a public school is free and available to any resident under 21  
849.30 years of age or who meets the requirements of section 120A.20, subdivision 1, paragraph

849.31 (c). A student's plan under this section shall continue while the student is enrolled.

850.1 (g) A school district must provide military recruiters the same access to secondary school  
850.2 students as the district provides to institutions of higher education or to prospective employers  
850.3 of students.

850.4 (h) School districts are encouraged to sponsor an armed forces career opportunity day  
850.5 each school year prior to the third Thursday of November. A school district that sponsors  
850.6 an armed forces career opportunity day must extend invitations to recruiters from each  
850.7 branch of the United States armed forces and allow the recruiters to make presentations to  
850.8 all interested secondary school students.

850.9 Sec. 13. [120B.215] SUBSTANCE MISUSE PREVENTION.

850.10 (a) This section may be cited as "Jake's Law."

850.11 (b) School districts and charter schools are encouraged to provide substance misuse  
850.12 prevention instruction for students in grades 5 through 12 integrated into existing programs,  
850.13 curriculum, or the general school environment of a district or charter school. The  
850.14 commissioner of education, in consultation with the director of the Alcohol and Other Drug  
850.15 Abuse Section under section 254A.03 and substance misuse prevention and treatment  
850.16 organizations, must, upon request, provide districts and charter schools with:

850.17 (1) information regarding substance misuse prevention services; and

850.18 (2) assistance in using Minnesota student survey results to inform prevention programs.

850.19 **EFFECTIVE DATE.** This section is effective July 1, 2018.

850.20 Sec. 14. Minnesota Statutes 2016, section 120B.299, subdivision 10, is amended to read:

850.21 Subd. 10. **Proficiency.** "Proficiency" for purposes of reporting growth on school  
850.22 performance report cards under section 120B.36, subdivision 1, means those students who,  
850.23 in the previous school year, scored at or above "meets standards" on the statewide  
850.24 assessments under section 120B.30. ~~Each year, school performance report cards must~~  
850.25 ~~separately display: (1) the numbers and percentages of students who achieved low growth,~~  
850.26 ~~medium growth, and high growth and achieved proficiency in the previous school year; and~~  
850.27 ~~(2) the numbers and percentages of students who achieved low growth, medium growth,~~  
850.28 ~~and high growth and did not achieve proficiency in the previous school year.~~

851.1 Sec. 15. Minnesota Statutes 2017 Supplement, section 120B.30, subdivision 1, is amended  
851.2 to read:

851.3 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with  
851.4 appropriate technical qualifications and experience and stakeholders, consistent with  
851.5 subdivision 1a, ~~shall~~ must include in the comprehensive assessment system, for each grade  
851.6 level to be tested, state-constructed tests developed as computer-adaptive reading and  
851.7 mathematics assessments for students that are aligned with the state's required academic  
851.8 standards under section 120B.021, include multiple choice questions, and are administered  
851.9 annually to all students in grades 3 through 8. State-developed high school tests aligned  
851.10 with the state's required academic standards under section 120B.021 and administered to  
851.11 all high school students in a subject other than writing must include multiple choice questions.  
851.12 The commissioner ~~shall~~ must establish ~~one or more months during which schools shall~~  
851.13 ~~administer the tests to students~~ a testing period as late as possible each school year during  
851.14 which schools must administer the Minnesota Comprehensive Assessments to students. The  
851.15 commissioner must publish the testing schedule at least two years before the beginning of  
851.16 the testing period.

851.17 ~~(1) Students enrolled in grade 8 through the 2009-2010 school year are eligible to be~~  
851.18 ~~assessed under (i) the graduation required assessment for diploma in reading, mathematics,~~  
851.19 ~~or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraphs (e),~~  
851.20 ~~clauses (1) and (2), and (d), (ii) the WorkKeys job skills assessment, (iii) the Compass~~  
851.21 ~~college placement test, (iv) the ACT assessment for college admission, (v) a nationally~~  
851.22 ~~recognized armed services vocational aptitude test.~~

851.23 ~~(2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are eligible~~  
851.24 ~~to be assessed under (i) the graduation required assessment for diploma in reading,~~  
851.25 ~~mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1,~~  
851.26 ~~paragraph (e), clauses (1) and (2), (ii) the WorkKeys job skills assessment, (iii) the Compass~~  
851.27 ~~college placement test, (iv) the ACT assessment for college admission, (v) a nationally~~  
851.28 ~~recognized armed services vocational aptitude test.~~

851.29 ~~(3) For students under clause (1) or (2), a school district may substitute a score from an~~  
851.30 ~~alternative, equivalent assessment to satisfy the requirements of this paragraph.~~

851.31 (b) The state assessment system must be aligned to the most recent revision of academic  
851.32 standards as described in section 120B.023 in the following manner:

851.33 (1) mathematics;

851.34 (i) grades 3 through 8 beginning in the 2010-2011 school year; and

852.1 (ii) high school level beginning in the 2013-2014 school year;

852.2 (2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012  
852.3 school year; and

852.4 (3) language arts and reading; grades 3 through 8 and high school level beginning in the  
852.5 2012-2013 school year.

852.6 (c) For students enrolled in grade 8 in the 2012-2013 school year and later, students'  
852.7 state graduation requirements, based on a longitudinal, systematic approach to student  
852.8 education and career planning, assessment, instructional support, and evaluation, include  
852.9 the following:

852.10 (1) achievement and career and college readiness in mathematics, reading, and writing,  
852.11 consistent with paragraph (k) and to the extent available, to monitor students' continuous  
852.12 development of and growth in requisite knowledge and skills; analyze students' progress  
852.13 and performance levels, identifying students' academic strengths and diagnosing areas where  
852.14 students require curriculum or instructional adjustments, targeted interventions, or  
852.15 remediation; and, based on analysis of students' progress and performance data, determine  
852.16 students' learning and instructional needs and the instructional tools and best practices that  
852.17 support academic rigor for the student; and

852.18 (2) consistent with this paragraph and section 120B.125, age-appropriate exploration  
852.19 and planning activities and career assessments to encourage students to identify personally  
852.20 relevant career interests and aptitudes and help students and their families develop a regularly  
852.21 reexamined transition plan for postsecondary education or employment without need for  
852.22 postsecondary remediation.

852.23 Based on appropriate state guidelines, students with an individualized education program  
852.24 may satisfy state graduation requirements by achieving an individual score on the  
852.25 state-identified alternative assessments.

852.26 (d) Expectations of schools, districts, and the state for career or college readiness under  
852.27 this subdivision must be comparable in rigor, clarity of purpose, and rates of student  
852.28 completion.

852.29 A student under paragraph (c), clause (1), must receive targeted, relevant, academically  
852.30 rigorous, and resourced instruction, which may include a targeted instruction and intervention  
852.31 plan focused on improving the student's knowledge and skills in core subjects so that the  
852.32 student has a reasonable chance to succeed in a career or college without need for  
852.33 postsecondary remediation. Consistent with sections 120B.13, 124D.09, 124D.091, 124D.49,

853.1 and related sections, an enrolling school or district must actively encourage a student in  
853.2 grade 11 or 12 who is identified as academically ready for a career or college to participate  
853.3 in courses and programs awarding college credit to high school students. Students are not  
853.4 required to achieve a specified score or level of proficiency on an assessment under this  
853.5 subdivision to graduate from high school.

853.6 (e) Though not a high school graduation requirement, students are encouraged to  
853.7 participate in a nationally recognized college entrance exam. To the extent state funding  
853.8 for college entrance exam fees is available, a district must pay the cost, one time, for an  
853.9 interested student in grade 11 or 12 who is eligible for a free or reduced-price meal, to take  
853.10 a nationally recognized college entrance exam before graduating. A student must be able  
853.11 to take the exam under this paragraph at the student's high school during the school day and  
853.12 at any one of the multiple exam administrations available to students in the district. A district  
853.13 may administer the ACT or SAT or both the ACT and SAT to comply with this paragraph.  
853.14 If the district administers only one of these two tests and a free or reduced-price meal eligible  
853.15 student opts not to take that test and chooses instead to take the other of the two tests, the  
853.16 student may take the other test at a different time or location and remains eligible for the  
853.17 examination fee reimbursement. Notwithstanding sections 123B.34 to 123B.39, a school  
853.18 district may require a student that is not eligible for a free or reduced-price meal to pay the  
853.19 cost of taking a nationally recognized college entrance exam. The district must waive the  
853.20 cost for a student unable to pay.

853.21 (f) The commissioner and the chancellor of the Minnesota State Colleges and Universities  
853.22 must collaborate in aligning instruction and assessments for adult basic education students  
853.23 and English learners to provide the students with diagnostic information about any targeted  
853.24 interventions, accommodations, modifications, and supports they need so that assessments  
853.25 and other performance measures are accessible to them and they may seek postsecondary  
853.26 education or employment without need for postsecondary remediation. When administering  
853.27 formative or summative assessments used to measure the academic progress, including the  
853.28 oral academic development, of English learners and inform their instruction, schools must  
853.29 ensure that the assessments are accessible to the students and students have the modifications  
853.30 and supports they need to sufficiently understand the assessments.

853.31 (g) Districts and schools, on an annual basis, must use career exploration elements to  
853.32 help students, beginning no later than grade 9, and their families explore and plan for  
853.33 postsecondary education or careers based on the students' interests, aptitudes, and aspirations.  
853.34 Districts and schools must use timely regional labor market information and partnerships,  
853.35 among other resources, to help students and their families successfully develop, pursue,

854.1 review, and revise an individualized plan for postsecondary education or a career. This  
854.2 process must help increase students' engagement in and connection to school, improve  
854.3 students' knowledge and skills, and deepen students' understanding of career pathways as  
854.4 a sequence of academic and career courses that lead to an industry-recognized credential,  
854.5 an associate's degree, or a bachelor's degree and are available to all students, whatever their  
854.6 interests and career goals.

854.7 (h) A student who demonstrates attainment of required state academic standards, which  
854.8 include career and college readiness benchmarks, on high school assessments under  
854.9 subdivision 1a is academically ready for a career or college and is encouraged to participate  
854.10 in courses awarding college credit to high school students. Such courses and programs may  
854.11 include sequential courses of study within broad career areas and technical skill assessments  
854.12 that extend beyond course grades.

854.13 (i) As appropriate, students through grade 12 must continue to participate in targeted  
854.14 instruction, intervention, or remediation and be encouraged to participate in courses awarding  
854.15 college credit to high school students.

854.16 (j) In developing, supporting, and improving students' academic readiness for a career  
854.17 or college, schools, districts, and the state must have a continuum of empirically derived,  
854.18 clearly defined benchmarks focused on students' attainment of knowledge and skills so that  
854.19 students, their parents, and teachers know how well students must perform to have a  
854.20 reasonable chance to succeed in a career or college without need for postsecondary  
854.21 remediation. The commissioner, in consultation with local school officials and educators,  
854.22 and Minnesota's public postsecondary institutions must ensure that the foundational  
854.23 knowledge and skills for students' successful performance in postsecondary employment  
854.24 or education and an articulated series of possible targeted interventions are clearly identified  
854.25 and satisfy Minnesota's postsecondary admissions requirements.

854.26 (k) For students in grade 8 in the 2012-2013 school year and later, a school, district, or  
854.27 charter school must record on the high school transcript a student's progress toward career  
854.28 and college readiness, and for other students as soon as practicable.

854.29 (l) The school board granting students their diplomas may formally decide to include a  
854.30 notation of high achievement on the high school diplomas of those graduating seniors who,  
854.31 according to established school board criteria, demonstrate exemplary academic achievement  
854.32 during high school.

854.33 (m) The 3rd through 8th grade computer-adaptive assessment results and high school  
854.34 test results shall be available to districts for diagnostic purposes affecting student learning

855.1 and district instruction and curriculum, and for establishing educational accountability. The  
855.2 commissioner must establish empirically derived benchmarks on adaptive assessments in  
855.3 grades ~~3~~ 6 through 8. The commissioner, in consultation with the chancellor of the Minnesota  
855.4 State Colleges and Universities, must establish empirically derived benchmarks on the high  
855.5 school tests that reveal a trajectory toward career and college readiness consistent with  
855.6 section 136F.302, subdivision 1a. The commissioner must disseminate to the public the  
855.7 computer-adaptive assessments and high school test results upon receiving those results.

855.8 (n) The grades 3 through 8 computer-adaptive assessments and high school tests must  
855.9 be aligned with state academic standards. The commissioner ~~shall~~ must determine the testing  
855.10 process and the order of administration. The statewide results ~~shall~~ must be aggregated at  
855.11 the site and district level, consistent with subdivision 1a.

855.12 (o) The commissioner ~~shall~~ must include the following components in the statewide  
855.13 public reporting system:

855.14 (1) uniform statewide computer-adaptive assessments of all students in grades 3 through  
855.15 8 and testing at the high school levels that provides appropriate, technically sound  
855.16 accommodations or alternate assessments;

855.17 (2) educational indicators that can be aggregated and compared across school districts  
855.18 and across time on a statewide basis, including average daily attendance, high school  
855.19 graduation rates, and high school drop-out rates by age and grade level;

855.20 (3) state results on the American College Test; and

855.21 (4) state results from participation in the National Assessment of Educational Progress  
855.22 so that the state can benchmark its performance against the nation and other states, and,  
855.23 where possible, against other countries, and contribute to the national effort to monitor  
855.24 achievement.

855.25 (p) For purposes of statewide accountability, "career and college ready" means a high  
855.26 school graduate has the knowledge, skills, and competencies to successfully pursue a career  
855.27 pathway, including postsecondary credit leading to a degree, diploma, certificate, or  
855.28 industry-recognized credential and employment. Students who are career and college ready  
855.29 are able to successfully complete credit-bearing coursework at a two- or four-year college  
855.30 or university or other credit-bearing postsecondary program without need for remediation.

855.31 (q) For purposes of statewide accountability, "cultural competence," "cultural  
855.32 competency," or "culturally competent" means the ability of families and educators to

856.1 interact effectively with people of different cultures, native languages, and socioeconomic  
856.2 backgrounds.

856.3 **EFFECTIVE DATE.** This section is effective for testing calendars in the 2020-2021  
856.4 school year and later.

856.5 Sec. 16. Minnesota Statutes 2017 Supplement, section 120B.35, subdivision 3, is amended  
856.6 to read:

856.7 Subd. 3. **State growth target; other state measures.** (a)(1) The state's educational  
856.8 assessment system measuring individual students' educational growth is based on indicators  
856.9 of achievement growth that show an individual student's prior achievement. Indicators of  
856.10 achievement and prior achievement must be based on highly reliable statewide ~~or districtwide~~  
856.11 assessments.

856.12 (2) For purposes of paragraphs (b), (c), and (d), the commissioner must analyze and  
856.13 report separate categories of information using the student categories identified under the  
856.14 federal Elementary and Secondary Education Act, as most recently reauthorized, and, in  
856.15 addition to "other" for each race and ethnicity, and the Karen community, seven of the most  
856.16 populous Asian ~~and Pacific Islander~~ groups, three of the most populous Native groups,  
856.17 seven of the most populous Hispanic/Latino groups, and five of the most populous Black  
856.18 and African Heritage groups as determined by the total Minnesota population based on the  
856.19 most recent American Community Survey; English learners under section 124D.59; home  
856.20 language; free or reduced-price lunch; and all students enrolled in a Minnesota public school  
856.21 who are currently or were previously in foster care, except that such disaggregation and  
856.22 cross tabulation is not required if the number of students in a category is insufficient to yield  
856.23 statistically reliable information or the results would reveal personally identifiable information  
856.24 about an individual student.

856.25 (b) ~~The commissioner, in consultation with a stakeholder group that includes assessment~~  
856.26 ~~and evaluation directors, district staff, experts in culturally responsive teaching, and~~  
856.27 ~~researchers, must implement a model that uses a value-added growth indicator and includes~~  
856.28 ~~criteria for identifying schools and school districts that demonstrate medium and high growth~~  
856.29 ~~under section 120B.299, subdivisions 8 and 9, and may recommend other value-added~~  
856.30 ~~measures under section 120B.299, subdivision 3. The model may be used to advance~~  
856.31 ~~educators' professional development and replicate programs that succeed in meeting students'~~  
856.32 ~~diverse learning needs. Data on individual teachers generated under the model are personnel~~  
856.33 ~~data under section 13.43. The model must allow users to:~~

857.1 (1) report ~~student~~ the academic growth consistent with this paragraph rates, as defined  
857.2 in the state plan under section 120B.11, subdivision 1; and

857.3 (2) for all student categories, report and compare aggregated and disaggregated state  
857.4 student growth and, under section 120B.11, subdivision 2, clause (2), student learning and  
857.5 outcome data using the student categories identified under the federal Elementary and  
857.6 Secondary Education Act, as most recently reauthorized, and other student categories under  
857.7 paragraph (a), clause (2).

857.8 The commissioner must report measures of student growth and, under section 120B.11,  
857.9 subdivision 2, clause (2), student learning and outcome data, consistent with this paragraph,  
857.10 including the English language development, academic progress, and oral academic  
857.11 development of English learners and their native language development if the native language  
857.12 is used as a language of instruction, and include data on all pupils enrolled in a Minnesota  
857.13 public school course or program who are currently or were previously counted as an English  
857.14 learner under section 124D.59.

857.15 (c) When reporting student performance under section 120B.36, subdivision 1, the  
857.16 commissioner annually, beginning July 1, 2011, must report two core measures indicating  
857.17 the extent to which current high school graduates are being prepared for postsecondary  
857.18 academic and career opportunities:

857.19 (1) a preparation measure indicating the number and percentage of high school graduates  
857.20 in the most recent school year who completed course work important to preparing them for  
857.21 postsecondary academic and career opportunities, consistent with the core academic subjects  
857.22 required for admission to Minnesota's public colleges and universities as determined by the  
857.23 Office of Higher Education under chapter 136A; and

857.24 (2) a rigorous coursework measure indicating the number and percentage of high school  
857.25 graduates in the most recent school year who successfully completed one or more  
857.26 college-level advanced placement, international baccalaureate, postsecondary enrollment  
857.27 options including concurrent enrollment, other rigorous courses of study under section  
857.28 120B.021, subdivision 1a, or industry certification courses or programs.

857.29 When reporting the core measures under clauses (1) and (2), the commissioner must also  
857.30 analyze and report separate categories of information using the student categories identified  
857.31 under the federal Elementary and Secondary Education Act, as most recently reauthorized,  
857.32 and other student categories under paragraph (a), clause (2).

857.33 (d) When reporting student performance under section 120B.36, subdivision 1, the  
857.34 commissioner annually, beginning July 1, 2014, must report summary data on school safety

858.1 and students' engagement and connection at school, consistent with the student categories  
858.2 identified under paragraph (a), clause (2). The summary data under this paragraph are  
858.3 separate from and must not be used for any purpose related to measuring or evaluating the  
858.4 performance of classroom teachers. The commissioner, in consultation with qualified experts  
858.5 on student engagement and connection and classroom teachers, must identify highly reliable  
858.6 variables that generate summary data under this paragraph. The summary data may be used  
858.7 at school, district, and state levels only. Any data on individuals received, collected, or  
858.8 created that are used to generate the summary data under this paragraph are nonpublic data  
858.9 under section 13.02, subdivision 9.

858.10 (e) For purposes of statewide educational accountability, the commissioner must identify  
858.11 and report measures that demonstrate the success of learning year program providers under  
858.12 sections 123A.05 and 124D.68, among other such providers, in improving students'  
858.13 graduation outcomes. The commissioner, beginning July 1, 2015, must annually report  
858.14 summary data on:

858.15 (1) the four- and six-year graduation rates of students under this paragraph;

858.16 (2) the percent of students under this paragraph whose progress and performance levels  
858.17 are meeting career and college readiness benchmarks under section 120B.30, subdivision  
858.18 1; and

858.19 (3) the success that learning year program providers experience in:

858.20 (i) identifying at-risk and off-track student populations by grade;

858.21 (ii) providing successful prevention and intervention strategies for at-risk students;

858.22 (iii) providing successful recuperative and recovery or reenrollment strategies for off-track  
858.23 students; and

858.24 (iv) improving the graduation outcomes of at-risk and off-track students.

858.25 The commissioner may include in the annual report summary data on other education  
858.26 providers serving a majority of students eligible to participate in a learning year program.

858.27 (f) The commissioner, in consultation with recognized experts with knowledge and  
858.28 experience in assessing the language proficiency and academic performance of all English  
858.29 learners enrolled in a Minnesota public school course or program who are currently or were  
858.30 previously counted as an English learner under section 124D.59, must identify and report  
858.31 appropriate and effective measures to improve current categories of language difficulty and  
858.32 assessments, and monitor and report data on students' English proficiency levels, program  
858.33 placement, and academic language development, including oral academic language.

859.1 (g) When reporting ~~four- and six-year~~ graduation rates, including four-year graduation  
859.2 rates, the commissioner or school district must disaggregate the data by student categories  
859.3 according to paragraph (a), clause (2).

859.4 (h) A school district must inform parents and guardians that volunteering information  
859.5 on student categories not required by the most recent reauthorization of the Elementary and  
859.6 Secondary Education Act is optional and will not violate the privacy of students or their  
859.7 families, parents, or guardians. The notice must state the purpose for collecting the student  
859.8 data.

859.9 **Sec. 17. [120B.355] ACADEMIC ACHIEVEMENT RATING SYSTEM.**

859.10 Subdivision 1. Rating system. (a) The commissioner of education must develop an  
859.11 academic achievement rating system consistent with this section to provide parents and  
859.12 students with a brief overview of student performance and growth in districts, school sites,  
859.13 and charter schools across the state.

859.14 (b) Each district, school site, and charter school must be assigned a summative rating  
859.15 based on a score on a scale of zero to 100.

859.16 (c) The summative rating must be based on the accountability indicators used in the state  
859.17 plan to identify schools for support and improvement. "State plan" as used in this section  
859.18 means the plan submitted by the commissioner in accordance with the Elementary and  
859.19 Secondary Education Act, as most recently authorized, and approved by the United States  
859.20 Department of Education, including state goals.

859.21 (d) The summative rating and score of each district, school site, and charter school must  
859.22 be reported on the Department of Education's Web site as part of the commissioner's school  
859.23 performance reports pursuant to section 120B.36 by September 1, 2020, and annually  
859.24 thereafter.

859.25 (e) The commissioner must examine how revisions to statewide assessments under  
859.26 section 120B.30 impact school and district ratings under this section. The commissioner  
859.27 may adjust district, school site, and charter school ratings accordingly to maintain consistency  
859.28 in reporting.

859.29 **Subd. 2. Report.** The commissioner must report on progress toward developing the  
859.30 rating system required under subdivision 1 to the chairs and ranking minority members of  
859.31 the legislative committees with jurisdiction over kindergarten through grade 12 education  
859.32 in accordance with section 3.195 no later than February 1, 2020.

860.1 Sec. 18. Minnesota Statutes 2017 Supplement, section 120B.36, subdivision 1, is amended  
860.2 to read:

860.3 Subdivision 1. **School performance reports and public reporting.** (a) The commissioner  
860.4 ~~shall~~ must report:

860.5 (1) student academic performance data under section 120B.35, subdivisions 2 and 3;

860.6 (2) district, school site, and charter school ratings under section 120B.355;

860.7 (3) ~~the percentages of students showing low, medium, and high academic growth rates~~  
860.8 ~~under section 120B.35, subdivision 3, paragraph (b)~~ the state plan as defined under section  
860.9 120B.355;

860.10 (4) school safety and student engagement and connection under section 120B.35,  
860.11 subdivision 3, paragraph (d);

860.12 (5) rigorous coursework under section 120B.35, subdivision 3, paragraph (c);

860.13 (6) the percentage of students under section 120B.35, subdivision 3, paragraph (b), clause  
860.14 (2), whose progress and performance levels are meeting career and college readiness  
860.15 benchmarks under sections 120B.30, subdivision 1, and 120B.35, subdivision 3, paragraph  
860.16 (e);

860.17 (7) longitudinal data on the progress of eligible districts in reducing disparities in students'  
860.18 academic achievement and realizing racial and economic integration under section 124D.861;

860.19 (8) the acquisition of English, and where practicable, native language academic literacy,  
860.20 including oral academic language, and the academic progress of all English learners enrolled  
860.21 in a Minnesota public school course or program who are currently or were previously counted  
860.22 as English learners under section 124D.59;

860.23 (9) the percentage of students who graduated in the previous school year that correctly  
860.24 answered at least 30 of 50 civics test questions in accordance with section 120B.02,  
860.25 subdivision 3;

860.26 (10) two separate student-to-teacher ratios that clearly indicate the definition of teacher  
860.27 consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios;

860.28 (11) staff characteristics excluding salaries;

860.29 (12) student enrollment demographics;

861.1 (13) foster care status, including all students enrolled in a Minnesota public school course  
 861.2 or program who are currently or were previously in foster care, student homelessness, and  
 861.3 district mobility; and

861.4 (14) extracurricular activities.

861.5 (b) The school performance report for a ~~school site and a school~~ district, school site, or  
 861.6 charter school must include:

861.7 (1) school performance reporting information ~~and calculate proficiency~~, including a  
 861.8 prominent display of both the district's, school site's, or charter school's summative rating  
 861.9 and score assigned by the commissioner under section 120B.355;

861.10 (2) academic achievement rates as required by the ~~most recently reauthorized Elementary~~  
 861.11 ~~and Secondary Education Act~~, state plan as defined under section 120B.355; and

861.12 (3) progress toward statewide goals under the state plan as defined under section  
 861.13 120B.355.

861.14 (c) The commissioner ~~shall~~ must develop, annually update, and post on the department  
 861.15 Web site school performance reports consistent with paragraph (a) and section 120B.11.

861.16 (d) The commissioner must make available performance reports by the beginning of  
 861.17 each school year.

861.18 (e) A school or district may appeal its results in a form and manner determined by the  
 861.19 commissioner and consistent with federal law. The commissioner's decision to uphold or  
 861.20 deny an appeal is final.

861.21 (f) School performance data are nonpublic data under section 13.02, subdivision 9, until  
 861.22 the commissioner publicly releases the data. The commissioner ~~shall~~ must annually post  
 861.23 school performance reports to the department's public Web site no later than September 1,  
 861.24 except that in years when the reports reflect new performance standards, the commissioner  
 861.25 ~~shall~~ must post the school performance reports no later than October 1.

861.26 Sec. 19. Minnesota Statutes 2016, section 120B.36, subdivision 2, is amended to read:

861.27 Subd. 2. **Student progress and other data.** (a) All data the department receives, collects,  
 861.28 or creates under section 120B.11, governing the world's best workforce, or uses to determine  
 861.29 ~~federal~~ and set goals for expectations under the most recently reauthorized Elementary and  
 861.30 Secondary Education Act, ~~set state growth targets~~, and to determine student academic  
 861.31 growth, learning, and outcomes under section 120B.35 are nonpublic data under section  
 861.32 13.02, subdivision 9, until the commissioner publicly releases the data.

862.1 (b) Districts must provide parents sufficiently detailed summary data to permit parents  
 862.2 to appeal under the most recently reauthorized federal Elementary and Secondary Education  
 862.3 Act. The commissioner ~~shall~~ must annually post ~~federal expectations~~ state goals and state  
 862.4 student growth, learning, and outcome data to the department's public Web site no later than  
 862.5 September 1, except that in years when data or ~~federal expectations~~ state goals reflect new  
 862.6 performance standards, the commissioner ~~shall~~ must post data on ~~federal expectations~~ state  
 862.7 goals and state student growth data no later than October 1.

862.8 Sec. 20. [121A.12] NATIONAL MOTTO.

862.9 (a) To the extent funds or in-kind contributions are available under paragraph (b), a  
 862.10 school board or charter school may prominently display in a conspicuous place in each  
 862.11 school an easily readable durable poster, framed copy, or mounted plaque of the national  
 862.12 motto of the United States, "In God We Trust."

862.13 (b) A school board or charter school may accept nonpublic funds or in-kind contributions  
 862.14 to implement this section.

862.15 Sec. 21. Minnesota Statutes 2016, section 121A.22, subdivision 1, is amended to read:

862.16 Subdivision 1. **Applicability.** (a) This section applies only:

862.17 (1) when the parent of a pupil requests school personnel to administer drugs or medicine  
 862.18 to the pupil; or

862.19 (2) when administration is allowed by the individualized education program of a child  
 862.20 with a disability.

862.21 The request of a parent may be oral or in writing. An oral request must be reduced to  
 862.22 writing within two school days, provided that the district may rely on an oral request until  
 862.23 a written request is received.

862.24 (b) If the administration of a drug or medication described in paragraph (a) requires the  
 862.25 school to store the drugs or medication, the parent or legal guardian must inform the school  
 862.26 if the drug or medication is a controlled substance. For drugs or medications that are not  
 862.27 controlled substances, the request must include a provision designating the school district  
 862.28 as an authorized entity to transport the drug or medication for the purpose of destruction if  
 862.29 any unused drug or medication is left in the possession of school personnel. For drugs or  
 862.30 medications that are controlled substances, the request must specify that the parent or legal  
 862.31 guardian is required to retrieve the drug when requested by the school.

863.1 Sec. 22. Minnesota Statutes 2016, section 121A.22, is amended by adding a subdivision  
863.2 to read:

863.3 Subd. 4a. **Unclaimed drugs or medications.** (a) Each school district must adopt a  
863.4 procedure for the collection and transport of any unclaimed or abandoned prescription drugs  
863.5 or over-the-counter medications left in the possession of school personnel in accordance  
863.6 with this subdivision. The procedure must ensure that before the transportation of any  
863.7 prescription drug under this subdivision, the school district must make a reasonable attempt  
863.8 to return the unused prescription drug to the student's parent or legal guardian. The procedure  
863.9 must provide that transportation of unclaimed or unused prescription drugs or  
863.10 over-the-counter medications occur at least annually, or more frequently as determined by  
863.11 the school district.

863.12 (b) If the unclaimed or abandoned prescription drug is not a controlled substance as  
863.13 defined under section 152.01, subdivision 4, or is an over-the-counter medication, the school  
863.14 district may designate an individual to transport these drugs or medications to a designated  
863.15 drop-off box or collection bin or may request a law enforcement agency to transport the  
863.16 drugs or medications to a drop-off box or collection bin on behalf of the school district.

863.17 (c) If the unclaimed or abandoned prescription drug is a controlled substance as defined  
863.18 in section 152.01, subdivision 4, a school district or school personnel is prohibited from  
863.19 transporting the prescription drug to a drop-off box or collection site for prescription drugs  
863.20 identified under this paragraph. The school district must request a law enforcement agency  
863.21 to transport the prescription drug or medication to a collection bin that complies with Drug  
863.22 Enforcement Agency regulations, or if a bin is not available, under the agency's procedure  
863.23 for transporting drugs.

863.24 Sec. 23. Minnesota Statutes 2016, section 121A.39, is amended to read:

863.25 **121A.39 SCHOOL COUNSELORS.**

863.26 (a) A school district is strongly encouraged to have an adequate student-to-counselor  
863.27 ratio for its students beginning in the 2015-2016 school year and later.

863.28 (b) A school counselor ~~shall~~ must assist a student in meeting the requirements for high  
863.29 school graduation, college and career exploration, and selection, college affordability  
863.30 planning, and successful transitions into postsecondary education or training. As part of  
863.31 college and career exploration, a counselor is encouraged to present and explain the career  
863.32 opportunities and benefits offered by the United States armed forces and share information  
863.33 provided to the counselor by armed forces recruiters. In discussing military service with a

864.1 student or a student's parent or guardian, a school counselor is encouraged to provide the  
 864.2 student, parent, or guardian information concerning the military enlistment test. A counselor  
 864.3 may consult with the Department of Labor and Industry to identify resources for students  
 864.4 interested in exploring career opportunities in high-wage, high-demand occupations in the  
 864.5 skilled trades and manufacturing.

864.6 (c) A school counselor must not interfere with a student's enlistment, or intention to  
 864.7 enlist, in the armed forces.

864.8 Sec. 24. Minnesota Statutes 2016, section 121A.41, is amended by adding a subdivision  
 864.9 to read:

864.10 Subd. 12. **Nonexclusionary disciplinary policies and practices; alternatives to pupil**  
 864.11 **dismissal.** "Nonexclusionary disciplinary policies and practices" means policies and practices  
 864.12 that are alternatives to removing a pupil from class or dismissing a pupil from school.  
 864.13 Nothing in this subdivision diminishes a teacher's authority to remove a student from class  
 864.14 consistent with sections 121A.61, subdivision 2, and 122A.42.

864.15 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

864.16 Sec. 25. Minnesota Statutes 2016, section 121A.45, is amended to read:

864.17 **121A.45 GROUNDS FOR DISMISSAL.**

864.18 Subdivision 1. **Provision of alternative programs.** ~~No school shall dismiss any pupil~~  
 864.19 ~~without attempting to provide alternative educational services~~ Schools must consider, where  
 864.20 appropriate, using nonexclusionary disciplinary policies and practices before dismissal  
 864.21 proceedings, except where it appears that the pupil will create an immediate and substantial  
 864.22 danger to self or to surrounding persons or property.

864.23 Subd. 2. **Grounds for dismissal.** A pupil may be dismissed ~~on any of the following~~  
 864.24 grounds for:

864.25 ~~(a) (1) willful violation of any reasonable school board regulation. Such regulation must~~  
 864.26 ~~be~~ that is specific and sufficiently clear and definite to provide notice to pupils that they  
 864.27 must conform their conduct to its requirements;

864.28 ~~(b) (2) willful conduct that significantly disrupts the rights of others to an education, or~~  
 864.29 the ability of school personnel to perform their duties, or school sponsored extracurricular  
 864.30 activities; or

865.1 (e) (3) willful conduct that endangers the pupil or other pupils, or surrounding persons,  
865.2 including school district employees, or property of the school.

865.3 ~~Subd. 3. **Parent notification and meeting.** If a pupil's total days of removal from school~~  
865.4 ~~exceeds ten cumulative days in a school year, the school district shall make reasonable~~  
865.5 ~~attempts to convene a meeting with the pupil and the pupil's parent or guardian before~~  
865.6 ~~subsequently removing the pupil from school and, with the permission of the parent or~~  
865.7 ~~guardian, arrange for a mental health screening for the pupil. The district is not required to~~  
865.8 ~~pay for the mental health screening. The purpose of this meeting is to attempt to determine~~  
865.9 ~~the pupil's need for assessment or other services or whether the parent or guardian should~~  
865.10 ~~have the pupil assessed or diagnosed to determine whether the pupil needs treatment for a~~  
865.11 ~~mental health disorder.~~

865.12 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

865.13 Sec. 26. Minnesota Statutes 2016, section 121A.46, subdivision 2, is amended to read:

865.14 Subd. 2. **Administrator notifies pupil of grounds for suspension.** At the informal  
865.15 administrative conference, a school administrator shall notify the pupil of the grounds for  
865.16 the suspension, ~~provide an explanation of~~ and explain the evidence the authorities have,  
865.17 ~~and the pupil may present the pupil's version of the facts. The pupil may present the pupil's~~  
865.18 version of the facts and ask questions but is not required to do so.

865.19 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

865.20 Sec. 27. Minnesota Statutes 2016, section 121A.46, subdivision 3, is amended to read:

865.21 Subd. 3. **Written notice of grounds for suspension.** A written notice ~~containing~~ of  
865.22 grounds for suspension must be personally served upon the pupil at or before the time the  
865.23 suspension is to take effect and served upon the pupil's parent or guardian electronically or  
865.24 by mail within 48 hours of the conference. A written notice required under this section must  
865.25 contain:

865.26 (1) the grounds for suspension;

865.27 (2) a brief statement of the facts;

865.28 (3) a description of the testimony;

865.29 (4) documents indicating the nonexclusionary disciplinary policies and practices initially  
865.30 used with the pupil, if applicable;

865.31 (5) the length of the suspension;

866.1 (6) a readmission plan; that includes the pupil's date of return to school;

866.2 (7) a request for a meeting with the pupil's parent or guardian consistent with subdivision  
866.3 3a; and

866.4 (8) a copy of sections 121A.40 to 121A.56, shall be personally served upon the pupil at  
866.5 or before the time the suspension is to take effect, and upon the pupil's parent or guardian  
866.6 by mail within 48 hours of the conference.

866.7 The district ~~shall~~ must make reasonable efforts to notify the parents of the suspension by  
866.8 telephone or electronically as soon as possible following the suspension. In the event a pupil  
866.9 is suspended without an informal administrative conference on the grounds that the pupil  
866.10 will create an immediate and substantial danger to surrounding persons or property, the  
866.11 written notice ~~shall~~ must be served upon the pupil and the pupil's parent or guardian within  
866.12 48 hours of the suspension. Service by mail is complete upon mailing.

866.13 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

866.14 Sec. 28. Minnesota Statutes 2016, section 121A.46, is amended by adding a subdivision  
866.15 to read:

866.16 Subd. 3a. **Parent notification and meeting; suspension; mental health screening.** (a)  
866.17 After suspending a pupil from school, a school official must make reasonable attempts to  
866.18 convene a meeting with the pupil and the pupil's parent or guardian within 30 calendar days  
866.19 of the dismissal. The purpose of the meeting is to engage the pupil's parent or guardian in  
866.20 developing a plan to help the pupil succeed in school by addressing the behavior that led  
866.21 to the dismissal.

866.22 (b) If a pupil's total days of removal from school exceeds ten cumulative days in a school  
866.23 year, the school district must make reasonable attempts to convene a meeting with the pupil  
866.24 and the pupil's parent or guardian before subsequently removing the pupil from school and,  
866.25 with the permission of the parent or guardian, arrange for a mental health screening for the  
866.26 pupil. The district is not required to pay for the mental health screening. The purpose of  
866.27 this meeting is to attempt to determine the pupil's need for assessment or other services or  
866.28 whether the parent or guardian should have the pupil assessed or diagnosed to determine  
866.29 whether the pupil needs treatment for a mental health disorder.

866.30 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

867.1 Sec. 29. Minnesota Statutes 2016, section 121A.46, is amended by adding a subdivision  
867.2 to read:

867.3 Subd. 5. **Minimum education services.** School officials must give a suspended pupil  
867.4 a reasonable opportunity to complete all school work assigned during the pupil's suspension  
867.5 and to receive full credit for satisfactorily completing the assignments. The school principal  
867.6 or other person having administrative control of the school building or program is encouraged  
867.7 to designate a district or school employee as a liaison to work with the pupil's teachers to  
867.8 allow the suspended pupil to (1) receive timely course materials and other information, and  
867.9 (2) complete daily and weekly assignments and receive teachers' feedback.

867.10 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

867.11 Sec. 30. Minnesota Statutes 2016, section 121A.47, subdivision 2, is amended to read:

867.12 Subd. 2. **Written notice.** Written notice of intent to take action ~~shall~~ must:

867.13 ~~(a)~~ (1) be served upon the pupil and the pupil's parent or guardian personally or by mail;

867.14 ~~(b)~~ (2) contain a complete statement of the facts, a list of the witnesses and a description  
867.15 of their testimony;

867.16 ~~(c)~~ (3) explain the grounds for expelling the pupil instead of imposing nonexclusionary  
867.17 disciplinary policies and practices under section 121A.41, subdivision 12;

867.18 (4) state the date, time, and place of the hearing;

867.19 ~~(d)~~ (5) be accompanied by a copy of sections 121A.40 to 121A.56;

867.20 ~~(e)~~ (6) describe alternative educational services accorded the pupil in an attempt to avoid  
867.21 the exclusion or expulsion proceedings; and

867.22 ~~(f)~~ (7) inform the pupil and parent or guardian of the right to:

867.23 ~~(1)~~ (i) have a representative of the pupil's own choosing, including legal counsel, at the  
867.24 hearing. The district ~~shall~~ must advise the pupil's parent or guardian that free or low-cost  
867.25 legal assistance may be available and that a legal assistance resource list is available from  
867.26 the Department of Education and is posted on the department's Web site;

867.27 ~~(2)~~ (ii) examine the pupil's records before the hearing;

867.28 ~~(3)~~ (iii) present evidence; and

867.29 ~~(4)~~ (iv) confront and cross-examine witnesses.

867.30 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

868.1 Sec. 31. Minnesota Statutes 2016, section 121A.47, subdivision 14, is amended to read:

868.2 Subd. 14. **Admission or readmission plan.** (a) A school administrator ~~shall~~ must prepare  
868.3 and enforce an admission or readmission plan for any pupil who is excluded or expelled  
868.4 from school. The plan ~~may~~ must include measures to improve the pupil's behavior, ~~including~~  
868.5 which may include completing a character education program, consistent with section  
868.6 120B.232, subdivision 1, ~~and~~ social and emotional learning, counseling, social work services,  
868.7 mental health services, referrals for special education or 504 evaluation, and evidence-based  
868.8 academic interventions. The plan must require parental involvement in the admission or  
868.9 readmission process, and may indicate the consequences to the pupil of not improving the  
868.10 pupil's behavior.

868.11 (b) The definition of suspension under section 121A.41, subdivision 10, does not apply  
868.12 to a student's dismissal from school for one school day or less, except as provided under  
868.13 federal law for a student with a disability. Each suspension action may include a readmission  
868.14 plan. A readmission plan must provide, where appropriate, alternative education services,  
868.15 which must not be used to extend the student's current suspension period. Consistent with  
868.16 section 125A.091, subdivision 5, a readmission plan must not obligate a parent or guardian  
868.17 to provide psychotropic drugs to their student as a condition of readmission. School officials  
868.18 must not use the refusal of a parent or guardian to consent to the administration of  
868.19 psychotropic drugs to their student or to consent to a psychiatric evaluation, screening or  
868.20 examination of the student as a ground, by itself, to prohibit the student from attending class  
868.21 or participating in a school-related activity, or as a basis of a charge of child abuse, child  
868.22 neglect or medical or educational neglect.

868.23 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

868.24 Sec. 32. Minnesota Statutes 2016, section 121A.55, is amended to read:

868.25 **121A.55 POLICIES TO BE ESTABLISHED.**

868.26 (a) The commissioner of education shall promulgate guidelines to assist each school  
868.27 board. Each school board ~~shall~~ must establish uniform criteria for dismissal and adopt written  
868.28 policies and rules to effectuate the purposes of sections 121A.40 to 121A.56. The policies  
868.29 ~~shall~~ must include nonexclusionary disciplinary policies and practices consistent with section  
868.30 121A.41, subdivision 12, and emphasize preventing dismissals through early detection of  
868.31 problems ~~and shall~~. The policies must be designed to address ~~students'~~ pupils' inappropriate  
868.32 behavior from recurring.

869.1 (b) The policies shall recognize the continuing responsibility of the school for the  
 869.2 education of the pupil during the dismissal period. The school is responsible for ensuring  
 869.3 that the alternative educational services, if to be provided to the pupil wishes to take  
 869.4 advantage of them, must be adequate to allow the pupil to make progress towards meeting  
 869.5 the graduation standards adopted under section 120B.02 ~~and~~, help prepare the pupil for  
 869.6 readmission, and are consistent with section 121A.46, subdivision 6.

869.7 (c) For expulsion and exclusion dismissals:

869.8 (1) the school district's continuing responsibility includes reviewing the pupil's school  
 869.9 work and grades on a quarterly basis to ensure the pupil is on track for readmission with  
 869.10 the pupil's peers until the student enrolls in a new district. School districts must communicate  
 869.11 on a regular basis with the pupil's parent or guardian to ensure the pupil is completing the  
 869.12 work assigned through the alternative educational services;

869.13 (2) a pupil remains eligible for school-linked mental health services under section  
 869.14 245.4889 in the manner determined by the district until the pupil is enrolled in a new district;  
 869.15 and

869.16 (3) the district must provide to the pupil's parent or guardian a list of mental health and  
 869.17 counseling services available to the pupil after expulsion, including community mental  
 869.18 health programs.

869.19 ~~(b)~~ (d) An area learning center under section 123A.05 may not prohibit an expelled or  
 869.20 excluded pupil from enrolling solely because a district expelled or excluded the pupil. The  
 869.21 board of the area learning center may use the provisions of the Pupil Fair Dismissal Act to  
 869.22 exclude a pupil or to require an admission plan.

869.23 ~~(e)~~ (e) Each school district ~~shall~~ must develop a policy and report it to the commissioner  
 869.24 on the appropriate use of peace and school resource officers and crisis teams to remove  
 869.25 ~~students~~ pupils who have an individualized education program from school grounds.

869.26 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

869.27 Sec. 33. Minnesota Statutes 2016, section 121A.61, is amended to read:

869.28 **121A.61 DISCIPLINE AND REMOVAL OF ~~STUDENTS~~ PUPILS FROM CLASS.**

869.29 Subdivision 1. **Required policy.** Each school board must adopt a written districtwide  
 869.30 school discipline policy which includes written rules of conduct for ~~students~~ pupils, ~~minimum~~  
 869.31 potential consequences for violations of the rules, parental notification requirements, and  
 869.32 grounds and procedures for removal of a ~~student~~ pupil from class. The board must develop

870.1 ~~the policy must be developed~~ in consultation with administrators, teachers, employees,  
870.2 pupils, parents, community members, law enforcement agencies, county attorney offices,  
870.3 social service agencies, and such other individuals or organizations as the board determines  
870.4 appropriate. A school site council may adopt additional provisions to the policy subject to  
870.5 the approval of the school board.

870.6 Subd. 2. **Grounds for removal from class.** The policy must establish the various grounds  
870.7 for which a ~~student~~ pupil may be removed from a class in the district for a period of time  
870.8 under the procedures specified in the policy. The policy must include a procedure for  
870.9 notifying and meeting with a ~~student's~~ pupil's parent or guardian to discuss the problem that  
870.10 is causing the ~~student~~ pupil to be removed from class after the ~~student~~ pupil has been removed  
870.11 from class more than ~~ten~~ five times in one school year. The grounds in the policy must  
870.12 include at least the following provisions as well as other grounds determined appropriate  
870.13 by the board:

870.14 ~~(a)~~ (1) willful conduct that significantly disrupts the rights of others to an education,  
870.15 including conduct that interferes with a teacher's ability to teach or communicate effectively  
870.16 with ~~students~~ pupils in a class or with the ability of other ~~students~~ pupils to learn;

870.17 ~~(b)~~ (2) willful conduct that endangers surrounding persons, including school district  
870.18 employees, the ~~student~~ pupil, or other ~~students~~ pupils, or the property of the school; and

870.19 ~~(c)~~ (3) willful violation of any rule of conduct specified in the discipline policy adopted  
870.20 by the board.

870.21 Subd. 3. **Policy components.** The policy must include at least the following components:

870.22 (a) rules governing ~~student~~ pupil conduct and procedures for informing ~~students~~ pupils  
870.23 of the rules;

870.24 (b) the grounds for removal of a ~~student~~ pupil from a class;

870.25 (c) the authority of the classroom teacher to remove ~~students~~ pupils from the classroom  
870.26 pursuant to procedures and rules established in the district's policy;

870.27 (d) the procedures for removal of a ~~student~~ pupil from a class by a teacher, school  
870.28 administrator, or other school district employee;

870.29 (e) the period of time for which a ~~student~~ pupil may be removed from a class, which  
870.30 may not exceed five class periods for a violation of a rule of conduct;

870.31 (f) provisions relating to the responsibility for and custody of a ~~student~~ pupil removed  
870.32 from a class;

871.1 (g) the procedures for return of a ~~student~~ pupil to the specified class from which the  
871.2 ~~student~~ pupil has been removed;

871.3 (h) the procedures for notifying a ~~student~~ pupil and the ~~student's~~ pupil's parents or  
871.4 guardian of violations of the rules of conduct and of resulting disciplinary actions;

871.5 (i) any procedures determined appropriate for encouraging early involvement of parents  
871.6 or guardians in attempts to improve a ~~student's~~ pupil's behavior;

871.7 (j) any procedures determined appropriate for encouraging early detection of behavioral  
871.8 problems;

871.9 (k) any procedures determined appropriate for referring a ~~student~~ pupil in need of special  
871.10 education services to those services;

871.11 (l) the procedures for consideration of whether there is a need for a further assessment  
871.12 or of whether there is a need for a review of the adequacy of a current individualized  
871.13 education program of a ~~student~~ pupil with a disability who is removed from class;

871.14 (m) procedures for detecting and addressing chemical abuse problems of a ~~student~~ pupil  
871.15 while on the school premises;

871.16 (n) the ~~minimum~~ potential consequences for violations of the code of conduct;

871.17 (o) procedures for immediate and appropriate interventions tied to violations ~~of the code~~;

871.18 (p) a provision that states that a teacher, school employee, school bus driver, or other  
871.19 agent of a district may use reasonable force in compliance with section 121A.582 and other  
871.20 laws;

871.21 (q) an agreement regarding procedures to coordinate crisis services to the extent funds  
871.22 are available with the county board responsible for implementing sections 245.487 to  
871.23 245.4889 for ~~students~~ pupils with a serious emotional disturbance or other ~~students~~ pupils  
871.24 who have an individualized education program whose behavior may be addressed by crisis  
871.25 intervention; and

871.26 (r) a provision that states a ~~student~~ pupil must be removed from class immediately if the  
871.27 ~~student~~ pupil engages in assault or violent behavior. For purposes of this paragraph, "assault"  
871.28 has the meaning given it in section 609.02, subdivision 10. The removal shall be for a period  
871.29 of time deemed appropriate by the principal, in consultation with the teacher.

871.30 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

872.1 Sec. 34. Minnesota Statutes 2016, section 121A.67, is amended by adding a subdivision  
872.2 to read:

872.3 Subd. 3. **Parent notification.** A school administrator must make and document efforts  
872.4 to immediately contact the parent or guardian of a pupil removed from a school building  
872.5 or school grounds by a peace or school resource officer unless such notice is specifically  
872.6 prohibited by law. If a pupil is secluded, a school administrator must make reasonable efforts  
872.7 to notify the pupil's parent or guardian of the seclusion by the end of the same school day.

872.8 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

872.9 Sec. 35. Minnesota Statutes 2017 Supplement, section 122A.09, is amended by adding a  
872.10 subdivision to read:

872.11 Subd. 4b. **Essential data.** The Professional Educator Licensing and Standards Board  
872.12 must maintain a list of essential data elements which must be recorded and stored about  
872.13 each licensed and nonlicensed staff member. Each school district must provide the essential  
872.14 data to the board in the form and manner prescribed by the board.

872.15 Sec. 36. Minnesota Statutes 2016, section 123B.14, subdivision 7, is amended to read:

872.16 Subd. 7. **Clerk records.** The clerk ~~shall~~ must keep a record of all meetings of the district  
872.17 and the board in books provided by the district for that purpose. The clerk ~~shall~~ must, within  
872.18 three days after an election, notify all persons elected of their election. By September 15 of  
872.19 each year the clerk ~~shall~~ must file with the board a report of the revenues, expenditures and  
872.20 balances in each fund for the preceding fiscal year. The report together with vouchers and  
872.21 supporting documents ~~shall~~ must subsequently be examined by a public accountant or the  
872.22 state auditor, either of whom ~~shall~~ must be paid by the district, as provided in section  
872.23 123B.77, subdivision 3. The board ~~shall~~ must by resolution approve the report or require a  
872.24 further or amended report. ~~By September 15 of each year, the clerk shall make and transmit~~  
872.25 ~~to the commissioner certified reports, showing:~~

872.26 ~~(1) the revenues and expenditures in detail, and such other financial information required~~  
872.27 ~~by law, rule, or as may be called for by the commissioner;~~

872.28 ~~(2) the length of school term and the enrollment and attendance by grades; and~~

872.29 ~~(3) such other items of information as may be called for by the commissioner.~~

872.30 The clerk ~~shall~~ must enter in the clerk's record book copies of all reports and of the  
872.31 teachers' term reports, as they appear in the registers, and of the proceedings of any meeting  
872.32 as furnished by the clerk pro tem, and keep an itemized account of all the expenses of the

873.1 district. The clerk ~~shall~~ must furnish to the auditor of the proper county, by September 30  
873.2 of each year, an attested copy of the clerk's record, showing the amount of proposed property  
873.3 tax voted by the district or the board for school purposes; draw and sign all orders upon the  
873.4 treasurer for the payment of money for bills allowed by the board for salaries of officers  
873.5 and for teachers' wages and all claims, to be countersigned by the chair. Such orders must  
873.6 state the consideration, payee, and the fund and the clerk shall take a receipt therefor.  
873.7 Teachers' wages shall have preference in the order in which they become due, and no money  
873.8 applicable for teachers' wages shall be used for any other purpose, nor shall teachers' wages  
873.9 be paid from any fund except that raised or apportioned for that purpose.

873.10 Sec. 37. Minnesota Statutes 2016, section 124D.78, subdivision 2, is amended to read:

873.11 Subd. 2. **Resolution of concurrence.** Prior to March 1, the school board or American  
873.12 Indian school must submit to the department a copy of a resolution adopted by the American  
873.13 Indian education parent advisory committee. The copy must be signed by the chair of the  
873.14 committee and must state whether the committee concurs with the educational programs  
873.15 for American Indian students offered by the school board or American Indian school. If the  
873.16 committee does not concur with the educational programs, the reasons for nonconcurrence  
873.17 and recommendations ~~shall~~ must be submitted directly to the school board with the resolution.  
873.18 By resolution, the board must respond in writing within 60 days, in cases of nonconcurrence,  
873.19 to each recommendation made by the committee and state its reasons for not implementing  
873.20 the recommendations.

873.21 Sec. 38. Minnesota Statutes 2016, section 124D.98, is amended to read:

873.22 **124D.98 LITERACY INCENTIVE AID.**

873.23 Subdivision 1. **Literacy incentive aid.** A district's literacy incentive aid equals the sum  
873.24 of the proficiency aid under subdivision 2, and the growth aid under subdivision 3.

873.25 Subd. 2. **Proficiency aid.** The proficiency aid for each school in a district that has  
873.26 submitted to the commissioner its local literacy plan under section 120B.12, subdivision  
873.27 4a, is equal to the product of the school's proficiency allowance times the number of third  
873.28 grade pupils at the school on October 1 of the previous fiscal year. A school's proficiency  
873.29 allowance is equal to the percentage of students in each building that meet or exceed  
873.30 proficiency on the third grade reading Minnesota Comprehensive Assessment, averaged  
873.31 across the previous three test administrations, times \$530.

873.32 Subd. 3. **Growth aid.** The growth aid for each school in a district that has submitted to  
873.33 the commissioner its local literacy plan under section 120B.12, subdivision 4a, is equal to

874.1 the product of the school's growth allowance times the number of fourth grade pupils enrolled  
 874.2 at the school on October 1 of the previous fiscal year. A school's growth allowance is equal  
 874.3 to the percentage of students at that school making medium or high growth, under ~~section~~  
 874.4 ~~120B.299~~ subdivision 4, on the fourth grade reading Minnesota Comprehensive Assessment,  
 874.5 averaged across the previous three test administrations, times \$530.

874.6 Subd. 4. **Medium and high growth.** (a) The definitions in this subdivision apply to this  
 874.7 section.

874.8 (b) "Medium growth" is an assessment score within one-half standard deviation above  
 874.9 or below the average year-two assessment scores for students with similar year-one  
 874.10 assessment scores.

874.11 (c) "High growth" is an assessment score one-half standard deviation or more above the  
 874.12 average year-two assessment scores for students with similar year-one assessment scores.

874.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2019 and later.

874.14 Sec. 39. Minnesota Statutes 2016, section 125B.07, subdivision 6, is amended to read:

874.15 Subd. 6. **Essential data.** The department ~~shall~~ must maintain a list of essential data  
 874.16 elements which must be recorded and stored about each pupil, ~~licensed and nonlicensed~~  
 874.17 ~~staff member~~, and educational program. Each school district must provide the essential data  
 874.18 to the department in the form and format prescribed by the department.

874.19 Sec. 40. Minnesota Statutes 2017 Supplement, section 609A.03, subdivision 7a, is amended  
 874.20 to read:

874.21 Subd. 7a. **Limitations of order effective January 1, 2015, and later.** (a) Upon issuance  
 874.22 of an expungement order related to a charge supported by probable cause, the DNA samples  
 874.23 and DNA records held by the Bureau of Criminal Apprehension and collected under authority  
 874.24 other than section 299C.105 shall not be sealed, returned to the subject of the record, or  
 874.25 destroyed.

874.26 (b) Notwithstanding the issuance of an expungement order:

874.27 (1) except as provided in clause (2), an expunged record may be opened, used, or  
 874.28 exchanged between criminal justice agencies without a court order for the purposes of  
 874.29 initiating, furthering, or completing a criminal investigation or prosecution or for sentencing  
 874.30 purposes or providing probation or other correctional services;

875.1 (2) when a criminal justice agency seeks access to a record that was sealed under section  
875.2 609A.02, subdivision 3, paragraph (a), clause (1), after an acquittal or a court order dismissing  
875.3 for lack of probable cause, for purposes of a criminal investigation, prosecution, or  
875.4 sentencing, the requesting agency must obtain an ex parte court order after stating a  
875.5 good-faith basis to believe that opening the record may lead to relevant information;

875.6 (3) an expunged record of a conviction may be opened for purposes of evaluating a  
875.7 prospective employee in a criminal justice agency without a court order;

875.8 (4) an expunged record of a conviction may be opened for purposes of a background  
875.9 study under section 245C.08 unless the commissioner had been properly served with notice  
875.10 of the petition for expungement and the court order for expungement is directed specifically  
875.11 to the commissioner of human services;

875.12 (5) an expunged record of a conviction may be opened for purposes of a background  
875.13 check required under section 122A.18, subdivision 8, unless the court order for expungement  
875.14 is directed specifically to the Professional Educator Licensing and Standards Board ~~or the~~  
875.15 ~~licensing division of the Department of Education~~; and

875.16 (6) the court may order an expunged record opened upon request by the victim of the  
875.17 underlying offense if the court determines that the record is substantially related to a matter  
875.18 for which the victim is before the court.

875.19 (c) An agency or jurisdiction subject to an expungement order shall maintain the record  
875.20 in a manner that provides access to the record by a criminal justice agency under paragraph  
875.21 (b), clause (1) or (2), but notifies the recipient that the record has been sealed. The Bureau  
875.22 of Criminal Apprehension shall notify the commissioner of human services, and the  
875.23 Professional Educator Licensing and Standards Board, ~~or the licensing division of the~~  
875.24 ~~Department of Education~~ of the existence of a sealed record and of the right to obtain access  
875.25 under paragraph (b), clause (4) or (5). Upon request, the agency or jurisdiction subject to  
875.26 the expungement order shall provide access to the record to the commissioner of human  
875.27 services, or the Professional Educator Licensing and Standards Board, ~~or the licensing~~  
875.28 ~~division of the Department of Education~~ under paragraph (b), clause (4) or (5).

875.29 (d) An expunged record that is opened or exchanged under this subdivision remains  
875.30 subject to the expungement order in the hands of the person receiving the record.

875.31 (e) A criminal justice agency that receives an expunged record under paragraph (b),  
875.32 clause (1) or (2), must maintain and store the record in a manner that restricts the use of the  
875.33 record to the investigation, prosecution, or sentencing for which it was obtained.

876.1 (f) For purposes of this section, a "criminal justice agency" means a court or government  
876.2 agency that performs the administration of criminal justice under statutory authority.

876.3 (g) This subdivision applies to expungement orders subject to its limitations and effective  
876.4 on or after January 1, 2015.

876.5 Sec. 41. Minnesota Statutes 2017 Supplement, section 626.556, subdivision 2, is amended  
876.6 to read:

876.7 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings  
876.8 given them unless the specific content indicates otherwise:

876.9 (a) "Accidental" means a sudden, not reasonably foreseeable, and unexpected occurrence  
876.10 or event which:

876.11 (1) is not likely to occur and could not have been prevented by exercise of due care; and

876.12 (2) if occurring while a child is receiving services from a facility, happens when the  
876.13 facility and the employee or person providing services in the facility are in compliance with  
876.14 the laws and rules relevant to the occurrence or event.

876.15 (b) "Commissioner" means the commissioner of human services.

876.16 (c) "Facility" means:

876.17 (1) a licensed or unlicensed day care facility, certified license-exempt child care center,  
876.18 residential facility, agency, hospital, sanitarium, or other facility or institution required to  
876.19 be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter  
876.20 144H, 245D, or 245H;

876.21 (2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E;  
876.22 or

876.23 (3) a nonlicensed personal care provider organization as defined in section 256B.0625,  
876.24 subdivision 19a.

876.25 (d) "Family assessment" means a comprehensive assessment of child safety, risk of  
876.26 subsequent child maltreatment, and family strengths and needs that is applied to a child  
876.27 maltreatment report that does not allege sexual abuse or substantial child endangerment.  
876.28 Family assessment does not include a determination as to whether child maltreatment  
876.29 occurred but does determine the need for services to address the safety of family members  
876.30 and the risk of subsequent maltreatment.

877.1 (e) "Investigation" means fact gathering related to the current safety of a child and the  
877.2 risk of subsequent maltreatment that determines whether child maltreatment occurred and  
877.3 whether child protective services are needed. An investigation must be used when reports  
877.4 involve sexual abuse or substantial child endangerment, and for reports of maltreatment in  
877.5 facilities required to be licensed or certified under chapter 245A, 245D, or 245H; under  
877.6 sections 144.50 to 144.58 and 241.021; in a school as defined in section 120A.05,  
877.7 subdivisions 9, 11, and 13, and chapter 124E; or in a nonlicensed personal care provider  
877.8 association as defined in section 256B.0625, subdivision 19a.

877.9 (f) "Mental injury" means an injury to the psychological capacity or emotional stability  
877.10 of a child as evidenced by an observable or substantial impairment in the child's ability to  
877.11 function within a normal range of performance and behavior with due regard to the child's  
877.12 culture.

877.13 (g) "Neglect" means the commission or omission of any of the acts specified under  
877.14 clauses (1) to (9), other than by accidental means:

877.15 (1) failure by a person responsible for a child's care to supply a child with necessary  
877.16 food, clothing, shelter, health, medical, or other care required for the child's physical or  
877.17 mental health when reasonably able to do so;

877.18 (2) failure to protect a child from conditions or actions that seriously endanger the child's  
877.19 physical or mental health when reasonably able to do so, including a growth delay, which  
877.20 may be referred to as a failure to thrive, that has been diagnosed by a physician and is due  
877.21 to parental neglect;

877.22 (3) failure to provide for necessary supervision or child care arrangements appropriate  
877.23 for a child after considering factors as the child's age, mental ability, physical condition,  
877.24 length of absence, or environment, when the child is unable to care for the child's own basic  
877.25 needs or safety, or the basic needs or safety of another child in their care;

877.26 (4) failure to ensure that the child is educated as defined in sections 120A.22 and  
877.27 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's  
877.28 child with sympathomimetic medications, consistent with section 125A.091, subdivision  
877.29 5;

877.30 (5) nothing in this section shall be construed to mean that a child is neglected solely  
877.31 because the child's parent, guardian, or other person responsible for the child's care in good  
877.32 faith selects and depends upon spiritual means or prayer for treatment or care of disease or  
877.33 remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker,  
877.34 or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of

878.1 medical care may cause serious danger to the child's health. This section does not impose  
878.2 upon persons, not otherwise legally responsible for providing a child with necessary food,  
878.3 clothing, shelter, education, or medical care, a duty to provide that care;

878.4 (6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision  
878.5 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in  
878.6 the child at birth, results of a toxicology test performed on the mother at delivery or the  
878.7 child at birth, medical effects or developmental delays during the child's first year of life  
878.8 that medically indicate prenatal exposure to a controlled substance, or the presence of a  
878.9 fetal alcohol spectrum disorder;

878.10 (7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

878.11 (8) chronic and severe use of alcohol or a controlled substance by a parent or person  
878.12 responsible for the care of the child that adversely affects the child's basic needs and safety;  
878.13 or

878.14 (9) emotional harm from a pattern of behavior which contributes to impaired emotional  
878.15 functioning of the child which may be demonstrated by a substantial and observable effect  
878.16 in the child's behavior, emotional response, or cognition that is not within the normal range  
878.17 for the child's age and stage of development, with due regard to the child's culture.

878.18 (h) "Nonmaltreatment mistake" means:

878.19 (1) at the time of the incident, the individual was performing duties identified in the  
878.20 center's child care program plan required under Minnesota Rules, part 9503.0045;

878.21 (2) the individual has not been determined responsible for a similar incident that resulted  
878.22 in a finding of maltreatment for at least seven years;

878.23 (3) the individual has not been determined to have committed a similar nonmaltreatment  
878.24 mistake under this paragraph for at least four years;

878.25 (4) any injury to a child resulting from the incident, if treated, is treated only with  
878.26 remedies that are available over the counter, whether ordered by a medical professional or  
878.27 not; and

878.28 (5) except for the period when the incident occurred, the facility and the individual  
878.29 providing services were both in compliance with all licensing requirements relevant to the  
878.30 incident.

878.31 This definition only applies to child care centers licensed under Minnesota Rules, chapter  
878.32 9503. If clauses (1) to (5) apply, rather than making a determination of substantiated

879.1 maltreatment by the individual, the commissioner of human services shall determine that a  
879.2 nonmaltreatment mistake was made by the individual.

879.3 (i) "Operator" means an operator or agency as defined in section 245A.02.

879.4 (j) "Person responsible for the child's care" means (1) an individual functioning within  
879.5 the family unit and having responsibilities for the care of the child such as a parent, guardian,  
879.6 or other person having similar care responsibilities, or (2) an individual functioning outside  
879.7 the family unit and having responsibilities for the care of the child such as a teacher, school  
879.8 administrator, other school employees or agents, or other lawful custodian of a child having  
879.9 either full-time or short-term care responsibilities including, but not limited to, day care,  
879.10 babysitting whether paid or unpaid, counseling, teaching, and coaching.

879.11 (k) "Physical abuse" means any physical injury, mental injury, or threatened injury,  
879.12 inflicted by a person responsible for the child's care on a child other than by accidental  
879.13 means, or any physical or mental injury that cannot reasonably be explained by the child's  
879.14 history of injuries, or any aversive or deprivation procedures, or regulated interventions,  
879.15 that have not been authorized under section 125A.0942 or 245.825.

879.16 Abuse does not include reasonable and moderate physical discipline of a child  
879.17 administered by a parent or legal guardian which does not result in an injury. Abuse does  
879.18 not include the use of reasonable force by a teacher, principal, or school employee as allowed  
879.19 by section 121A.582. Actions which are not reasonable and moderate include, but are not  
879.20 limited to, any of the following:

879.21 (1) throwing, kicking, burning, biting, or cutting a child;

879.22 (2) striking a child with a closed fist;

879.23 (3) shaking a child under age three;

879.24 (4) striking or other actions which result in any nonaccidental injury to a child under 18  
879.25 months of age;

879.26 (5) unreasonable interference with a child's breathing;

879.27 (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

879.28 (7) striking a child under age one on the face or head;

879.29 (8) striking a child who is at least age one but under age four on the face or head, which  
879.30 results in an injury;

879.31 (9) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled  
879.32 substances which were not prescribed for the child by a practitioner, in order to control or

880.1 punish the child; or other substances that substantially affect the child's behavior, motor  
880.2 coordination, or judgment or that results in sickness or internal injury, or subjects the child  
880.3 to medical procedures that would be unnecessary if the child were not exposed to the  
880.4 substances;

880.5 (10) unreasonable physical confinement or restraint not permitted under section 609.379,  
880.6 including but not limited to tying, caging, or chaining; or

880.7 (11) in a school facility or school zone, an act by a person responsible for the child's  
880.8 care that is a violation under section 121A.58.

880.9 (l) "Practice of social services," for the purposes of subdivision 3, includes but is not  
880.10 limited to employee assistance counseling and the provision of guardian ad litem and  
880.11 parenting time expeditor services.

880.12 (m) "Report" means any communication received by the local welfare agency, police  
880.13 department, county sheriff, or agency responsible for child protection pursuant to this section  
880.14 that describes neglect or physical or sexual abuse of a child and contains sufficient content  
880.15 to identify the child and any person believed to be responsible for the neglect or abuse, if  
880.16 known.

880.17 (n) "Sexual abuse" means the subjection of a child by a person responsible for the child's  
880.18 care, by a person who has a significant relationship to the child, as defined in section 609.341,  
880.19 or by a person in a position of authority, as defined in section 609.341, subdivision 10, to  
880.20 any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first  
880.21 degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual  
880.22 conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), ~~or~~  
880.23 609.3451 (criminal sexual conduct in the fifth degree), or 609.352 (solicitation of children  
880.24 to engage in sexual conduct; communication of sexually explicit materials to children).

880.25 Sexual abuse also includes any act which involves a minor which constitutes a violation of  
880.26 prostitution offenses under sections 609.321 to 609.324 or 617.246. Effective May 29, 2017,  
880.27 sexual abuse includes all reports of known or suspected child sex trafficking involving a  
880.28 child who is identified as a victim of sex trafficking. Sexual abuse includes child sex  
880.29 trafficking as defined in section 609.321, subdivisions 7a and 7b. Sexual abuse includes  
880.30 threatened sexual abuse which includes the status of a parent or household member who  
880.31 has committed a violation which requires registration as an offender under section 243.166,  
880.32 subdivision 1b, paragraph (a) or (b), or required registration under section 243.166,  
880.33 subdivision 1b, paragraph (a) or (b).

881.1 (o) "Substantial child endangerment" means a person responsible for a child's care, by  
881.2 act or omission, commits or attempts to commit an act against a child under their care that  
881.3 constitutes any of the following:

881.4 (1) egregious harm as defined in section 260C.007, subdivision 14;

881.5 (2) abandonment under section 260C.301, subdivision 2;

881.6 (3) neglect as defined in paragraph (g), clause (2), that substantially endangers the child's  
881.7 physical or mental health, including a growth delay, which may be referred to as failure to  
881.8 thrive, that has been diagnosed by a physician and is due to parental neglect;

881.9 (4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

881.10 (5) manslaughter in the first or second degree under section 609.20 or 609.205;

881.11 (6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

881.12 (7) solicitation, inducement, and promotion of prostitution under section 609.322;

881.13 (8) criminal sexual conduct under sections 609.342 to 609.3451;

881.14 (9) solicitation of children to engage in sexual conduct under section 609.352;

881.15 (10) malicious punishment or neglect or endangerment of a child under section 609.377  
881.16 or 609.378;

881.17 (11) use of a minor in sexual performance under section 617.246; or

881.18 (12) parental behavior, status, or condition which mandates that the county attorney file  
881.19 a termination of parental rights petition under section 260C.503, subdivision 2.

881.20 (p) "Threatened injury" means a statement, overt act, condition, or status that represents  
881.21 a substantial risk of physical or sexual abuse or mental injury. Threatened injury includes,  
881.22 but is not limited to, exposing a child to a person responsible for the child's care, as defined  
881.23 in paragraph (j), clause (1), who has:

881.24 (1) subjected a child to, or failed to protect a child from, an overt act or condition that  
881.25 constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a similar law  
881.26 of another jurisdiction;

881.27 (2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph  
881.28 (b), clause (4), or a similar law of another jurisdiction;

881.29 (3) committed an act that has resulted in an involuntary termination of parental rights  
881.30 under section 260C.301, or a similar law of another jurisdiction; or

882.1 (4) committed an act that has resulted in the involuntary transfer of permanent legal and  
882.2 physical custody of a child to a relative under Minnesota Statutes 2010, section 260C.201,  
882.3 subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a similar law  
882.4 of another jurisdiction.

882.5 A child is the subject of a report of threatened injury when the responsible social services  
882.6 agency receives birth match data under paragraph (q) from the Department of Human  
882.7 Services.

882.8 (q) Upon receiving data under section 144.225, subdivision 2b, contained in a birth  
882.9 record or recognition of parentage identifying a child who is subject to threatened injury  
882.10 under paragraph (p), the Department of Human Services shall send the data to the responsible  
882.11 social services agency. The data is known as "birth match" data. Unless the responsible  
882.12 social services agency has already begun an investigation or assessment of the report due  
882.13 to the birth of the child or execution of the recognition of parentage and the parent's previous  
882.14 history with child protection, the agency shall accept the birth match data as a report under  
882.15 this section. The agency may use either a family assessment or investigation to determine  
882.16 whether the child is safe. All of the provisions of this section apply. If the child is determined  
882.17 to be safe, the agency shall consult with the county attorney to determine the appropriateness  
882.18 of filing a petition alleging the child is in need of protection or services under section  
882.19 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is  
882.20 determined not to be safe, the agency and the county attorney shall take appropriate action  
882.21 as required under section 260C.503, subdivision 2.

882.22 (r) Persons who conduct assessments or investigations under this section shall take into  
882.23 account accepted child-rearing practices of the culture in which a child participates and  
882.24 accepted teacher discipline practices, which are not injurious to the child's health, welfare,  
882.25 and safety.

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

882.27 Sec. 42. Laws 2016, chapter 189, article 25, section 61, is amended to read:

882.28 Sec. 61. **CERTIFICATION INCENTIVE REVENUE.**

882.29 Subdivision 1. **Qualifying certificates.** As soon as practicable, the commissioner of  
882.30 education, in consultation with the Governor's Workforce Development Council established  
882.31 under Minnesota Statutes, section 116L.665, and the P-20 education partnership operating  
882.32 under Minnesota Statutes, section 127A.70, must establish the list of qualifying career and  
882.33 technical certificates and post the names of those certificates on the Department of

883.1 Education's Web site. The certificates must be in fields where occupational opportunities  
883.2 exist.

883.3 Subd. 2. **School district participation.** (a) A school board may adopt a policy authorizing  
883.4 its students in grades 9 through 12, including its students enrolled in postsecondary enrollment  
883.5 options courses under Minnesota Statutes, section 124D.09, the opportunity to complete a  
883.6 qualifying certificate. The certificate may be completed as part of a regularly scheduled  
883.7 course.

883.8 (b) A school district may register a student for any assessment necessary to complete a  
883.9 qualifying certificate and pay any associated registration fees for its students.

883.10 Subd. 3. **Incentive funding.** (a) A school district's career and technical certification aid  
883.11 equals \$500 times the district's number of students enrolled during the current fiscal year  
883.12 who have obtained one or more qualifying certificates during the current fiscal year.

883.13 (b) The statewide total certificate revenue must not exceed ~~\$1,000,000~~ \$400,000 for the  
883.14 2016-2017, 2017-2018, and 2018-2019 school years. The commissioner must proportionately  
883.15 reduce the initial aid provided under this subdivision so that the statewide aid cap is not  
883.16 exceeded.

883.17 Subd. 4. **Reports to the legislature.** (a) The commissioner of education must report to  
883.18 the committees of the legislature with jurisdiction over kindergarten through grade 12  
883.19 education and higher education by February 1, 2017, on the number and types of certificates  
883.20 authorized for the 2016-2017 school year. The commissioner must also recommend whether  
883.21 the pilot program should be continued.

883.22 (b) By February 1, of 2018, 2019, and 2020, the commissioner of education must report  
883.23 to the committees of the legislature with jurisdiction over kindergarten through grade 12  
883.24 education and higher education about the number and types of certificates earned by  
883.25 Minnesota's students during the ~~2016-2017~~ prior school year.

883.26 Sec. 43. Laws 2016, chapter 189, article 25, section 62, subdivision 15, is amended to  
883.27 read:

883.28 Subd. 15. **Certificate incentive funding.** (a) For the certificate incentive program:

883.29                   ~~1,000,000~~  
883.30           \$           400,000       ..... 2017

883.31 (b) \$600,000 of the \$1,000,000 appropriation in Laws 2016, chapter 189, article 25,  
883.32 section 62, subdivision 15, is canceled to the general fund.

884.1 (c) Of this amount, \$3,000 is for the administrative expenses associated with the reports  
 884.2 required for 2019 and 2020. This is a onetime appropriation. This appropriation is available  
 884.3 until June 30, 2019.

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

884.5 Sec. 44. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 12,  
 884.6 is amended to read:

884.7 Subd. 12. **Museums and education centers.** For grants to museums and education  
 884.8 centers:

884.9 \$ 460,000 ..... 2018

884.10 ~~460,000~~

884.11 \$ 491,000 ..... 2019

884.12 (a) \$319,000 each year is for the Minnesota Children's Museum. Of the amount in this  
 884.13 paragraph, \$50,000 in each year is for the Minnesota Children's Museum, Rochester.

884.14 (b) \$50,000 each year is for the Duluth Children's Museum.

884.15 (c) \$41,000 each year is for the Minnesota Academy of Science.

884.16 (d) \$50,000 each year is for the Headwaters Science Center.

884.17 (e) \$31,000 in fiscal year 2019 only is for the Judy Garland Museum for the Children's  
 884.18 Discovery Museum of Grand Rapids. Of this amount, up to three percent is for administering  
 884.19 the grant.

884.20 Any balance in the first year does not cancel but is available in the second year.

884.21 The base in fiscal year 2020 is \$460,000.

884.22 Sec. 45. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 14,  
 884.23 is amended to read:

884.24 Subd. 14. **Singing-based pilot program to improve student reading.** (a) For a grant  
 884.25 to pilot a research-supported, computer-based educational program that uses singing to  
 884.26 improve the reading ability of students in grades 2 through 5:

884.27 \$ 500,000 ..... 2018

884.28 \$ 0 ..... 2019

884.29 (b) The commissioner of education shall award a grant to the Rock 'n' Read Project to  
 884.30 implement a research-supported, computer-based educational program that uses singing to  
 884.31 improve the reading ability of students in grades 2 through 5. The grantee shall be responsible

885.1 for selecting participating school sites; providing any required hardware and software,  
 885.2 including software licenses, for the duration of the grant period; providing technical support,  
 885.3 training, and staff to install required project hardware and software; providing on-site  
 885.4 professional development and instructional monitoring and support for school staff and  
 885.5 students; administering preintervention and postintervention reading assessments; evaluating  
 885.6 the impact of the intervention; and other project management services as required. To the  
 885.7 extent practicable, the grantee must select participating schools in urban, suburban, and  
 885.8 greater Minnesota, and give priority to schools in which a high proportion of students do  
 885.9 not read proficiently at grade level and are eligible for free or reduced-price lunch.

885.10 (c) By February 15, 2019, the grantee must submit a report detailing expenditures and  
 885.11 outcomes of the grant to the commissioner of education and the chairs and ranking minority  
 885.12 members of the legislative committees with primary jurisdiction over kindergarten through  
 885.13 grade 12 education policy and finance.

885.14 (d) This is a onetime appropriation.

885.15 (e) Any balance in the first year does not cancel but is available in the second year.

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

885.17 Sec. 46. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 23,  
 885.18 is amended to read:

885.19 Subd. 23. ~~Paraprofessional pathway~~ **Grow Your Own pathways to teacher licensure.**

885.20 (a) For grants to school districts for Grow Your Own new teacher programs:

885.21 \$ 1,500,000 ..... 2018

885.22 \$ 1,500,000 ..... 2019

885.23 (b) The grants in paragraph (a) are for school districts ~~with more than~~ and charter schools  
 885.24 where at least 30 percent of the school district's or charter school's students served are  
 885.25 students of color or American Indian students ~~minority students~~ for a ~~Board of~~  
 885.26 ~~Teaching-approved~~ Professional Educator Licensing and Standards Board-approved  
 885.27 nonconventional teacher residency pilot program. The program must provide tuition  
 885.28 scholarships or stipends to enable school district and charter school employees or community  
 885.29 members affiliated with a school district or charter school who seek an education license  
 885.30 to participate in a nonconventional teacher preparation program. School districts and charter  
 885.31 schools that receive funds under this subdivision are strongly encouraged to recruit candidates  
 885.32 of color and American Indian candidates to participate in the Grow Your Own new teacher  
 885.33 programs. Districts or schools providing financial support may require a commitment as

886.1 determined by the district to teach in the district or school for a reasonable amount of time  
886.2 that does not exceed five years.

886.3 (c) School districts and charter schools may also apply for grants to develop innovative  
886.4 expanded Grow Your Own programs that encourage secondary school students to pursue  
886.5 teaching, including developing and offering dual-credit postsecondary course options in  
886.6 schools for "Introduction to Teaching" or "Introduction to Education" courses consistent  
886.7 with Minnesota Statutes, section 124D.09, subdivision 10.

886.8 (d) Programs must annually report to the commissioner by the date determined by the  
886.9 commissioner on their activities under this section, including the number of participants,  
886.10 the percentage of participants who are of color or who are American Indian, and an  
886.11 assessment of program effectiveness, including participant feedback, areas for improvement,  
886.12 the percentage of participants continuing to pursue teacher licensure, and the number of  
886.13 participants hired in the school or district as teachers after completing preparation programs.

886.14 (e) The department may retain up to three percent of the appropriation amount to monitor  
886.15 and administer the grant program.

886.16 (f) Any balance in the first year does not cancel but is available in the second year.

886.17 Sec. 47. **APPROPRIATIONS.**

886.18 **Subdivision 1. Department of Education.** The sums indicated in this section are  
886.19 appropriated from the general fund to the Department of Education for the fiscal years  
886.20 designated.

886.21 **Subd. 2. Online access to music education.** (a) For a grant to the MacPhail Center for  
886.22 Music to broaden access to music education in rural Minnesota:

886.23        \$           125,000     ..... 2019

886.24 (b) The MacPhail Center must use the grant under paragraph (a) to broaden access to  
886.25 music education in rural Minnesota. The program must supplement and enhance an existing  
886.26 program and may provide individual instruction, sectional ensembles, and other group  
886.27 activities, workshops, and early childhood music activities. The MacPhail Center must  
886.28 design its program in consultation with music educators who teach in rural Minnesota. The  
886.29 grants may be used by the MacPhail Center for employee costs and for any related travel  
886.30 costs.

886.31 (c) Upon request from a school's music educator, the MacPhail Center may enter into  
886.32 an agreement with the school to provide a program according to paragraph (b). In an early

887.1 childhood setting, the MacPhail Center may provide a program upon a request initiated by  
 887.2 an early childhood educator.

887.3 (d) By January 15, 2020, the MacPhail Center shall prepare and submit a report to the  
 887.4 legislature describing the online programs offered, program outcomes, the students served,  
 887.5 an estimate of the unmet need for music education, and a detailed list of expenditures for  
 887.6 the previous fiscal year.

887.7 (e) Of this amount, up to three percent is for administering the grant. This is a onetime  
 887.8 appropriation.

887.9 Subd. 3. **Mounds View early college aid.** (a) For Independent School District No. 621,  
 887.10 Mounds View:

887.11 §           200,000   ..... 2019

887.12 (b) The amount awarded under this subdivision must be used to provide scholarships  
 887.13 for teachers who teach secondary school courses for postsecondary credit through the  
 887.14 district's early college program to enroll in up to 18 graduate credits in an applicable subject  
 887.15 area. The district and the State Partnership are encouraged to collaborate to avoid duplication  
 887.16 of service and, to the extent practicable, provide district teachers access to the State  
 887.17 Partnership's continuing education program established in accordance with Laws 2017, First  
 887.18 Special Session chapter 5, article 2, section 48.

887.19 (c) Of this amount, up to three percent is for administering the grant. This is a onetime  
 887.20 appropriation.

887.21 (d) The fiscal year 2019 appropriation is available until June 30, 2022. Any remaining  
 887.22 balance is canceled to the general fund.

887.23 Subd. 4. **Vocational enrichment revenue.** (a) For vocational enrichment grants to school  
 887.24 districts, including Independent School District No. 2752, Fairmont, for career and technical  
 887.25 education in extended week and summer school programs:

887.26 §           150,000   ..... 2019

887.27 (b) A school district must apply for a grant in the form and manner specified by the  
 887.28 commissioner. The maximum amount of a vocational enrichment grant equals the product  
 887.29 of:

887.30 (1) \$5,117;

887.31 (2) 1.2;

887.32 (3) the number of students participating in the program; and

888.1 (4) the ratio of the actual hours of service provided to each student to 1,020.

888.2 (c) If applications for funding exceed the amount appropriated for the program, the  
 888.3 commissioner must prioritize grants to programs in the following pathways: welding;  
 888.4 construction trades; automotive technology; household electrical skills; heating, ventilation,  
 888.5 and air conditioning; plumbing; culinary arts; and agriculture.

888.6 (d) Of this amount, up to three percent is for administering the grant. This is a onetime  
 888.7 appropriation.

888.8 (e) The fiscal year 2019 appropriation is available until June 30, 2021.

888.9 Sec. 48. **REVISOR'S INSTRUCTION.**

888.10 (a) The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in  
 888.11 column A to the references listed in column B.

888.12	<u>Column A</u>	<u>Column B</u>
888.13	<u>136D.01</u>	<u>123C.01</u>
888.14	<u>136D.21</u>	<u>123C.21</u>
888.15	<u>136D.22</u>	<u>123C.22</u>
888.16	<u>136D.23</u>	<u>123C.23</u>
888.17	<u>136D.24</u>	<u>123C.24</u>
888.18	<u>136D.25</u>	<u>123C.25</u>
888.19	<u>136D.26</u>	<u>123C.26</u>
888.20	<u>136D.281</u>	<u>123C.27</u>
888.21	<u>136D.29</u>	<u>123C.28</u>
888.22	<u>136D.31</u>	<u>123C.29</u>
888.23	<u>136D.41</u>	<u>123C.41</u>
888.24	<u>136D.42</u>	<u>123C.42</u>
888.25	<u>136D.43</u>	<u>123C.43</u>
888.26	<u>136D.44</u>	<u>123C.44</u>
888.27	<u>136D.45</u>	<u>123C.45</u>
888.28	<u>136D.46</u>	<u>123C.46</u>
888.29	<u>136D.47</u>	<u>123C.47</u>
888.30	<u>136D.48</u>	<u>123C.48</u>
888.31	<u>136D.49</u>	<u>123C.49</u>
888.32	<u>136D.71</u>	<u>123C.71</u>
888.33	<u>136D.72</u>	<u>123C.72</u>
888.34	<u>136D.73</u>	<u>123C.73</u>
888.35	<u>136D.74</u>	<u>123C.74</u>

889.1	<u>136D.741</u>	<u>123C.75</u>
889.2	<u>136D.76</u>	<u>123C.76</u>
889.3	<u>136D.81</u>	<u>123C.81</u>
889.4	<u>136D.82</u>	<u>123C.82</u>
889.5	<u>136D.83</u>	<u>123C.83</u>
889.6	<u>136D.84</u>	<u>123C.84</u>
889.7	<u>136D.85</u>	<u>123C.85</u>
889.8	<u>136D.86</u>	<u>123C.86</u>
889.9	<u>136D.88</u>	<u>123C.87</u>
889.10	<u>136D.90</u>	<u>123C.88</u>
889.11	<u>136D.92</u>	<u>123C.89</u>
889.12	<u>136D.93</u>	<u>123C.90</u>
889.13	<u>136D.94</u>	<u>123C.91</u>

889.14 (b) The revisor of statutes shall make necessary cross-reference changes in Minnesota  
889.15 Statutes and Minnesota Rules consistent with renumbering of Minnesota Statutes, chapter  
889.16 136D in this act, and if Minnesota Statutes, chapter 136D, is further amended in the 2018  
889.17 legislative session, shall codify the amendments in a manner consistent with this act. The  
889.18 revisor may make necessary changes to sentence structure to preserve the meaning of the  
889.19 text.

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

889.21 Sec. 49. **REPEALER.**

889.22 (a) Minnesota Statutes 2016, section 120B.299, subdivisions 7, 8, 9, and 11, are repealed.

889.23 (b) Laws 2016, chapter 189, article 25, section 62, subdivision 16, is repealed.

889.24 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2018. Paragraph (b) is effective  
889.25 the day following final enactment.

## 889.26 **ARTICLE 49**

### 889.27 **TEACHERS**

889.28 Section 1. **[122A.051] CODE OF ETHICS.**

889.29 Subdivision 1. **Scope.** Each teacher, upon entering the teaching profession, assumes a  
889.30 number of obligations, one of which is to adhere to a set of principles that defines professional  
889.31 conduct. These principles are reflected in the code of ethics, which sets forth to the education  
889.32 profession and the public it serves standards of professional conduct. This code applies to

890.1 all persons licensed according to rules established by the Professional Educator Licensing  
890.2 and Standards Board.

890.3 Subd. 2. **Standards of professional conduct.** (a) A teacher must provide professional  
890.4 education services in a nondiscriminatory manner, including not discriminating on the basis  
890.5 of political, ideological, or religious beliefs.

890.6 (b) A teacher must make reasonable effort to protect students from conditions harmful  
890.7 to health and safety.

890.8 (c) In accordance with state and federal laws, a teacher must disclose confidential  
890.9 information about individuals only when a compelling professional purpose is served or  
890.10 when required by law.

890.11 (d) A teacher must take reasonable disciplinary action in exercising the authority to  
890.12 provide an atmosphere conducive to learning.

890.13 (e) A teacher must not use professional relationships with students, parents, and  
890.14 colleagues to personal advantage.

890.15 (f) A teacher must delegate authority for teaching responsibilities only to licensed  
890.16 personnel or as otherwise provided by law.

890.17 (g) A teacher must not deliberately suppress or distort subject matter.

890.18 (h) A teacher must not knowingly falsify or misrepresent records or facts relating to that  
890.19 teacher's own qualifications or to other teachers' qualifications.

890.20 (i) A teacher must not knowingly make false or malicious statements about students or  
890.21 colleagues.

890.22 (j) A teacher must accept a contract for a teaching position that requires licensing only  
890.23 if properly or provisionally licensed for that position.

890.24 (k) A teacher must not engage in any sexual contact with a student.

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

890.26 Sec. 2. Minnesota Statutes 2017 Supplement, section 122A.07, is amended by adding a  
890.27 subdivision to read:

890.28 Subd. 6. **Public employer compensation reduction prohibited.** The public employer  
890.29 of a member shall not reduce the member's compensation or benefits for the member's  
890.30 absence from employment when engaging in the business of the board.

891.1 Sec. 3. Minnesota Statutes 2017 Supplement, section 122A.09, subdivision 2, is amended  
891.2 to read:

891.3 Subd. 2. **Advise members of profession.** (a) The Professional Educator Licensing and  
891.4 Standards Board must act in an advisory capacity to members of the profession in matters  
891.5 of interpretation of the code of ethics in section 122A.051.

891.6 (b) The board must develop a process for a school district to receive a written complaint  
891.7 about a teacher under the code of ethics and forward the complaint to the board. A school  
891.8 board must inform parents and guardians in the school district of their ability to submit a  
891.9 complaint to the school board under this section.

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

891.11 Sec. 4. Minnesota Statutes 2017 Supplement, section 122A.18, subdivision 8, is amended  
891.12 to read:

891.13 Subd. 8. **Background checks.** (a) The Professional Educator Licensing and Standards  
891.14 Board and the Board of School Administrators must request a criminal history background  
891.15 check from the superintendent of the Bureau of Criminal Apprehension on all first-time  
891.16 teaching applicants for licenses under their jurisdiction. Applicants must include with their  
891.17 licensure applications:

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

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

891.21 (b) The superintendent of the Bureau of Criminal Apprehension ~~shall~~ must perform the  
891.22 background check required under paragraph (a) by retrieving criminal history data as defined  
891.23 in section 13.87 and shall also conduct a search of the national criminal records repository.  
891.24 The superintendent is authorized to exchange fingerprints with the Federal Bureau of  
891.25 Investigation for purposes of the criminal history check. The superintendent ~~shall~~ must  
891.26 recover the cost to the bureau of a background check through the fee charged to the applicant  
891.27 under paragraph (a).

891.28 ~~(c) The Professional Educator Licensing and Standards Board or the Board of School~~  
891.29 ~~Administrators may issue a license pending completion of a background check under this~~  
891.30 ~~subdivision, but must notify the individual and the school district or charter school employing~~  
891.31 ~~the individual that the individual's license may be revoked based on the result of the~~  
891.32 ~~background check.~~

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

892.2 Sec. 5. Minnesota Statutes 2017 Supplement, section 122A.187, subdivision 3, is amended  
892.3 to read:

892.4 Subd. 3. **Professional growth.** (a) Applicants for license renewal for a Tier 3 or Tier 4  
892.5 license under sections 122A.183 and 122A.184, respectively, who have been employed as  
892.6 a teacher during the renewal period of the expiring license, as a condition of license renewal,  
892.7 must present to their local continuing education and relicensure committee or other local  
892.8 relicensure committee evidence of work that demonstrates professional reflection and growth  
892.9 in best teaching practices, including among other things, cultural competence in accordance  
892.10 with section 120B.30, subdivision 1, paragraph (q), and practices in meeting the varied  
892.11 needs of English learners, from young children to adults under section 124D.59, subdivisions  
892.12 2 and 2a. A teacher may satisfy the requirements of this paragraph by submitting the teacher's  
892.13 most recent summative evaluation or improvement plan under section 122A.40, subdivision  
892.14 8, or 122A.41, subdivision 5. Counselors, school social workers, and teachers who do not  
892.15 provide direct instruction but who provide academic, college, and career planning and  
892.16 support to students may submit proof of training on armed forces career options or careers  
892.17 in the skilled trades and manufacturing as additional evidence of professional growth.

892.18 (b) The Professional Educator Licensing and Standards Board must ensure that its teacher  
892.19 relicensing requirements include paragraph (a).

892.20 Sec. 6. Minnesota Statutes 2017 Supplement, section 122A.187, is amended by adding a  
892.21 subdivision to read:

892.22 Subd. 7. **Background check.** The Professional Educator Licensing and Standards Board  
892.23 must request a criminal history background check from the superintendent of the Bureau  
892.24 of Criminal Apprehension on a licensed teacher applying for a license renewal who has not  
892.25 had a background check within the preceding five years. The board may request payment  
892.26 from the teacher renewing a license in an amount equal to the actual cost of the background  
892.27 check.

892.28 **EFFECTIVE DATE.** This section is effective July 1, 2019.

892.29 Sec. 7. Minnesota Statutes 2017 Supplement, section 122A.20, subdivision 1, is amended  
892.30 to read:

892.31 Subdivision 1. **Grounds for revocation, suspension, or denial.** (a) The Professional  
892.32 Educator Licensing and Standards Board or Board of School Administrators, whichever

893.1 has jurisdiction over a teacher's licensure, may, on the written complaint of the school board  
 893.2 employing a teacher, a teacher organization, or any other interested person, refuse to issue,  
 893.3 refuse to renew, suspend, or revoke a teacher's license to teach for any of the following  
 893.4 causes:

893.5 (1) immoral character or conduct;

893.6 (2) failure, without justifiable cause, to teach for the term of the teacher's contract;

893.7 (3) gross inefficiency or willful neglect of duty;

893.8 (4) failure to meet licensure requirements; ~~or~~

893.9 (5) fraud or misrepresentation in obtaining a license; or

893.10 (6) intentional and inappropriate patting, touching, pinching, or other physical contact  
 893.11 with a student that is sexually motivated.

893.12 The written complaint must specify the nature and character of the charges.

893.13 (b) The Professional Educator Licensing and Standards Board or Board of School  
 893.14 Administrators, whichever has jurisdiction over a teacher's licensure, ~~shall~~ must refuse to  
 893.15 issue, refuse to renew, or automatically revoke a teacher's license to teach without the right  
 893.16 to a hearing upon receiving a certified copy of a conviction showing that the teacher has  
 893.17 been convicted of:

893.18 (1) child abuse, as defined in section 609.185;

893.19 (2) sex trafficking in the first degree under section 609.322, subdivision 1;

893.20 (3) sex trafficking in the second degree under section 609.322, subdivision 1a;

893.21 (4) engaging in hiring, or agreeing to hire a minor to engage in prostitution under section  
 893.22 609.324, subdivision subdivisions 1, 1a, and 2;

893.23 (5) criminal sexual abuse conduct under section 609.342, 609.343, 609.344, 609.345,  
 893.24 609.3451, subdivision 3; ~~or~~;

893.25 (6) indecent exposure under section 617.23, subdivision 3;

893.26 (7) solicitation of children to engage in sexual conduct or communication of sexually  
 893.27 explicit materials to children under section 609.352;

893.28 (8) interference with privacy under section 609.746 or stalking under section 609.749  
 893.29 and the victim was a minor;

893.30 (9) using minors in a sexual performance under section 617.246;

894.1 (10) possessing pornographic works involving a minor under section 617.247<sup>2</sup>; or

894.2 (11) any other offense not listed in this paragraph that requires the person to register as  
894.3 a predatory offender under section 243.166, or a crime under a similar law of another state  
894.4 or the United States.

894.5 In addition, the board may refuse to issue, refuse to renew, or automatically revoke a teacher's  
894.6 license to teach without the right to a hearing upon receiving a certified copy of a stay of  
894.7 adjudication for any offense. The board shall send notice of this licensing action to the  
894.8 district in which the teacher is currently employed.

894.9 (c) A person whose license to teach has been revoked, not issued, or not renewed under  
894.10 paragraph (b), may petition the board to reconsider the licensing action if the person's  
894.11 conviction ~~for child abuse or sexual abuse~~ is reversed by a final decision of the Court of  
894.12 Appeals or the Supreme Court or if the person has received a pardon for the offense. The  
894.13 petitioner ~~shall~~ must attach a certified copy of the appellate court's final decision or the  
894.14 pardon to the petition. Upon receiving the petition and its attachment, the board ~~shall~~ must  
894.15 schedule and hold a disciplinary hearing on the matter under section 214.10, subdivision 2,  
894.16 unless the petitioner waives the right to a hearing. If the board finds that, notwithstanding  
894.17 the reversal of the petitioner's criminal conviction or the issuance of a pardon, the petitioner  
894.18 is disqualified from teaching under paragraph (a), clause (1), the board ~~shall~~ must affirm  
894.19 its previous licensing action. If the board finds that the petitioner is not disqualified from  
894.20 teaching under paragraph (a), clause (1), it ~~shall~~ must reverse its previous licensing action.

894.21 (d) The Professional Educator Licensing and Standards Board or Board of School  
894.22 Administrators, whichever has jurisdiction over a teacher's licensure, must refuse to issue,  
894.23 refuse to renew, or revoke a teacher's license to teach if the teacher has engaged in sexual  
894.24 penetration as defined in section 609.321, subdivision 11, with a student enrolled in a school  
894.25 where the teacher works or volunteers.

894.26 (e) The Professional Educator Licensing and Standards Board or Board of School  
894.27 Administrators, whichever has jurisdiction over a teacher's licensure, must review and may  
894.28 refuse to issue, refuse to renew, or revoke a teacher's license to teach upon receiving a  
894.29 certified copy of a conviction showing that the teacher has been convicted of:

894.30 (1) a qualified domestic violence-related offense as defined in section 609.02, subdivision  
894.31 16;

894.32 (2) embezzlement of public funds under section 609.54, clause (1) or (2);

894.33 (3) a felony involving a minor as the victim; or

895.1 (4) a gross misdemeanor involving a minor as the victim.

895.2 If an offense included in clauses (1) to (4) is already included in paragraph (b), the provisions  
895.3 of paragraph (b) apply to the conduct.

895.4 (f) A decision by the Professional Educator Licensing and Standards Board to refuse to  
895.5 issue, refuse to renew, suspend, or revoke a license must be reversed if the decision is based  
895.6 on a background check and the teacher or license application is not the subject of the  
895.7 background check.

895.8 (g) Section 122A.188 does not apply to a decision by the board to refuse to issue, refuse  
895.9 to renew, or revoke a license under this paragraph. A person whose license has been revoked,  
895.10 not issued, or not renewed under this subdivision may appeal the decision by filing a written  
895.11 request with the Professional Educator Licensing and Standards Board or the Board of  
895.12 School Administrators, as appropriate, within 30 days of notice of the licensing action. The  
895.13 board must then initiate a contested case under the Administrative Procedure Act, sections  
895.14 14.001 to 14.69.

895.15 (h) The Professional Educator Licensing and Standards Board or Board of School  
895.16 Administrators, whichever has jurisdiction over a teacher's licensure, may suspend a teacher's  
895.17 license pending an investigation into a report of conduct that would be grounds for revocation  
895.18 under paragraph (b), (d), or (e). The teacher's license is suspended until the licensing board  
895.19 completes its disciplinary investigation and determines whether disciplinary action is  
895.20 necessary.

895.21 ~~(d)~~ (i) For purposes of this subdivision, the Professional Educator Licensing and Standards  
895.22 Board is delegated the authority to suspend or revoke coaching licenses.

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

895.24 Sec. 8. Minnesota Statutes 2017 Supplement, section 122A.20, subdivision 2, is amended  
895.25 to read:

895.26 Subd. 2. **Mandatory reporting.** (a) A school board must report to the Professional  
895.27 Educator Licensing and Standards Board, the Board of School Administrators, or the Board  
895.28 of Trustees of the Minnesota State Colleges and Universities, whichever has jurisdiction  
895.29 over the teacher's or administrator's license, when its teacher or administrator is discharged  
895.30 or resigns from employment after a charge is filed with the school board under section  
895.31 122A.41, subdivisions 6, clauses (1), (2), and (3), and 7, or after charges are filed that are  
895.32 grounds for discharge under section 122A.40, subdivision 13, paragraph (a), clauses (1) to  
895.33 (5), or when a teacher or administrator is suspended or resigns while an investigation is

896.1 pending under section 122A.40, subdivision 13, paragraph (a), clauses (1) to (5); 122A.41,  
896.2 subdivisions 6, clauses (1), (2), and (3), and 7; or 626.556, or when a teacher or administrator  
896.3 is suspended without an investigation under section 122A.41, subdivisions 6, paragraph (a),  
896.4 clauses (1), (2), and (3), and 7; or 626.556. The report must be made to the appropriate  
896.5 licensing board within ten days after the discharge, suspension, or resignation has occurred.  
896.6 The licensing board to which the report is made must investigate the report for violation of  
896.7 subdivision 1 and the reporting board must cooperate in the investigation. Notwithstanding  
896.8 any provision in chapter 13 or any law to the contrary, upon written request from the licensing  
896.9 board having jurisdiction over the license, a board or school superintendent ~~shall~~ must  
896.10 provide the licensing board with information about the teacher or administrator from the  
896.11 district's files, any termination or disciplinary proceeding, any settlement or compromise,  
896.12 or any investigative file. Upon written request from the appropriate licensing board, a board  
896.13 or school superintendent may, at the discretion of the board or school superintendent, solicit  
896.14 the written consent of a student and the student's parent to provide the licensing board with  
896.15 information that may aid the licensing board in its investigation and license proceedings.  
896.16 The licensing board's request need not identify a student or parent by name. The consent  
896.17 of the student and the student's parent must meet the requirements of chapter 13 and Code  
896.18 of Federal Regulations, title 34, section 99.30. The licensing board may provide a consent  
896.19 form to the district. Any data transmitted to any board under this section is private data  
896.20 under section 13.02, subdivision 12, notwithstanding any other classification of the data  
896.21 when it was in the possession of any other agency.

896.22 (b) The licensing board to which a report is made must transmit to the Attorney General's  
896.23 Office any record or data it receives under this subdivision for the sole purpose of having  
896.24 the Attorney General's Office assist that board in its investigation. When the Attorney  
896.25 General's Office has informed an employee of the appropriate licensing board in writing  
896.26 that grounds exist to suspend or revoke a teacher's license to teach, that licensing board  
896.27 must consider suspending or revoking or decline to suspend or revoke the teacher's or  
896.28 administrator's license within 45 days of receiving a stipulation executed by the teacher or  
896.29 administrator under investigation or a recommendation from an administrative law judge  
896.30 that disciplinary action be taken.

896.31 (c) The Professional Educator Licensing and Standards Board and Board of School  
896.32 Administrators must report to the appropriate law enforcement authorities a revocation,  
896.33 suspension, or agreement involving a loss of license, relating to a teacher or administrator's  
896.34 inappropriate sexual conduct with a minor. For purposes of this section, "law enforcement  
896.35 authority" means a police department, county sheriff, or tribal police department. A report

897.1 by the Professional Educator Licensing and Standards Board or the Board of School  
897.2 Administrators to appropriate law enforcement authorities does not diminish, modify, or  
897.3 otherwise affect the responsibilities of a licensing board, school board, or any person  
897.4 mandated to report abuse under section 626.556.

897.5 (d) The Professional Educator Licensing and Standards Board and Board of School  
897.6 Administrators must, immediately upon receiving information that gives the board reason  
897.7 to believe a child has at any time been neglected or physically or sexually abused, as defined  
897.8 in section 626.556, subdivision 2, report the information to:

897.9 (1) the local welfare agency, agency responsible for assessing or investigating the report,  
897.10 or tribal social services agency; and

897.11 (2) the police department, county sheriff, or tribal police department.

897.12 A report under this paragraph does not diminish, modify, or otherwise affect the  
897.13 responsibilities of a licensing board under section 626.556.

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

897.15 Sec. 9. Minnesota Statutes 2017 Supplement, section 122A.40, subdivision 13, is amended  
897.16 to read:

897.17 Subd. 13. **Immediate discharge.** (a) Except as otherwise provided in paragraph (b), a  
897.18 board may discharge a continuing-contract teacher, effective immediately, upon any of the  
897.19 following grounds:

897.20 (1) immoral conduct, insubordination, or conviction of a felony;

897.21 (2) conduct unbecoming a teacher which requires the immediate removal of the teacher  
897.22 from classroom or other duties;

897.23 (3) failure without justifiable cause to teach without first securing the written release of  
897.24 the school board;

897.25 (4) gross inefficiency which the teacher has failed to correct after reasonable written  
897.26 notice;

897.27 (5) willful neglect of duty; or

897.28 (6) continuing physical or mental disability subsequent to a 12 months leave of absence  
897.29 and inability to qualify for reinstatement in accordance with subdivision 12.

897.30 For purposes of this paragraph, conduct unbecoming a teacher includes an unfair  
897.31 discriminatory practice described in section 363A.13.

898.1 Prior to discharging a teacher under this paragraph, the board must notify the teacher in  
 898.2 writing and state its ground for the proposed discharge in reasonable detail. Within ten days  
 898.3 after receipt of this notification the teacher may make a written request for a hearing before  
 898.4 the board and it ~~shall~~ must be granted before final action is taken. The board may suspend  
 898.5 a teacher with pay pending the conclusion of the hearing and determination of the issues  
 898.6 raised in the hearing after charges have been filed which constitute ground for discharge.  
 898.7 If a teacher has been charged with a felony and the underlying conduct that is the subject  
 898.8 of the felony charge is a ground for a proposed immediate discharge, the suspension pending  
 898.9 the conclusion of the hearing and determination of the issues may be without pay. If a  
 898.10 hearing under this paragraph is held, the board must reimburse the teacher for any salary  
 898.11 or compensation withheld if the final decision of the board or the arbitrator does not result  
 898.12 in a penalty to or suspension, termination, or discharge of the teacher.

898.13 (b) A board must discharge a continuing-contract teacher, effective immediately, upon  
 898.14 receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's  
 898.15 license has been revoked due to a conviction for:

898.16 (1) child abuse, as defined in section 609.185;

898.17 (2) sex trafficking in the first degree under section 609.322, subdivision 1;

898.18 (3) sex trafficking in the second degree under section 609.322, subdivision 1a;

898.19 (4) engaging in hiring or agreeing to hire a minor to engage in prostitution under section  
 898.20 609.324, ~~subdivision~~ subdivisions 1, 1a, and 2;

898.21 (5) criminal sexual abuse conduct under section 609.342, 609.343, 609.344, 609.345,  
 898.22 609.3451, subdivision 3, ~~or 617.23, subdivision 3~~;

898.23 (6) indecent exposure under section 617.23, subdivision 3;

898.24 (7) solicitation of children to engage in sexual conduct or communication of sexually  
 898.25 explicit materials to children under section 609.352;

898.26 (8) interference with privacy under section 609.746 or stalking under section 609.749  
 898.27 and the victim was a minor;

898.28 (9) using minors in a sexual performance under section 617.246;

898.29 (10) possessing pornographic works involving a minor under section 617.247; ~~or~~

898.30 (11) any other offense not listed in this paragraph that requires the person to register as  
 898.31 a predatory offender under section 243.166, or a crime under a similar law of another state  
 898.32 or the United States; or

899.1 (12) any other offense not listed in this paragraph that requires notice of a licensing  
 899.2 action to the district in accordance with section 122A.20, subdivision 1, paragraph (b).

899.3 (c) When a teacher is discharged under paragraph (b) or when the commissioner makes  
 899.4 a final determination of child maltreatment involving a teacher under section 626.556,  
 899.5 subdivision 11, the school principal or other person having administrative control of the  
 899.6 school must include in the teacher's employment record the information contained in the  
 899.7 record of the disciplinary action or the final maltreatment determination, consistent with  
 899.8 the definition of public data under section 13.41, subdivision 5, and must provide the  
 899.9 Professional Educator Licensing and Standards Board ~~and the licensing division at the~~  
 899.10 ~~department~~ with the necessary and relevant information to enable the Professional Educator  
 899.11 Licensing and Standards Board ~~and the department's licensing division~~ to fulfill ~~their~~ its  
 899.12 statutory and administrative duties related to issuing, renewing, suspending, or revoking a  
 899.13 teacher's license. Information received by the Professional Educator Licensing and Standards  
 899.14 Board ~~or the licensing division at the department~~ under this paragraph is governed by section  
 899.15 13.41 or other applicable law governing data of the receiving entity. In addition to the  
 899.16 background check required under section 123B.03, a school board or other school hiring  
 899.17 authority must contact the Professional Educator Licensing and Standards Board and the  
 899.18 department to determine whether the teacher's license has been suspended or revoked,  
 899.19 consistent with the discharge and final maltreatment determinations identified in this  
 899.20 paragraph. Unless restricted by federal or state data practices law or by the terms of a  
 899.21 collective bargaining agreement, the responsible authority for a school district must  
 899.22 disseminate to another school district private personnel data on a current or former teacher  
 899.23 employee or contractor of the district, including the results of background investigations,  
 899.24 if the requesting school district seeks the information because the subject of the data has  
 899.25 applied for employment with the requesting school district.

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

899.27 Sec. 10. Minnesota Statutes 2017 Supplement, section 122A.41, subdivision 6, is amended  
 899.28 to read:

899.29 Subd. 6. **Grounds for discharge or demotion.** (a) Except as otherwise provided in  
 899.30 paragraph (b), causes for the discharge or demotion of a teacher either during or after the  
 899.31 probationary period must be:

899.32 (1) immoral character, conduct unbecoming a teacher, or insubordination;

900.1 (2) failure without justifiable cause to teach without first securing the written release of  
 900.2 the school board having the care, management, or control of the school in which the teacher  
 900.3 is employed;

900.4 (3) inefficiency in teaching or in the management of a school, consistent with subdivision  
 900.5 5, paragraph (b);

900.6 (4) affliction with a communicable disease must be considered as cause for removal or  
 900.7 suspension while the teacher is suffering from such disability; or

900.8 (5) discontinuance of position or lack of pupils.

900.9 For purposes of this paragraph, conduct unbecoming a teacher includes an unfair  
 900.10 discriminatory practice described in section 363A.13.

900.11 (b) A probationary or continuing-contract teacher must be discharged immediately upon  
 900.12 receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's  
 900.13 license has been revoked due to a conviction for:

900.14 (1) child abuse, as defined in section 609.185;

900.15 (2) sex trafficking in the first degree under section 609.322, subdivision 1;

900.16 (3) sex trafficking in the second degree under section 609.322, subdivision 1a;

900.17 (4) engaging in hiring or agreeing to hire a minor to engage in prostitution under section  
 900.18 609.324, ~~subdivision~~ subdivisions 1, 1a, and 2;

900.19 (5) criminal sexual abuse conduct under section 609.342, 609.343, 609.344, 609.345,  
 900.20 609.3451, subdivision 3, ~~or~~ 2;

900.21 (6) indecent exposure under section 617.23, subdivision 3;

900.22 (7) solicitation of children to engage in sexual conduct or communication of sexually  
 900.23 explicit materials to children under section 609.352;

900.24 (8) interference with privacy under section 609.746 or stalking under section 609.749  
 900.25 and the victim was a minor;

900.26 (9) using minors in a sexual performance under section 617.246;

900.27 (10) possessing pornographic works involving a minor under section 617.247; ~~or~~

900.28 (11) any other offense not listed in this paragraph that requires the person to register as  
 900.29 a predatory offender under section 243.166, or a crime under a similar law of another state  
 900.30 or the United States; or

901.1 (12) any other offense not listed in this paragraph that requires notice of a licensing  
 901.2 action to the district in accordance with section 122A.20, subdivision 1, paragraph (b).

901.3 (c) When a teacher is discharged under paragraph (b) or when the commissioner makes  
 901.4 a final determination of child maltreatment involving a teacher under section 626.556,  
 901.5 subdivision 11, the school principal or other person having administrative control of the  
 901.6 school must include in the teacher's employment record the information contained in the  
 901.7 record of the disciplinary action or the final maltreatment determination, consistent with  
 901.8 the definition of public data under section 13.41, subdivision 5, and must provide the  
 901.9 Professional Educator Licensing and Standards Board ~~and the licensing division at the~~  
 901.10 ~~department~~ with the necessary and relevant information to enable the Professional Educator  
 901.11 Licensing and Standards Board ~~and the department's licensing division~~ to fulfill ~~their~~ its  
 901.12 statutory and administrative duties related to issuing, renewing, suspending, or revoking a  
 901.13 teacher's license. Information received by the Professional Educator Licensing and Standards  
 901.14 Board ~~or the licensing division at the department~~ under this paragraph is governed by section  
 901.15 13.41 or other applicable law governing data of the receiving entity. In addition to the  
 901.16 background check required under section 123B.03, a school board or other school hiring  
 901.17 authority must contact the Professional Educator Licensing and Standards Board and the  
 901.18 department to determine whether the teacher's license has been suspended or revoked,  
 901.19 consistent with the discharge and final maltreatment determinations identified in this  
 901.20 paragraph. Unless restricted by federal or state data practices law or by the terms of a  
 901.21 collective bargaining agreement, the responsible authority for a school district must  
 901.22 disseminate to another school district private personnel data on a current or former teacher  
 901.23 employee or contractor of the district, including the results of background investigations,  
 901.24 if the requesting school district seeks the information because the subject of the data has  
 901.25 applied for employment with the requesting school district.

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

901.27 Sec. 11. Minnesota Statutes 2016, section 122A.42, is amended to read:

901.28 **122A.42 GENERAL CONTROL OF SCHOOLS.**

901.29 (a) The teacher of record shall have the general control and government of the school  
 901.30 and classroom. When more than one teacher is employed in any district, one of the teachers  
 901.31 may be designated by the board as principal and shall have the general control and  
 901.32 supervision of the schools of the district, subject to the general supervisory control of the  
 901.33 board and other officers.

902.1 (b) Consistent with paragraph (a), the teacher may remove students from class under  
 902.2 section 121A.61, subdivision 2, for violent or disruptive conduct. A school district must  
 902.3 include notice of a teacher's authority under this paragraph in a teacher handbook, school  
 902.4 policy guide, or other similar communication.

902.5 Sec. 12. Minnesota Statutes 2016, section 122A.71, subdivision 2, is amended to read:

902.6 Subd. 2. **Responsibility.** ~~By July 1, 1989, The Board of Teaching~~ Professional Educator  
 902.7 Licensing and Standards Board must begin to evaluate the effectiveness of prebaccalaureate,  
 902.8 postbaccalaureate, and other alternative program structures for preparing candidates for  
 902.9 entrance into the teaching profession. The evaluation ~~shall~~ must be conducted by independent  
 902.10 research centers or evaluators who are not associated with a Minnesota teacher education  
 902.11 institution and ~~shall~~ must be longitudinal in nature.

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

902.13 Sec. 13. Minnesota Statutes 2017 Supplement, section 123B.03, subdivision 1, is amended  
 902.14 to read:

902.15 Subdivision 1. **Background check required.** (a) A school hiring authority ~~shall~~ must  
 902.16 request a criminal history background check from the superintendent of the Bureau of  
 902.17 Criminal Apprehension on all individuals who are offered employment in a school and on  
 902.18 all individuals, except enrolled student volunteers, who are offered the opportunity to provide  
 902.19 athletic coaching services or other extracurricular academic coaching services to a school,  
 902.20 regardless of whether any compensation is paid. In order for an individual to be eligible for  
 902.21 employment or to provide the services, the individual must provide an executed criminal  
 902.22 history consent form and a money order or check payable to either the Bureau of Criminal  
 902.23 Apprehension or the school hiring authority, at the discretion of the school hiring authority,  
 902.24 in an amount equal to the actual cost to the Bureau of Criminal Apprehension and the school  
 902.25 district of conducting the criminal history background check. A school hiring authority  
 902.26 deciding to receive payment may, at its discretion, accept payment in the form of a negotiable  
 902.27 instrument other than a money order or check and shall pay the superintendent of the Bureau  
 902.28 of Criminal Apprehension directly to conduct the background check. The superintendent  
 902.29 of the Bureau of Criminal Apprehension shall conduct the background check by retrieving  
 902.30 criminal history data as defined in section 13.87. A school hiring authority, at its discretion,  
 902.31 may decide not to request a criminal history background check on an individual who holds  
 902.32 an initial entrance license issued by the Professional Educator Licensing and Standards

903.1 Board or the commissioner of education within the 12 months preceding an offer of  
903.2 employment.

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

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

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

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

903.11 (4) there is no reason to believe that the individual has committed an act subsequent to  
903.12 the check that would disqualify the individual for employment.

903.13 (c) A school hiring authority may, at its discretion, request a criminal history background  
903.14 check from the superintendent of the Bureau of Criminal Apprehension on any individual  
903.15 who seeks to enter a school or its grounds for the purpose of serving as a school volunteer  
903.16 or working as an independent contractor or student employee. In order for an individual to  
903.17 enter a school or its grounds under this paragraph when the school hiring authority decides  
903.18 to request a criminal history background check on the individual, the individual first must  
903.19 provide an executed criminal history consent form and a money order, check, or other  
903.20 negotiable instrument payable to the school district in an amount equal to the actual cost to  
903.21 the Bureau of Criminal Apprehension and the school district of conducting the criminal  
903.22 history background check. Notwithstanding section 299C.62, subdivision 1, the cost of the  
903.23 criminal history background check under this paragraph is the responsibility of the individual  
903.24 unless a school hiring authority decides to pay the costs of conducting a background check  
903.25 under this paragraph. If the school hiring authority pays the costs, the individual who is the  
903.26 subject of the background check need not pay for it.

903.27 (d) In addition to the initial background check required for all individuals offered  
903.28 employment in accordance with paragraph (a), a school hiring authority must request a new  
903.29 criminal history background check from the superintendent of the Bureau of Criminal  
903.30 Apprehension on all employees every five years. Notwithstanding any law to the contrary,  
903.31 in order for an individual to be eligible for continued employment, an individual must  
903.32 provide an executed criminal history consent form and a money order or check payable to  
903.33 either the Bureau of Criminal Apprehension or the school hiring authority, at the discretion  
903.34 of the school hiring authority, in an amount equal to the actual cost to the Bureau of Criminal

904.1 Apprehension and the school district of conducting the criminal history background check.  
 904.2 A school hiring authority deciding to receive payment may, at its discretion, accept payment  
 904.3 in the form of a negotiable instrument other than a money order or check and shall pay the  
 904.4 superintendent of the Bureau of Criminal Apprehension directly to conduct the background  
 904.5 check. A school hiring authority, at its discretion, may decide not to request a criminal  
 904.6 history background check on an employee who provides the hiring authority with a copy  
 904.7 of the results of a criminal history background check conducted within the previous 60  
 904.8 months. A school hiring authority may, at its discretion, decide to pay the costs of conducting  
 904.9 a background check under this paragraph.

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

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

904.29 **EFFECTIVE DATE.** This section is effective for the 2019-2020 school year and later.

904.30 Sec. 14. Minnesota Statutes 2017 Supplement, section 123B.03, subdivision 2, is amended  
 904.31 to read:

904.32 **Subd. 2. Effect of background check or Professional Educator Licensing and**  
 904.33 **Standards Board action.** ~~(a) A school hiring authority may hire or otherwise allow an~~  
 904.34 ~~individual to provide a service to a school pending completion of a background check under~~

905.1 ~~subdivision 1 or obtaining notice of a Professional Educator Licensing and Standards Board~~  
 905.2 ~~action under subdivision 1a but shall notify the individual that the individual's employment~~  
 905.3 ~~or other service may be terminated based on the result of the background check or~~  
 905.4 ~~Professional Educator Licensing and Standards Board action.~~ A school hiring authority is  
 905.5 not liable for failing to hire or for terminating an individual's employment or other service  
 905.6 based on the result of a background check or Professional Educator Licensing and Standards  
 905.7 Board action under this section.

905.8 (b) For purposes of this paragraph, a school hiring authority must inform an individual  
 905.9 if the individual's application to be an employee or volunteer in the district has been denied  
 905.10 as a result of a background check conducted under this section. The school hiring authority  
 905.11 must also inform an individual who is a current employee or volunteer if the individual's  
 905.12 employment or volunteer status in the district is being terminated as a result of a background  
 905.13 check conducted under subdivision 4.

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

905.15 Sec. 15. Minnesota Statutes 2016, section 299C.17, is amended to read:

905.16 **299C.17 REPORT BY COURT ADMINISTRATOR.**

905.17 The superintendent shall require the court administrator of every court ~~which~~ that (1)  
 905.18 sentences a defendant for a felony, gross misdemeanor, or targeted misdemeanor, or (2)  
 905.19 grants a stay of adjudication pursuant to section 609.095, paragraph (b), clause (2), for an  
 905.20 offense that, if convicted of, would require predatory offender registration under section  
 905.21 243.166, to electronically transmit within 24 hours of the disposition of the case a report,  
 905.22 in a form prescribed by the superintendent providing information required by the  
 905.23 superintendent with regard to the prosecution and disposition of criminal cases. A copy of  
 905.24 the report shall be kept on file in the office of the court administrator.

905.25 Sec. 16. **[299C.77] BACKGROUND CHECKS; ADDITIONAL DISCLOSURE.**

905.26 The superintendent shall disclose to each applicant for a statutorily mandated or  
 905.27 authorized background check or background study all records of stays of adjudication  
 905.28 granted to the subject of the background check or background study that the superintendent  
 905.29 receives pursuant to section 299C.17, clause (2). The data required to be disclosed under  
 905.30 this section is in addition to other data on the subject of the background check or background  
 905.31 study that the superintendent is mandated to disclose.

906.1 Sec. 17. Minnesota Statutes 2016, section 609.095, is amended to read:

906.2 **609.095 LIMITS OF SENTENCES.**

906.3 (a) The legislature has the exclusive authority to define crimes and offenses and the  
906.4 range of the sentences or punishments for their violation. No other or different sentence or  
906.5 punishment shall be imposed for the commission of a crime than is authorized by this chapter  
906.6 or other applicable law.

906.7 (b) Except as provided in:

906.8 (1) section 152.18 or 609.375<sup>2</sup>; or

906.9 (2) upon agreement of the parties, a court may not refuse to adjudicate the guilt of a  
906.10 defendant who tenders a guilty plea in accordance with Minnesota Rules of Criminal  
906.11 Procedure, rule 15, or who has been found guilty by a court or jury following a trial.

906.12 A stay of adjudication granted under clause (2) must be reported to the superintendent of  
906.13 the Bureau of Criminal Apprehension pursuant to section 299C.17.

906.14 (c) Paragraph (b) does not supersede Minnesota Rules of Criminal Procedure, rule 26.04.

906.15 Sec. 18. Minnesota Statutes 2017 Supplement, section 626.556, subdivision 3, is amended  
906.16 to read:

906.17 Subd. 3. **Persons mandated to report; persons voluntarily reporting.** (a) A person  
906.18 who knows or has reason to believe a child is being neglected or physically or sexually  
906.19 abused, as defined in subdivision 2, or has been neglected or physically or sexually abused  
906.20 within the preceding three years, shall immediately report the information to the local welfare  
906.21 agency, agency responsible for assessing or investigating the report, police department,  
906.22 county sheriff, tribal social services agency, or tribal police department if the person is:

906.23 (1) a professional or professional's delegate who is engaged in the practice of the healing  
906.24 arts, social services, hospital administration, psychological or psychiatric treatment, child  
906.25 care, education, correctional supervision, probation and correctional services, or law  
906.26 enforcement; ~~or~~

906.27 (2) employed as a member of the clergy and received the information while engaged in  
906.28 ministerial duties, provided that a member of the clergy is not required by this subdivision  
906.29 to report information that is otherwise privileged under section 595.02, subdivision 1,  
906.30 paragraph (c); or

906.31 (3) a member of a board or other entity whose licensees perform work within a school  
906.32 facility.

907.1 (b) Any person may voluntarily report to the local welfare agency, agency responsible  
907.2 for assessing or investigating the report, police department, county sheriff, tribal social  
907.3 services agency, or tribal police department if the person knows, has reason to believe, or  
907.4 suspects a child is being or has been neglected or subjected to physical or sexual abuse.

907.5 (c) A person mandated to report physical or sexual child abuse or neglect occurring  
907.6 within a licensed facility shall report the information to the agency responsible for licensing  
907.7 or certifying the facility under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16;  
907.8 or chapter 144H, 245D, or 245H; or a nonlicensed personal care provider organization as  
907.9 defined in section 256B.0625, subdivision 19a. A health or corrections agency receiving a  
907.10 report may request the local welfare agency to provide assistance pursuant to subdivisions  
907.11 10, 10a, and 10b. A board or other entity whose licensees perform work within a school  
907.12 facility, upon receiving a complaint of alleged maltreatment, shall provide information about  
907.13 the circumstances of the alleged maltreatment to the commissioner of education. Section  
907.14 13.03, subdivision 4, applies to data received by the commissioner of education from a  
907.15 licensing entity.

907.16 (d) Notification requirements under subdivision 10 apply to all reports received under  
907.17 this section.

907.18 (e) For purposes of this section, "immediately" means as soon as possible but in no event  
907.19 longer than 24 hours.

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

907.21 Sec. 19. Minnesota Statutes 2016, section 626.556, subdivision 10, is amended to read:

907.22 Subd. 10. **Duties of local welfare agency and local law enforcement agency upon**  
907.23 **receipt of report; mandatory notification between police or sheriff and agency.** (a) The  
907.24 police department or the county sheriff shall immediately notify the local welfare agency  
907.25 or agency responsible for child protection reports under this section orally and in writing  
907.26 when a report is received. The local welfare agency or agency responsible for child protection  
907.27 reports shall immediately notify the local police department or the county sheriff orally and  
907.28 in writing when a report is received. The county sheriff and the head of every local welfare  
907.29 agency, agency responsible for child protection reports, and police department shall each  
907.30 designate a person within their agency, department, or office who is responsible for ensuring  
907.31 that the notification duties of this paragraph are carried out. When the alleged maltreatment  
907.32 occurred on tribal land, the local welfare agency or agency responsible for child protection  
907.33 reports and the local police department or the county sheriff shall immediately notify the  
907.34 tribe's social services agency and tribal law enforcement orally and in writing when a report

908.1 is received. When a police department or county sheriff receives a report or otherwise has  
908.2 information indicating that a child has been the subject of physical abuse, sexual abuse, or  
908.3 neglect by a person licensed by the Professional Educator Licensing and Standards Board  
908.4 or Board of School Administrators, it shall, in addition to its other duties under this section,  
908.5 immediately inform the licensing board.

908.6 (b) Upon receipt of a report, the local welfare agency shall determine whether to conduct  
908.7 a family assessment or an investigation as appropriate to prevent or provide a remedy for  
908.8 child maltreatment. The local welfare agency:

908.9 (1) shall conduct an investigation on reports involving sexual abuse or substantial child  
908.10 endangerment;

908.11 (2) shall begin an immediate investigation if, at any time when it is using a family  
908.12 assessment response, it determines that there is reason to believe that sexual abuse or  
908.13 substantial child endangerment or a serious threat to the child's safety exists;

908.14 (3) may conduct a family assessment for reports that do not allege sexual abuse or  
908.15 substantial child endangerment. In determining that a family assessment is appropriate, the  
908.16 local welfare agency may consider issues of child safety, parental cooperation, and the need  
908.17 for an immediate response;

908.18 (4) may conduct a family assessment on a report that was initially screened and assigned  
908.19 for an investigation. In determining that a complete investigation is not required, the local  
908.20 welfare agency must document the reason for terminating the investigation and notify the  
908.21 local law enforcement agency if the local law enforcement agency is conducting a joint  
908.22 investigation; and

908.23 (5) shall provide immediate notice, according to section 260.761, subdivision 2, to an  
908.24 Indian child's tribe when the agency has reason to believe the family assessment or  
908.25 investigation may involve an Indian child. For purposes of this clause, "immediate notice"  
908.26 means notice provided within 24 hours.

908.27 If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or  
908.28 individual functioning within the family unit as a person responsible for the child's care, or  
908.29 sexual abuse by a person with a significant relationship to the child when that person resides  
908.30 in the child's household or by a sibling, the local welfare agency shall immediately conduct  
908.31 a family assessment or investigation as identified in clauses (1) to (4). In conducting a family  
908.32 assessment or investigation, the local welfare agency shall gather information on the existence  
908.33 of substance abuse and domestic violence and offer services for purposes of preventing  
908.34 future child maltreatment, safeguarding and enhancing the welfare of the abused or neglected

909.1 minor, and supporting and preserving family life whenever possible. If the report alleges a  
909.2 violation of a criminal statute involving sexual abuse, physical abuse, or neglect or  
909.3 endangerment, under section 609.378, the local law enforcement agency and local welfare  
909.4 agency shall coordinate the planning and execution of their respective investigation and  
909.5 assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews.  
909.6 Each agency shall prepare a separate report of the results of its investigation or assessment.  
909.7 In cases of alleged child maltreatment resulting in death, the local agency may rely on the  
909.8 fact-finding efforts of a law enforcement investigation to make a determination of whether  
909.9 or not maltreatment occurred. When necessary the local welfare agency shall seek authority  
909.10 to remove the child from the custody of a parent, guardian, or adult with whom the child is  
909.11 living. In performing any of these duties, the local welfare agency shall maintain appropriate  
909.12 records.

909.13 If the family assessment or investigation indicates there is a potential for abuse of alcohol  
909.14 or other drugs by the parent, guardian, or person responsible for the child's care, the local  
909.15 welfare agency shall conduct a chemical use assessment pursuant to Minnesota Rules, part  
909.16 9530.6615.

909.17 (c) When a local agency receives a report or otherwise has information indicating that  
909.18 a child who is a client, as defined in section 245.91, has been the subject of physical abuse,  
909.19 sexual abuse, or neglect at an agency, facility, or program as defined in section 245.91, it  
909.20 shall, in addition to its other duties under this section, immediately inform the ombudsman  
909.21 established under sections 245.91 to 245.97. The commissioner of education shall inform  
909.22 the ombudsman established under sections 245.91 to 245.97 of reports regarding a child  
909.23 defined as a client in section 245.91 that maltreatment occurred at a school as defined in  
909.24 section 120A.05, subdivisions 9, 11, and 13, and chapter 124E.

909.25 (d) Authority of the local welfare agency responsible for assessing or investigating the  
909.26 child abuse or neglect report, the agency responsible for assessing or investigating the report,  
909.27 and of the local law enforcement agency for investigating the alleged abuse or neglect  
909.28 includes, but is not limited to, authority to interview, without parental consent, the alleged  
909.29 victim and any other minors who currently reside with or who have resided with the alleged  
909.30 offender. The interview may take place at school or at any facility or other place where the  
909.31 alleged victim or other minors might be found or the child may be transported to, and the  
909.32 interview conducted at, a place appropriate for the interview of a child designated by the  
909.33 local welfare agency or law enforcement agency. The interview may take place outside the  
909.34 presence of the alleged offender or parent, legal custodian, guardian, or school official. For  
909.35 family assessments, it is the preferred practice to request a parent or guardian's permission

910.1 to interview the child prior to conducting the child interview, unless doing so would  
910.2 compromise the safety assessment. Except as provided in this paragraph, the parent, legal  
910.3 custodian, or guardian shall be notified by the responsible local welfare or law enforcement  
910.4 agency no later than the conclusion of the investigation or assessment that this interview  
910.5 has occurred. Notwithstanding rule 32 of the Minnesota Rules of Procedure for Juvenile  
910.6 Courts, the juvenile court may, after hearing on an ex parte motion by the local welfare  
910.7 agency, order that, where reasonable cause exists, the agency withhold notification of this  
910.8 interview from the parent, legal custodian, or guardian. If the interview took place or is to  
910.9 take place on school property, the order shall specify that school officials may not disclose  
910.10 to the parent, legal custodian, or guardian the contents of the notification of intent to interview  
910.11 the child on school property, as provided under this paragraph, and any other related  
910.12 information regarding the interview that may be a part of the child's school record. A copy  
910.13 of the order shall be sent by the local welfare or law enforcement agency to the appropriate  
910.14 school official.

910.15 (e) When the local welfare, local law enforcement agency, or the agency responsible  
910.16 for assessing or investigating a report of maltreatment determines that an interview should  
910.17 take place on school property, written notification of intent to interview the child on school  
910.18 property must be received by school officials prior to the interview. The notification shall  
910.19 include the name of the child to be interviewed, the purpose of the interview, and a reference  
910.20 to the statutory authority to conduct an interview on school property. For interviews  
910.21 conducted by the local welfare agency, the notification shall be signed by the chair of the  
910.22 local social services agency or the chair's designee. The notification shall be private data  
910.23 on individuals subject to the provisions of this paragraph. School officials may not disclose  
910.24 to the parent, legal custodian, or guardian the contents of the notification or any other related  
910.25 information regarding the interview until notified in writing by the local welfare or law  
910.26 enforcement agency that the investigation or assessment has been concluded, unless a school  
910.27 employee or agent is alleged to have maltreated the child. Until that time, the local welfare  
910.28 or law enforcement agency or the agency responsible for assessing or investigating a report  
910.29 of maltreatment shall be solely responsible for any disclosures regarding the nature of the  
910.30 assessment or investigation.

910.31 Except where the alleged offender is believed to be a school official or employee, the  
910.32 time and place, and manner of the interview on school premises shall be within the discretion  
910.33 of school officials, but the local welfare or law enforcement agency shall have the exclusive  
910.34 authority to determine who may attend the interview. The conditions as to time, place, and  
910.35 manner of the interview set by the school officials shall be reasonable and the interview

911.1 shall be conducted not more than 24 hours after the receipt of the notification unless another  
911.2 time is considered necessary by agreement between the school officials and the local welfare  
911.3 or law enforcement agency. Where the school fails to comply with the provisions of this  
911.4 paragraph, the juvenile court may order the school to comply. Every effort must be made  
911.5 to reduce the disruption of the educational program of the child, other students, or school  
911.6 staff when an interview is conducted on school premises.

911.7 (f) Where the alleged offender or a person responsible for the care of the alleged victim  
911.8 or other minor prevents access to the victim or other minor by the local welfare agency, the  
911.9 juvenile court may order the parents, legal custodian, or guardian to produce the alleged  
911.10 victim or other minor for questioning by the local welfare agency or the local law  
911.11 enforcement agency outside the presence of the alleged offender or any person responsible  
911.12 for the child's care at reasonable places and times as specified by court order.

911.13 (g) Before making an order under paragraph (f), the court shall issue an order to show  
911.14 cause, either upon its own motion or upon a verified petition, specifying the basis for the  
911.15 requested interviews and fixing the time and place of the hearing. The order to show cause  
911.16 shall be served personally and shall be heard in the same manner as provided in other cases  
911.17 in the juvenile court. The court shall consider the need for appointment of a guardian ad  
911.18 litem to protect the best interests of the child. If appointed, the guardian ad litem shall be  
911.19 present at the hearing on the order to show cause.

911.20 (h) The commissioner of human services, the ombudsman for mental health and  
911.21 developmental disabilities, the local welfare agencies responsible for investigating reports,  
911.22 the commissioner of education, and the local law enforcement agencies have the right to  
911.23 enter facilities as defined in subdivision 2 and to inspect and copy the facility's records,  
911.24 including medical records, as part of the investigation. Notwithstanding the provisions of  
911.25 chapter 13, they also have the right to inform the facility under investigation that they are  
911.26 conducting an investigation, to disclose to the facility the names of the individuals under  
911.27 investigation for abusing or neglecting a child, and to provide the facility with a copy of  
911.28 the report and the investigative findings.

911.29 (i) The local welfare agency responsible for conducting a family assessment or  
911.30 investigation shall collect available and relevant information to determine child safety, risk  
911.31 of subsequent child maltreatment, and family strengths and needs and share not public  
911.32 information with an Indian's tribal social services agency without violating any law of the  
911.33 state that may otherwise impose duties of confidentiality on the local welfare agency in  
911.34 order to implement the tribal state agreement. The local welfare agency or the agency  
911.35 responsible for investigating the report shall collect available and relevant information to

912.1 ascertain whether maltreatment occurred and whether protective services are needed.

912.2 Information collected includes, when relevant, information with regard to the person reporting  
912.3 the alleged maltreatment, including the nature of the reporter's relationship to the child and  
912.4 to the alleged offender, and the basis of the reporter's knowledge for the report; the child  
912.5 allegedly being maltreated; the alleged offender; the child's caretaker; and other collateral  
912.6 sources having relevant information related to the alleged maltreatment. The local welfare  
912.7 agency or the agency responsible for investigating the report may make a determination of  
912.8 no maltreatment early in an investigation, and close the case and retain immunity, if the  
912.9 collected information shows no basis for a full investigation.

912.10 Information relevant to the assessment or investigation must be asked for, and may  
912.11 include:

912.12 (1) the child's sex and age; prior reports of maltreatment, including any maltreatment  
912.13 reports that were screened out and not accepted for assessment or investigation; information  
912.14 relating to developmental functioning; credibility of the child's statement; and whether the  
912.15 information provided under this clause is consistent with other information collected during  
912.16 the course of the assessment or investigation;

912.17 (2) the alleged offender's age, a record check for prior reports of maltreatment, and  
912.18 criminal charges and convictions. The local welfare agency or the agency responsible for  
912.19 assessing or investigating the report must provide the alleged offender with an opportunity  
912.20 to make a statement. The alleged offender may submit supporting documentation relevant  
912.21 to the assessment or investigation;

912.22 (3) collateral source information regarding the alleged maltreatment and care of the  
912.23 child. Collateral information includes, when relevant: (i) a medical examination of the child;  
912.24 (ii) prior medical records relating to the alleged maltreatment or the care of the child  
912.25 maintained by any facility, clinic, or health care professional and an interview with the  
912.26 treating professionals; and (iii) interviews with the child's caretakers, including the child's  
912.27 parent, guardian, foster parent, child care provider, teachers, counselors, family members,  
912.28 relatives, and other persons who may have knowledge regarding the alleged maltreatment  
912.29 and the care of the child; and

912.30 (4) information on the existence of domestic abuse and violence in the home of the child,  
912.31 and substance abuse.

912.32 Nothing in this paragraph precludes the local welfare agency, the local law enforcement  
912.33 agency, or the agency responsible for assessing or investigating the report from collecting  
912.34 other relevant information necessary to conduct the assessment or investigation.

913.1 Notwithstanding sections 13.384 or 144.291 to 144.298, the local welfare agency has access  
913.2 to medical data and records for purposes of clause (3). Notwithstanding the data's  
913.3 classification in the possession of any other agency, data acquired by the local welfare  
913.4 agency or the agency responsible for assessing or investigating the report during the course  
913.5 of the assessment or investigation are private data on individuals and must be maintained  
913.6 in accordance with subdivision 11. Data of the commissioner of education collected or  
913.7 maintained during and for the purpose of an investigation of alleged maltreatment in a school  
913.8 are governed by this section, notwithstanding the data's classification as educational,  
913.9 licensing, or personnel data under chapter 13.

913.10 In conducting an assessment or investigation involving a school facility as defined in  
913.11 subdivision 2, paragraph (c), the commissioner of education shall collect investigative  
913.12 reports and data that are relevant to a report of maltreatment and are from local law  
913.13 enforcement and the school facility.

913.14 (j) Upon receipt of a report, the local welfare agency shall conduct a face-to-face contact  
913.15 with the child reported to be maltreated and with the child's primary caregiver sufficient to  
913.16 complete a safety assessment and ensure the immediate safety of the child. The face-to-face  
913.17 contact with the child and primary caregiver shall occur immediately if sexual abuse or  
913.18 substantial child endangerment is alleged and within five calendar days for all other reports.  
913.19 If the alleged offender was not already interviewed as the primary caregiver, the local welfare  
913.20 agency shall also conduct a face-to-face interview with the alleged offender in the early  
913.21 stages of the assessment or investigation. At the initial contact, the local child welfare agency  
913.22 or the agency responsible for assessing or investigating the report must inform the alleged  
913.23 offender of the complaints or allegations made against the individual in a manner consistent  
913.24 with laws protecting the rights of the person who made the report. The interview with the  
913.25 alleged offender may be postponed if it would jeopardize an active law enforcement  
913.26 investigation.

913.27 (k) When conducting an investigation, the local welfare agency shall use a question and  
913.28 answer interviewing format with questioning as nondirective as possible to elicit spontaneous  
913.29 responses. For investigations only, the following interviewing methods and procedures must  
913.30 be used whenever possible when collecting information:

913.31 (1) audio recordings of all interviews with witnesses and collateral sources; and

913.32 (2) in cases of alleged sexual abuse, audio-video recordings of each interview with the  
913.33 alleged victim and child witnesses.

914.1 (l) In conducting an assessment or investigation involving a school facility as defined  
914.2 in subdivision 2, paragraph (c), the commissioner of education shall collect available and  
914.3 relevant information and use the procedures in paragraphs (j) and (k), and subdivision 3d,  
914.4 except that the requirement for face-to-face observation of the child and face-to-face interview  
914.5 of the alleged offender is to occur in the initial stages of the assessment or investigation  
914.6 provided that the commissioner may also base the assessment or investigation on investigative  
914.7 reports and data received from the school facility and local law enforcement, to the extent  
914.8 those investigations satisfy the requirements of paragraphs (j) and (k), and subdivision 3d.

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

914.10 Sec. 20. Minnesota Statutes 2017 Supplement, section 626.556, subdivision 10e, is amended  
914.11 to read:

914.12 Subd. 10e. **Determinations.** (a) The local welfare agency shall conclude the family  
914.13 assessment or the investigation within 45 days of the receipt of a report. The conclusion of  
914.14 the assessment or investigation may be extended to permit the completion of a criminal  
914.15 investigation or the receipt of expert information requested within 45 days of the receipt of  
914.16 the report.

914.17 (b) After conducting a family assessment, the local welfare agency shall determine  
914.18 whether services are needed to address the safety of the child and other family members  
914.19 and the risk of subsequent maltreatment.

914.20 (c) After conducting an investigation, the local welfare agency shall make two  
914.21 determinations: first, whether maltreatment has occurred; and second, whether child  
914.22 protective services are needed. No determination of maltreatment shall be made when the  
914.23 alleged perpetrator is a child under the age of ten.

914.24 (d) If the commissioner of education conducts an assessment or investigation, the  
914.25 commissioner shall determine whether maltreatment occurred and what corrective or  
914.26 protective action was taken by the school facility. If a determination is made that  
914.27 maltreatment has occurred, the commissioner shall report to the employer, the school board,  
914.28 and any appropriate licensing entity the determination that maltreatment occurred and what  
914.29 corrective or protective action was taken by the school facility. In all other cases, the  
914.30 commissioner shall inform the school board or employer and any appropriate licensing  
914.31 entity that a report was received, the subject of the report, the date of the initial report, the  
914.32 category of maltreatment alleged as defined in paragraph (f), the fact that maltreatment was  
914.33 not determined, and a summary of the specific reasons for the determination.

915.1 (e) When maltreatment is determined in an investigation involving a facility, the  
915.2 investigating agency shall also determine whether the facility or individual was responsible,  
915.3 or whether both the facility and the individual were responsible for the maltreatment using  
915.4 the mitigating factors in paragraph (i). Determinations under this subdivision must be made  
915.5 based on a preponderance of the evidence and are private data on individuals or nonpublic  
915.6 data as maintained by the commissioner of education.

915.7 (f) For the purposes of this subdivision, "maltreatment" means any of the following acts  
915.8 or omissions:

915.9 (1) physical abuse as defined in subdivision 2, paragraph (k);

915.10 (2) neglect as defined in subdivision 2, paragraph (g);

915.11 (3) sexual abuse as defined in subdivision 2, paragraph (n);

915.12 (4) mental injury as defined in subdivision 2, paragraph (f); or

915.13 (5) maltreatment of a child in a facility as defined in subdivision 2, paragraph (c).

915.14 (g) For the purposes of this subdivision, a determination that child protective services  
915.15 are needed means that the local welfare agency has documented conditions during the  
915.16 assessment or investigation sufficient to cause a child protection worker, as defined in  
915.17 section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment  
915.18 if protective intervention is not provided and that the individuals responsible for the child's  
915.19 care have not taken or are not likely to take actions to protect the child from maltreatment  
915.20 or risk of maltreatment.

915.21 (h) This subdivision does not mean that maltreatment has occurred solely because the  
915.22 child's parent, guardian, or other person responsible for the child's care in good faith selects  
915.23 and depends upon spiritual means or prayer for treatment or care of disease or remedial care  
915.24 of the child, in lieu of medical care. However, if lack of medical care may result in serious  
915.25 danger to the child's health, the local welfare agency may ensure that necessary medical  
915.26 services are provided to the child.

915.27 (i) When determining whether the facility or individual is the responsible party, or  
915.28 whether both the facility and the individual are responsible for determined maltreatment in  
915.29 a facility, the investigating agency shall consider at least the following mitigating factors:

915.30 (1) whether the actions of the facility or the individual caregivers were according to,  
915.31 and followed the terms of, an erroneous physician order, prescription, individual care plan,  
915.32 or directive; however, this is not a mitigating factor when the facility or caregiver was  
915.33 responsible for the issuance of the erroneous order, prescription, individual care plan, or

916.1 directive or knew or should have known of the errors and took no reasonable measures to  
916.2 correct the defect before administering care;

916.3 (2) comparative responsibility between the facility, other caregivers, and requirements  
916.4 placed upon an employee, including the facility's compliance with related regulatory standards  
916.5 and the adequacy of facility policies and procedures, facility training, an individual's  
916.6 participation in the training, the caregiver's supervision, and facility staffing levels and the  
916.7 scope of the individual employee's authority and discretion; and

916.8 (3) whether the facility or individual followed professional standards in exercising  
916.9 professional judgment.

916.10 The evaluation of the facility's responsibility under clause (2) must not be based on the  
916.11 completeness of the risk assessment or risk reduction plan required under section 245A.66,  
916.12 but must be based on the facility's compliance with the regulatory standards for policies  
916.13 and procedures, training, and supervision as cited in Minnesota Statutes and Minnesota  
916.14 Rules.

916.15 (j) Notwithstanding paragraph (i), when maltreatment is determined to have been  
916.16 committed by an individual who is also the facility license or certification holder, both the  
916.17 individual and the facility must be determined responsible for the maltreatment, and both  
916.18 the background study disqualification standards under section 245C.15, subdivision 4, and  
916.19 the licensing or certification actions under section 245A.06, 245A.07, 245H.06, or 245H.07  
916.20 apply.

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

916.22 Sec. 21. Minnesota Statutes 2016, section 631.40, subdivision 1a, is amended to read:

916.23 Subd. 1a. **Certified copy of disqualifying offense convictions sent to public safety**  
916.24 **and school districts.** When a person is convicted of committing a disqualifying offense,  
916.25 as defined in section 171.3215, subdivision 1, a gross misdemeanor, a fourth moving violation  
916.26 within the previous three years, or a violation of section 169A.20, or a similar statute or  
916.27 ordinance from another state, or if the person received a stay of adjudication for an offense  
916.28 that, if convicted of, would require predatory offender registration under section 243.166,  
916.29 the court shall determine whether the offender is a school bus driver as defined in section  
916.30 171.3215, subdivision 1, whether the offender possesses a school bus driver's endorsement  
916.31 on the offender's driver's license and in what school districts the offender drives a school  
916.32 bus. If the offender is a school bus driver or possesses a school bus driver's endorsement,  
916.33 the court administrator shall send a certified copy of the conviction or stay of adjudication

917.1 to the Department of Public Safety and to the school districts in which the offender drives  
917.2 a school bus within ten days after the conviction or stay of adjudication.

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

917.4 Sec. 22. Laws 2017, First Special Session chapter 5, article 3, section 3, the effective date,  
917.5 is amended to read:

917.6 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

917.7 Sec. 23. Laws 2017, First Special Session chapter 5, article 3, section 4, the effective date,  
917.8 is amended to read:

917.9 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

917.10 Sec. 24. Laws 2017, First Special Session chapter 5, article 3, section 5, the effective date,  
917.11 is amended to read:

917.12 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

917.13 Sec. 25. Laws 2017, First Special Session chapter 5, article 3, section 6, the effective date,  
917.14 is amended to read:

917.15 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

917.16 Sec. 26. Laws 2017, First Special Session chapter 5, article 3, section 7, the effective date,  
917.17 is amended to read:

917.18 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

917.19 Sec. 27. Laws 2017, First Special Session chapter 5, article 3, section 8, the effective date,  
917.20 is amended to read:

917.21 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

917.22 Sec. 28. Laws 2017, First Special Session chapter 5, article 3, section 9, the effective date,  
917.23 is amended to read:

917.24 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

918.1 Sec. 29. Laws 2017, First Special Session chapter 5, article 3, section 10, the effective  
918.2 date, is amended to read:

918.3 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

918.4 Sec. 30. Laws 2017, First Special Session chapter 5, article 3, section 11, the effective  
918.5 date, is amended to read:

918.6 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

918.7 Sec. 31. Laws 2017, First Special Session chapter 5, article 3, section 12, the effective  
918.8 date, is amended to read:

918.9 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

918.10 Sec. 32. Laws 2017, First Special Session chapter 5, article 3, section 13, the effective  
918.11 date, is amended to read:

918.12 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

918.13 Sec. 33. Laws 2017, First Special Session chapter 5, article 3, section 14, the effective  
918.14 date, is amended to read:

918.15 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

918.16 Sec. 34. Laws 2017, First Special Session chapter 5, article 3, section 15, the effective  
918.17 date, is amended to read:

918.18 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

918.19 Sec. 35. Laws 2017, First Special Session chapter 5, article 3, section 16, the effective  
918.20 date, is amended to read:

918.21 **EFFECTIVE DATE.** This section is effective ~~July~~ October 1, 2018.

918.22 Sec. 36. Laws 2017, First Special Session chapter 5, article 3, section 36, is amended to  
918.23 read:

918.24 Sec. 36. **REPEALER.**

918.25 (a) Minnesota Statutes 2016, sections 122A.14, subdivision 5; and 122A.162, are repealed  
918.26 effective January 1, 2018.

919.1 (b) Minnesota Statutes 2016, sections 122A.163; 122A.18, subdivisions 2a, 3, 3a, 4, 4a,  
 919.2 6, 7, and 7b; 122A.21, subdivision 2; 122A.23, subdivisions 1 and 2; 122A.245; and 122A.25,  
 919.3 are repealed effective ~~July~~ October 1, 2018.

919.4 Sec. 37. **SURVEY OF TEACHER PREPARATION PROGRAMS.**

919.5 The Professional Educator Licensing and Standards Board must survey board-approved  
 919.6 teacher preparation programs for teachers of elementary education, early childhood education,  
 919.7 special education, and reading intervention to determine the extent of dyslexia instruction  
 919.8 offered by the programs. The board may consult with the dyslexia specialist at the Department  
 919.9 of Education when developing the survey and reviewing the teacher preparation program  
 919.10 responses. The board must report its findings to the chairs and ranking minority members  
 919.11 of the legislative committees having jurisdiction over kindergarten through grade 12  
 919.12 education policy and finance by January 2, 2019. The report must include information on  
 919.13 teacher preparation program instruction on screening for characteristics of dyslexia,  
 919.14 evidence-based instructional strategies for students showing characteristics of dyslexia, and  
 919.15 best practices for assisting students showing characteristics of dyslexia and their families.  
 919.16 The report must be submitted in accordance with Minnesota Statutes, section 3.195.

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

919.18 Sec. 38. **TIERED LICENSURE RULES.**

919.19 If the Professional Educator Licensing and Standards Board has not adopted tiered  
 919.20 licensure rules by October 1, 2018, the board must adopt in rule sections 39 to 56, which  
 919.21 expire upon the adoption of the tiered licensure rules. The board must adopt the rules required  
 919.22 by this section using the good cause exemption under Minnesota Statutes, section 14.388,  
 919.23 no later than October 1, 2018.

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

919.25 Sec. 39. **DEFINITIONS AND GENERAL RULES FOR TEACHING LICENSES.**

919.26 Subdivision 1. **Definitions.** (a) For the purposes of sections 40 to 47, the terms in this  
 919.27 subdivision have the meanings given them.

919.28 (b) "Assignment" means the course or courses taught in a school for which students are  
 919.29 granted credit.

919.30 (c) "Board" means the Professional Educator Licensing and Standards Board.

919.31 (d) "District" means a school district or a charter school.

920.1 (e) "Field specific methods" means differentiated instructional strategies targeting content  
920.2 and pedagogy for a singular licensure area to enable student learning.

920.3 (f) "Good cause" means an applicant is unable to meet the requirements of a higher  
920.4 licensure tier due to the lack of a reasonable path to a higher licensure tier or the path to a  
920.5 higher licensure tier causes an undue burden on the applicant, as approved or denied by the  
920.6 board.

920.7 (g) "Innovative program" means a school within a district that is either a state-approved  
920.8 area learning center or alternative learning program or provides a school board resolution  
920.9 designating the school as an innovative program, including the reason for the designation.

920.10 (h) "Licensure area" or "licensure field" means the content taught for which standards  
920.11 have been adopted in Minnesota Rules.

920.12 (i) "Professional license from another state" means a teaching license from a state other  
920.13 than Minnesota that allows the individual to be a teacher of record.

920.14 (j) "Related services teacher" means a teacher who holds a license issued by the board  
920.15 consistent with Minnesota Statutes, section 122A.06, subdivision 2, and who meets the  
920.16 requirements for a license issued pursuant to sections 50 to 54 and Minnesota Rules, parts  
920.17 8710.6000 to 8710.6400.

920.18 (k) "Student teaching" means a minimum of 12 weeks when an individual enrolled in a  
920.19 teacher preparation program assumes teacher responsibilities while working with a  
920.20 cooperating teacher who holds a Tier 3 or 4 license or a professional license from another  
920.21 state in the subject area and a provider supervisor to practice and demonstrate the necessary  
920.22 development of the individual's knowledge, skills, and dispositions to become a teacher. A  
920.23 student teaching experience includes observation, feedback, and evaluation from the  
920.24 cooperating teacher and provider supervisor.

920.25 (l) "Teacher of record" means an individual who is responsible for the planning,  
920.26 instruction, and assessment of students in a classroom and authorized to grant students credit  
920.27 for meeting standards attributed to the content taught, or is part of a co-teaching assignment.

920.28 (m) "Teacher preparation program" means a program approved by the board or the state  
920.29 where the program resides that trains candidates in educational pedagogy and content-specific  
920.30 pedagogy for any subset of the scope of licensure for students from birth to 21 years of age.

920.31 (n) "Teaching license" or "teacher license" means a license that permits an individual  
920.32 to be teacher of record. This includes Tier 1, Tier 2, Tier 3, and Tier 4 licenses issued under  
920.33 sections 40 to 43.

921.1 Subd. 2. **Teaching licenses, in general.** (a) Teaching licenses must be granted by the  
921.2 board to applicants who meet all requirements of applicable statutes and rules.

921.3 (b) An applicant must qualify separately for each licensure area for which an application  
921.4 is made.

921.5 (c) A license becomes valid on the date issued by the board and expires on June 30 of  
921.6 the expiration year. A Tier 1 or Tier 2 license, out-of-field permission, or innovative program  
921.7 permission can be used until September 1 after the date of expiration if the placement is in  
921.8 a summer school program at the district aligned to the license or is part of a year-round  
921.9 school at the district aligned to the licensure area.

921.10 (d) The board must request a criminal history background check be performed by the  
921.11 Bureau of Criminal Apprehension consistent with Minnesota Statutes, section 122A.18,  
921.12 subdivision 8, upon an individual applying for a teaching license or substitute license for  
921.13 the first time. Upon renewal of a teaching license, permission, or substitute license, the  
921.14 board must perform a new background check on the license holder that includes a review  
921.15 for national arrests, charges, and convictions if a background check has not been completed  
921.16 on the license holder within the last five years.

921.17 Subd. 3. **Addition to a Tier 3 or 4 license.** When a licensure area is added to a Tier 3  
921.18 or 4 license issued under sections 42 and 43, the expiration date is the date previously  
921.19 established for the Tier 3 or 4 license in effect.

921.20 Subd. 4. **Movement between tiers.** Teachers may apply to obtain a license in a higher  
921.21 licensure tier at any time after the requirements for the higher tier have been met. The teacher  
921.22 must be granted the license under a higher tier upon review and approval by the board  
921.23 pursuant to the rules established for the license sought. Applicants may obtain a license in  
921.24 a lower licensure tier only if they hold a Tier 2 license in one licensure field and a district  
921.25 requests to hire the applicant for a different licensure field in which the applicant does not  
921.26 meet the requirements for a Tier 2 license. A teacher may simultaneously hold a Tier 1 and  
921.27 a Tier 2 license under this subdivision.

921.28 Subd. 5. **Multiple expiration dates.** If a license holder has completed and verified the  
921.29 renewal requirements for a currently held Tier 3 or 4 license issued under sections 42 and  
921.30 43, the license holder may renew a currently held Tier 3 or 4 license up to one year before  
921.31 the expiration date for the purpose of consolidating multiple expiration dates of any Tier 3  
921.32 or 4 licenses held into one expiration date. The consolidation of multiple expiration dates  
921.33 must be consolidated within a single tier.

922.1 Subd. 6. **Appeal.** An applicant who is denied a teaching license by the board or who is  
922.2 issued a license under a different licensure tier than what was sought may appeal the board's  
922.3 decision under Minnesota Rules, part 8710.0900, and Minnesota Statutes, chapter 14, and  
922.4 Minnesota Statutes, section 122A.188.

922.5 Subd. 7. **Licenses issued in error.** A license issued in error to a person who does not  
922.6 qualify for the license must be corrected without charge to the license holder, and the  
922.7 corrections must be made without a hearing under Minnesota Rules, part 8710.0900, and  
922.8 Minnesota Statutes, chapter 14. A license issued in error is not valid.

922.9 Subd. 8. **Report.** The board must issue an annual report by September 1 that summarizes  
922.10 the previous fiscal year's Tier 1, 2, 3, and 4 licenses and out-of-field and innovative program  
922.11 permissions, organized by licensure field, race and ethnicity, and district.

922.12 Subd. 9. **Fees.** An applicant must pay an application fee for the review of the license  
922.13 pursuant to Minnesota Statutes, section 122A.21.

922.14 Sec. 40. **TIER 1 LICENSE.**

922.15 Subdivision 1. **Purpose.** If a district is unable to fill an open position with a teacher  
922.16 holding a Tier 2, 3, or 4 license, a Tier 1 license must be issued, consistent with this section,  
922.17 to an applicant who does not hold a Tier 2, 3, or 4 license on behalf of a district request  
922.18 except as provided in section 39, subdivision 4. A Tier 1 license authorizes the license holder  
922.19 to teach within the requesting district and the specific licensure field in the application.

922.20 Subd. 2. **Requirements.** (a) The board must issue a Tier 1 license to an applicant upon  
922.21 request by the designated administrator of the hiring district. The applicant must initiate the  
922.22 application process and meet the requirements of this subdivision.

922.23 (b) The applicant must:

922.24 (1) hold the minimum of a bachelor's degree from a college or university located in the  
922.25 United States that is regionally accredited by the Higher Learning Commission or by the  
922.26 regional association for accreditation of colleges and secondary schools, as verified by a  
922.27 college transcript;

922.28 (2) hold a credential from outside the United States that is equivalent to a bachelor's  
922.29 degree, as verified by a credential evaluation completed by a credential evaluator approved  
922.30 by the National Association of Credential Evaluation Services or other board-approved  
922.31 credential evaluation service; or

923.1 (3) for applicants in career and technical education fields and career pathway courses  
923.2 of study, have one of the following:

923.3 (i) five years of relevant work experience aligned to the assignment;

923.4 (ii) an associate's degree aligned to the assignment; or

923.5 (iii) a professional certification aligned to the assignment.

923.6 (c) The hiring district must show the position was posted for at least 15 days on the  
923.7 board-approved statewide job board.

923.8 (d) The hiring district must affirm the applicant:

923.9 (1) will participate in a mentorship program, as available;

923.10 (2) will participate in an evaluation aligned to the district's teacher development and  
923.11 evaluation model under Minnesota Statutes, section 122A.40, subdivision 8, or 122A.41,  
923.12 subdivision 5, or, if the statutory models are not practicable, to another identified  
923.13 district-aligned evaluation; and

923.14 (3) has the necessary skills and knowledge to teach in the content field aligned to the  
923.15 assignment.

923.16 (e) A committee of board staff designated by the board must review applications that  
923.17 meet board criteria for an emergency placement under this subdivision within two business  
923.18 days. The committee may immediately issue an interim permission for a qualified Tier 1  
923.19 license based on board-adopted minimum qualifications criteria pending review by the  
923.20 board. The interim permission expires at the first possible review by the full board. The  
923.21 board must review applications after the position has been posted on the board-approved  
923.22 statewide job board for 15 days.

923.23 Subd. 3. **Duration.** A Tier 1 license is valid for up to one year and expires on June 30  
923.24 of the expiration year.

923.25 Subd. 4. **Position change.** If a Tier 1 license holder moves to another licensure area  
923.26 within a district or to another district, prior to the expiration of the Tier 1 license, the license  
923.27 holder must initiate a new application, including paying the application fee, and the hiring  
923.28 district must meet the requirements under subdivision 2 for the new position. The applicant  
923.29 is not required to complete a new background check by the board. The Tier 1 license issued  
923.30 by the board under this subdivision is considered a new license, not a renewal.

924.1 Sec. 41. **TIER 2 LICENSE.**

924.2 Subdivision 1. Purpose. A Tier 2 license must be issued, consistent with this section,  
924.3 to an applicant on behalf of a district request. A Tier 2 license authorizes the license holder  
924.4 to teach within the requesting district and the specific licensure field in the application.

924.5 Subd. 2. Requirements. (a) The board must issue a Tier 2 license to an applicant upon  
924.6 request by the designated administrator of the hiring district. The applicant must initiate the  
924.7 application process and must meet the requirements of this subdivision.

924.8 (b) The applicant must:

924.9 (1) hold the minimum of a bachelor's degree from a college or university located in the  
924.10 United States that is regionally accredited by the Higher Learning Commission or by the  
924.11 regional association for accreditation of colleges and secondary schools, as verified by a  
924.12 college transcript;

924.13 (2) hold a credential from outside the United States that is equivalent to a bachelor's  
924.14 degree, as verified by a credential evaluation completed by a credential evaluator approved  
924.15 by the National Association of Credential Evaluation Services or other board-approved  
924.16 credential evaluation service; or

924.17 (3) for applicants in career and technical education fields and career pathway courses  
924.18 of study, have one of the following:

924.19 (i) five years of relevant work experience aligned to the assignment;

924.20 (ii) an associate's degree aligned to the assignment; or

924.21 (iii) a professional certification aligned to the assignment.

924.22 (c) The applicant must:

924.23 (1) be enrolled in a board-approved teacher preparation program aligned to the licensure  
924.24 field;

924.25 (2) hold a master's degree, or equivalent, aligned to the assignment from a college or  
924.26 university located in the United States that is regionally accredited by the Higher Learning  
924.27 Commission or by the regional association for accreditation of colleges and secondary  
924.28 schools, as verified by a college transcript; or

924.29 (3) show completion of two of the following:

924.30 (i) at least eight upper division or graduate-level credits aligned to the assignment;

925.1 (ii) field-specific methods in a state-approved teacher preparation program aligned to  
 925.2 the assignment;

925.3 (iii) at least two years of experience teaching as the teacher of record aligned to the  
 925.4 assignment;

925.5 (iv) board-adopted pedagogy and content examinations with passing scores aligned to  
 925.6 the licensure area. Any licensure area that does not have a board-approved content  
 925.7 examination is exempt from the content examination requirement; or

925.8 (v) a state-approved teacher preparation program aligned to the licensure area.

925.9 (d) The hiring district must affirm the applicant will participate in mentorship as available  
 925.10 and evaluation aligned to the district's teacher development and evaluation model under  
 925.11 Minnesota Statutes, section 122A.40, subdivision 8, or 122A.41, subdivision 5, or, if the  
 925.12 statutory models are not practicable, to another identified district-aligned evaluation.

925.13 Subd. 3. **Duration.** A Tier 2 license is valid for up to two years and expires on June 30  
 925.14 of the expiration year.

925.15 Subd. 4. **Position change.** If a Tier 2 license holder moves to another licensure area  
 925.16 within a district or to another district, prior to the expiration of the Tier 2 license, the license  
 925.17 holder must initiate a new application, including paying the application fee, and the hiring  
 925.18 district must meet the requirements under subdivision 2 for the new position. The applicant  
 925.19 is not required to complete a new background check by the board. The Tier 2 license issued  
 925.20 by the board under this subdivision is considered a new license, not a renewal.

925.21 Sec. 42. **TIER 3 LICENSE.**

925.22 Subdivision 1. **Purpose.** A Tier 3 license must be issued to an applicant, consistent with  
 925.23 this section, aligned to the scope and field of the applicant's training and experience. A Tier  
 925.24 3 license authorizes the license holder to teach within the specific licensure field for which  
 925.25 board rules exist.

925.26 Subd. 2. **Requirements.** (a) The board must issue a Tier 3 license if the applicant meets  
 925.27 all of the requirements of this subdivision.

925.28 (b) The applicant must:

925.29 (1) hold the minimum of a bachelor's degree from a college or university located in the  
 925.30 United States that is regionally accredited by the Higher Learning Commission or by the  
 925.31 regional association for accreditation of colleges and secondary schools, as verified by a  
 925.32 college transcript;

926.1 (2) hold a credential from outside the United States that is equivalent to a bachelor's  
926.2 degree, as verified by a credential evaluation completed by a credential evaluator approved  
926.3 by the National Association of Credential Evaluation Services or other board-approved  
926.4 credential evaluation service; or

926.5 (3) for applicants in career and technical education fields and career pathway courses  
926.6 of study, have one of the following:

926.7 (i) five years of relevant work experience aligned to the licensure area sought;

926.8 (ii) an associate's degree aligned to the licensure area sought; or

926.9 (iii) a professional certification aligned to the licensure area sought from an approved  
926.10 certifying organization.

926.11 (c) The applicant must obtain passing scores on the board-approved pedagogy and content  
926.12 examinations aligned to the licensure area sought. Any licensure area that does not have a  
926.13 board-approved content examination is exempt from the content examination requirement.

926.14 (d) The applicant must show one of the following:

926.15 (1) completion of a board-approved conventional, nonconventional, or alternative teacher  
926.16 preparation program aligned to the licensure area sought. The board must accept certifications  
926.17 in related services positions under sections 50 to 54 and Minnesota Rules, parts 8710.6000  
926.18 to 8710.6400, in lieu of completion of a board-approved teacher preparation program;

926.19 (2) completion of a preparation program approved in another state aligned to the licensure  
926.20 area sought that included field-specific student teaching equivalent to field-specific student  
926.21 teaching in Minnesota-approved teacher preparation programs. The applicant is exempt  
926.22 from field-specific student teaching if the applicant has at least two years of field-specific  
926.23 experience teaching as the teacher of record in the licensure area sought;

926.24 (3) recommendation for licensure via portfolio application aligned to the licensure area  
926.25 sought;

926.26 (4) holds or held a professional license from another state in good standing aligned to  
926.27 the licensure area sought with at least two years of experience teaching as the teacher of  
926.28 record aligned to the licensure area sought; or

926.29 (5) has at least three years of experience teaching as the teacher of record aligned to the  
926.30 licensure area sought under a Tier 2 license and presents evidence of summative teacher  
926.31 evaluations that did not result in placing or otherwise keeping the teacher on an improvement  
926.32 process aligned to the district's teacher development and evaluation plan.

927.1 Subd. 3. **Duration.** A Tier 3 license is valid for up to three years and expires on June  
927.2 30 of the expiration year.

927.3 Subd. 4. **Restrictions.** (a) An applicant whose content training or experience does not  
927.4 align to a currently approved Minnesota license, but for which past rules have been adopted,  
927.5 and who meets all other requirements of subdivision 2, must be issued a Tier 3 license  
927.6 restricted to the scope and licensure area of the applicant's content training or experience.

927.7 (b) Applicants with content training and experience within two grade levels of a currently  
927.8 approved Minnesota licensure scope must be granted the full scope of the Minnesota license.

927.9 (c) Applicants who meet the requirements of subdivision 2, paragraphs (b) and (c), from  
927.10 a Montessori Accreditation Council for Teacher Education accredited training center must  
927.11 be issued a Tier 3 license restricted to a Montessori setting and aligned to the scope of  
927.12 training.

927.13 Sec. 43. **TIER 4 LICENSE.**

927.14 Subdivision 1. **Purpose.** A Tier 4 license authorizes the license holder, consistent with  
927.15 this section, to teach in the field and scope aligned to the license holder's preparation. A  
927.16 Tier 4 license indicates the license holder has had at least three years of experience in  
927.17 Minnesota within the field and scope of licensure and completed the professional  
927.18 development requirements mandated by statute.

927.19 Subd. 2. **Requirements.** (a) The board must issue a Tier 4 license if the applicant meets  
927.20 all of the requirements of this subdivision.

927.21 (b) The applicant must:

927.22 (1) hold the minimum of a bachelor's degree from a college or university located in the  
927.23 United States that is regionally accredited by the Higher Learning Commission or by the  
927.24 regional association for accreditation of colleges and secondary schools, as verified by a  
927.25 college transcript;

927.26 (2) hold a credential from outside the United States that is equivalent to a bachelor's  
927.27 degree, as verified by a credential evaluation completed by a credential evaluator approved  
927.28 by the National Association of Credential Evaluation Services or other board-approved  
927.29 credential evaluation service; or

927.30 (3) for applicants in career and technical education fields and career pathway courses  
927.31 of study, have one of the following:

927.32 (i) five years of relevant work experience aligned to the licensure area sought;

928.1 (ii) an associate's degree aligned to the licensure area sought; or

928.2 (iii) a professional certification aligned to the licensure area sought from an approved  
928.3 certifying organization.

928.4 (c) The applicant must have completed one of the following:

928.5 (1) a board-approved conventional, nonconventional, or alternative teacher preparation  
928.6 program aligned to the licensure area sought. The board must accept certifications in related  
928.7 services positions under sections 50 to 54 and Minnesota Rules, parts 8710.6000 to  
928.8 8710.6400, in lieu of completion of a board-approved teacher preparation program; or

928.9 (2) a preparation program approved in another state aligned to the licensure area sought  
928.10 that included field-specific student teaching equivalent to field-specific student teaching in  
928.11 Minnesota-approved teacher preparation programs. The applicant is exempt from  
928.12 field-specific student teaching if the applicant has at least two years of field-specific  
928.13 experience teaching as the teacher of record.

928.14 (d) The applicant must obtain passing scores on the board-approved skills, pedagogy,  
928.15 and content examinations aligned to the licensure area sought. Any licensure area that does  
928.16 not have a board-approved content examination is exempt from the content examination  
928.17 requirement.

928.18 (e) The applicant must have at least three years of experience teaching in Minnesota as  
928.19 the teacher of record.

928.20 (f) The applicant's most recent summative evaluation must not have resulted in placing  
928.21 or otherwise keeping the teacher in an improvement process aligned to the district's teacher  
928.22 development and evaluation plan.

928.23 (g) The applicant must have participated in mentorship and evaluation aligned to the  
928.24 district's teacher development and evaluation model under Minnesota Statutes, section  
928.25 122A.40, subdivision 8, or 122A.41, subdivision 5, or, if the statutory models are not  
928.26 practicable, to another identified district-aligned evaluation.

928.27 Subd. 3. **Adding a Tier 4 license.** To add an additional Tier 4 license, the applicant  
928.28 must show evidence of meeting the requirements of subdivision 2, paragraph (d), and section  
928.29 42, subdivision 2, paragraph (d), clause (1), (2), or (3), in the licensure area sought. An  
928.30 applicant may add a teachers of science endorsement by meeting the requirements of  
928.31 Minnesota Rules, part 8710.4770.

928.32 Subd. 4. **Duration.** A Tier 4 license is valid for up to five years and expires on June 30  
928.33 of the expiration year.

929.1 Subd. 5. **Restrictions.** (a) An applicant whose content training or experience does not  
929.2 align to a currently approved Minnesota license, but for which past rules have been adopted,  
929.3 and who meets all other requirements of this part must be issued a Tier 4 license restricted  
929.4 to the scope and licensure area of the applicant's content training or experience.

929.5 (b) Applicants with content training and experience within two grade levels of a currently  
929.6 approved Minnesota licensure scope must be granted the full scope of the Minnesota license.

929.7 **Sec. 44. OUT-OF-FIELD PERMISSION.**

929.8 Subdivision 1. **Purpose.** An out-of-field permission authorizes a teacher holding a Tier  
929.9 3 or 4 license, consistent with this section, to teach in a field not aligned with the Tier 3 or  
929.10 4 license.

929.11 Subd. 2. **Requirements.** (a) The board must issue an out-of-field permission upon request  
929.12 by the designated administrator of the hiring district. The applicant must initiate the  
929.13 application process, and the hiring district must show:

929.14 (1) the applicant holds a valid Tier 3 or 4 license;

929.15 (2) the applicant holds a license other than for a related services position under sections  
929.16 50 to 54 and Minnesota Rules, parts 8710.6000 to 8710.6400;

929.17 (3) the applicant approves the request; and

929.18 (4) the position was posted for at least 15 days on the board-approved statewide job  
929.19 board.

929.20 (b) A committee of board staff designated by the board must review applications  
929.21 requesting emergency placements under this subdivision within two business days. The  
929.22 committee may immediately issue an out-of-field permission based on board-adopted criteria  
929.23 pending review by the board. The board must review applications after the position has  
929.24 been posted on the board-approved statewide job board for 15 days.

929.25 Subd. 3. **Duration.** An out-of-field permission is valid for up to one year and expires  
929.26 on June 30 of the expiration year.

929.27 Subd. 4. **Limitations and exceptions.** (a) An individual cannot hold an out-of-field  
929.28 permission to work in a related services position.

929.29 (b) An out-of-field permission is limited to the licensure area and the district for which  
929.30 it was granted.

930.1 (c) An out-of-field permission granted for a summer school only position may be renewed  
930.2 an unlimited number of times.

930.3 Sec. 45. **INNOVATIVE PROGRAM PERMISSION.**

930.4 Subdivision 1. **Purpose.** An innovative program permission authorizes a licensed teacher,  
930.5 consistent with this section, to teach multiple fields within an established innovative program.

930.6 Subd. 2. **Requirements.** The board must issue an innovative program permission upon  
930.7 request by the designated administrator of the hiring district. The applicant must initiate the  
930.8 application process, and the hiring district must show:

930.9 (1) the applicant holds a Tier 3 or 4 license; and

930.10 (2) the teaching assignment is within an innovative program.

930.11 Subd. 3. **Duration.** An innovative program permission is valid for up to one year and  
930.12 expires on June 30 of the expiration year.

930.13 Subd. 4. **Renewal.** An innovative program permission may be renewed an unlimited  
930.14 number of times.

930.15 Sec. 46. **SHORT-CALL SUBSTITUTE LICENSE.**

930.16 Subdivision 1. **Purpose.** A short-call substitute license authorizes the license holder to  
930.17 replace the same teacher of record for no more than 15 consecutive school days.

930.18 Subd. 2. **Requirements.** The board must issue a short-call substitute license to an  
930.19 applicant who meets the requirements of this subdivision. The applicant must:

930.20 (1) hold the minimum of a bachelor's degree from a college or university located in the  
930.21 United States that is regionally accredited by the Higher Learning Commission or by the  
930.22 regional association for accreditation of colleges and secondary schools, as verified by a  
930.23 college transcript;

930.24 (2) hold a credential from outside the United States that is equivalent to a bachelor's  
930.25 degree, as verified by a credential evaluation completed by a credential evaluator approved  
930.26 by the National Association of Credential Evaluation Services or other board-approved  
930.27 credential evaluation service;

930.28 (3) for applicants in career and technical education fields and career pathway courses  
930.29 of study, have one of the following:

930.30 (i) five years of relevant work experience aligned to the assignment;

931.1 (ii) an associate's degree aligned to the assignment;

931.2 (iii) a professional certification aligned to the assignment from an approved certifying  
931.3 organization; or

931.4 (iv) be enrolled in and making meaningful progress, as defined by the provider, in a  
931.5 board-approved teacher preparation program and have successfully completed student  
931.6 teaching to be employed as a short-call substitute teacher.

931.7 Subd. 3. **Duration.** A short-call substitute license is valid for up to three years and  
931.8 expires on June 30 of the expiration year.

931.9 Subd. 4. **Renewal.** An applicant must reapply for a short-call substitute license upon its  
931.10 expiration.

931.11 **Sec. 47. LIFETIME SUBSTITUTE LICENSE.**

931.12 Subdivision 1. **Purpose.** A lifetime substitute license is issued, consistent with this  
931.13 section, to a retired teacher and authorizes the license holder to replace a teacher of record  
931.14 who is on an approved leave of absence.

931.15 Subd. 2. **Requirements.** The board must issue a lifetime substitute license to an applicant  
931.16 who meets one of the following:

931.17 (1) holds or held a Tier 3 or 4 license, a Minnesota five-year standard license or its  
931.18 equivalent, or a professional license from another state and receives a retirement annuity  
931.19 as a result of the person's teaching experience; or

931.20 (2) holds or held a Tier 3 or 4 license or a Minnesota five-year standard license or its  
931.21 equivalent, taught for at least three years in an accredited nonpublic school in Minnesota,  
931.22 and receives a retirement annuity as a result of the person's teaching experience.

931.23 Subd. 3. **Duration.** A lifetime substitute license does not expire.

931.24 Subd. 4. **Limitations.** A teacher holding a lifetime substitute license may replace the  
931.25 same teacher of record on an approved leave of absence for more than 15 consecutive school  
931.26 days if the substitute teacher's previous Tier 3 or 4 license, Minnesota five-year standard  
931.27 license or its equivalent, or professional license from another state is aligned to the  
931.28 assignment.

932.1 Sec. 48. **TEACHERS OF READING.**

932.2 A candidate for licensure to teach reading to students in kindergarten through grade 12  
 932.3 shall hold or qualify for a teaching license, as defined in section 39, valid for one or more  
 932.4 of the following student levels: elementary, middle, or secondary.

932.5 Sec. 49. **READING LEADER.**

932.6 A candidate for licensure to teach reading to students in kindergarten through grade 12  
 932.7 shall hold or qualify for a teaching license, as defined in section 39, valid for one or more  
 932.8 of the following student levels: elementary, middle, or secondary.

932.9 Sec. 50. **SPEECH-LANGUAGE PATHOLOGIST.**

932.10 Subdivision 1. **Exceptions.** A speech-language pathologist teacher is not required to  
 932.11 pass content, pedagogy, or basic skills examinations.

932.12 Subd. 2. **Requirements for Tier 2 license.** (a) A Tier 2 license issued under section 41  
 932.13 must be issued to a speech-language pathologist teacher if the requirements of this subdivision  
 932.14 are met.

932.15 (b) The applicant must:

932.16 (1) hold a baccalaureate degree in speech-language pathology or communication  
 932.17 disorders; and

932.18 (2) be enrolled in a master's degree program. The recommending institution must agree  
 932.19 in writing to provide supervision for the speech-language pathologist teacher.

932.20 (c) The hiring district must:

932.21 (1) request a Tier 2 license from the board; and

932.22 (2) affirm the applicant will participate in an evaluation aligned to the district's teacher  
 932.23 development and evaluation model under Minnesota Statutes, section 122A.40, subdivision  
 932.24 8, or 122A.41, subdivision 5, or if the statutory models are not practicable, to another  
 932.25 identified district-aligned evaluation.

932.26 Subd. 3. **Requirements for Tier 3 license.** A Tier 3 license issued under section 42  
 932.27 must be issued to a speech-language pathologist teacher if the applicant provides evidence  
 932.28 of:

933.1 (1) having completed a master's degree in speech-language pathology from a program  
 933.2 accredited by the Council on Academic Affairs of the American Speech-Language-Hearing  
 933.3 Association; or

933.4 (2) holding a valid certificate of clinical competence from the American  
 933.5 Speech-Language-Hearing Association.

933.6 Subd. 4. **Requirements for Tier 4 license.** A Tier 4 license issued under section 43  
 933.7 must be issued to a speech-language pathologist teacher if the applicant:

933.8 (1) meets all requirements for a Tier 3 license under subdivision 3;

933.9 (2) has at least three years of experience as a speech-language pathologist teacher in  
 933.10 Minnesota schools; and

933.11 (3) was not placed or otherwise kept in an improvement process aligned to the district's  
 933.12 teacher development and evaluation plan by the applicant's most recent summative evaluation.

933.13 Sec. 51. **SCHOOL NURSE.**

933.14 Subdivision 1. **Exceptions.** A school nurse is not required to pass content, pedagogy,  
 933.15 or basic skills examinations.

933.16 Subd. 2. **Requirements for Tier 3 license.** A Tier 3 license issued under section 42  
 933.17 must be issued to a school nurse if the applicant:

933.18 (1) holds a baccalaureate degree in nursing from a regionally accredited college or  
 933.19 university;

933.20 (2) is currently registered in Minnesota to practice as a licensed registered nurse under  
 933.21 the Board of Nursing; and

933.22 (3) is currently registered in Minnesota as a public health nurse under the Board of  
 933.23 Nursing.

933.24 Subd. 3. **Requirements for Tier 4 license.** A Tier 4 license issued under section 43  
 933.25 must be issued to a school nurse if the applicant:

933.26 (1) meets all requirements for a Tier 3 license under subdivision 2;

933.27 (2) has at least three years of experience as a school nurse in Minnesota; and

933.28 (3) was not placed or otherwise kept in an improvement process aligned to the district's  
 933.29 teacher development and evaluation plan by the applicant's most recent summative evaluation.

934.1 Subd. 4. **Maintaining board of nursing registration.** In order to retain licensure as a  
934.2 school nurse, current registration as a registered nurse and registration as a public health  
934.3 nurse must be maintained at all times. Lapse of this registration or licensure is grounds for  
934.4 revocation of licensure as a school nurse.

934.5 Persons without baccalaureate degrees who hold valid licenses as school nurses may  
934.6 continue to renew their licenses under this subdivision, provided that requirements for  
934.7 renewal are met. However, if a license is allowed to lapse, persons must meet the licensure  
934.8 requirements in subdivision 2 or 3 in order to receive a current school nurse license.

934.9 **Sec. 52. SCHOOL PSYCHOLOGIST.**

934.10 Subdivision 1. **Exceptions.** A school psychologist is not required to pass content,  
934.11 pedagogy, or basic skills examinations.

934.12 Subd. 2. **Requirements for Tier 2 license.** (a) A Tier 2 license issued under section 41  
934.13 must be issued to a school psychologist if the requirements of this subdivision are met.

934.14 (b) The applicant must:

934.15 (1) provide evidence that the applicant has completed a school psychology program not  
934.16 accredited by the National Association of School Psychologists and does not hold a National  
934.17 School Psychologist Certification; or

934.18 (2) hold a master's degree or equivalent in a school psychology program and provide  
934.19 verification of completion of at least three years of preparation required for licensure as a  
934.20 school psychologist. The recommending institution must verify completion of at least three  
934.21 years of preparation required for licensure as a school psychologist, affirm that the institution  
934.22 will assist in designing the learning experience, and provide supervision during the learning  
934.23 experience.

934.24 (c) The hiring district must:

934.25 (1) request a Tier 2 license from the board;

934.26 (2) affirm the applicant will participate in an evaluation aligned to the district's teacher  
934.27 development and evaluation model under Minnesota Statutes, section 122A.40, subdivision  
934.28 8, or 122A.41, subdivision 5, or if the statutory models are not practicable, to another  
934.29 identified district-aligned evaluation; and

934.30 (3) if the applicant obtains a Tier 2 license pursuant to paragraph (b), clause (2), assign  
934.31 a school psychologist who holds a Tier 3 or Tier 4 license issued under sections 42 and 43  
934.32 to supervise the applicant.

935.1 Subd. 3. **Tier 2 license duration; renewal.** (a) A Tier 2 license issued under subdivision  
935.2 2, paragraph (b), clause (1), is valid for up to two years, expires on June 30 of the expiration  
935.3 year, and may be renewed one time pursuant to board rules.

935.4 (b) A Tier 2 license issued under subdivision 2, paragraph (b), clause (2), may be used  
935.5 only in the requesting district, is valid for up to one school year, and expires on the June 30  
935.6 following the date of issuance. The license may be renewed one time upon application to  
935.7 the board if the applicant must complete the equivalent of one school year of internship  
935.8 experience during the following school year. The license shall be revoked by the board if  
935.9 it is demonstrated that the intent and purpose of the licensure have not been fulfilled.

935.10 Subd. 4. **Requirements for Tier 3 license.** A Tier 3 license issued under section 42  
935.11 must be issued to a school psychologist if the applicant has completed a preparation program  
935.12 in school psychology accredited by the National Association of School Psychologists.

935.13 Subd. 5. **Requirements for Tier 4 license.** A Tier 4 license issued under section 43  
935.14 must be issued to a school psychologist if the applicant:

935.15 (1) meets all requirements for a Tier 3 license issued under subdivision 4;

935.16 (2) has at least three years of experience working as a school psychologist in Minnesota;  
935.17 and

935.18 (3) was not placed or otherwise kept in an improvement process aligned to the district's  
935.19 teacher development and evaluation plan by the applicant's most recent summative evaluation.

935.20 Sec. 53. **SCHOOL SOCIAL WORKER.**

935.21 Subdivision 1. **Exceptions.** A school social worker is not required to pass content,  
935.22 pedagogy, or basic skills examinations.

935.23 Subd. 2. **Requirements for Tier 3 license.** A Tier 3 license issued under section 42  
935.24 must be issued to a school social worker if the applicant:

935.25 (1) holds a baccalaureate or master's degree in social work from a program accredited  
935.26 by the Council on Social Work Education; and

935.27 (2) is currently licensed in Minnesota to practice as a social worker under the Board of  
935.28 Social Work.

935.29 Subd. 3. **Requirements for Tier 4 license.** A Tier 4 license issued under section 43  
935.30 must be issued to a school social worker if the applicant:

935.31 (1) meets all requirements for a Tier 3 license under subdivision 2;

936.1 (2) has at least three years of experience working as a school social worker in Minnesota;  
936.2 and

936.3 (3) was not placed or otherwise kept in an improvement process aligned to the district's  
936.4 teacher development and evaluation plan by the applicant's most recent summative evaluation.

936.5 Sec. 54. **SCHOOL COUNSELOR.**

936.6 Subdivision 1. Exceptions. A school counselor is not required to pass content, pedagogy,  
936.7 or basic skills examinations.

936.8 Subd. 2. Requirements for Tier 2 license. (a) A Tier 2 license issued under section 41  
936.9 must be issued to a school counselor if the requirements of this subdivision are met.

936.10 (b) The applicant must:

936.11 (1) hold a baccalaureate degree;

936.12 (2) be enrolled in an accredited school counselor education program;

936.13 (3) have accumulated no less than 24 semester credit hours in school counseling-specific  
936.14 coursework or content, including introduction to the field, counseling skills, and ethical  
936.15 standards; and

936.16 (4) verify to the board in writing a plan of study of full- or part-time enrollment to achieve  
936.17 licensure within three years.

936.18 (c) The hiring district must show the position was posted for at least 15 days on the  
936.19 board-approved statewide job board.

936.20 (d) The hiring district must:

936.21 (1) request a Tier 2 license from the board; and

936.22 (2) affirm the applicant will participate in an evaluation aligned to the district's teacher  
936.23 development and evaluation model under Minnesota Statutes, section 122A.40, subdivision  
936.24 8, or 122A.41, subdivision 5, or if the statutory models are not practicable, to another  
936.25 identified district-aligned evaluation.

936.26 (e) Applicants granted a license to practice under this subdivision must obtain approval  
936.27 to practice in writing from the school counseling program in which they are enrolled and  
936.28 must be supervised by a duly licensed school counselor with no less than two years of  
936.29 full-time practice experience.

936.30 Subd. 3. Tier 2 license duration. A Tier 2 license issued under subdivision 2 is valid  
936.31 for two years and may be renewed one time.

937.1 Subd. 4. Requirements for Tier 3 license. A Tier 3 license issued under section 42  
 937.2 must be issued to a school counselor if the applicant:

937.3 (1) holds a master's degree or the equivalent in school counseling from a college or  
 937.4 university that is regionally accredited by the association for the accreditation of colleges  
 937.5 and secondary schools; and

937.6 (2) shows verification of having completed a preparation program approved by the state  
 937.7 where the program resides or the Council for the Accreditation of Counseling and Related  
 937.8 Educational Services.

937.9 Subd. 5. Requirements for Tier 4 license. A Tier 4 license issued under section 43  
 937.10 must be issued to a school counselor if the applicant:

937.11 (1) meets all requirements for a Tier 3 license issued under subdivision 4;

937.12 (2) has at least three years of experience working as a school counselor in Minnesota;  
 937.13 and

937.14 (3) was not placed or otherwise kept in an improvement process aligned to the district's  
 937.15 teacher development and evaluation plan by the applicant's most recent summative evaluation.

937.16 **Sec. 55. DUTY OF LICENSEE TO RENEW.**

937.17 It is the responsibility of the person seeking the renewal of a Tier 3 or 4 teaching license  
 937.18 to comply with licensure renewal requirements and to submit the application, appropriate  
 937.19 verification, and other supporting materials to the local continuing education/relicensure  
 937.20 committee, in accordance with procedures and due dates established by that committee.

937.21 **Sec. 56. CAREER PATHWAYS TEACHER.**

937.22 Subdivision 1. Scope of practice. A career pathways teacher is authorized to teach  
 937.23 students the skills and information necessary for a specific career where that career does  
 937.24 not necessarily require a four-year degree and in which there are not board rules in place.  
 937.25 Such careers include but are not limited to law enforcement, cosmetology, and park services.

937.26 Subd. 2. Licensure requirements. (a) A candidate for licensure as a career pathways  
 937.27 teacher must meet the requirements of this subdivision.

937.28 (b) The applicant must have one of the following:

937.29 (1) five years of relevant work experience;

937.30 (2) at least an associate's degree aligned to the career field; or

938.1 (3) a professional certification aligned to the career field from an approved certifying  
 938.2 organization.

938.3 (c) The applicant must demonstrate to the board the standards of effective practice under  
 938.4 Minnesota Rules, part 8710.2000, have been met through standards of effective practice  
 938.5 coursework or experiences through a teacher preparation provider.

938.6 Sec. 57. **REPEALER.**

938.7 (a) Minnesota Rules, parts 8700.7620; 8710.0300, subparts 1, 1a, 2, 2a, 2b, 3, 5, 6, 7,  
 938.8 8, 9, 10, and 11; 8710.1000; 8710.1050; 8710.1250; 8710.1400; and 8710.1410, are repealed.

938.9 (b) Minnesota Statutes 2017 Supplement, section 122A.09, subdivision 1, and Minnesota  
 938.10 Rules, part 8710.2100, subparts 1 and 2, are repealed.

938.11 **EFFECTIVE DATE.** Paragraph (a) is effective October 1, 2018. Paragraph (b) is  
 938.12 effective the day following final enactment.

938.13

## ARTICLE 50

938.14

### SPECIAL EDUCATION

938.15 Section 1. Minnesota Statutes 2016, section 120A.20, subdivision 2, is amended to read:

938.16 Subd. 2. **Education, residence, and transportation of homeless.** (a) Notwithstanding  
 938.17 subdivision 1, a district must not deny free admission to a homeless pupil solely because  
 938.18 the district cannot determine that the pupil is a resident of the district.

938.19 (b) The school district of residence for a homeless pupil shall be the school district in  
 938.20 which the parent or legal guardian resides, unless: (1) parental rights have been terminated  
 938.21 by court order; (2) the parent or guardian is not living within the state; or (3) the parent or  
 938.22 guardian having legal custody of the child is an inmate of a Minnesota correctional facility  
 938.23 or is a resident of a halfway house under the supervision of the commissioner of corrections.  
 938.24 If any of clauses (1) to (3) apply, the school district of residence shall be the school district  
 938.25 in which the pupil resided when the qualifying event occurred. If no other district of residence  
 938.26 can be established, the school district of residence shall be the school district in which the  
 938.27 pupil currently resides. If there is a dispute between school districts regarding residency,  
 938.28 the district of residence is the district designated by the commissioner of education.

938.29 (c) Except as provided in paragraph (d), the serving district is responsible for transporting  
 938.30 a homeless pupil to and from the pupil's district of residence. The district may transport  
 938.31 from a permanent home in another district but only through the end of the academic school  
 938.32 year. When a pupil is enrolled in a charter school, the district or school that provides

939.1 transportation for other pupils enrolled in the charter school is responsible for providing  
 939.2 transportation. When a homeless student with or without an individualized education program  
 939.3 attends a public school other than an independent or special school district or charter school,  
 939.4 the district of residence is responsible for transportation.

939.5 (d) For a homeless pupil with an individualized education program enrolled in a program  
 939.6 authorized by an intermediate school district, special education cooperative, service  
 939.7 cooperative, or education district, the serving district at the time of the pupil's enrollment  
 939.8 in the program remains responsible for transporting that pupil for the remainder of the school  
 939.9 year, unless the initial serving district and the current serving district mutually agree that  
 939.10 the current serving district is responsible for transporting the homeless pupil.

939.11 **EFFECTIVE DATE.** This section is effective July 1, 2018.

939.12 Sec. 2. Laws 2017, First Special Session chapter 5, article 2, section 56, is amended to  
 939.13 read:

939.14 Sec. 56. **INTERMEDIATE SCHOOL DISTRICT MENTAL HEALTH**  
 939.15 **INNOVATION GRANT PROGRAM; APPROPRIATION.**

939.16 (a) \$2,450,000 in fiscal year 2018 and \$2,450,000 in fiscal year 2019 are appropriated  
 939.17 from the general fund to the commissioner of human services for a grant program to fund  
 939.18 innovative projects to improve mental health outcomes for youth attending a qualifying  
 939.19 school unit.

939.20 (b) A "qualifying school unit" means an intermediate district organized under Minnesota  
 939.21 Statutes, section 136D.01, or a service cooperative organized under Minnesota Statutes,  
 939.22 section 123A.21, subdivision 1, paragraph (a), clause (2), that provides instruction to students  
 939.23 in a setting of federal instructional level 4 or higher. Grants under paragraph (a) must be  
 939.24 awarded to eligible applicants such that the services are proportionately provided among  
 939.25 qualifying school units. The commissioner shall calculate the share of the appropriation to  
 939.26 be used in each qualifying school unit by dividing the qualifying school unit's average daily  
 939.27 membership in a setting of federal instructional level 4 or higher for fiscal year 2016 by the  
 939.28 total average daily membership in a setting of federal instructional level 4 or higher for the  
 939.29 same year for all qualifying school units.

939.30 (c) An eligible applicant is an entity that has demonstrated capacity to serve the youth  
 939.31 identified in paragraph (a) and that is:

939.32 (1) certified under Minnesota Rules, parts 9520.0750 to 9520.0870;

940.1 (2) a community mental health center under Minnesota Statutes, section 256B.0625,  
940.2 subdivision 5;

940.3 (3) an Indian health service facility or facility owned and operated by a tribe or tribal  
940.4 organization operating under United States Code, title 25, section 5321; ~~or~~

940.5 (4) a provider of children's therapeutic services and supports as defined in Minnesota  
940.6 Statutes, section 256B.0943; or

940.7 (5) enrolled in medical assistance as a mental health or substance use disorder provider  
940.8 agency and must employ at least two full-time equivalent mental health professionals as  
940.9 defined in Minnesota Statutes, section 245.4871, subdivision 27, clauses (1) to (6), or alcohol  
940.10 and drug counselors licensed or exempt from licensure under chapter 148F who are qualified  
940.11 to provide clinical services to children and families.

940.12 (d) An eligible applicant must employ or contract with at least two licensed mental health  
940.13 professionals as defined in Minnesota Statutes, section 245.4871, subdivision 27, clauses  
940.14 (1) to (6), who have formal training in evidence-based practices.

940.15 (e) A qualifying school unit must submit an application to the commissioner in the form  
940.16 and manner specified by the commissioner. The commissioner may approve an application  
940.17 that describes models for innovative projects to serve the needs of the schools and students.  
940.18 The commissioner may provide technical assistance to the qualifying school unit. The  
940.19 commissioner shall then solicit grant project proposals and award grant funding to the  
940.20 eligible applicants whose project proposals best meet the requirements of this section and  
940.21 most closely adhere to the models created by the intermediate districts and service  
940.22 cooperatives.

940.23 (f) To receive grant funding, an eligible applicant must obtain a letter of support for the  
940.24 applicant's grant project proposal from each qualifying school unit the eligible applicant is  
940.25 proposing to serve. An eligible applicant must also demonstrate the following:

940.26 (1) the ability to seek third-party reimbursement for services;

940.27 (2) the ability to report data and outcomes as required by the commissioner; and

940.28 (3) the existence of partnerships with counties, tribes, substance use disorder providers,  
940.29 and mental health service providers, including providers of mobile crisis services.

940.30 (g) Grantees shall obtain all available third-party reimbursement sources as a condition  
940.31 of receiving grant funds. For purposes of this grant program, a third-party reimbursement  
940.32 source does not include a public school as defined in Minnesota Statutes, section 120A.20,  
940.33 subdivision 1.

941.1 (h) The base budget for this program is \$0. This appropriation is available until June 30,  
941.2 2020.

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

941.4 Sec. 3. Laws 2017, First Special Session chapter 5, article 4, section 11, is amended to  
941.5 read:

941.6 Sec. 11. **SPECIAL EDUCATION ADJUSTMENT; MONTICELLO SCHOOL**  
941.7 **DISTRICT.**

941.8 (a) Notwithstanding Minnesota Statutes, sections 125A.76 and 127A.45, special education  
941.9 aid payments to Independent School District No. 882, Monticello, must be increased by  
941.10 \$800,000 in fiscal year 2018 to mitigate cash flow problems created by an unforeseeable  
941.11 reduction in the district's special education aid for fiscal year 2016 as a result of the combined  
941.12 effects of converting from a host district cooperative to a joint powers cooperative and  
941.13 implementation of a new special education aid formula in the same fiscal year.

941.14 (b) Special education aid payments to Independent School District No. 882, Monticello,  
941.15 must not be reduced by ~~the same amount~~ in fiscal year 2019 to offset the fiscal year 2018  
941.16 increase.

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

941.18 Sec. 4. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 2, as  
941.19 amended by Laws 2017, First Special Session chapter 7, section 12, is amended to read:

941.20 Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes,  
941.21 section 125A.75:

941.22		<del>1,341,161,000</del>		
941.23	\$	<u>1,366,903,000</u>	.....	2018
941.24		<del>1,426,827,000</del>		
941.25	\$	<u>1,468,721,000</u>	.....	2019

941.26 The 2018 appropriation includes \$156,403,000 for 2017 and ~~\$1,184,758,000~~  
941.27 \$1,210,500,000 for 2018.

941.28 The 2019 appropriation includes ~~\$166,667,000~~ \$170,291,000 for 2018 and  
941.29 ~~\$1,260,160,000~~ \$1,298,430,000 for 2019.

942.1 Sec. 5. **SPECIAL EDUCATION LEGISLATIVE WORKING GROUP.**

942.2 **Subdivision 1. Duties.** A legislative working group on special education is created to  
942.3 review special education delivery and costs in Minnesota and submit a written report to the  
942.4 legislature. The working group must:

942.5 (1) review how school districts, charter schools, intermediate school districts, special  
942.6 education cooperatives, education districts, service cooperatives, and nonpublic schools  
942.7 deliver special education services, and the costs and benefits associated with each model;

942.8 (2) compare relevant state and federal special education laws and regulations by reviewing  
942.9 the 2013 evaluation report by the Office of the Legislative Auditor on special education  
942.10 and other publicly available reports;

942.11 (3) analyze trends in special education enrollment and the reasons for the increased  
942.12 proportion of Minnesota students receiving special education, including identifying disparities  
942.13 in student identification;

942.14 (4) identify strategies or programs that would be effective in reducing the need for special  
942.15 education services or could provide less-intensive special education services, when  
942.16 appropriate;

942.17 (5) analyze funding for children receiving special education services in a nonresident  
942.18 district or charter school in accordance with Minnesota Statutes, sections 124E.21, 125A.11,  
942.19 and 127A.47;

942.20 (6) analyze the effect of the 2013 statutory changes to the state special education funding  
942.21 formula, including interactions and conformity with federal funding formulas;

942.22 (7) describe how school districts and charter schools use section 504 plans, including  
942.23 criteria used to determine when a section 504 plan is appropriate and the prevalence of  
942.24 section 504 plans in school districts and charter schools; and

942.25 (8) review the 2013 evaluation report by the Office of the Legislative Auditor on special  
942.26 education and whether any recommendations have been enacted or implemented.

942.27 **Subd. 2. Membership.** (a) The legislative working group on special education consists  
942.28 of:

942.29 (1) six duly elected and currently serving members of the house of representatives, three  
942.30 appointed by the speaker of the house and three appointed by the house minority leader,  
942.31 two of whom must be the current chairs of the house of representatives Education Innovation  
942.32 Policy Committee and Education Finance Committee; and

943.1 (2) six duly elected and currently serving senators, three appointed by the senate majority  
 943.2 leader and three appointed by the senate minority leader, two of whom must be the current  
 943.3 chairs of the senate Education Policy Committee and Education Finance Committee.

943.4 (b) Only duly elected and currently serving members of the house of representatives or  
 943.5 senate may be members of the special education legislative working group. A chair of an  
 943.6 education committee appointed under paragraph (a) may designate another member of the  
 943.7 chair's chamber to attend a meeting of the legislative working group in place of the chair.

943.8 Subd. 3. **Organization; process; administrative and technical support.** The special  
 943.9 education legislative working group appointments must be made by July 1, 2018. If a vacancy  
 943.10 occurs, the leader of the caucus in the house of representatives or senate to which the vacating  
 943.11 working group member belonged must fill the vacancy. The chair of the house of  
 943.12 representatives Education Innovation Policy Committee shall serve as a cochair of the  
 943.13 working group. The chair of the senate Education Policy Committee shall serve as a cochair  
 943.14 of the working group and shall convene the first meeting. The working group must meet  
 943.15 periodically. Meetings of the working group must be open to the public. The Legislative  
 943.16 Coordinating Commission must provide administrative assistance upon request. The  
 943.17 Department of Education must provide technical assistance upon request.

943.18 Subd. 4. **Consultation with stakeholders.** In developing its recommendations, the  
 943.19 special education legislative working group must consult with interested and affected  
 943.20 stakeholders.

943.21 Subd. 5. **Report.** The special education legislative working group must submit a report  
 943.22 providing its findings and policy recommendations to the legislature by January 15, 2019.

943.23 Subd. 6. **Expiration.** The special education legislative working group expires January  
 943.24 16, 2019, unless extended by law.

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

## 943.26 **ARTICLE 51**

### 943.27 **FACILITIES, TECHNOLOGY, LIBRARIES, AND NUTRITION**

943.28 Section 1. Minnesota Statutes 2017 Supplement, section 121A.335, subdivision 3, is  
 943.29 amended to read:

943.30 Subd. 3. **Frequency of testing.** (a) The plan under subdivision 2 must include a testing  
 943.31 schedule for every building serving prekindergarten through grade 12 students. The schedule  
 943.32 must require that each building be tested at least once every five years. A school district

944.1 must begin testing school buildings by July 1, 2018, and complete testing of all buildings  
944.2 that serve students within five years.

944.3 (b) The commissioner of education must, in consultation with the commissioner of  
944.4 health, determine the maximum contaminant level for lead in school drinking water. The  
944.5 maximum contaminant level must be compatible with the United States Environmental  
944.6 Protection Agency's lead and copper rule. A school district that finds the presence of lead  
944.7 exceeds the maximum contaminant level in any water source that can provide water for  
944.8 consumption must either remediate that water source and immediately shut off the water  
944.9 source until the source is remediated, or make the water source unavailable.

944.10 Sec. 2. Minnesota Statutes 2017 Supplement, section 121A.335, subdivision 5, is amended  
944.11 to read:

944.12 Subd. 5. **Reporting.** A school district that has tested its buildings for the presence of  
944.13 lead shall make the results of the testing available to the public for review and must notify  
944.14 parents of the availability of the information. If a test conducted under subdivision 3,  
944.15 paragraph (a), reveals that the presence of lead exceeds the maximum contaminant level,  
944.16 the school district must immediately directly notify parents of the test result and any steps  
944.17 taken to remediate the water source or make the water source unavailable.

944.18 Sec. 3. Minnesota Statutes 2016, section 123B.52, subdivision 6, is amended to read:

944.19 Subd. 6. **Disposing of surplus school computers.** (a) Notwithstanding section 471.345,  
944.20 governing school district contracts made upon sealed bid or otherwise complying with the  
944.21 requirements for competitive bidding, other provisions of this section governing school  
944.22 district contracts, or other law to the contrary, a school district under this subdivision may  
944.23 dispose of school computers, including a tablet device.

944.24 (b) A school district may dispose of a surplus school computer and related equipment  
944.25 if the district disposes of the surplus property by conveying the property and title to:

944.26 (1) another school district;

944.27 (2) the state Department of Corrections;

944.28 (3) the Board of Trustees of the Minnesota State Colleges and Universities; or

944.29 (4) the family of a student residing in the district whose total family income meets the  
944.30 federal definition of poverty.

945.1 (c) If surplus school computers are not disposed of under paragraph (b), upon adoption  
 945.2 of a written resolution of the school board, when updating or replacing school computers,  
 945.3 including tablet devices, used primarily by students, a school district may sell or give used  
 945.4 computers or tablets to qualifying students at the price specified in the written resolution.  
 945.5 A student is eligible to apply to the school board for a computer or tablet under this  
 945.6 subdivision if the student is currently enrolled in the school and intends to enroll in the  
 945.7 school in the year following the receipt of the computer or tablet. If more students apply  
 945.8 for computers or tablets than are available, the school must first qualify students whose  
 945.9 families are eligible for free or reduced-price meals, and then dispose of the remaining  
 945.10 computers or tablets by lottery.

945.11 **EFFECTIVE DATE.** This section is effective July 1, 2018.

945.12 Sec. 4. Minnesota Statutes 2017 Supplement, section 123B.52, subdivision 7, is amended  
 945.13 to read:

945.14 Subd. 7. **Food service contracts.** A contract between a school board and a food service  
 945.15 management company that complies with Code of Federal Regulations, title 7, section  
 945.16 210.16, 225.15, paragraph (m), or 226.21 may be renewed annually after its initial term for  
 945.17 not more than four additional years.

945.18 Sec. 5. Minnesota Statutes 2016, section 123B.595, is amended by adding a subdivision  
 945.19 to read:

945.20 Subd. 13. **Allocation from districts participating in agreements for secondary**  
 945.21 **education or interdistrict cooperation.** For purposes of this section, a district with revenue  
 945.22 authority under subdivision 1 for indoor air quality, fire alarm and suppression, and asbestos  
 945.23 abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000  
 945.24 or more per site and that participates in an agreement under section 123A.30 or 123A.32  
 945.25 may allocate the revenue authority among participating districts.

945.26 Sec. 6. Minnesota Statutes 2016, section 124D.111, is amended to read:

945.27 **124D.111 SCHOOL MEALS POLICIES; LUNCH AID; FOOD SERVICE**  
 945.28 **ACCOUNTING.**

945.29 Subdivision 1. **School ~~lunch aid computation~~ meals policies.** (a) Each Minnesota  
 945.30 participant in the national school lunch program must adopt and post to its Web site, or the  
 945.31 Web site of the organization where the meal is served, a school meals policy.

946.1 (b) The policy must be in writing and clearly communicate student meal charges when  
946.2 payment cannot be collected at the point of service. The policy must be reasonable and  
946.3 well-defined and maintain the dignity of students by prohibiting lunch shaming or otherwise  
946.4 ostracizing the student.

946.5 (c) The policy must address whether the participant uses a collections agency to collect  
946.6 unpaid school meals debt.

946.7 (d) The policy must ensure that once a participant has placed a meal on a tray or otherwise  
946.8 served the meal to a student, the meal may not be subsequently withdrawn from the student  
946.9 by the cashier or other school official, whether or not the student has an outstanding meals  
946.10 balance.

946.11 (e) The policy must ensure that a student who has been determined eligible for free and  
946.12 reduced-price lunch must always be served a reimbursable meal even if the student has an  
946.13 outstanding debt.

946.14 (f) If a school contracts with a third party for its meal services, it must provide the vendor  
946.15 with its school meals policy. Any contract between the school and a third-party provider  
946.16 entered into or modified after July 1, 2018, must ensure that the third-party provider adheres  
946.17 to the participant's school meals policy.

946.18 **Subd. 1a. School lunch aid amounts.** Each school year, the state must pay participants  
946.19 in the national school lunch program the amount of 12.5 cents for each full paid and free  
946.20 student lunch and 52.5 cents for each reduced-price lunch served to students.

946.21 **Subd. 2. Application.** A school district, charter school, nonpublic school, or other  
946.22 participant in the national school lunch program shall apply to the department for this  
946.23 payment on forms provided by the department.

946.24 **Subd. 2a. Federal child and adult care food program; criteria and notice.** The  
946.25 commissioner must post on the department's Web site eligibility criteria and application  
946.26 information for nonprofit organizations interested in applying to the commissioner for  
946.27 approval as a multisite sponsoring organization under the federal child and adult care food  
946.28 program. The posted criteria and information must inform interested nonprofit organizations  
946.29 about:

946.30 (1) the criteria the commissioner uses to approve or disapprove an application, including  
946.31 how an applicant demonstrates financial viability for the Minnesota program, among other  
946.32 criteria;

947.1 (2) the commissioner's process and time line for notifying an applicant when its  
947.2 application is approved or disapproved and, if the application is disapproved, the explanation  
947.3 the commissioner provides to the applicant; and

947.4 (3) any appeal or other recourse available to a disapproved applicant.

947.5 Subd. 3. **School food service fund.** (a) The expenses described in this subdivision must  
947.6 be recorded as provided in this subdivision.

947.7 (b) In each district, the expenses for a school food service program for pupils must be  
947.8 attributed to a school food service fund. Under a food service program, the school food  
947.9 service may prepare or serve milk, meals, or snacks in connection with school or community  
947.10 service activities.

947.11 (c) Revenues and expenditures for food service activities must be recorded in the food  
947.12 service fund. The costs of processing applications, accounting for meals, preparing and  
947.13 serving food, providing kitchen custodial services, and other expenses involving the preparing  
947.14 of meals or the kitchen section of the lunchroom may be charged to the food service fund  
947.15 or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial  
947.16 services, lunchroom utilities, and other administrative costs of the food service program  
947.17 must be charged to the general fund.

947.18 That portion of superintendent and fiscal manager costs that can be documented as  
947.19 attributable to the food service program may be charged to the food service fund provided  
947.20 that the school district does not employ or contract with a food service director or other  
947.21 individual who manages the food service program, or food service management company.  
947.22 If the cost of the superintendent or fiscal manager is charged to the food service fund, the  
947.23 charge must be at a wage rate not to exceed the statewide average for food service directors  
947.24 as determined by the department.

947.25 (d) Capital expenditures for the purchase of food service equipment must be made from  
947.26 the general fund and not the food service fund, unless the restricted balance in the food  
947.27 service fund at the end of the last fiscal year is greater than the cost of the equipment to be  
947.28 purchased.

947.29 (e) If the condition set out in paragraph (d) applies, the equipment may be purchased  
947.30 from the food service fund.

947.31 (f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit  
947.32 is not eliminated by revenues from food service operations in the next fiscal year, then the  
947.33 deficit must be eliminated by a permanent fund transfer from the general fund at the end of

948.1 that second fiscal year. However, if a district contracts with a food service management  
948.2 company during the period in which the deficit has accrued, the deficit must be eliminated  
948.3 by a payment from the food service management company.

948.4 (g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund  
948.5 for up to three years without making the permanent transfer if the district submits to the  
948.6 commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at  
948.7 the end of the third fiscal year.

948.8 (h) If a surplus in the food service fund exists at the end of a fiscal year for three  
948.9 successive years, a district may recode for that fiscal year the costs of lunchroom supervision,  
948.10 lunchroom custodial services, lunchroom utilities, and other administrative costs of the food  
948.11 service program charged to the general fund according to paragraph (c) and charge those  
948.12 costs to the food service fund in a total amount not to exceed the amount of surplus in the  
948.13 food service fund.

948.14 Subd. 4. **No fees.** A participant that receives school lunch aid under this section must  
948.15 make lunch available without charge and must not deny a school lunch to all participating  
948.16 students who qualify for free or reduced-price meals, whether or not that student has an  
948.17 outstanding balance in the student's meals account attributable to a la carte purchases or for  
948.18 any other reason.

948.19 Subd. 5. **Respectful treatment.** (a) The participant must also provide meals to students  
948.20 in a respectful manner according to the policy adopted under subdivision 1. The participant  
948.21 must ensure that any reminders for payment of outstanding student meal balances do not  
948.22 demean or stigmatize any child participating in the school lunch program-, including but  
948.23 not limited to dumping meals, withdrawing a meal that has been served, announcing or  
948.24 listing students names publicly, or affixing stickers, stamps, or pins. The participant must  
948.25 not impose any other restriction prohibited under section 123B.37 due to unpaid student  
948.26 meal balances. The participant must not limit a student's participation in any school activities,  
948.27 graduation ceremonies, field trips, athletics, activity clubs, or other extracurricular activities  
948.28 or access to materials, technology, or other items provided to students due to an unpaid  
948.29 student meal balance.

948.30 (b) If the commissioner or the commissioner's designee determines a participant has  
948.31 violated the requirement to provide meals to participating students in a respectful manner,  
948.32 the commissioner or the commissioner's designee must send a letter of noncompliance to  
948.33 the participant. The participant is required to respond and, if applicable, remedy the practice  
948.34 within 60 days.

949.1 **EFFECTIVE DATE.** This section is effective July 1, 2018.

949.2 Sec. 7. Minnesota Statutes 2016, section 125B.26, subdivision 4, is amended to read:

949.3 Subd. 4. **District aid.** ~~For fiscal year 2006 and later,~~ A district, charter school, or  
 949.4 intermediate school district's Internet access equity aid equals the district, charter school,  
 949.5 or intermediate school district's approved cost for the previous fiscal year according to  
 949.6 subdivision 1 ~~exceeding \$16 times the district's adjusted pupil units for the previous fiscal~~  
 949.7 ~~year or no reduction if the district is part of an organized telecommunications access cluster.~~  
 949.8 Equity aid must be distributed to the telecommunications access cluster for districts, charter  
 949.9 schools, or intermediate school districts that are members of the cluster or to individual  
 949.10 districts, charter schools, or intermediate school districts not part of a telecommunications  
 949.11 access cluster.

949.12 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2019 and later.

949.13 Sec. 8. Minnesota Statutes 2016, section 134.355, subdivision 10, is amended to read:

949.14 Subd. 10. **Award of funds.** (a) The commissioner of education ~~shall~~ must develop an  
 949.15 application and a reporting form and procedures for regional library telecommunications  
 949.16 aid. Aid shall be based on actual costs including, but not limited to, connections, as  
 949.17 documented in e-rate funding commitment decision letters for category one services and  
 949.18 acceptable documentation for category two services and funds available for this purpose.  
 949.19 The commissioner ~~shall~~ must make payments directly to the regional public library system.

949.20 (b) On March 15 of 2019, 2020, and 2021, the commissioner of education must reallocate  
 949.21 any unspent amounts appropriated for paragraph (a) to regional library systems for broadband  
 949.22 innovation programs, including equipment purchases, hot spot access devices, and other  
 949.23 programs designed to increase Internet access.

949.24 (c) By January 15 of 2020, 2021, and 2022, the commissioner of education must report  
 949.25 to the legislative committees with jurisdiction over education on the previous fiscal year's  
 949.26 spending under this subdivision and make any recommendations for necessary program  
 949.27 changes.

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

949.29 Sec. 9. Minnesota Statutes 2016, section 205A.07, subdivision 2, is amended to read:

949.30 Subd. 2. **Sample ballot, posting.** (a) For every school district primary, general, or special  
 949.31 election, the school district clerk ~~shall~~ must at least four days before the primary, general,

950.1 or special election, post a sample ballot in the administrative offices of the school district  
 950.2 for public inspection, and ~~shall~~ must post a sample ballot in each polling place on election  
 950.3 day.

950.4 (b) For a school district general or special election to issue bonds to finance a capital  
 950.5 project requiring review and comment under section 123B.71, the summary of the  
 950.6 commissioner's review and comment and supplemental information required under section  
 950.7 123B.71, subdivision 12, paragraph (a), must be posted in the same manner as the sample  
 950.8 ballot under paragraph (a).

950.9 **EFFECTIVE DATE.** This section is effective for elections held on or after August 1,  
 950.10 2018.

950.11 Sec. 10. Minnesota Statutes 2016, section 299F.30, subdivision 1, is amended to read:

950.12 Subdivision 1. **Duties of fire marshal.** Consistent with sections 121A.035, 121A.037,  
 950.13 and this section, it ~~shall be~~ is the duty of the state fire marshal, deputies and assistants, to  
 950.14 require public and private schools and educational institutions to have at least five fire drills  
 950.15 each school year, including at least three drills as provided under subdivision 2, paragraph  
 950.16 (a), and to keep all doors and exits unlocked from the inside of the building during school  
 950.17 hours.

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

950.19 Sec. 11. Minnesota Statutes 2016, section 299F.30, subdivision 2, is amended to read:

950.20 Subd. 2. **Fire drill.** (a) Each superintendent, principal, or other person in charge of a  
 950.21 public or private school, educational institution, children's home or orphanage housing 20  
 950.22 or more students or other persons, ~~shall~~ must instruct and train such students or other persons  
 950.23 to quickly and expeditiously quit the premises in case of fire or other emergency by means  
 950.24 of drills or rapid dismissals while such school, institution, home, or orphanage is in operation.

950.25 (b) In addition to the drills required under paragraph (a), a public or private school or  
 950.26 educational institution may implement an alternative fire drill that does not require students  
 950.27 or other persons to quit the premises. A school or educational institution choosing to develop  
 950.28 and implement nonevacuating fire drill protocols must work in partnership with the local  
 950.29 fire chief or the fire chief's designee and chief law enforcement officers or their designee.

950.30 (c) Records of such fire drills shall must be posted so that such records are available for  
 950.31 review by the state fire marshal at all times and ~~shall~~ must include the type of drill conducted,

951.1 nonevacuation or evacuation, and drill date and the time required to evacuate the building,  
 951.2 if the drill required an evacuation.

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

951.4 Sec. 12. Minnesota Statutes 2016, section 475.58, subdivision 4, is amended to read:

951.5 Subd. 4. **Proper use of bond proceeds.** The proceeds of obligations issued after approval  
 951.6 of the electors under this section ~~may~~ must only be spent: (1) for the purposes stated in the  
 951.7 ballot language; or (2) to pay, redeem, or defease obligations and interest, penalties,  
 951.8 premiums, and costs of issuance of the obligations. The proceeds ~~may~~ must not be spent  
 951.9 for a different purpose or for an expansion of the original purpose without the approval by  
 951.10 a majority of the electors voting on the question of changing or expanding the purpose of  
 951.11 the obligations.

951.12 Sec. 13. Minnesota Statutes 2017 Supplement, section 475.59, subdivision 1, is amended  
 951.13 to read:

951.14 Subdivision 1. **Generally; notice.** (a) When the governing body of a municipality resolves  
 951.15 to issue bonds for any purpose requiring the approval of the electors, it shall provide for  
 951.16 submission of the proposition of their issuance at a general or special election or town or  
 951.17 school district meeting. Notice of such election or meeting shall be given in the manner  
 951.18 required by law and shall state the maximum amount and the purpose of the proposed issue.

951.19 (b) In any school district, the school board or board of education may, according to its  
 951.20 judgment and discretion, submit as a single ballot question or as two or more separate  
 951.21 questions in the notice of election and ballots the proposition of their issuance for any one  
 951.22 or more of the following, stated conjunctively or in the alternative: acquisition or enlargement  
 951.23 of sites, acquisition, betterment, erection, furnishing, equipping of one or more new  
 951.24 schoolhouses, remodeling, repairing, improving, adding to, betterment, furnishing, equipping  
 951.25 of one or more existing schoolhouses. The ballot question or questions submitted by a school  
 951.26 board must state the name of the plan or plans being proposed by the district as submitted  
 951.27 to the commissioner of education for review and comment under section 123B.71.

951.28 (c) In any city, town, or county, the governing body may, according to its judgment and  
 951.29 discretion, submit as a single ballot question or as two or more separate questions in the  
 951.30 notice of election and ballots the proposition of their issuance, stated conjunctively or in  
 951.31 the alternative, for the acquisition, construction, or improvement of any facilities at one or  
 951.32 more locations.

952.1 **EFFECTIVE DATE.** This section is effective for elections held on or after August 1,  
 952.2 2018.

952.3 Sec. 14. Laws 2017, First Special Session chapter 5, article 5, section 14, subdivision 4,  
 952.4 is amended to read:

952.5 Subd. 4. **Equity in telecommunications access aid.** (a) For equity in telecommunications  
 952.6 access aid under Minnesota Statutes, section 125B.26:

952.7 \$ 3,750,000 ..... 2018

952.8 ~~3,750,000~~

952.9 \$ 3,950,000 ..... 2019

952.10 (b) If the appropriation amount is insufficient, the commissioner shall reduce the  
 952.11 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the  
 952.12 revenue for fiscal years 2018 and 2019 shall be prorated.

952.13 (c) Any balance in the first year does not cancel but is available in the second year.

952.14 (d) The base for fiscal year 2020 is \$3,750,000.

952.15 Sec. 15. Laws 2017, First Special Session chapter 5, article 7, section 2, subdivision 5, is  
 952.16 amended to read:

952.17 Subd. 5. **Regional library telecommunications aid.** (a) For regional library  
 952.18 telecommunications aid under Minnesota Statutes, section 134.355:

952.19 \$ 2,300,000 ..... 2018

952.20 \$ 2,300,000 ..... 2019

952.21 (b) The 2018 appropriation includes \$230,000 for 2017 and \$2,070,000 for 2018.

952.22 (c) The 2019 appropriation includes \$230,000 for 2018 and \$2,070,000 for 2019.

952.23 (d) Any balance in the first year does not cancel but is available in the second year.

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

952.25 Sec. 16. **APPROPRIATIONS.**

952.26 Subdivision 1. **Department of Education.** The sum indicated in this section is  
 952.27 appropriated from the general fund to the Department of Education for the fiscal year  
 952.28 designated.

952.29 Subd. 2. **Fiscal year 2019 additional telecommunications equity access aid.** (a) For  
 952.30 additional telecommunications equity access aid under Minnesota Statutes, section 125B.26:

953.1           \$           362,000    ..... 2019

953.2           (b) For fiscal year 2019 only, a school district or charter school is eligible for additional  
953.3 telecommunications equity access aid equal to the greater of zero or:

953.4           (1) the district's approved costs under Minnesota Statutes, section 125B.26, subdivision  
953.5 1; minus

953.6           (2) the district's aid under Minnesota Statutes, section 125B.26, subdivision 4; minus

953.7           (3) \$7 times the adjusted pupil units.

953.8           (c) This is a onetime appropriation. If the appropriation amount is insufficient, the  
953.9 commissioner must prorate the additional aid.

953.10

## ARTICLE 52

953.11

### EARLY EDUCATION, SELF-SUFFICIENCY, AND LIFELONG LEARNING

953.12       Section 1. Minnesota Statutes 2016, section 124D.151, subdivision 2, is amended to read:

953.13       Subd. 2. **Program requirements.** (a) A voluntary prekindergarten program provider  
953.14 must:

953.15       (1) provide instruction through play-based learning to foster children's social and  
953.16 emotional development, cognitive development, physical and motor development, and  
953.17 language and literacy skills, including the native language and literacy skills of English  
953.18 learners, to the extent practicable;

953.19       (2) measure each child's cognitive and social skills using a formative measure aligned  
953.20 to the state's early learning standards when the child enters and again before the child leaves  
953.21 the program, screening and progress monitoring measures, and ~~others~~ other age-appropriate  
953.22 versions from the state-approved menu of kindergarten entry profile measures;

953.23       (3) provide comprehensive program content including the implementation of curriculum,  
953.24 assessment, and instructional strategies aligned with the state early learning standards, and  
953.25 kindergarten through grade 3 academic standards;

953.26       (4) provide instructional content and activities that are of sufficient length and intensity  
953.27 to address learning needs including offering a program with at least 350 hours of instruction  
953.28 per school year for a prekindergarten student;

953.29       (5) provide voluntary prekindergarten instructional staff salaries comparable to the  
953.30 salaries of local kindergarten through grade 12 instructional staff;

954.1 (6) coordinate appropriate kindergarten transition with families, community-based  
954.2 prekindergarten programs, and school district kindergarten programs;

954.3 (7) involve parents in program planning and transition planning by implementing parent  
954.4 engagement strategies that include culturally and linguistically responsive activities in  
954.5 prekindergarten through third grade that are aligned with early childhood family education  
954.6 under section 124D.13;

954.7 (8) coordinate with relevant community-based services, including health and social  
954.8 service agencies, to ensure children have access to comprehensive services;

954.9 (9) coordinate with all relevant school district programs and services including early  
954.10 childhood special education, homeless students, and English learners;

954.11 (10) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

954.12 (11) provide high-quality coordinated professional development, training, and coaching  
954.13 for both school district and community-based early learning providers that is informed by  
954.14 a measure of adult-child interactions and enables teachers to be highly knowledgeable in  
954.15 early childhood curriculum content, assessment, native and English language development  
954.16 programs, and instruction; and

954.17 (12) implement strategies that support the alignment of professional development,  
954.18 instruction, assessments, and prekindergarten through grade 3 curricula.

954.19 (b) A voluntary prekindergarten program must have teachers knowledgeable in early  
954.20 childhood curriculum content, assessment, native and English language programs, and  
954.21 instruction.

954.22 (c) Districts and charter schools must include their strategy for implementing and  
954.23 measuring the impact of their voluntary prekindergarten program under section 120B.11  
954.24 and provide results in their world's best workforce annual summary to the commissioner of  
954.25 education.

954.26 Sec. 2. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 5, is amended  
954.27 to read:

954.28 Subd. 5. **Application process; priority for high poverty schools.** (a) ~~To qualify for~~  
954.29 ~~program approval for fiscal year 2017, a district or charter school must submit an application~~  
954.30 ~~to the commissioner by July 1, 2016.~~ To qualify for program approval for fiscal year 2018  
954.31 ~~and later~~, a district or charter school must submit an application to the commissioner by

955.1 January 30 of the fiscal year prior to the fiscal year in which the program will be  
955.2 implemented. The application must include:

955.3 (1) a description of the proposed program, including the number of hours per week the  
955.4 program will be offered at each school site or mixed-delivery location;

955.5 (2) an estimate of the number of eligible children to be served in the program at each  
955.6 school site or mixed-delivery location; and

955.7 (3) a statement of assurances signed by the superintendent or charter school director that  
955.8 the proposed program meets the requirements of subdivision 2.

955.9 (b) The commissioner must review all applications submitted ~~for fiscal year 2017 by~~  
955.10 ~~August 1, 2016, and must review all applications submitted for fiscal year 2018 and later~~  
955.11 by March 1 of the fiscal year in which the applications are received and determine whether  
955.12 each application meets the requirements of paragraph (a).

955.13 (c) The commissioner must divide all applications for new or expanded voluntary  
955.14 prekindergarten programs under this section meeting the requirements of paragraph (a) and  
955.15 school readiness plus programs into ~~four~~ five groups as follows: the Minneapolis ~~and school~~  
955.16 district; the St. Paul school districts district; other school districts located in the metropolitan  
955.17 equity region as defined in section 126C.10, subdivision 28; school districts located in the  
955.18 rural equity region as defined in section 126C.10, subdivision 28; and charter schools.  
955.19 Within each group, the applications must be ordered by rank using a sliding scale based on  
955.20 the following criteria:

955.21 (1) concentration of kindergarten students eligible for free or reduced-price lunches by  
955.22 school site on October 1 of the previous school year. A school site may contract to partner  
955.23 with a community-based provider or Head Start under subdivision 3 or establish an early  
955.24 childhood center and use the concentration of kindergarten students eligible for free or  
955.25 reduced-price meals from a specific school site as long as those eligible children are  
955.26 prioritized and guaranteed services at the mixed-delivery site or early education center. For  
955.27 school district programs to be operated at locations that do not have free and reduced-price  
955.28 lunch concentration data for kindergarten programs for October 1 of the previous school  
955.29 year, including mixed-delivery programs, the school district average concentration of  
955.30 kindergarten students eligible for free or reduced-price lunches must be used for the rank  
955.31 ordering;

955.32 (2) presence or absence of a three- or four-star Parent Aware rated program within the  
955.33 school district or close proximity of the district. School sites with the highest concentration  
955.34 of kindergarten students eligible for free or reduced-price lunches that do not have a three-

956.1 or four-star Parent Aware program within the district or close proximity of the district shall  
956.2 receive the highest priority, and school sites with the lowest concentration of kindergarten  
956.3 students eligible for free or reduced-price lunches that have a three- or four-star Parent  
956.4 Aware rated program within the district or close proximity of the district shall receive the  
956.5 lowest priority; and

956.6 (3) whether the district has implemented a mixed delivery system.

956.7 (d) The limit on participation for the programs as specified in subdivision 6 must initially  
956.8 be allocated among the ~~four~~ five groups based on each group's percentage share of the  
956.9 statewide kindergarten enrollment on October 1 of the previous school year. Within each  
956.10 group, the participation limit for fiscal years 2018 and 2019 must first be allocated to school  
956.11 sites approved for aid in the previous year to ensure that those sites are funded for the same  
956.12 number of participants as approved for the previous year. The remainder of the participation  
956.13 limit for each group must be allocated among school sites in priority order until that region's  
956.14 share of the participation limit is reached. If the participation limit is not reached for all  
956.15 groups, the remaining amount must be allocated to the highest priority school sites, as  
956.16 designated under this section, not funded in the initial allocation on a statewide basis. For  
956.17 fiscal year 2020 and later, the participation limit must first be allocated to school sites  
956.18 approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year  
956.19 2018 based on the statewide rankings under paragraph (c).

956.20 (e) Once a school site or a mixed delivery site under subdivision 3 is approved for aid  
956.21 under this subdivision, it shall remain eligible for aid if it continues to meet program  
956.22 requirements, regardless of changes in the concentration of students eligible for free or  
956.23 reduced-price lunches.

956.24 (f) If the total number of participants approved based on applications submitted under  
956.25 paragraph (a) is less than the participation limit under subdivision 6, the commissioner must  
956.26 notify all school districts and charter schools of the amount that remains available within  
956.27 30 days of the initial application deadline under paragraph (a), and complete a second round  
956.28 of allocations based on applications received within 60 days of the initial application deadline.

956.29 (g) Procedures for approving applications submitted under paragraph (f) shall be the  
956.30 same as specified in paragraphs (a) to (d), except that the allocations shall be made to the  
956.31 highest priority school sites not funded in the initial allocation on a statewide basis.

957.1 Sec. 3. Minnesota Statutes 2017 Supplement, section 124D.151, subdivision 6, is amended  
957.2 to read:

957.3 Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1,  
957.4 paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school  
957.5 district or charter school must not exceed 60 percent of the kindergarten pupil units for that  
957.6 school district or charter school under section 126C.05, subdivision 1, paragraph (e).

957.7 ~~(b) In reviewing applications under subdivision 5, the commissioner must limit the~~  
957.8 ~~estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year~~  
957.9 ~~2017. If the actual state aid entitlement based on final data exceeds the limit in any year,~~  
957.10 ~~the aid of the participating districts must be prorated so as not to exceed the limit.~~

957.11 ~~(e)~~ (b) The commissioner must limit the total number of funded participants in the  
957.12 voluntary prekindergarten program under this section to not more than 3,160.

957.13 ~~(d)~~ (c) Notwithstanding paragraph ~~(e)~~ (b), the commissioner must limit the total number  
957.14 of participants in the voluntary prekindergarten and school readiness plus programs to not  
957.15 more than 6,160 participants for fiscal year 2018 and 7,160 participants for fiscal year 2019.

957.16 Sec. 4. Minnesota Statutes 2017 Supplement, section 124D.165, subdivision 2, is amended  
957.17 to read:

957.18 Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship,  
957.19 parents or guardians must meet the following eligibility requirements:

957.20 (1) have an eligible child; and

957.21 (2) have income equal to or less than 185 percent of federal poverty level income in the  
957.22 current calendar year, or be able to document their child's current participation in the free  
957.23 and reduced-price lunch program or Child and Adult Care Food Program, National School  
957.24 Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution  
957.25 Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections  
957.26 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act  
957.27 of 2007; Minnesota family investment program under chapter 256J; child care assistance  
957.28 programs under chapter 119B; the supplemental nutrition assistance program; or placement  
957.29 in foster care under section 260C.212. Parents or guardians are not required to provide  
957.30 income verification under this clause if the child is an eligible child under paragraph (b),  
957.31 clause (4) or (5).

957.32 (b) An "eligible child" means a child who has not yet enrolled in kindergarten and is:

958.1 (1) at least three but not yet five years of age on September 1 of the current school year;

958.2 (2) a sibling from birth to age five of a child who has been awarded a scholarship under  
958.3 this section provided the sibling attends the same program as long as funds are available;

958.4 (3) the child of a parent under age 21 who is pursuing a high school degree or a course  
958.5 of study for a high school equivalency test; ~~or~~

958.6 ~~(4) homeless, in foster care, or in need of child protective services.~~

958.7 (4) designated as a child in need of protection or services; or

958.8 (5) designated as homeless under the federal McKinney-Vento Homeless Assistance  
958.9 Act, United States Code, title 42, section 11434a.

958.10 (c) A child who has received a scholarship under this section must continue to receive  
958.11 a scholarship each year until that child is eligible for kindergarten under section 120A.20  
958.12 and as long as funds are available.

958.13 (d) Early learning scholarships may not be counted as earned income for the purposes  
958.14 of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota  
958.15 family investment program under chapter 256J, child care assistance programs under chapter  
958.16 119B, or Head Start under the federal Improving Head Start for School Readiness Act of  
958.17 2007.

958.18 (e) A child from an adjoining state whose family resides at a Minnesota address as  
958.19 assigned by the United States Postal Service, who has received developmental screening  
958.20 under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district,  
958.21 and whose family meets the criteria of paragraph (a) is eligible for an early learning  
958.22 scholarship under this section.

958.23 Sec. 5. Minnesota Statutes 2017 Supplement, section 124D.165, subdivision 3, is amended  
958.24 to read:

958.25 Subd. 3. **Administration.** (a) The commissioner shall establish application timelines  
958.26 and determine the schedule for awarding scholarships that meets operational needs of eligible  
958.27 families and programs. The commissioner must give highest priority to applications from  
958.28 children who:

958.29 (1) have a parent under age 21 who is pursuing a high school diploma or a course of  
958.30 study for a high school equivalency test;

958.31 (2) are in foster care or otherwise in need of protection or services; or

959.1 (3) have experienced homelessness in the last 24 months, as defined under the federal  
959.2 McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

959.3 The commissioner may prioritize applications on additional factors including family  
959.4 income, geographic location, and whether the child's family is on a waiting list for a publicly  
959.5 funded program providing early education or child care services.

959.6 (b) The commissioner shall establish a target for the average scholarship amount per  
959.7 child based on the results of the rate survey conducted under section 119B.02.

959.8 (c) A four-star rated program that has children eligible for a scholarship enrolled in or  
959.9 on a waiting list for a program beginning in July, August, or September may notify the  
959.10 commissioner, in the form and manner prescribed by the commissioner, each year of the  
959.11 program's desire to enhance program services or to serve more children than current funding  
959.12 provides. The commissioner may designate a predetermined number of scholarship slots  
959.13 for that program and notify the program of that number. For fiscal year 2018 and later, the  
959.14 statewide amount of funding directly designated by the commissioner must not exceed the  
959.15 funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district  
959.16 or Head Start program qualifying under this paragraph may use its established registration  
959.17 process to enroll scholarship recipients and may verify a scholarship recipient's family  
959.18 income in the same manner as for other program participants.

959.19 (d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not  
959.20 been accepted and subsequently enrolled in a rated program within ten months of the  
959.21 awarding of the scholarship, the scholarship cancels and the recipient must reapply in order  
959.22 to be eligible for another scholarship. A child may not be awarded more than one scholarship  
959.23 in a 12-month period.

959.24 (e) A child over the age of three who receives a scholarship ~~who~~ and has not completed  
959.25 development screening under sections 121A.16 to 121A.19 must complete that screening  
959.26 within 90 days of first attending an eligible program. A child who receives a scholarship  
959.27 before the age of three must complete the developmental screening no later than 90 days  
959.28 after the child's third birthday.

959.29 (f) For fiscal year 2017 and later, a school district or Head Start program enrolling  
959.30 scholarship recipients under paragraph (c) may apply to the commissioner, in the form and  
959.31 manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of  
959.32 the application, the commissioner must pay each program directly for each approved  
959.33 scholarship recipient enrolled under paragraph (c) according to the metered payment system  
959.34 or another schedule established by the commissioner.

960.1 Sec. 6. Minnesota Statutes 2017 Supplement, section 124D.165, subdivision 4, is amended  
960.2 to read:

960.3 Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept an  
960.4 early learning scholarship, a program must:

960.5 (1) participate in the quality rating and improvement system under section 124D.142;  
960.6 and

960.7 (2) beginning July 1, 2020, have a three- or four-star rating in the quality rating and  
960.8 improvement system.

960.9 (b) Any program accepting scholarships must use the revenue to supplement and not  
960.10 supplant federal funding.

960.11 ~~(c) Notwithstanding paragraph (a), all Minnesota early learning foundation scholarship~~  
960.12 ~~program pilot sites are eligible to accept an early learning scholarship under this section.~~

960.13 Sec. 7. Minnesota Statutes 2017 Supplement, section 124D.549, is amended to read:

960.14 **124D.549 COMMISSIONER-SELECTED HIGH SCHOOL EQUIVALENCY**  
960.15 **TEST TESTS.**

960.16 The commissioner, in consultation with adult basic education stakeholders, must select  
960.17 ~~a~~ at least one high school equivalency test. The commissioner may issue a high school  
960.18 equivalency diploma to a Minnesota resident 19 years of age or older who has not earned  
960.19 a high school diploma, who has not previously been issued a ~~general education development~~  
960.20 ~~(GED) certification~~ high school equivalency diploma, and who has exceeded or achieved  
960.21 a minimum passing score on ~~the~~ an approved equivalency test established by the publisher.  
960.22 The commissioner of education may waive the minimum age requirement if supportive  
960.23 evidence is provided by an employer or a recognized education or rehabilitation provider.

960.24 Sec. 8. Minnesota Statutes 2017 Supplement, section 124D.99, subdivision 3, is amended  
960.25 to read:

960.26 Subd. 3. **Administration; design.** (a) The commissioner shall establish program  
960.27 requirements, an application process and timeline for each tier of grants specified in  
960.28 subdivision 4, criteria for evaluation of applications, and a grant awards process. The  
960.29 commissioner's process must minimize administrative costs, minimize burdens for applicants  
960.30 and grant recipients, and provide a framework that permits flexibility in program design  
960.31 and implementation among grant recipients.

961.1 (b) To the extent practicable, the commissioner shall design the program to align with  
 961.2 programs implemented or proposed by organizations in Minnesota that:

961.3 (1) identify and increase the capacity of organizations that are focused on achieving  
 961.4 data-driven, locally controlled positive outcomes for children and youth throughout an entire  
 961.5 neighborhood or geographic area through programs such as Strive Together, Promise  
 961.6 Neighborhood, and the Education Partnerships Coalition members;

961.7 (2) build a continuum of educational family and community supports with academically  
 961.8 rigorous schools at the center;

961.9 (3) maximize program efficiencies by integrating programmatic activities and eliminating  
 961.10 administrative barriers;

961.11 (4) develop local infrastructure needed to sustain and scale up proven and effective  
 961.12 solutions beyond the initial neighborhood or geographic area; ~~and~~

961.13 (5) utilize appropriate outcome measures based on unique community needs and interests  
 961.14 and apply rigorous evaluation on a periodic basis to be used to both monitor outcomes and  
 961.15 allow for continuous improvements to systems;

961.16 (6) collect and utilize data to improve student outcomes;

961.17 (7) share disaggregated performance data with the community to set community-level  
 961.18 outcomes;

961.19 (8) employ continuous improvement processes;

961.20 (9) have an anchor entity to manage the partnership;

961.21 (10) convene a cross-sector leadership group and have a documented accountability  
 961.22 structure; and

961.23 (11) demonstrate use of nonstate funds, from multiple sources, including in-kind  
 961.24 contributions.

961.25 (c) A grant recipient's supportive services programming must address:

961.26 (1) kindergarten readiness and youth development;

961.27 (2) grade 3 reading proficiency;

961.28 (3) middle school mathematics;

961.29 ~~(3)~~ (4) high school graduation;

961.30 ~~(4)~~ (5) postsecondary educational attainment enrollment;

- 962.1 (6) postsecondary education completion;
- 962.2 ~~(5)~~ (7) physical and mental health;
- 962.3 ~~(6)~~ (8) development of career skills and readiness;
- 962.4 ~~(7)~~ (9) parental engagement and development;
- 962.5 ~~(8)~~ (10) community engagement and programmatic alignment; and
- 962.6 ~~(9)~~ (11) reduction of remedial education.
- 962.7 (d) The commissioner, in consultation with grant recipients, must:
- 962.8 (1) develop and revise core indicators of progress toward outcomes specifying impacts
- 962.9 for each tier identified under subdivision 4;
- 962.10 (2) establish a reporting system for grant recipients to measure program outcomes using
- 962.11 data sources and program goals; and
- 962.12 (3) evaluate effectiveness based on the core indicators established by each partnership
- 962.13 for each tier.
- 962.14 Sec. 9. Minnesota Statutes 2017 Supplement, section 124D.99, subdivision 5, is amended
- 962.15 to read:
- 962.16 Subd. 5. **Grants.** (a) The commissioner shall award Tier 1 and Tier 2 grants to qualifying
- 962.17 recipients that can demonstrate a nonstate source of funds, including in-kind contributions.
- 962.18 (b) For Tier 2 grants authorized for fiscal year 2020 and later, the commissioner must
- 962.19 give priority to otherwise qualified past grant recipients that have made progress toward
- 962.20 identified program outcomes under subdivision 3, paragraph (d).
- 962.21 Sec. 10. Minnesota Statutes 2017 Supplement, section 136A.246, subdivision 4, is amended
- 962.22 to read:
- 962.23 Subd. 4. **Application.** Applications must be made to the commissioner on a form provided
- 962.24 by the commissioner. The commissioner must, to the extent possible, make the application
- 962.25 form as short and simple to complete as is reasonably possible. The commissioner shall
- 962.26 establish a schedule for applications and grants. The application must include, without
- 962.27 limitation:
- 962.28 (1) the projected number of employee trainees;

963.1 (2) the number of projected employee trainees who graduated from high school or passed  
 963.2 ~~the~~ a commissioner of education-selected high school equivalency test in the current or  
 963.3 immediately preceding calendar year;

963.4 (3) the competency standard for which training will be provided;

963.5 (4) the credential the employee will receive upon completion of training;

963.6 (5) the name and address of the training institution or program and a signed statement  
 963.7 by the institution or program that it is able and agrees to provide the training;

963.8 (6) the period of the training; and

963.9 (7) the cost of the training charged by the training institution or program and certified  
 963.10 by the institution or program. The cost of training includes tuition, fees, and required books  
 963.11 and materials.

963.12 An application may be made for training of employees of multiple employers either by  
 963.13 the employers or by an organization on their behalf.

963.14 Sec. 11. Minnesota Statutes 2017 Supplement, section 155A.30, subdivision 12, is amended  
 963.15 to read:

963.16 Subd. 12. **Minnesota state authorization.** A cosmetology school licensed or applying  
 963.17 for licensure under this section shall maintain recognition as an institution of postsecondary  
 963.18 study by meeting the following conditions, in addition to the provisions of Minnesota Rules,  
 963.19 ~~parts~~ part 2110.0310 and 2110.0370:

963.20 (1) the school must admit as regular students only those individuals who have a high  
 963.21 school diploma or a diploma based on passing a commissioner of education-selected high  
 963.22 school equivalency ~~tests or their equivalent~~ test, or who are beyond the age of compulsory  
 963.23 education as prescribed by section 120A.22; and

963.24 (2) the school must be licensed by name and authorized by the Office of Higher Education  
 963.25 and the board to offer one or more training programs beyond the secondary level.

963.26 Sec. 12. Minnesota Statutes 2016, section 245C.02, is amended by adding a subdivision  
 963.27 to read:

963.28 Subd. 5a. **National criminal history record check.** (a) "National criminal history record  
 963.29 check" means a check of records maintained by the Federal Bureau of Investigation through  
 963.30 submission of fingerprints through the Minnesota Bureau of Criminal Apprehension to the  
 963.31 Federal Bureau of Investigation when specifically required by law.

964.1 (b) For purposes of this chapter, "national crime information database," "national criminal  
964.2 records repository," "criminal history with the Federal Bureau of Investigation," and "national  
964.3 criminal record check" mean a national criminal history record check defined in paragraph  
964.4 (a).

964.5 Sec. 13. Minnesota Statutes 2016, section 245C.12, is amended to read:

964.6 **245C.12 BACKGROUND STUDY; TRIBAL ORGANIZATIONS.**

964.7 (a) For the purposes of background studies completed by tribal organizations performing  
964.8 licensing activities otherwise required of the commissioner under this chapter, after obtaining  
964.9 consent from the background study subject, tribal licensing agencies shall have access to  
964.10 criminal history data in the same manner as county licensing agencies and private licensing  
964.11 agencies under this chapter.

964.12 (b) Tribal organizations may contract with the commissioner to obtain background study  
964.13 data on individuals under tribal jurisdiction related to adoptions according to section 245C.34.  
964.14 Tribal organizations may also contract with the commissioner to obtain background study  
964.15 data on individuals under tribal jurisdiction related to child foster care according to section  
964.16 245C.34.

964.17 (c) For the purposes of background studies completed to comply with a tribal  
964.18 organization's licensing requirements for individuals affiliated with a tribally licensed nursing  
964.19 facility, the commissioner shall obtain criminal history data from the National Criminal  
964.20 Records Repository in accordance with section 245C.32.

964.21 (d) Tribal organizations may contract with the commissioner to conduct background  
964.22 studies or obtain background study data on individuals affiliated with a child care program  
964.23 sponsored, managed, or licensed by a tribal organization. Studies conducted under this  
964.24 paragraph require the commissioner to conduct a national criminal history record check as  
964.25 defined in section 245C.02, subdivision 5a. Any tribally affiliated child care program that  
964.26 does not contract with the commissioner to conduct background studies is exempt from the  
964.27 relevant requirements in this chapter. A study conducted under this paragraph must include  
964.28 all components of studies for certified license-exempt child care centers under this chapter  
964.29 to be transferable to other child care entities.

964.30 Sec. 14. **245C.121] BACKGROUND STUDY; HEAD START PROGRAMS.**

964.31 Head Start programs that receive funding disbursed under section 119A.52 may contract  
964.32 with the commissioner to conduct background studies and obtain background study data

965.1 on individuals affiliated with a Head Start program. Studies conducted under this paragraph  
 965.2 require the commissioner to conduct a national criminal history record check as defined in  
 965.3 section 245C.02, subdivision 5a. Any Head Start program site that does not contract with  
 965.4 the commissioner, is not licensed, and is not registered to receive funding under chapter  
 965.5 119B is exempt from the relevant requirements in this chapter. Nothing in this paragraph  
 965.6 supersedes requirements for background studies in this chapter, chapter 119B, or child care  
 965.7 centers under chapter 245H that are related to licensed child care programs or programs  
 965.8 registered to receive funding under chapter 119B. A study conducted under this paragraph  
 965.9 must include all components of studies for certified license-exempt child care centers under  
 965.10 this chapter to be transferable to other child care entities.

965.11 Sec. 15. Laws 2017, First Special Session chapter 5, article 9, section 2, subdivision 7, is  
 965.12 amended to read:

965.13 Subd. 7. **Tier 2 implementing grants.** (a) For Tier 2 implementing grants under  
 965.14 Minnesota Statutes, section 124D.99:

965.15 \$ 480,000 ..... 2018

965.16 ~~480,000~~

965.17 \$ 553,000 ..... 2019

965.18 (b) For fiscal years 2018 and 2019 only, \$160,000 each year is for the Northfield Healthy  
 965.19 Community Initiative in Northfield; \$160,000 is for the Jones Family Foundation for the  
 965.20 Every Hand Joined program in Red Wing; and \$160,000 is for the United Way of Central  
 965.21 Minnesota for the Partners for Student Success program.

965.22 (c) For fiscal year 2019 only, \$73,000 is for the United Way of Central Minnesota for  
 965.23 the Promise Neighborhood of Central Minnesota.

965.24 (d) The base funding for Tier 2 implementing grants is \$480,000. The commissioner  
 965.25 must competitively award all grants under this subdivision for fiscal year 2020 and later;  
 965.26 according to the criteria in Minnesota Statutes, section 124D.99, subdivision 3.

965.27 ~~(d)~~ (e) Any balance in the first year does not cancel but is available in the second year.

965.28

## ARTICLE 53

965.29

### STATE AGENCIES

965.30 Section 1. Minnesota Statutes 2016, section 128C.03, is amended to read:

965.31 **128C.03 ELIGIBILITY BYLAWS, POLICIES, AND PROCEDURES.**

966.1 Subdivision 1. Public input and access to proposed eligibility bylaws, policies, and  
 966.2 procedures. (a) The league shall adopt procedures to ensure public notice of all eligibility  
 966.3 ~~rules and~~ bylaws, policies, and procedures that will afford the opportunity for public hearings  
 966.4 on proposed eligibility ~~rules~~ bylaws, policies, and procedures. If requested by ~~100~~ 25 or  
 966.5 more parents or guardians of students, the public hearing must be conducted by an  
 966.6 administrative law judge from the Office of Administrative Hearings, or by a person hired  
 966.7 under contract by the Office of Administrative Hearings, ~~or by an independent hearing~~  
 966.8 ~~officer appointed by the commissioner of education from a list maintained for that purpose.~~  
 966.9 At the conclusion of a public hearing ~~requested by 100 or more parents or guardians of~~  
 966.10 ~~students,~~ the person conducting the hearing shall write a report evaluating the extent to  
 966.11 which the league has shown that the proposed ~~rule is~~ bylaws, policies, and procedures are  
 966.12 needed and reasonable and the legality of the proposed ~~rule~~ bylaws, policies, and procedures.  
 966.13 The league shall pay for hearings under this section.

966.14 (b) The league shall:

966.15 (1) maintain a public docket on the league's Web site that includes historical and proposed  
 966.16 changes in eligibility bylaws, policies, and procedures;

966.17 (2) post notice and final versions of all proposed changes to eligibility policies,  
 966.18 procedures, and definitions to the league Web site for at least 30 days prior to board meetings;

966.19 (3) include publication dates on all versions of the league's official handbook or other  
 966.20 advisory documents regarding league eligibility bylaws, policies, procedures, and definitions;  
 966.21 and

966.22 (4) reconcile and remove duplicate eligibility policies and procedures.

966.23 Subd. 2. Eligibility review process. (a) The league must establish a process for student  
 966.24 eligibility review that provides students and parents with a reasonable opportunity to present  
 966.25 information regarding the student's eligibility. The league must:

966.26 (1) publish general criteria by which a request for review may qualify for a review by  
 966.27 the league's eligibility committee;

966.28 (2) publish general criteria by which a review may qualify for further review by an  
 966.29 independent hearing officer;

966.30 (3) indicate the conditions, timelines, and procedures for administering any review under  
 966.31 clause (1) or (2); and

966.32 (4) provide specific reasons for denying the request for reviews for which the league  
 966.33 denies a request.

967.1 (b) The eligibility review process contained in this section does not create a property  
 967.2 right or liberty interest in extracurricular varsity athletic competition.

967.3 Sec. 2. Minnesota Statutes 2016, section 128C.20, is amended to read:

967.4 **128C.20 LEAGUE INFORMATION REVIEW AND REPORT; COMMISSIONER**  
 967.5 **REVIEW OF LEAGUE RECOMMENDATIONS.**

967.6 Subdivision 1. **Annually.** (a) Each year, the ~~commissioner of education~~ league shall  
 967.7 ~~obtain and~~ review the following information ~~about the league~~:

967.8 (1) an accurate and concise summary of the annual financial and compliance audit  
 967.9 prepared by the state auditor that includes information about the compensation of and the  
 967.10 expenditures by the executive director of the league and league staff;

967.11 (2) a list of all complaints filed with the league and all lawsuits filed against the league  
 967.12 and the disposition of those complaints and lawsuits;

967.13 (3) an explanation of the executive director's performance review;

967.14 (4) information about the extent to which the league has implemented its affirmative  
 967.15 action policy, its comparable worth plan, and its sexual harassment and violence policy and  
 967.16 rules; ~~and~~

967.17 (5) an evaluation of ~~any proposed changes in league policy~~ bylaws, policies, procedures,  
 967.18 and definitions, including those that have been proposed, for compliance with Department  
 967.19 of Education programs and applicable state and federal law; and

967.20 (6) an explanation of recent and proposed changes to eligibility bylaws, policies, and  
 967.21 procedures, including the eligibility review process under section 128C.03, subdivision 2.

967.22 The league shall post the review on the league's Web site and present written copies of  
 967.23 the review to the commissioner of education and the chairs and ranking minority members  
 967.24 of the legislative committees with jurisdiction over kindergarten through grade 12 education.

967.25 (b) The commissioner may examine any league activities or league-related issues when  
 967.26 the commissioner believes this review is warranted.

967.27 Subd. 2. **Recommend laws.** The commissioner may recommend to the legislature  
 967.28 whether any legislation is made necessary by league activities.

968.1 Sec. 3. Laws 2017, First Special Session chapter 5, article 11, section 9, subdivision 2, is  
 968.2 amended to read:

968.3 Subd. 2. **Department.** (a) For the Department of Education:

968.4 \$ 27,158,000 ..... 2018

968.5 ~~24,874,000~~

968.6 \$ 25,059,000 ..... 2019

968.7 Of these amounts:

968.8 (1) \$231,000 each year is for the Board of School Administrators, and beginning in fiscal  
 968.9 year 2020, the amount indicated is from the educator licensure account in the special revenue  
 968.10 fund;

968.11 (2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes,  
 968.12 section 120B.115;

968.13 (3) \$500,000 each year is for the school safety technical assistance center under Minnesota  
 968.14 Statutes, section 127A.052;

968.15 (4) \$250,000 each year is for the School Finance Division to enhance financial data  
 968.16 analysis;

968.17 (5) \$720,000 each year is for implementing Minnesota's Learning for English Academic  
 968.18 Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended;

968.19 (6) \$2,750,000 in fiscal year 2018 and \$500,000 in fiscal year 2019 are for the Department  
 968.20 of Education's mainframe update;

968.21 (7) \$123,000 each year is for a dyslexia specialist; ~~and~~

968.22 (8) \$2,000,000 each year is for legal fees and costs associated with litigation; and

968.23 (9) \$185,000 in fiscal year 2019 only is for the Turnaround Arts program.

968.24 (b) Any balance in the first year does not cancel but is available in the second year.

968.25 (c) None of the amounts appropriated under this subdivision may be used for Minnesota's  
 968.26 Washington, D.C. office.

968.27 (d) The expenditures of federal grants and aids as shown in the biennial budget document  
 968.28 and its supplements are approved and appropriated and shall be spent as indicated.

968.29 (e) This appropriation includes funds for information technology project services and  
 968.30 support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing  
 968.31 information technology costs will be incorporated into the service level agreement and will

969.1 be paid to the Office of MN.IT Services by the Department of Education under the rates  
969.2 and mechanism specified in that agreement.

969.3 (f) The agency's base is ~~\$22,054,000~~ \$22,139,000 for fiscal year 2020 and \$21,965,000  
969.4 for 2021.

969.5 (g) For the fiscal year 2018 appropriation only, any amounts remaining unspent in  
969.6 paragraph (a), clause (8), as of June 30, 2018, must be reallocated according to paragraphs  
969.7 (h), (i), and (j), for grants in fiscal year 2019.

969.8 (h) 50 percent of the amount under paragraph (g) must be allocated for additional  
969.9 character development grants. This amount is available until June 30, 2021.

969.10 (i) 37.5 percent of the amount under paragraph (g) is for a grant to the For Jake's Sake  
969.11 Foundation to collaborate with school districts throughout Minnesota to integrate  
969.12 evidence-based substance misuse prevention instruction on the dangers of substance misuse,  
969.13 particularly the use of opioids, into school district programs and curricula, including health  
969.14 education curricula. Funds are to:

969.15 (1) identify effective substance misuse prevention tools and strategies, including  
969.16 innovative uses of technology and media;

969.17 (2) develop and promote a comprehensive substance misuse prevention curriculum for  
969.18 students in grades 5 through 12 that educates students and families about the dangers of  
969.19 substance misuse;

969.20 (3) integrate substance misuse prevention into curricula across subject areas;

969.21 (4) train school district teachers, athletic coaches, and other school staff in effective  
969.22 substance misuse prevention strategies; and

969.23 (5) collaborate with school districts to evaluate the effectiveness of districts' substance  
969.24 misuse prevention efforts.

969.25 By February 15, 2019, the grantee must submit a report detailing expenditures and outcomes  
969.26 of the grant to the chairs and ranking minority members of the legislative committees with  
969.27 primary jurisdiction over kindergarten through grade 12 education policy and finance. The  
969.28 report must identify the school districts that have implemented or plan to implement the  
969.29 substance misuse prevention curriculum. This amount is available until June 30, 2021.

969.30 (j) 12.5 percent of the amount in paragraph (g) is for a grant to the Mind Foundry  
969.31 Learning Foundation to run after-school STEM programming to inspire and educate

970.1 underserved youth in St. Paul about the value of STEM fields in 21st century work and  
 970.2 learning. This amount is available until June 30, 2021.

970.3 Sec. 4. Laws 2017, First Special Session chapter 5, article 11, section 10, is amended to  
 970.4 read:

970.5 Sec. 10. **APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND**  
 970.6 **STANDARDS BOARD OF TEACHING.**

970.7 Subdivision 1. **Board of Teaching.** (a) The sums indicated in this section are appropriated  
 970.8 from the general fund to the Board of Teaching or any successor organization for the fiscal  
 970.9 years designated:

970.10	\$	3,481,000	.....	2018
970.11		<del>3,493,000</del>		
970.12	\$	<u>3,518,000</u>	.....	2019

970.13 (b) This appropriation includes funds for information technology project services and  
 970.14 support subject to Minnesota Statutes, section 16E.0466. Any ongoing information  
 970.15 technology costs will be incorporated into an interagency agreement and will be paid to the  
 970.16 Office of MN.IT Services by the Board of Teaching under the mechanism specified in that  
 970.17 agreement.

970.18 (c) The fiscal year 2019 appropriation includes \$25,000 for developing a process for  
 970.19 districts to submit ethics complaints.

970.20 ~~(e)~~ (d) Any balance in the first year does not cancel but is available in the second year.

970.21 ~~(d)~~ (e) Beginning in fiscal year 2020, the amounts indicated are appropriated from the  
 970.22 educator licensure account in the special revenue fund or, if the amount in the educator  
 970.23 licensure account is insufficient, from the general fund to the Board of Teaching or any  
 970.24 successor organization. If a successor organization is established, the Department of  
 970.25 Administration must provide administrative support to the successor organization under  
 970.26 Minnesota Statutes, section 16B.371. The commissioner of administration must assess the  
 970.27 board for services provided under this section.

970.28 ~~(e)~~ (f) The base for fiscal year 2020 is \$2,734,000 and \$2,709,000 for fiscal year 2021.

970.29 Subd. 2. **Licensure by portfolio.** For licensure by portfolio:

970.30	\$	34,000	.....	2018
970.31	\$	34,000	.....	2019

971.1 This appropriation is from the educator licensure portfolio account in the special revenue  
971.2 fund.

971.3 Sec. 5. Laws 2017, First Special Session chapter 5, article 11, section 12, is amended to  
971.4 read:

971.5 Sec. 12. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

971.6 (a) The sums in this section are appropriated from the general fund to the Perpich Center  
971.7 for Arts Education for the fiscal years designated:

971.8		<del>8,173,000</del>		
971.9	\$	<u>7,394,000</u>	.....	2018
971.10	\$	6,973,000	.....	2019

971.11 (b) Of the ~~amounts appropriated in paragraph (a)~~ amount in fiscal year 2018, \$370,000  
971.12 ~~is for fiscal years 2018 or 2019 only~~ for arts integration and Turnaround Arts programs and  
971.13 is available until June 30, 2019.

971.14 (c) ~~\$1,200,000~~ \$400,000 in fiscal year 2018 is for severance payments related to the  
971.15 closure of Crosswinds school and is available until June 30, 2019.

971.16 (d) The base in fiscal year 2020 is \$6,973,000.

971.17 Sec. 6. Laws 2017, First Special Session chapter 5, article 11, section 13, is amended to  
971.18 read:

971.19 Sec. 13. **CROSSWINDS DISPOSITION COSTS.**

971.20 ~~\$162,000~~ \$21,000 in fiscal year 2018 only is appropriated from the general fund to the  
971.21 Perpich Center for Arts Education. The amount appropriated in this section is for transfer  
971.22 to the commissioner of administration for costs related to the sale of the Crosswinds school  
971.23 and is available until June 30, 2019.

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

971.25 Sec. 7. **REPEALER.**

971.26 Minnesota Statutes 2016, section 128C.02, subdivision 6, is repealed.

972.1

**ARTICLE 54**

972.2

**FORECAST ADJUSTMENTS**

972.3

**A. GENERAL EDUCATION**

972.4 Section 1. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision

972.5 3, is amended to read:

972.6 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending

972.7 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation

972.8 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

972.9 ~~29,000~~972.10 \$ 25,000 ..... 2018972.11 ~~31,000~~972.12 \$ 27,000 ..... 2019972.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

972.14 Sec. 2. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 4, is

972.15 amended to read:

972.16 Subd. 4. **Abatement aid.** For abatement aid under Minnesota Statutes, section 127A.49:972.17 ~~2,374,000~~972.18 \$ 2,584,000 ..... 2018972.19 ~~2,163,000~~972.20 \$ 3,218,000 ..... 2019972.21 The 2018 appropriation includes \$262,000 for 2017 and ~~\$2,112,000~~ \$2,322,000 for

972.22 2018.

972.23 The 2019 appropriation includes ~~\$234,000~~ \$258,000 for 2018 and ~~\$1,929,000~~ \$2,960,000

972.24 for 2019.

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

972.26 Sec. 3. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 6, is

972.27 amended to read:

972.28 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under

972.29 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

972.30 ~~18,197,000~~972.31 \$ 17,779,000 ..... 2018972.32 ~~19,225,000~~972.33 \$ 17,910,000 ..... 2019

973.1 The 2018 appropriation includes \$1,687,000 for 2017 and ~~\$16,510,000~~ \$16,092,000 for  
973.2 2018.

973.3 The 2019 appropriation includes ~~\$1,834,000~~ \$1,787,000 for 2018 and ~~\$17,391,000~~  
973.4 \$16,123,000 for 2019.

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

973.6 Sec. 4. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 7, is  
973.7 amended to read:

973.8 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under  
973.9 Minnesota Statutes, section 123B.92, subdivision 9:

973.10 ~~18,372,000~~  
973.11 \$ 17,549,000 ..... 2018

973.12 ~~18,541,000~~  
973.13 \$ 18,309,000 ..... 2019

973.14 The 2018 appropriation includes \$1,835,000 for 2017 and ~~\$16,537,000~~ \$15,714,000 for  
973.15 2018.

973.16 The 2019 appropriation includes ~~\$1,837,000~~ \$1,745,000 for 2018 and ~~\$16,704,000~~  
973.17 \$16,564,000 for 2019.

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

973.19 Sec. 5. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 9, is  
973.20 amended to read:

973.21 Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota  
973.22 Statutes, section 124D.4531, subdivision 1b:

973.23 ~~4,561,000~~  
973.24 \$ 4,757,000 ..... 2018

973.25 ~~4,125,000~~  
973.26 \$ 4,384,000 ..... 2019

973.27 The 2018 appropriation includes \$476,000 for 2017 and ~~\$4,085,000~~ \$4,281,000 for  
973.28 2018.

973.29 The 2019 appropriation includes ~~\$453,000~~ \$475,000 for 2018 and ~~\$3,672,000~~ \$3,909,000  
973.30 for 2019.

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

974.1

**B. EDUCATION EXCELLENCE**

974.2 Sec. 6. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 2, is  
 974.3 amended to read:

974.4 Subd. 2. **Achievement and integration aid.** For achievement and integration aid under  
 974.5 Minnesota Statutes, section 124D.862:

974.6		<del>71,249,000</del>		
974.7	\$	<u>71,693,000</u>	.....	2018
974.8		<del>73,267,000</del>		
974.9	\$	<u>73,926,000</u>	.....	2019

974.10 The 2018 appropriation includes \$6,725,000 for 2017 and ~~\$64,524,000~~ \$64,968,000 for  
 974.11 2018.

974.12 The 2019 appropriation includes ~~\$7,169,000~~ \$7,218,000 for 2018 and ~~\$66,098,000~~  
 974.13 \$66,708,000 for 2019.

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

974.15 Sec. 7. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 3, is  
 974.16 amended to read:

974.17 Subd. 3. **Literacy incentive aid.** For literacy incentive aid under Minnesota Statutes,  
 974.18 section 124D.98:

974.19		<del>47,264,000</del>		
974.20	\$	<u>46,517,000</u>	.....	2018
974.21		<del>47,763,000</del>		
974.22	\$	<u>46,188,000</u>	.....	2019

974.23 The 2018 appropriation includes \$4,597,000 for 2017 and ~~\$42,667,000~~ \$41,920,000 for  
 974.24 2018.

974.25 The 2019 appropriation includes ~~\$4,740,000~~ \$4,657,000 for 2018 and ~~\$43,023,000~~  
 974.26 \$41,531,000 for 2019.

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

974.28 Sec. 8. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 4, is  
 974.29 amended to read:

974.30 Subd. 4. **Interdistrict desegregation or integration transportation grants.** For  
 974.31 interdistrict desegregation or integration transportation grants under Minnesota Statutes,  
 974.32 section 124D.87:

975.1 ~~13,337,000~~  
 975.2 \$ 14,328,000 ..... 2018  
 975.3 ~~14,075,000~~  
 975.4 \$ 15,065,000 ..... 2019

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

975.6 Sec. 9. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 5, is  
 975.7 amended to read:

975.8 Subd. 5. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes,  
 975.9 section 124D.83:

975.10 ~~3,623,000~~  
 975.11 \$ 2,954,000 ..... 2018  
 975.12 ~~4,018,000~~  
 975.13 \$ 3,381,000 ..... 2019

975.14 The 2018 appropriation includes \$323,000 for 2017 and ~~\$3,300,000~~ \$2,631,000 for  
 975.15 2018.

975.16 The 2019 appropriation includes ~~\$366,000~~ \$292,000 for 2018 and ~~\$3,652,000~~ \$3,089,000  
 975.17 for 2019.

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

975.19 Sec. 10. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 6,  
 975.20 is amended to read:

975.21 Subd. 6. **American Indian education aid.** For American Indian education aid under  
 975.22 Minnesota Statutes, section 124D.81, subdivision 2a:

975.23 \$ 9,244,000 ..... 2018  
 975.24 ~~9,464,000~~  
 975.25 \$ 9,409,000 ..... 2019

975.26 The 2018 appropriation includes \$886,000 for 2017 and \$8,358,000 for 2018.

975.27 The 2019 appropriation includes \$928,000 for 2018 and ~~\$8,536,000~~ \$8,481,000 for  
 975.28 2019.

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

976.1 Sec. 11. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 21,  
976.2 is amended to read:

976.3 Subd. 21. **Charter school building lease aid.** For building lease aid under Minnesota  
976.4 Statutes, section 124E.22:

976.5		<del>73,341,000</del>		
976.6	\$	<u>73,334,000</u>	.....	2018
976.7		<del>78,802,000</del>		
976.8	\$	<u>79,098,000</u>	.....	2019

976.9 The 2018 appropriation includes \$6,850,000 for 2017 and ~~\$66,491,000~~ \$66,484,000 for  
976.10 2018.

976.11 The 2019 appropriation includes \$7,387,000 for 2018 and ~~\$71,415,000~~ \$71,711,000 for  
976.12 2019.

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

976.14 Sec. 12. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 26,  
976.15 is amended to read:

976.16 Subd. 26. **Alternative teacher compensation aid.** For alternative teacher compensation  
976.17 aid under Minnesota Statutes, section 122A.415, subdivision 4:

976.18		<del>89,863,000</del>		
976.19	\$	<u>90,131,000</u>	.....	2018
976.20		<del>89,623,000</del>		
976.21	\$	<u>89,789,000</u>	.....	2019

976.22 The 2018 appropriation includes \$8,917,000 for 2017 and ~~\$80,946,000~~ \$81,214,000 for  
976.23 2018.

976.24 The 2019 appropriation includes ~~\$8,994,000~~ \$9,023,000 for 2018 and ~~\$80,629,000~~  
976.25 \$80,766,000 for 2019.

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

### 976.27 C. SPECIAL EDUCATION

976.28 Sec. 13. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 3,  
976.29 is amended to read:

976.30 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section  
976.31 125A.75, subdivision 3, for children with disabilities placed in residential facilities within  
976.32 the district boundaries for whom no district of residence can be determined:

977.1 ~~1,597,000~~  
 977.2 \$ 1,022,000 ..... 2018  
 977.3 ~~1,830,000~~  
 977.4 \$ 1,204,000 ..... 2019

977.5 If the appropriation for either year is insufficient, the appropriation for the other year is  
 977.6 available.

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

977.8 Sec. 14. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 4,  
 977.9 is amended to read:

977.10 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based  
 977.11 services under Minnesota Statutes, section 125A.75, subdivision 1:

977.12 ~~508,000~~  
 977.13 \$ 412,000 ..... 2018  
 977.14 ~~532,000~~  
 977.15 \$ 421,000 ..... 2019

977.16 The 2018 appropriation includes \$48,000 for 2017 and ~~\$460,000~~ \$364,000 for 2018.

977.17 The 2019 appropriation includes ~~\$51,000~~ \$40,000 for 2018 and ~~\$481,000~~ \$381,000 for  
 977.18 2019.

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

977.20 Sec. 15. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 5,  
 977.21 is amended to read:

977.22 Subd. 5. **Court-placed special education revenue.** For reimbursing serving school  
 977.23 districts for unreimbursed eligible expenditures attributable to children placed in the serving  
 977.24 school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

977.25 ~~46,000~~  
 977.26 \$ 40,000 ..... 2018  
 977.27 ~~47,000~~  
 977.28 \$ 41,000 ..... 2019

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

978.1 **D. FACILITIES AND TECHNOLOGY**

978.2 Sec. 16. Laws 2017, First Special Session chapter 5, article 5, section 14, subdivision 2,  
978.3 is amended to read:

978.4 Subd. 2. **Debt service equalization aid.** For debt service equalization aid under  
978.5 Minnesota Statutes, section 123B.53, subdivision 6:

978.6 \$ 24,908,000 ..... 2018

978.7 ~~22,360,000~~

978.8 \$ 23,137,000 ..... 2019

978.9 The 2018 appropriation includes \$2,324,000 for 2017 and \$22,584,000 for 2018.

978.10 The 2019 appropriation includes \$2,509,000 for 2018 and ~~\$19,851,000~~ \$20,628,000 for  
978.11 2019.

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

978.13 Sec. 17. Laws 2017, First Special Session chapter 5, article 5, section 14, subdivision 3,  
978.14 is amended to read:

978.15 Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities  
978.16 maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

978.17 ~~80,179,000~~

978.18 \$ 81,053,000 ..... 2018

978.19 ~~103,460,000~~

978.20 \$ 102,374,000 ..... 2019

978.21 The 2018 appropriation includes \$5,815,000 for 2017 and ~~\$74,364,000~~ \$75,238,000 for  
978.22 2018.

978.23 The 2019 appropriation includes ~~\$8,262,000~~ \$8,359,000 for 2018 and ~~\$95,198,000~~  
978.24 \$94,015,000 for 2019.

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

978.26 **E. NUTRITION**

978.27 Sec. 18. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 2, is  
978.28 amended to read:

978.29 Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111,  
978.30 and Code of Federal Regulations, title 7, section 210.17:

978.31 ~~16,721,000~~

978.32 \$ 16,143,000 ..... 2018

979.1 ~~17,223,000~~  
 979.2 \$ 16,477,000 ..... 2019

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

979.4 Sec. 19. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 3, is  
 979.5 amended to read:

979.6 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes,  
 979.7 section 124D.1158:

979.8 ~~10,601,000~~  
 979.9 \$ 10,474,000 ..... 2018

979.10 ~~11,359,000~~  
 979.11 \$ 11,282,000 ..... 2019

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

979.13 Sec. 20. Laws 2017, First Special Session chapter 5, article 6, section 3, subdivision 4, is  
 979.14 amended to read:

979.15 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,  
 979.16 section 124D.118:

979.17 ~~758,000~~  
 979.18 \$ 734,000 ..... 2018

979.19 ~~758,000~~  
 979.20 \$ 734,000 ..... 2019

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

979.22 **F. EARLY CHILDHOOD AND FAMILY SUPPORT**

979.23 Sec. 21. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 3,  
 979.24 is amended to read:

979.25 Subd. 3. **Mixed delivery prekindergarten programs.** (a) For mixed delivery  
 979.26 prekindergarten programs and school readiness plus programs:

979.27 ~~21,429,000~~  
 979.28 \$ 0 ..... 2018

979.29 ~~28,571,000~~  
 979.30 \$ 0 ..... 2019

979.31 (b) The fiscal year 2018 appropriation includes \$0 for 2017 and ~~\$21,429,000~~ \$0 for  
 979.32 2018.

980.1 (c) The fiscal year 2019 appropriation includes ~~\$2,381,000~~ \$0 for 2018 and ~~\$26,190,000~~  
 980.2 \$0 for 2019.

980.3 (d) The commissioner must proportionately allocate the amounts appropriated in this  
 980.4 subdivision among each education funding program affected by the enrollment of mixed  
 980.5 delivery system prekindergarten pupils.

980.6 (e) The appropriation under this subdivision is reduced by any other amounts specifically  
 980.7 appropriated for those purposes.

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

980.9 Sec. 22. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 5a,  
 980.10 is amended to read:

980.11 Subd. 5a. **Early childhood family education aid.** For early childhood family education  
 980.12 aid under Minnesota Statutes, section 124D.135:

980.13		<del>30,405,000</del>		
980.14	\$	<u>29,760,000</u>	.....	2018
980.15		<del>31,977,000</del>		
980.16	\$	<u>30,870,000</u>	.....	2019

980.17 The 2018 appropriation includes \$2,904,000 for 2017 and ~~\$27,501,000~~ \$26,856,000 for  
 980.18 2018.

980.19 The 2019 appropriation includes ~~\$3,055,000~~ \$2,983,000 for 2018 and ~~\$28,922,000~~  
 980.20 \$27,887,000 for 2019.

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

980.22 Sec. 23. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 6,  
 980.23 is amended to read:

980.24 Subd. 6. **Developmental screening aid.** For developmental screening aid under  
 980.25 Minnesota Statutes, sections 121A.17 and 121A.19:

980.26		<del>3,606,000</del>		
980.27	\$	<u>3,663,000</u>	.....	2018
980.28		<del>3,629,000</del>		
980.29	\$	<u>3,688,000</u>	.....	2019

980.30 The 2018 appropriation includes \$358,000 for 2017 and ~~\$3,248,000~~ \$3,305,000 for  
 980.31 2018.

981.1 The 2019 appropriation includes ~~\$360,000~~ \$367,000 for 2018 and ~~\$3,269,000~~ \$3,321,000  
 981.2 for 2019.

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

981.4 Sec. 24. Laws 2017, First Special Session chapter 5, article 8, section 10, subdivision 12,  
 981.5 is amended to read:

981.6 Subd. 12. **Home visiting aid.** For home visiting aid under Minnesota Statutes, section  
 981.7 124D.135:

981.8                   ~~527,000~~  
 981.9           \$       503,000       ..... 2018

981.10                   ~~571,000~~  
 981.11           \$       525,000       ..... 2019

981.12 The 2018 appropriation includes \$0 for 2017 and ~~\$527,000~~ \$503,000 for 2018.

981.13 The 2019 appropriation includes ~~\$58,000~~ \$55,000 for 2018 and ~~\$513,000~~ \$470,000 for  
 981.14 2019.

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

981.16 **G. COMMUNITY EDUCATION AND PREVENTION**

981.17 Sec. 25. Laws 2017, First Special Session chapter 5, article 9, section 2, subdivision 2, is  
 981.18 amended to read:

981.19 Subd. 2. **Community education aid.** For community education aid under Minnesota  
 981.20 Statutes, section 124D.20:

981.21                   ~~483,000~~  
 981.22           \$       477,000       ..... 2018

981.23                   ~~393,000~~  
 981.24           \$       410,000       ..... 2019

981.25 The 2018 appropriation includes \$53,000 for 2017 and ~~\$430,000~~ \$424,000 for 2018.

981.26 The 2019 appropriation includes \$47,000 for 2018 and ~~\$346,000~~ \$363,000 for 2019.

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

982.1 **H. SELF-SUFFICIENCY AND LIFELONG LEARNING**

982.2 Sec. 26. Laws 2017, First Special Session chapter 5, article 10, section 6, subdivision 2,  
982.3 is amended to read:

982.4 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota  
982.5 Statutes, section 124D.531:

982.6		<del>50,010,000</del>		
982.7	\$	<u>48,708,000</u>	.....	2018
982.8		<del>51,497,000</del>		
982.9	\$	<u>50,109,000</u>	.....	2019

982.10 The 2018 appropriation includes \$4,881,000 for 2017 and ~~\$45,129,000~~ \$43,827,000 for  
982.11 2018.

982.12 The 2019 appropriation includes ~~\$5,014,000~~ \$4,869,000 for 2018 and ~~\$46,483,000~~  
982.13 \$45,240,000 for 2019.

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

982.15 **ARTICLE 55**982.16 **MISCELLANEOUS FINANCE**

982.17 Section 1. Minnesota Statutes 2016, section 16A.103, subdivision 1, is amended to read:

982.18 Subdivision 1. **State revenue and expenditures.** In February and November each year,  
982.19 the commissioner shall prepare a forecast of state revenue and expenditures. The November  
982.20 forecast must be delivered to the legislature and governor no later than ~~the end of the first~~  
982.21 ~~week of~~ December 6. The February forecast must be delivered to the legislature and governor  
982.22 by the end of February. Forecasts must be delivered to the legislature and governor on the  
982.23 same day. If requested by the Legislative Commission on Planning and Fiscal Policy,  
982.24 delivery to the legislature must include a presentation to the commission.

982.25 Sec. 2. Minnesota Statutes 2016, section 16A.103, subdivision 1b, is amended to read:

982.26 Subd. 1b. **Forecast variable.** In determining the amount of state bonding as it affects  
982.27 debt service, the calculation of investment income, and the other variables to be included  
982.28 in the expenditure part of the forecast, the commissioner must consult with the chairs and  
982.29 lead minority members of the senate ~~State Government~~ Finance Committee and the house  
982.30 of representatives Ways and Means Committee, and legislative fiscal staff. This consultation  
982.31 must occur at least three weeks before the forecast is to be released. No later than two weeks  
982.32 prior to the release of the forecast, the commissioner must inform the chairs and lead minority

983.1 members of the senate ~~State Government~~ Finance Committee and the house of representatives  
983.2 Ways and Means Committee, and legislative fiscal staff of any changes in these variables  
983.3 from the previous forecast.

983.4 Sec. 3. Minnesota Statutes 2016, section 16A.103, is amended by adding a subdivision to  
983.5 read:

983.6 Subd. 1i. **Budget close report.** By October 15 of each odd-numbered year, the  
983.7 commissioner shall prepare a detailed fund balance analysis of the general fund for the  
983.8 previous biennium. The analysis shall include a comparison to the most recent publicly  
983.9 available fund balance analysis of the general fund. The commissioner shall provide this  
983.10 analysis to the chairs and ranking minority members of the house of representatives Ways  
983.11 and Means Committee and the senate Finance Committee, and shall post the analysis on  
983.12 the agency's Web site.

983.13 Sec. 4. Minnesota Statutes 2016, section 16A.99, subdivision 2, is amended to read:

983.14 Subd. 2. **Authority.** (a) Subject to the limitations of this subdivision, the commissioner  
983.15 may sell and issue appropriation bonds of the state under this section for public purposes  
983.16 as provided by law. Proceeds of the bonds must be credited to a special appropriation bond  
983.17 proceeds fund in the state treasury. Net income from investment of the proceeds, as estimated  
983.18 by the commissioner, must be credited to the special appropriation bond proceeds fund.

983.19 (b) Appropriation bonds may be sold and issued in amounts that, in the opinion of the  
983.20 commissioner, are necessary to provide sufficient funds, not to exceed \$640,000,000 ~~and~~  
983.21 ~~subject to the limitation in section 16A.97,~~ for achieving the purposes authorized as provided  
983.22 under paragraph (a), and pay debt service, pay costs of issuance, make deposits to reserve  
983.23 funds, pay the costs of credit enhancement, or make payments under other agreements  
983.24 entered into under paragraph (d); provided, however, that bonds issued and unpaid shall  
983.25 not exceed \$800,000,000 in principal amount, excluding refunding bonds sold and issued  
983.26 under subdivision 4.

983.27 (c) Appropriation bonds may be issued from time to time in one or more series on the  
983.28 terms and conditions the commissioner determines to be in the best interests of the state,  
983.29 but the term on any series of bonds may not exceed 30 years. The bonds of each issue shall  
983.30 be dated and bear interest, and may be includable in or excludable from the gross income  
983.31 of the owners for federal income tax purposes.

983.32 (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time  
983.33 thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter

984.1 into agreements and ancillary arrangements relating to the appropriation bonds, including  
984.2 but not limited to trust indentures, liquidity facilities, remarketing or dealer agreements,  
984.3 letter of credit agreements, insurance policies, guaranty agreements, reimbursement  
984.4 agreements, indexing agreements, or interest exchange agreements. Any payments made  
984.5 or received according to the agreement or ancillary arrangement shall be made from or  
984.6 deposited as provided in the agreement or ancillary arrangement. The determination of the  
984.7 commissioner included in an interest exchange agreement that the agreement relates to an  
984.8 appropriation bond shall be conclusive.

984.9 (e) The commissioner may enter into written agreements or contracts relating to the  
984.10 continuing disclosure of information necessary to comply with, or facilitate the issuance of  
984.11 appropriation bonds in accordance with federal securities laws, rules, and regulations,  
984.12 including Securities and Exchange Commission rules and regulations in Code of Federal  
984.13 Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants  
984.14 with purchasers and holders of appropriation bonds set forth in the order or resolution  
984.15 authorizing the issuance of the appropriation bonds, or a separate document authorized by  
984.16 the order or resolution.

984.17 (f) The appropriation bonds are not subject to chapter 16C.

984.18 Sec. 5. Minnesota Statutes 2016, section 16A.99, subdivision 4, is amended to read:

984.19 Subd. 4. **Refunding bonds.** The commissioner from time to time may issue appropriation  
984.20 bonds for the purpose of refunding any appropriation bonds ~~or tobacco securitization bonds~~  
984.21 ~~authorized under section 16A.98~~ then outstanding, including the payment of any redemption  
984.22 premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs  
984.23 related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds  
984.24 may, in the discretion of the commissioner, be applied to the purchase or payment at maturity  
984.25 of the appropriation bonds to be refunded, to the redemption of the outstanding bonds on  
984.26 any redemption date, or to pay interest on the refunding bonds and may, pending application,  
984.27 be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any  
984.28 escrowed proceeds, pending such use, may be invested and reinvested in obligations that  
984.29 are authorized investments under section 11A.24. The income earned or realized on the  
984.30 investment may also be applied to the payment of the bonds to be refunded or interest or  
984.31 premiums on the refunded bonds, or to pay interest on the refunding bonds. After the terms  
984.32 of the escrow have been fully satisfied, any balance of the proceeds and any investment  
984.33 income may be returned to the general fund or, if applicable, the appropriation bond proceeds  
984.34 account for use in any lawful manner. All refunding bonds issued under this subdivision

985.1 must be prepared, executed, delivered, and secured by appropriations in the same manner  
985.2 as the bonds to be refunded.

985.3 Sec. 6. Minnesota Statutes 2016, section 129D.17, is amended by adding a subdivision to  
985.4 read:

985.5 Subd. 6. **Prohibited activities.** Funding from the arts and cultural heritage fund must  
985.6 not be used for projects that promote domestic terrorism or criminal activities.

985.7 Sec. 7. Laws 2017, First Special Session chapter 1, article 4, section 31, is amended to  
985.8 read:

985.9 Sec. 31. **APPROPRIATION; FIRE REMEDIATION GRANTS.**

985.10 \$1,392,258 is appropriated in fiscal year 2018 from the general fund to the commissioner  
985.11 of public safety for grants to remediate the effects of fires in the city of Melrose on September  
985.12 8, 2016. The commissioner must allocate the grants as follows:

985.13 (1) ~~\$1,296,458~~ \$1,381,258 to the city of Melrose; and

985.14 (2) ~~\$95,800~~ \$11,000 to Stearns County.

985.15 A grant recipient must use the money appropriated under this section for remediation  
985.16 costs, including disaster recovery, infrastructure, reimbursement for emergency personnel  
985.17 costs, reimbursement for equipment costs, and reimbursements for property tax abatements,  
985.18 incurred by public or private entities as a result of the fires. This is a onetime appropriation  
985.19 and is available until June 30, ~~2018~~ 2019.

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

985.21 Sec. 8. **REPEALER.**

985.22 Minnesota Statutes 2016, sections 16A.97; and 16A.98, are repealed.