

CHAPTER 275--H.F.No. 2546

An act relating to legislative enactments; correcting erroneous, ambiguous, and omitted text and obsolete references; removing redundant, conflicting, and superseded provisions; making miscellaneous corrections to laws, statutes, and rules; amending Minnesota Statutes 2012, sections 10A.322, subdivision 1; 13.7191, by adding a subdivision; 47.58, subdivision 1; 62J.495, subdivision 11; 62J.691; 62Q.471; 62U.04, subdivisions 4, 5; 93.2235, subdivision 2; 116V.01, subdivision 10; 120B.021, subdivision 1a; 122A.415, subdivision 1; 124D.041, subdivision 3; 124D.895, subdivision 3; 125A.78, as amended; 137.022, subdivision 2; 144A.10, subdivision 16; 144A.441; 144A.442; 145.8821; 148F.105, subdivision 2; 148F.2051; 168D.07; 176.081, subdivision 9; 216B.39, subdivision 6; 245.4712, subdivision 2; 245A.04, subdivision 7; 252.41, subdivision 1; 252.451, subdivision 2; 256B.038; 256B.0625, subdivision 33; 256B.0918, subdivision 2; 256B.0947, subdivision 3a; 256B.431, subdivision 28; 256B.69, subdivision 23; 256B.765; 256J.95, subdivision 10; 257.73, subdivision 1; 260C.307; 268.095, subdivision 5; 270.12, subdivision 3; 273.1398, subdivision 8; 273.42, subdivision 2; 275.065, subdivision 3; 276A.01, subdivision 4; 297B.01, subdivision 12; 298.01, subdivisions 4b, 4c; 299C.54, subdivision 4; 299D.02, subdivision 1; 322B.925; 326B.32, subdivision 4; 327B.12, subdivision 1; 353.27, subdivision 1a; 353.28, subdivision 6; 353.65, subdivisions 1, 6; 353D.03, subdivision 4; 356.99, subdivision 1; 374.21, subdivision 3; 375.192, subdivision 3; 383A.405, subdivision 3; 383B.219, subdivision 3; 424B.12, subdivision 2; 461.15; 462A.05, subdivision 24; 469.175, subdivision 6; 469.1764, subdivision 1; 469.1771, subdivision 1; 469.310, subdivision 7; 473.641, subdivision 1; 473.661, subdivision 4; 473F.02, subdivision 4; 475.53, subdivision 7; 484.90, subdivision 6; 518C.613; 548.091, subdivision 2a; 572B.04; 604A.33, subdivision 1; 609B.203; Minnesota Statutes 2013 Supplement, sections 10A.01, subdivision 35; 62L.045, subdivision 2; 62Q.186, subdivision 4; 69.021, subdivision 10; 69.031, subdivision 5; 69.041; 69.051, subdivision 3; 72A.2032, subdivision 5; 85.055, subdivision 1; 125A.79, subdivision 1; 144A.4792, subdivision 3; 145A.061, subdivision 3; 149A.93, subdivision 3; 152.126, subdivision 6; 245.94, subdivision 2a; 245A.192, subdivisions 2, 5, 6, 7, 11, 12; 245D.02, subdivisions 4d, 8c, 23b; 245D.03, subdivision 1; 245D.04, subdivision 3; 245D.051, subdivision 1; 245D.10, subdivision 4; 245D.11, subdivision 4; 245D.31, subdivision 10; 256B.057, subdivision 8; 256B.0911, subdivision 6; 256B.0917, subdivision 1a; 256B.0949, subdivision 11; 256B.5015, subdivision 1; 256B.694; 256B.85, subdivisions 2, 5, 8; 256N.02, subdivision 13; 256N.24, subdivisions 6, 7, 8, 9, 12, 13; 256N.25, subdivisions 2, 3; 256N.26, subdivisions 6, 15; 256N.27, subdivision 3; 290B.04, subdivision 2; 292.16; 296A.17, subdivision 3; 297A.66, subdivisions 3, 4a; 352.03, subdivision 4; 353.29, subdivision 3; 354A.31, subdivisions 4, 4a; 356.47, subdivision 1; 356A.01, subdivision 19; 383B.158, subdivision 1; 423A.02, subdivision 3; 424A.02, subdivision 7; 469.177, subdivision 1d; 473.606, subdivision 3; 473F.08, subdivision 3c; 490.121, subdivisions 25, 26; 490.124, subdivision 1; 626.556, subdivision 2; Laws 1969, chapter 223, section 1, as amended; Laws 2010, chapter 216, section 55, as amended; Laws 2013, chapter 108, article 1, section 68; article 3, section 48; article 11, sections 33; 34; article 12, section 108; article 15, section 3; Laws 2013, chapter 111, article 16, section 1; repealing Minnesota Statutes 2012, sections 144.214, subdivisions 1, 2, 3; 270B.14, subdivision 14; 353.026; Minnesota Statutes 2013 Supplement, sections 256B.021, subdivision 7; 256I.05, subdivision 1o; 356.315, subdivision 8a; Laws 2013, chapter 107, article 4, section 19; Laws 2013, chapter 108, article 1, section

66; article 3, section 31; Laws 2013, chapter 116, article 1, section 49, subdivisions 5, 6; Laws 2013, chapter 134, section 7; Laws 2013, chapter 138, article 4, section 1.

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

ARTICLE 1

MISCELLANEOUS

Section 1. Minnesota Statutes 2013 Supplement, section 10A.01, subdivision 35, is amended to read:

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

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research, and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;
- (6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;
- (7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- (8) executive director of the State Board of Investment;
- (9) deputy of any official listed in clauses (7) and (8);
- (10) judge of the Workers' Compensation Court of Appeals;
- (11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;
- (12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;
- (13) member or chief administrator of a metropolitan agency;
- (14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

- (15) member or executive director of the Higher Education Facilities Authority;
- (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- (17) member of the board of directors or executive director of the Minnesota State High School League;
- (18) member of the Minnesota Ballpark Authority established in section 473.755;
- (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- (20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;
- (21) supervisor of a soil and water conservation district;
- (22) director of Explore Minnesota Tourism;
- (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;
- (24) citizen member of the Clean Water Council established in section 114D.30;
- (25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;
- (26) district court judge, appeals court judge, or Supreme Court justice;
- (27) county commissioner; ~~or~~
- (28) member of the Greater Minnesota Regional Parks and Trails Commission; or
- (29) member of the Destination Medical Center Corporation established in section 469.41.

Sec. 2. Minnesota Statutes 2012, section 10A.322, subdivision 1, is amended to read:

Subdivision 1. **Agreement by candidate.** (a) As a condition of receiving a public subsidy, a candidate must sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25; 10A.27, subdivision 10; ~~10A.31, subdivision 7, paragraph (e);~~ 10A.324; and 10A.38.

(b) Before the first day of filing for office, the board must forward agreement forms to all filing officers. The board must also provide agreement forms to candidates on request at any time. The candidate must file the agreement with the board at least three weeks before the candidate's state primary. An agreement may not be filed after that date. An agreement once filed may not be rescinded.

(c) The board must notify the commissioner of revenue of any agreement signed under this subdivision.

(d) Notwithstanding paragraph (b), if a vacancy occurs that will be filled by means of a special election and the filing period does not coincide with the filing period for the general election, a candidate may sign and submit a spending limit agreement not later than the day after the close of the filing period for the special election for which the candidate filed.

Sec. 3. Minnesota Statutes 2012, section 13.7191, is amended by adding a subdivision to read:

Subd. 14b. **Minnesota Health Plan Market Rules.** The classification of certain information disclosures to the commissioner of commerce by a health carrier is governed by section 62K.07, paragraph (c).

Sec. 4. Minnesota Statutes 2012, section 47.58, subdivision 1, is amended to read:

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

(a) "Reverse mortgage loan" means a loan:

(1) Made to a borrower wherein the committed principal amount is paid to the borrower in equal or unequal installments over a period of months or years, interest is assessed, and authorized closing costs are incurred as specified in the loan agreement;

(2) Which is secured by a mortgage on residential property owned solely by the borrower; and

(3) Which is due upon the death of the last surviving borrower, or upon the borrower terminating use of the property as principal residence so as to disqualify the property from the homestead credit refund given in chapter 290A.

(b) "Lender" means any bank subject to chapter 48, credit union subject to chapter 52, savings bank organized and operated pursuant to chapter 50, savings association subject to chapter 51A, any residential mortgage originator subject to chapter 58, or any insurance company as defined in section 60A.02, subdivision 4. "Lender" also includes any federally chartered bank supervised by the comptroller of the currency or federally chartered savings association supervised by the Federal Home Loan Bank Board or federally chartered credit union supervised by the National Credit Union Administration, to the extent permitted by federal law.

(c) "Borrower" includes any natural person holding an interest in severalty or as joint tenant or tenant-in-common in the property securing a reverse mortgage loan.

(d) "Outstanding loan balance" means the current net amount of money owed by the borrower to the lender whether or not that sum is suspended pursuant to the terms of the reverse mortgage loan agreement or is immediately due and payable. The outstanding loan balance is calculated by adding the current totals of the items described in clauses (1) to (5) and subtracting the current totals of the item described in clause (6):

(1) The sum of all payments made by the lender which are necessary to clear the property securing the loan of any outstanding mortgage encumbrance or mechanics or material supplier's lien.

(2) The total disbursements made by the lender to date pursuant to the loan agreement as formulated in accordance with subdivision 3.

(3) All taxes, assessments, insurance premiums and other similar charges paid to date by the lender pursuant to subdivision 6, which charges were not reimbursed by the borrower within 60 days.

(4) All actual closing costs which the borrower has deferred, if a deferral provision is contained in the loan agreement as authorized by subdivision 7.

(5) The total accrued interest to date, as authorized by subdivision 5.

(6) All payments made by the borrower pursuant to subdivision 4.

(e) "Actual closing costs" mean reasonable charges or sums ordinarily paid at the time of closing for the following, whether or not retained by the lender:

(1) Any insurance premiums on policies covering the mortgaged property including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance.

(2) Abstracting, title examination and search, and examination of public records related to the mortgaged property.

(3) The preparation and recording of any or all documents required by law or custom for closing a reverse mortgage loan agreement.

(4) Appraisal and survey of real property securing a reverse mortgage loan.

(5) A single service charge, which service charge shall include any consideration, not otherwise specified in this section as an "actual closing cost," paid by the borrower to the lender for or in relation to the acquisition, making, refinancing or modification of a reverse mortgage loan, and shall also include any consideration received by the lender for making a commitment for a reverse mortgage loan, whether or not an actual loan follows the commitment. The service charge shall not exceed one percent of the bona fide committed principal amount of the reverse mortgage loan.

(6) Charges and fees necessary for or related to the transfer of real property securing a reverse mortgage loan or the closing of a reverse mortgage loan agreement paid by the borrower and received by any party other than the lender.

Sec. 5. Minnesota Statutes 2012, section 62J.495, subdivision 11, is amended to read:

Subd. 11. **Provider appeals.** An eligible provider or eligible hospital who has received notification of an adverse action related to the Minnesota electronic health record incentives program may appeal the action pursuant to ~~subdivision 8~~ this section.

Sec. 6. Minnesota Statutes 2012, section 62J.691, is amended to read:

62J.691 PURPOSE.

The legislature finds that medical education and research are important to the health and economic well being of Minnesotans. The legislature further finds that, as a result of competition in the health care marketplace, these teaching and research institutions are facing increased difficulty funding medical education and research. The purpose of ~~sections~~ section 62J.692 and ~~62J.693~~ is to help offset lost patient care revenue for those teaching institutions affected by increased competition in the health care marketplace and to help ensure the continued excellence of health care research in Minnesota.

Sec. 7. Minnesota Statutes 2013 Supplement, section 62L.045, subdivision 2, is amended to read:

Subd. 2. **Qualified associations.** (a) A qualified association, as defined in this section, and health coverage offered by it, to it, or through it, to a small employer in this state must comply with the requirements of this chapter regarding guaranteed issue, guaranteed renewal, preexisting condition limitations, treatment

of MCHA enrollees, and the definition of dependent, and with section 62A.65, subdivision 5, paragraph (b). They must also comply with all other requirements of this chapter not specifically exempted in paragraph (b) ~~or (c)~~.

(b) A qualified association and a health carrier offering, selling, issuing, or renewing health coverage to, or to cover, a small employer in this state through the qualified association, may, but are not, in connection with that health coverage, required to:

(1) offer the two small employer plans described in section 62L.05; and

(2) offer to small employers that are not members of the association, health coverage offered to, by, or through the qualified association.

Sec. 8. Minnesota Statutes 2013 Supplement, section 62Q.186, subdivision 4, is amended to read:

Subd. 4. **Compliance with other restrictions on rescissions.** Nothing in this section allows rescission if rescission would otherwise be prohibited under section 62A.04, subdivision 2, clause (2), ~~or 62A.615~~.

Sec. 9. Minnesota Statutes 2012, section 62Q.471, is amended to read:

62Q.471 EXCLUSION FOR SUICIDE ATTEMPTS PROHIBITED.

(a) No health plan may exclude or reduce coverage for health care for an enrollee who is otherwise covered under the health plan on the basis that the need for the health care arose out of a suicide or suicide attempt by the enrollee.

(b) For purposes of this section, "health plan" has the meaning given in section 62Q.01, subdivision 3, but includes the coverages described in section 62A.011, subdivision 3, clauses (4), (6), and (7) through (10).

Sec. 10. Minnesota Statutes 2012, section 62U.04, subdivision 4, is amended to read:

Subd. 4. **Encounter data.** (a) Beginning July 1, 2009, and every six months thereafter, all health plan companies and third-party administrators shall submit encounter data to a private entity designated by the commissioner of health. The data shall be submitted in a form and manner specified by the commissioner subject to the following requirements:

(1) the data must be de-identified data as described under the Code of Federal Regulations, title 45, section 164.514;

(2) the data for each encounter must include an identifier for the patient's health care home if the patient has selected a health care home; and

(3) except for the identifier described in clause (2), the data must not include information that is not included in a health care claim or equivalent encounter information transaction that is required under section 62J.536.

(b) The commissioner or the commissioner's designee shall only use the data submitted under paragraph (a) to carry out ~~its~~ the commissioner's responsibilities in this section, including supplying the data to providers so they can verify their results of the peer grouping process consistent with the recommendations developed pursuant to subdivision 3c, paragraph (d), and adopted by the commissioner and, if necessary, submit comments to the commissioner or initiate an appeal.

(c) Data on providers collected under this subdivision are private data on individuals or nonpublic data, as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this subdivision may be derived from nonpublic data. The commissioner or the commissioner's designee shall establish procedures and safeguards to protect the integrity and confidentiality of any data that it maintains.

(d) The commissioner or the commissioner's designee shall not publish analyses or reports that identify, or could potentially identify, individual patients.

Sec. 11. Minnesota Statutes 2012, section 62U.04, subdivision 5, is amended to read:

Subd. 5. **Pricing data.** (a) Beginning July 1, 2009, and annually on January 1 thereafter, all health plan companies and third-party administrators shall submit data on their contracted prices with health care providers to a private entity designated by the commissioner of health for the purposes of performing the analyses required under this subdivision. The data shall be submitted in the form and manner specified by the commissioner of health.

(b) The commissioner or the commissioner's designee shall only use the data submitted under this subdivision to carry out ~~its~~ the commissioner's responsibilities under this section, including supplying the data to providers so they can verify their results of the peer grouping process consistent with the recommendations developed pursuant to subdivision 3c, paragraph (d), and adopted by the commissioner and, if necessary, submit comments to the commissioner or initiate an appeal.

(c) Data collected under this subdivision are nonpublic data as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this section may be derived from nonpublic data. The commissioner shall establish procedures and safeguards to protect the integrity and confidentiality of any data that it maintains.

Sec. 12. Minnesota Statutes 2013 Supplement, section 72A.2032, subdivision 5, is amended to read:

Subd. 5. **Documentation.** An insurance producer or, where no insurance producer is involved, the responsible insurer representative shall at the time of sale:

- (1) make a record of any recommendation subject to subdivision 1;
- (2) obtain a consumer-signed statement documenting a consumer's refusal to provide suitability information, if any; and
- (3) obtain a ~~eustomer~~ consumer-signed statement acknowledging that an annuity transaction is not recommended if a ~~eustomer~~ consumer decides to enter into an annuity transaction that is not based on the insurance producer's or insurer's recommendation.

Sec. 13. Minnesota Statutes 2013 Supplement, section 85.055, subdivision 1, is amended to read:

Subdivision 1. **Fees.** The fee for state park permits for:

- (1) an annual use of state parks is \$25;
- (2) a second or subsequent vehicle state park permit is \$18;
- (3) a state park permit valid for one day is \$5;

- (4) a daily vehicle state park permit for groups is \$3;
- (5) an annual permit for motorcycles is \$20;
- (6) an employee's state park permit is without charge; and

(7) a state park permit for persons with disabilities under section 85.053, subdivision 7, paragraph (a), clauses (1) to (3), is \$12.

The fees specified in this subdivision include any sales tax required by state law.

Sec. 14. Minnesota Statutes 2012, section 93.2235, subdivision 2, is amended to read:

Subd. 2. **Coleraine laboratory.** The director of the Coleraine laboratory shall establish a program to award grants for the purpose of transferring technology from the Coleraine laboratory to taconite mining companies for:

- (1) taconite pellet product improvements;
- (2) value-added production of taconite iron ore; or
- (3) cost-savings production improvements at Minnesota taconite plants.

An amount equal to the sum of money transferred to the general fund under section ~~92.223~~ 93.223, subdivision 2, is annually appropriated from the general fund to the Board of Regents of the University of Minnesota for the purposes of this section.

Sec. 15. Minnesota Statutes 2012, section 116V.01, subdivision 10, is amended to read:

Subd. 10. **Meetings.** The board of directors shall meet at least twice each year and may hold additional meetings upon giving notice in accordance with the bylaws of the institute. Board meetings are subject to chapter 13D, ~~except subdivision 1b~~ section 13D.01, subdivision 6, as it pertains to financial information, business plans, income and expense projections, customer lists, market and feasibility studies, and trade secret information as defined by section 13.37, subdivision 1, paragraph (b).

Sec. 16. Minnesota Statutes 2012, section 120B.021, subdivision 1a, is amended to read:

Subd. 1a. **Rigorous course of study; waiver.** (a) Upon receiving a student's application signed by the student's parent or guardian, a school district, area learning center, or charter school must declare that a student meets or exceeds a specific academic standard required for graduation under section 120B.02 and this section if the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors determines that the student:

(1) is participating in a course of study, including an advanced placement or international baccalaureate course or program; a learning opportunity outside the curriculum of the district, area learning center, or charter school; or an approved preparatory program for employment or postsecondary education that is equally or more rigorous than the corresponding state or local academic standard required by the district, area learning center, or charter school;

(2) would be precluded from participating in the rigorous course of study, learning opportunity, or preparatory employment or postsecondary education program if the student were required to achieve the academic standard to be waived; and

(3) satisfactorily completes the requirements for the rigorous course of study, learning opportunity, or preparatory employment or postsecondary education program.

Consistent with the requirements of this section, the local school board, the school board of the school district in which the area learning center is located, or the charter school board of directors also may formally determine other circumstances in which to declare that a student meets or exceeds a specific academic standard that the site requires for graduation under section 120B.02 and this section.

(b) A student who satisfactorily completes a postsecondary enrollment options course or program under section 124D.09, or an advanced placement or international baccalaureate course or program under section 120B.13, is not required to complete other requirements of the academic standards corresponding to that specific rigorous course of study.

Sec. 17. Minnesota Statutes 2012, section 122A.415, subdivision 1, is amended to read:

Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district, school site, or charter school that meets the conditions of section 122A.414 and submits an application approved by the commissioner is eligible for alternative teacher compensation revenue.

(b) For school district and intermediate school district applications, the commissioner must consider only those applications to participate that are submitted jointly by a district and the exclusive representative of the teachers. The application must contain an alternative teacher professional pay system agreement that:

(1) implements an alternative teacher professional pay system consistent with section 122A.414; and

(2) is negotiated and adopted according to the Public Employment Labor Relations Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a district may enter into a contract for a term of two or four years.

Alternative teacher compensation revenue for a qualifying school district or site in which the school board and the exclusive representative of the teachers agree to place teachers in the district or at the site on the alternative teacher professional pay system equals \$260 times the number of pupils enrolled at the district or site on October 1 of the previous fiscal year. Alternative teacher compensation revenue for a qualifying intermediate school district must be calculated under ~~section 126C.10, subdivision 34, paragraphs (a) and (b)~~ subdivision 4, paragraph (a).

(c) For a newly combined or consolidated district, the revenue shall be computed using the sum of pupils enrolled on October 1 of the previous year in the districts entering into the combination or consolidation. The commissioner may adjust the revenue computed for a site using prior year data to reflect changes attributable to school closings, school openings, or grade level reconfigurations between the prior year and the current year.

(d) The revenue is available only to school districts, intermediate school districts, school sites, and charter schools that fully implement an alternative teacher professional pay system by October 1 of the current school year.

Sec. 18. Minnesota Statutes 2012, section 124D.041, subdivision 3, is amended to read:

Subd. 3. **Procedures.** (a) The Department of Education must establish procedures relating to the application process, the collection or payment of funds under the provisions of any agreement established

pursuant to this section, and the collection of data necessary to implement any agreement established pursuant to this section.

(b) Notwithstanding sections ~~124A.04~~ 124D.04 and ~~124A.05~~ 124D.05, if an agreement is established between Minnesota and an adjoining state pursuant to this section, the provisions of this section and the agreement shall apply to all enrollment transfers between Minnesota and the adjoining state, and provisions of sections 124D.04 and 124D.05 to the contrary, including provisions relating to tuition payments, shall not apply.

(c) Notwithstanding paragraph (a), any payments to adjoining states under this section shall be made according to section 127A.45, subdivision 16.

(d) Notwithstanding paragraph (b), sections 124D.04, subdivision 6, paragraph (b), and 124D.05, subdivision 2a, the provisions of this section and the agreement shall not apply to: (1) enrollment transfers between Minnesota and a school district in an adjoining state enrolling fewer than 150 pupils that is exempted from participation in the program under the laws of the adjoining state; or (2) enrollment transfers between Minnesota and a school district in an adjoining state under a board agreement initiated in fiscal year 2009 to serve students in grade levels discontinued by the resident district.

Sec. 19. Minnesota Statutes 2012, section 124D.895, subdivision 3, is amended to read:

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

- (1) educational opportunities for families that enhance children's learning development;
- (2) educational programs for parents or guardians on families' educational responsibilities and resources;
- (3) the hiring, training, and use of parental involvement liaison workers to coordinate family involvement activities and to foster communication among families, educators, and students;
- (4) curriculum materials and assistance in implementing home and community-based learning activities that reinforce and extend classroom instruction and student motivation;
- (5) technical assistance, including training to design and carry out family involvement programs;
- (6) parent resource centers;
- (7) parent training programs and reasonable and necessary expenditures associated with parents' attendance at training sessions;
- (8) reports to parents on children's progress;
- (9) use of parents as classroom volunteers, or as volunteers in before and after school programs for school-age children, tutors, and aides;
- (10) soliciting parents' suggestions in planning, developing, and implementing school programs;
- (11) educational programs and opportunities for parents or guardians that are multicultural, gender fair, and disability sensitive;
- (12) involvement in a district's curriculum advisory committee or a ~~school building site~~ team under section 120B.11; and

(13) opportunities for parent involvement in developing, implementing, or evaluating school and district desegregation/integration plans.

Sec. 20. Minnesota Statutes 2012, section 125A.78, as amended by Laws 2013, chapter 116, article 5, section 24, is amended to read:

125A.78 ALTERNATIVE DELIVERY ~~INITIAL~~ AID ADJUSTMENT.

Subdivision 1. **Eligibility.** A district is eligible for an alternative delivery ~~initial~~ aid adjustment if the commissioner has approved the application of the district according to section 125A.50.

Subd. 2. **Initial Aid adjustment.** For the fiscal year after approval of a district's application, and thereafter, the special education aid under section 125A.76 must be computed based on activities defined as reimbursable under Department of Education rules for special education and nonspecial education students, and additional activities as detailed and approved by the commissioner.

Subd. 3. **Use of revenue.** Revenue under section 125A.76 shall be used to implement the approved program.

Sec. 21. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

(c) "General revenue" for a school district means the sum of the general education revenue according to section 126C.10, subdivision 1, ~~excluding alternative teacher compensation revenue~~; minus transportation sparsity revenue minus total operating capital revenue. "General revenue" for a charter school means the sum

of the general education revenue according to section 124D.11, subdivision 1, and transportation revenue according to section 124D.11, subdivision 2, ~~excluding alternative teacher compensation revenue~~, minus referendum equalization aid minus transportation sparsity revenue minus operating capital revenue.

EFFECTIVE DATE. This section is effective for fiscal year 2015 and later.

Sec. 22. Minnesota Statutes 2012, section 137.022, subdivision 2, is amended to read:

Subd. 2. **Income.** All income from the permanent university fund is appropriated annually to the Board of Regents. Authority over this income is vested solely in the board but must be used by the board directly to enhance the mission of the university. This appropriation of income must not be used to reduce other appropriations made to the Board of Regents. The determination of this income shall be based on the procedures detailed in section 11A.16, subdivision 5, or 11A.12, ~~subdivision 2.~~

Sec. 23. Minnesota Statutes 2012, section 144A.10, subdivision 16, is amended to read:

Subd. 16. **Independent informal dispute resolution.** (a) Notwithstanding subdivision 15, a facility certified under the federal Medicare or Medicaid programs may request from the commissioner, in writing, an independent informal dispute resolution process regarding any deficiency citation issued to the facility. The facility must specify in its written request each deficiency citation that it disputes. The commissioner shall provide a hearing under sections 14.57 to 14.62. Upon the written request of the facility, the parties must submit the issues raised to arbitration by an administrative law judge.

(b) Upon receipt of a written request for an arbitration proceeding, the commissioner shall file with the Office of Administrative Hearings a request for the appointment of an arbitrator and simultaneously serve the facility with notice of the request. The arbitrator for the dispute shall be an administrative law judge appointed by the Office of Administrative Hearings. The disclosure provisions of section ~~572.10~~ 572B.12 and the notice provisions of section ~~572.12~~ 572B.15 apply. The facility and the commissioner have the right to be represented by an attorney.

(c) The commissioner and the facility may present written evidence, depositions, and oral statements and arguments at the arbitration proceeding. Oral statements and arguments may be made by telephone.

(d) Within ten working days of the close of the arbitration proceeding, the administrative law judge shall issue findings regarding each of the deficiencies in dispute. The findings shall be one or more of the following:

(1) Supported in full. The citation is supported in full, with no deletion of findings and no change in the scope or severity assigned to the deficiency citation.

(2) Supported in substance. The citation is supported, but one or more findings are deleted without any change in the scope or severity assigned to the deficiency.

(3) Deficient practice cited under wrong requirement of participation. The citation is amended by moving it to the correct requirement of participation.

(4) Scope not supported. The citation is amended through a change in the scope assigned to the citation.

(5) Severity not supported. The citation is amended through a change in the severity assigned to the citation.

(6) No deficient practice. The citation is deleted because the findings did not support the citation or the negative resident outcome was unavoidable. The findings of the arbitrator are not binding on the commissioner.

(e) The commissioner shall reimburse the Office of Administrative Hearings for the costs incurred by that office for the arbitration proceeding. The facility shall reimburse the commissioner for the proportion of the costs that represent the sum of deficiency citations supported in full under paragraph (d), clause (1), or in substance under paragraph (d), clause (2), divided by the total number of deficiencies disputed. A deficiency citation for which the administrative law judge's sole finding is that the deficient practice was cited under the wrong requirements of participation shall not be counted in the numerator or denominator in the calculation of the proportion of costs.

Sec. 24. Minnesota Statutes 2012, section 144A.441, is amended to read:

144A.441 ASSISTED LIVING BILL OF RIGHTS ADDENDUM.

Assisted living clients, as defined in section 144G.01, subdivision 3, shall be provided with the home care bill of rights required by section 144A.44, except that the home care bill of rights provided to these clients must include the following provision in place of the provision in section 144A.44, subdivision 1, clause ~~(16)~~ (17):

"~~(16)~~ (17) the right to reasonable, advance notice of changes in services or charges, including at least 30 days' advance notice of the termination of a service by a provider, except in cases where:

(i) the recipient of services engages in conduct that alters the conditions of employment as specified in the employment contract between the home care provider and the individual providing home care services, or creates an abusive or unsafe work environment for the individual providing home care services;

(ii) an emergency for the informal caregiver or a significant change in the recipient's condition has resulted in service needs that exceed the current service provider agreement and that cannot be safely met by the home care provider; or

(iii) the provider has not received payment for services, for which at least ten days' advance notice of the termination of a service shall be provided."

Sec. 25. Minnesota Statutes 2012, section 144A.442, is amended to read:

144A.442 ASSISTED LIVING CLIENTS; SERVICE TERMINATION.

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

(1) the effective date of termination;

(2) the reason for termination;

(3) without extending the termination notice period, an affirmative offer to meet with the assisted living client or client representatives within no more than five business days of the date of the termination notice to discuss the termination;

(4) contact information for a reasonable number of other home care providers in the geographic area of the assisted living client, as required by Minnesota Rules, part 4668.0050;

(5) a statement that the provider will participate in a coordinated transfer of the care of the client to another provider or caregiver, as required by section 144A.44, subdivision 1, clause ~~(17)~~ (18);

(6) the name and contact information of a representative of the home care provider with whom the client may discuss the notice of termination;

(7) a copy of the home care bill of rights; and

(8) a statement that the notice of termination of home care services by the home care provider does not constitute notice of termination of the housing with services contract with a housing with services establishment.

Sec. 26. Minnesota Statutes 2013 Supplement, section 144A.4792, subdivision 3, is amended to read:

Subd. 3. **Individualized medication monitoring and reassessment.** The comprehensive home care provider must monitor and reassess the client's medication management services as needed under subdivision ~~14~~ 2 when the client presents with symptoms or other issues that may be medication-related and, at a minimum, annually.

Sec. 27. Minnesota Statutes 2012, section 145.8821, is amended to read:

145.8821 ACCOUNTABILITY.

(a) Coordinating with the statewide outcomes established under section 145A.12, subdivision ~~7~~ 3, and with accountability measures outlined in section 145A.131, subdivision 7, each community health board that receives money under section 145.882, subdivision 3, shall select by February 1, 2005, and every five years thereafter, up to two statewide maternal and child health outcomes.

(b) For the period January 1, 2004, to December 31, 2005, each community health board must work toward the Healthy People 2010 goal to reduce the state's percentage of low birth weight infants.

(c) The commissioner shall monitor and evaluate whether each community health board has made sufficient progress toward the selected outcomes established in paragraph (b) and under section 145A.12, subdivision 7.

(d) Community health boards shall provide the commissioner with annual information necessary to evaluate progress toward selected statewide outcomes and to meet federal reporting requirements.

Sec. 28. Minnesota Statutes 2013 Supplement, section 145A.061, subdivision 3, is amended to read:

Subd. 3. **Denial of service.** The commissioner may deny an application from any applicant who has been convicted of any of the following crimes:

Section 609.185 (murder in the first degree); section 609.19 (murder in the second degree); section 609.195 (murder in the third degree); section 609.20 (manslaughter in the first degree); section 609.205 (manslaughter in the second degree); section 609.25 (kidnapping); section 609.2661 (murder of an unborn child in the first degree); section 609.2662 (murder of an unborn child in the second degree); section 609.2663 (murder of an unborn child in the third degree); section 609.342 (criminal sexual conduct in the first degree); section 609.343 (criminal sexual conduct in the second degree); section 609.344 (criminal

sexual conduct in the third degree); section 609.345 (criminal sexual conduct in the fourth degree); section 609.3451 (criminal sexual conduct in the fifth degree); section 609.3453 (criminal sexual predatory conduct); section 609.352 (solicitation of children to engage in sexual conduct); section 609.352 (communication of sexually explicit materials to children); section 609.365 (incest); section 609.377 (felony malicious punishment of a child); section 609.378 (felony neglect or endangerment of a child); section 609.561 (arson in the first degree); section 609.562 (arson in the second degree); section 609.563 (arson in the third degree); section 609.749, subdivision 3, 4, or 5 (felony stalking); section 152.021 (controlled substance crimes in the first degree); section 152.022 (controlled substance crimes in the second degree); section 152.023 (controlled substance crimes in the third degree); section 152.024 (controlled substance crimes in the fourth degree); section 152.025 (controlled substance crimes in the fifth degree); section 243.166 (violation of predatory offender registration law); section 617.23, subdivision 2, clause (1), or subdivision 3, clause (1) (indecent exposure involving a minor); section 617.246 (use of minors in sexual performance); section 617.247 (possession of pornographic work involving minors); section 609.221 (assault in the first degree); section 609.222 (assault in the second degree); section 609.223 (assault in the third degree); section 609.2231 (assault in the fourth degree); section 609.224 (assault in the fifth degree); section 609.2242 (domestic assault); section 609.2247 (domestic assault by strangulation); section 609.228 (great bodily harm caused by distribution of drugs); section 609.23 (mistreatment of persons confined); section 609.231 (mistreatment of residents or patients); section 609.2325 (criminal abuse); section 609.233 (criminal neglect); section 609.2335 (financial exploitation of a vulnerable adult); section 609.234 (failure to report); section 609.24 (simple robbery); section 609.245 (aggravated robbery); section 609.255 (false imprisonment); section 609.322 (solicitation, inducement, and promotion of prostitution and sex trafficking); section 609.324, subdivision 1 (hiring or engaging minors in prostitution); section 609.465 (presenting false claims to a public officer or body); section 609.466 (medical assistance fraud); section 609.52 (felony theft); section 609.82 (felony fraud in obtaining credit); section 609.527 (felony identity theft); section 609.582 (felony burglary); section 609.611 (felony insurance fraud); section 609.625 (aggravated forgery); section 609.63 (forgery); section 609.631 (felony check forgery); section 609.66, subdivision 1e (felony drive-by shooting); section 609.71 (felony riot); section 609.713 (terroristic threats); section 609.72, subdivision 3 (disorderly conduct by a caregiver against a vulnerable adult); section 609.821 (felony financial transaction card fraud); section 609.855, subdivision 4 5 (shooting at or in a public transit vehicle or facility); or aiding and abetting, attempting, or conspiring to commit any of the offenses in this subdivision.

Sec. 29. Minnesota Statutes 2012, section 148F.105, subdivision 2, is amended to read:

Subd. 2. **Use of titles.** (a) No individual shall present himself or herself or any other individual to the public by any title incorporating the words "licensed alcohol and drug counselor," "alcohol and drug counselor," or otherwise hold himself or herself out to the public by any title or description stating or implying that they are licensed or otherwise qualified to practice alcohol and drug counseling, unless that individual holds a valid license.

(b) An individual issued a temporary permit must use titles consistent with section 148F.035, ~~subdivisions 1 and 2~~, paragraph (c), clause (3).

(c) An individual who is participating in an alcohol and drug counseling practicum for purposes of licensure by the board may be designated an alcohol and drug counselor intern.

(d) Individuals who are trained in alcohol and drug counseling and employed by an educational institution recognized by a regional accrediting organization, by a federal, state, county, or local government institution, by agencies, or research facilities, may represent themselves by the titles designated by that organization provided the title does not indicate the individual is licensed by the board.

Sec. 30. Minnesota Statutes 2012, section 148F.2051, is amended to read:

148F.2051 FAILURE TO REPORT.

On or after August 1, 2012, any person, institution, insurer, or organization that fails to report as required under Minnesota Statutes 2010, section 148C.095, subdivisions 2 to 5, shall be subject to civil penalties for failing to report as required by law.

Sec. 31. Minnesota Statutes 2013 Supplement, section 149A.93, subdivision 3, is amended to read:

Subd. 3. **Disposition permit.** A disposition permit is required before a body can be buried, entombed, alkaline hydrolyzed, or cremated. No disposition permit shall be issued until a fact of death record has been completed and filed with the ~~local~~ state registrar of vital statistics.

Sec. 32. Minnesota Statutes 2013 Supplement, section 152.126, subdivision 6, is amended to read:

Subd. 6. **Access to reporting system data.** (a) Except as indicated in this subdivision, the data submitted to the board under subdivision 4 is private data on individuals as defined in section 13.02, subdivision 12, and not subject to public disclosure.

(b) Except as specified in subdivision 5, the following persons shall be considered permissible users and may access the data submitted under subdivision 4 in the same or similar manner, and for the same or similar purposes, as those persons who are authorized to access similar private data on individuals under federal and state law:

(1) a prescriber or an agent or employee of the prescriber to whom the prescriber has delegated the task of accessing the data, to the extent the information relates specifically to a current patient, to whom the prescriber is prescribing or considering prescribing any controlled substance and with the provision that the prescriber remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(2) a dispenser or an agent or employee of the dispenser to whom the dispenser has delegated the task of accessing the data, to the extent the information relates specifically to a current patient to whom that dispenser is dispensing or considering dispensing any controlled substance and with the provision that the dispenser remains responsible for the use or misuse of data accessed by a delegated agent or employee;

(3) an individual who is the recipient of a controlled substance prescription for which data was submitted under subdivision 4, or a guardian of the individual, parent or guardian of a minor, or health care agent of the individual acting under a health care directive under chapter 145C;

(4) personnel of the board specifically assigned to conduct a bona fide investigation of a specific licensee;

(5) personnel of the board engaged in the collection of controlled substance prescription information as part of the assigned duties and responsibilities under this section;

(6) authorized personnel of a vendor under contract with the board who are engaged in the design, implementation, operation, and maintenance of the electronic reporting system as part of the assigned duties and responsibilities of their employment, provided that access to data is limited to the minimum amount necessary to carry out such duties and responsibilities;

(7) federal, state, and local law enforcement authorities acting pursuant to a valid search warrant;

(8) personnel of the medical assistance program assigned to use the data collected under this section to identify recipients whose usage of controlled substances may warrant restriction to a single primary care physician, a single outpatient pharmacy, or a single hospital; and

(9) personnel of the Department of Human Services assigned to access the data pursuant to paragraph (h).

For purposes of clause (3), access by an individual includes persons in the definition of an individual under section 13.02.

(c) Any permissible user identified in paragraph (b), who directly accesses the data electronically, shall implement and maintain a comprehensive information security program that contains administrative, technical, and physical safeguards that are appropriate to the user's size and complexity, and the sensitivity of the personal information obtained. The permissible user shall identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of personal information that could result in the unauthorized disclosure, misuse, or other compromise of the information and assess the sufficiency of any safeguards in place to control the risks.

(d) The board shall not release data submitted under this section unless it is provided with evidence, satisfactory to the board, that the person requesting the information is entitled to receive the data.

(e) The board shall not release the name of a prescriber without the written consent of the prescriber or a valid search warrant or court order. The board shall provide a mechanism for a prescriber to submit to the board a signed consent authorizing the release of the prescriber's name when data containing the prescriber's name is requested.

(f) The board shall maintain a log of all persons who access the data and shall ensure that any permissible user complies with paragraph (c) prior to attaining direct access to the data.

(g) Section 13.05, subdivision 6, shall apply to any contract the board enters into pursuant to subdivision 2. A vendor shall not use data collected under this section for any purpose not specified in this section.

(h) With available appropriations, the commissioner of human services shall establish and implement a system through which the Department of Human Services shall routinely access the data for the purpose of determining whether any client enrolled in an opioid treatment program licensed according to chapter 245A has been prescribed or dispensed a controlled substance in addition to that administered or dispensed by the opioid treatment program. When the commissioner determines there have been multiple prescribers or multiple prescriptions of controlled substances, the commissioner shall:

(1) inform the medical director of the opioid treatment program only that the commissioner determined the existence of multiple prescribers or multiple prescriptions of controlled substances; and

(2) direct the medical director of the opioid treatment program to access the data directly, review the effect of the multiple prescribers or multiple prescriptions, and document the review.

If determined necessary, the commissioner of human services shall seek a federal waiver of, or exception to, any applicable provision of Code of Federal Regulations, title 42, ~~part section~~ 2.34, ~~item paragraph~~ (c), prior to implementing this paragraph.

Sec. 33. Minnesota Statutes 2012, section 168D.07, is amended to read:

168D.07 FUEL DECAL FEE.

The commissioner shall issue a decal or other identification to indicate compliance with the International Fuel Tax Agreement. The commissioner shall collect a fee for the decal or other identification in the amount established in section 168.12, subdivision 5. Decal or other identification fees paid to the commissioner under this ~~subdivision~~ section must be deposited in the vehicle services operating account in the special revenue fund under section 299A.705.

Sec. 34. Minnesota Statutes 2012, section 176.081, subdivision 9, is amended to read:

Subd. 9. **Retainer agreement.** An attorney who is hired by an employee to provide legal services with respect to a claim for compensation made pursuant to this chapter shall prepare a retainer agreement in which the provisions of this section are specifically set out and provide a copy of this agreement to the employee. The retainer agreement shall provide a space for the signature of the employee. A signed agreement shall raise a conclusive presumption that the employee has read and understands the statutory fee provisions. No fee shall be awarded pursuant to this section in the absence of a signed retainer agreement.

The retainer agreement shall contain a notice to the employee regarding the maximum fee allowed under this section in ten-point type, which shall read:

Notice of Maximum Fee

The maximum fee allowed by law for legal services is ~~25~~ 20 percent of the first ~~\$4,000~~ of compensation awarded to the employee and ~~20~~ percent of the next ~~\$60,000~~ \$130,000 of compensation awarded to the employee subject to a cumulative maximum fee of ~~\$13,000~~ \$26,000 for fees related to the same injury.

The employee shall take notice that the employee is under no legal or moral obligation to pay any fee for legal services in excess of the foregoing maximum fee.

Sec. 35. Minnesota Statutes 2012, section 216B.39, subdivision 6, is amended to read:

Subd. 6. **Determination for exceptional case.** In those areas where, on April 12, 1974, the existing electric lines of two or more electric utilities are so intertwined that subdivisions 2 to 5 cannot reasonably be applied, the commission shall determine the boundaries of the assigned service areas for the electric utilities involved as will promote the legislative policy in section 216B.37, ~~subdivision 1.~~

Sec. 36. Minnesota Statutes 2012, section 245.4712, subdivision 2, is amended to read:

Subd. 2. **Day treatment services provided.** (a) Day treatment services must be developed as a part of the community support services available to adults with serious and persistent mental illness residing in the county. Adults may be required to pay a fee according to section 245.481. Day treatment services must be designed to:

- (1) provide a structured environment for treatment;
- (2) provide support for residing in the community;
- (3) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client need;
- (4) coordinate with or be offered in conjunction with a local education agency's special education program; and
- (5) operate on a continuous basis throughout the year.

(b) For purposes of complying with medical assistance requirements, an adult day treatment program ~~may choose among the methods~~ must comply with the method of clinical supervision specified in:

(1) ~~Minnesota Rules, part 9505.0323~~ 9505.0371, subpart 1, ~~item F~~; 4. The clinical supervision must be performed by a qualified supervisor who satisfies the requirements of Minnesota Rules, part 9505.0371, subpart 5.

(2) ~~Minnesota Rules, part 9505.0324, subpart 6, item F~~; or

(3) ~~Minnesota Rules, part 9520.0800, subparts 2 to 6.~~

A day treatment program ~~may~~ must demonstrate compliance with ~~these~~ this clinical supervision requirements ~~requirement~~ by ~~obtaining certification from the commissioner under Minnesota Rules, parts 9520.0750 to 9520.0870, or by documenting in its own records that it complies with one of the above methods~~ the commissioner's review and approval of the program according to Minnesota Rules, part 9505.0372, subpart 8.

(c) County boards may request a waiver from including day treatment services if they can document that:

(1) an alternative plan of care exists through the county's community support services for clients who would otherwise need day treatment services;

(2) day treatment, if included, would be duplicative of other components of the community support services; and

(3) county demographics and geography make the provision of day treatment services cost ineffective and infeasible.

Sec. 37. Minnesota Statutes 2013 Supplement, section 245.94, subdivision 2a, is amended to read:

Subd. 2a. **Mandatory reporting.** Within 24 hours after a client suffers death or serious injury, the agency, facility, or program director shall notify the ombudsman of the death or serious injury. The emergency use of manual restraint must be reported to the ombudsman as required under section 245D.061, subdivision 10.8. The ombudsman is authorized to receive identifying information about a deceased client according to Code of Federal Regulations, title 42, section 2.15, paragraph (b).

Sec. 38. Minnesota Statutes 2012, section 245A.04, subdivision 7, is amended to read:

Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license. At minimum, the license shall state:

(1) the name of the license holder;

(2) the address of the program;

(3) the effective date and expiration date of the license;

(4) the type of license;

(5) the maximum number and ages of persons that may receive services from the program; and

(6) any special conditions of licensure.

(b) The commissioner may issue an initial license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the evaluation or observation required by subdivision 4, paragraph (a), clauses (3) and (4), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program. A license shall not be transferable to another individual, corporation, partnership, voluntary association, other organization, or controlling individual or to another location.

(d) A license holder must notify the commissioner and obtain the commissioner's approval before making any changes that would alter the license information listed under paragraph (a).

(e) Except as provided in paragraphs (g) and (h), the commissioner shall not issue or reissue a license if the applicant, license holder, or controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license within the past two years;

(3) had a license revoked within the past five years;

(4) an outstanding debt related to a license fee, licensing fine, or settlement agreement for which payment is delinquent; or

(5) failed to submit the information required of an applicant under subdivision 1, paragraph (f) or (g), after being requested by the commissioner.

When a license is revoked under clause (1) or (3), the license holder and controlling individual may not hold any license under chapter 245A or ~~245B~~ 245D for five years following the revocation, and other licenses held by the applicant, license holder, or controlling individual shall also be revoked.

(f) The commissioner shall not issue or reissue a license if an individual living in the household where the licensed services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

(g) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

(h) Notwithstanding paragraph (g), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate

only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(i) For purposes of reimbursement for meals only, under the Child and Adult Care Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226, relocation within the same county by a licensed family day care provider, shall be considered an extension of the license for a period of no more than 30 calendar days or until the new license is issued, whichever occurs first, provided the county agency has determined the family day care provider meets licensure requirements at the new location.

(j) Unless otherwise specified by statute, all licenses expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date.

(k) The commissioner shall not issue or reissue a license if it has been determined that a tribal licensing authority has established jurisdiction to license the program or service.

Sec. 39. Minnesota Statutes 2013 Supplement, section 245A.192, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Diversion" means the use of a medication for the treatment of opioid addiction being diverted from its intended use.

(c) "Guest dose or dosing" means the practice of administering a medication used for the treatment of opioid addiction to a person who is not a client of the program that is administering or dispensing the medication.

(d) "Medical director" means a physician, licensed to practice medicine in the jurisdiction in which the opioid treatment program is located, who assumes responsibility for administering all medical services performed by the program, either by performing them directly or by delegating specific responsibility to authorized program physicians and health care professionals functioning under the medical director's direct supervision.

(e) "Medication used for the treatment of opioid addiction" means a medication approved by the Food and Drug Administration for the treatment of opioid addiction.

(f) "Opioid treatment program" has the meaning given in Code of Federal Regulations, title 42, section 8.12, and includes programs licensed under Minnesota Rules, part 9530.6500.

(g) "Program" means an entity that is licensed under Minnesota Rules, part 9530.6500.

(h) "Unsupervised use" means the use of a medication for the treatment of opioid addiction dispensed for use by a client outside of the program setting. This is also referred to as a "take-home" dose.

(i) "Placing authority" has the meaning given in Minnesota Rules, part 9530.6605, subpart 21a.

(j) "Minnesota health care programs" has the meaning given in section 256B.0636, ~~clause (3).~~

Sec. 40. Minnesota Statutes 2013 Supplement, section 245A.192, subdivision 5, is amended to read:

Subd. 5. **Criteria for unsupervised use.** (a) To limit the potential for diversion of medication used for the treatment of opioid addiction to the illicit market, any such medications dispensed to patients for unsupervised use shall be subject to the following requirements:

(1) any patient in an opioid treatment program may receive a single take-home dose for a day that the clinic is closed for business, including Sundays and state and federal holidays; and

(2) treatment program decisions on dispensing medications used to treat opioid addiction to patients for unsupervised use beyond that set forth in clause (1) shall be determined by the medical director.

(b) The medical director must consider the criteria in ~~paragraph (a)~~ this subdivision in determining whether a client may be permitted unsupervised or take-home use of such medications. The criteria must also be considered when determining whether dispensing medication for a client's unsupervised use is appropriate to increase or to extend the amount of time between visits to the program. The criteria include:

(1) absence of recent abuse of drugs including but not limited to opioids, nonnarcotics, and alcohol;

(2) regularity of program attendance;

(3) absence of serious behavioral problems at the program;

(4) absence of known recent criminal activity such as drug dealing;

(5) stability of the client's home environment and social relationships;

(6) length of time in comprehensive maintenance treatment;

(7) reasonable assurance that take-home medication will be safely stored within the client's home; and

(8) whether the rehabilitative benefit the client derived from decreasing the frequency of program attendance outweighs the potential risks of diversion or unsupervised use.

(c) The determination, including the basis of the determination, must be consistent with the criteria in ~~paragraph (a), clause (2)~~, this subdivision and must be documented in the client's medical record.

Sec. 41. Minnesota Statutes 2013 Supplement, section 245A.192, subdivision 6, is amended to read:

Subd. 6. **Restrictions for unsupervised or take-home use of methadone hydrochloride.** (a) In cases where it is determined that a client meets the criteria in subdivision 5, ~~paragraph (a), clause (2)~~, and may be dispensed a medication used for the treatment of opioid addiction, the restrictions in paragraphs (b) to (g) must be followed when the medication to be dispensed is methadone hydrochloride.

(b) During the first 90 days of treatment, the take-home supply must be limited to a maximum of a single dose each week and the client shall ingest all other doses under direct supervision.

(c) In the second 90 days of treatment, the take-home supply must be limited to two doses per week.

(d) In the third 90 days of treatment, the take-home supply must not exceed three doses per week.

(e) In the remaining months of the first year, a client may be given a maximum six-day supply of take-home medication.

(f) After one year of continuous treatment, a client may be given a maximum two-week supply of take-home medication.

(g) After two years of continuous treatment, a client may be given a maximum one-month supply of take-home medication, but must make monthly visits.

Sec. 42. Minnesota Statutes 2013 Supplement, section 245A.192, subdivision 7, is amended to read:

Subd. 7. **Restriction exceptions.** When a license holder has reason to accelerate the number of unsupervised or take-home doses of methadone hydrochloride, the license holder must comply with the requirements of Code of Federal Regulations, title 42, ~~chapter 1, subchapter A, part 8,~~ section 8.12, the criteria for unsupervised use in subdivision 5, and must use the exception process provided by the federal Center for Substance Abuse Treatment Division of Pharmacologic Therapies. For the purposes of enforcement of this subdivision, the commissioner has the authority to monitor for compliance with these federal regulations and may issue licensing actions according to sections 245A.05, 245A.06, and 245A.07 based on the commissioner's determination of noncompliance.

Sec. 43. Minnesota Statutes 2013 Supplement, section 245A.192, subdivision 11, is amended to read:

Subd. 11. **Prescription monitoring program.** (a) Upon admission to a methadone clinic outpatient treatment program, clients shall be notified that the Department of Human Services and the medical director will monitor the prescription monitoring program to review the prescribed controlled drugs the clients have received. The medical director or the medical director's delegate must review data from the Minnesota Board of Pharmacy prescription monitoring program (PMP) established under section 152.126 prior to the client being ordered any controlled substance as defined under section 152.126, subdivision 1, paragraph (b), including medications used for the treatment of opioid addiction. The subsequent reviews of the PMP data must occur quarterly and be documented in the client's individual file. When the PMP data shows a recent history of multiple prescribers or multiple prescriptions for controlled substances, then subsequent reviews of the PMP data must occur monthly and be documented in the client's individual file. If, at any time, the medical director believes the use of the controlled substances places the client at risk of harm, the program must seek the client's consent to discuss the client's opioid treatment with other prescribers and must seek consent for the other prescriber to disclose to the opioid treatment program's medical director the client's condition that formed the basis of the other prescriptions. Additionally, any findings from the PMP data that are relevant to the medical director's course of treatment for the client must be documented in the client's individual file. A review of the PMP is not required for every medication dose adjustment.

(b) The commissioner shall collaborate with the Minnesota Board of Pharmacy to develop and implement an electronic system through which the commissioner shall routinely access the data from the Minnesota Board of Pharmacy prescription monitoring program established under section 152.126 for the purpose of determining whether any client enrolled in an opioid addiction treatment program licensed according to this section has also been prescribed or dispensed a controlled substance in addition to that administered or dispensed by the opioid addiction treatment program. When the commissioner determines there have been multiple prescribers or multiple prescriptions of controlled substances, the commissioner shall:

(1) inform the medical director of the opioid treatment program only that the commissioner determined the existence of multiple prescribers or multiple prescriptions of controlled substances; and

(2) direct the medical director of the opioid treatment program to access the data directly, review the effect of the multiple prescribers or multiple prescriptions, and document the review.

(c) If determined necessary, the commissioner shall seek a federal waiver of, or exception to, any applicable provision of Code of Federal Regulations, title 42, ~~part section 2.34, item (c)~~, prior to implementing this ~~paragraph subdivision~~.

Sec. 44. Minnesota Statutes 2013 Supplement, section 245A.192, subdivision 12, is amended to read:

Subd. 12. **Policies and procedures.** (a) License holders must develop and maintain the policies and procedures required in this subdivision. ~~Where a standard in this section differs from a standard in otherwise applicable administrative rule, the standards of this subdivision apply.~~

(b) For programs that are not open every day of the year, the license holder must maintain a policy and procedure that permits clients to receive a single unsupervised use of medication used for the treatment of opioid addiction for days that the program is closed for business, including, but not limited to, Sundays and state and federal holidays as required under subdivision 5, paragraph (a), clause (1).

(c) The license holder must maintain a policy and procedure that includes specific measures to reduce the possibility of medication used for the treatment of opioid addiction being diverted from its intended treatment use. The policy and procedure must:

(1) specifically identify and define the responsibilities of the medical and administrative staff for carrying out diversion control measures; and

(2) include a process for contacting no less than five percent of clients who have unsupervised use of medication used for the treatment of opioid addiction, excluding those approved solely under subdivision 5, paragraph (a), clause (1), to require them to physically return to the program each month. The system must require clients to return to the program within a stipulated time frame and turn in all unused medication containers related to opioid addiction treatment. The license holder must document all related contacts on a central log and the outcome of the contact for each client in the individual client's record.

(d) Medications used for the treatment of opioid addictions must be ordered, administered, and dispensed according to applicable state and federal regulations and the standards set by applicable accreditation entities. In addition, when an order requires assessment by the person administering or dispensing the medication to determine the amount to be administered or dispensed, the assessment must be completed by an individual whose professional scope of practice permits such assessment. For the purposes of enforcement of this paragraph, the commissioner has the authority to monitor for compliance with these state and federal regulations and the relevant standards of the license holder's accreditation agency and may issue licensing actions according to sections 245A.05, 245A.06, and 245A.07 based on the commissioner's determination of noncompliance.

Sec. 45. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 4d, is amended to read:

Subd. 4d. **Corporate foster care.** "Corporate foster care" means a child foster residence setting licensed according to Minnesota Rules, parts ~~2960.0010~~ 2960.3000 to 2960.3340, or an adult foster care home licensed according to Minnesota Rules, parts 9555.5105 to 9555.6265, where the license holder does not live in the home.

Sec. 46. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 8c, is amended to read:

Subd. 8c. **Family foster care.** "Family foster care" means a child foster family setting licensed according to Minnesota Rules, parts ~~2960.0010~~ 2960.3000 to 2960.3340, or an adult foster care home licensed according to Minnesota Rules, parts 9555.5105 to 9555.6265, where the license holder lives in the home.

Sec. 47. Minnesota Statutes 2013 Supplement, section 245D.02, subdivision 23b, is amended to read:

Subd. 23b. **Positive support transition plan.** "Positive support transition plan" means the plan required in section 245D.06, subdivision 5, ~~paragraph (b)~~ 8, to be developed by the expanded support team to implement positive support strategies to:

- (1) eliminate the use of prohibited procedures as identified in section 245D.06, subdivision 5, ~~paragraph (a)~~;
- (2) avoid the emergency use of manual restraint as identified in section 245D.061; and
- (3) prevent the person from physically harming self or others.

Sec. 48. Minnesota Statutes 2013 Supplement, section 245D.03, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home and community-based services to persons with disabilities and persons age 65 and older pursuant to this chapter. The licensing standards in this chapter govern the provision of basic support services and intensive support services.

(b) Basic support services provide the level of assistance, supervision, and care that is necessary to ensure the health and safety of the person and do not include services that are specifically directed toward the training, treatment, habilitation, or rehabilitation of the person. Basic support services include:

(1) in-home and out-of-home respite care services as defined in section 245A.02, subdivision 15, and under the brain injury, community alternative care, community alternatives for disabled individuals, developmental disability, and elderly waiver plans;

(2) companion services as defined under the brain injury, community alternatives for disabled individuals, and elderly waiver plans, excluding companion services provided under the Corporation for National and Community Services Senior Companion Program established under the Domestic Volunteer Service Act of 1973, Public Law 98-288;

(3) personal support as defined under the developmental disability waiver plan;

(4) 24-hour emergency assistance, personal emergency response as defined under the community alternatives for disabled individuals and developmental disability waiver plans;

(5) night supervision services as defined under the brain injury waiver plan; and

(6) homemaker services as defined under the community alternatives for disabled individuals, brain injury, community alternative care, developmental disability, and elderly waiver plans, excluding providers licensed by the Department of Health under chapter 144A and those providers providing cleaning services only.

(c) Intensive support services provide assistance, supervision, and care that is necessary to ensure the health and safety of the person and services specifically directed toward the training, habilitation, or rehabilitation of the person. Intensive support services include:

(1) intervention services, including:

(i) behavioral support services as defined under the brain injury and community alternatives for disabled individuals waiver plans;

(ii) in-home or out-of-home crisis respite services as defined under the developmental disability waiver plan; and

(iii) specialist services as defined under the current developmental disability waiver plan;

(2) in-home support services, including:

(i) in-home family support and supported living services as defined under the developmental disability waiver plan;

(ii) independent living services training as defined under the brain injury and community alternatives for disabled individuals waiver plans; and

(iii) semi-independent living services;

(3) residential supports and services, including:

(i) supported living services as defined under the developmental disability waiver plan provided in a family or corporate child foster care residence, a family adult foster care residence, a community residential setting, or a supervised living facility;

(ii) foster care services as defined in the brain injury, community alternative care, and community alternatives for disabled individuals waiver plans provided in a family or corporate child foster care residence, a family adult foster care residence, or a community residential setting; and

(iii) residential services provided in a supervised living facility that is certified by the Department of Health as an ICF/DD;

(4) day services, including:

(i) structured day services as defined under the brain injury waiver plan;

(ii) day training and habilitation services under sections ~~252.40~~ 252.41 to 252.46, and as defined under the developmental disability waiver plan; and

(iii) prevocational services as defined under the brain injury and community alternatives for disabled individuals waiver plans; and

(5) supported employment as defined under the brain injury, developmental disability, and community alternatives for disabled individuals waiver plans.

Sec. 49. Minnesota Statutes 2013 Supplement, section 245D.04, subdivision 3, is amended to read:

Subd. 3. **Protection-related rights.** (a) A person's protection-related rights include the right to:

(1) have personal, financial, service, health, and medical information kept private, and be advised of disclosure of this information by the license holder;

(2) access records and recorded information about the person in accordance with applicable state and federal law, regulation, or rule;

(3) be free from maltreatment;

(4) be free from restraint, time out, or seclusion except for emergency use of manual restraint to protect the person from imminent danger to self or others according to the requirements in section 245D.06;

(5) receive services in a clean and safe environment when the license holder is the owner, lessor, or tenant of the service site;

(6) be treated with courtesy and respect and receive respectful treatment of the person's property;

(7) reasonable observance of cultural and ethnic practice and religion;

(8) be free from bias and harassment regarding race, gender, age, disability, spirituality, and sexual orientation;

(9) be informed of and use the license holder's grievance policy and procedures, including knowing how to contact persons responsible for addressing problems and to appeal under section 256.045;

(10) know the name, telephone number, and the Web site, e-mail, and street addresses of protection and advocacy services, including the appropriate state-appointed ombudsman, and a brief description of how to file a complaint with these offices;

(11) assert these rights personally, or have them asserted by the person's family, authorized representative, or legal representative, without retaliation;

(12) give or withhold written informed consent to participate in any research or experimental treatment;

(13) associate with other persons of the person's choice;

(14) personal privacy; and

(15) engage in chosen activities.

(b) For a person residing in a residential site licensed according to chapter 245A, or where the license holder is the owner, lessor, or tenant of the residential service site, protection-related rights also include the right to:

(1) have daily, private access to and use of a non-coin-operated telephone for local calls and long-distance calls made collect or paid for by the person;

(2) receive and send, without interference, uncensored, unopened mail or electronic correspondence or communication;

(3) have use of and free access to common areas in the residence; and

(4) privacy for visits with the person's spouse, next of kin, legal counsel, religious advisor, or others, in accordance with section 363A.09 of the Human Rights Act, including privacy in the person's bedroom.

(c) Restriction of a person's rights under ~~subdivision 2, clause (10), or~~ paragraph (a), clauses (13) to (15), or paragraph (b) is allowed only if determined necessary to ensure the health, safety, and well-being of the person. Any restriction of those rights must be documented in the person's coordinated service and support plan or coordinated service and support plan addendum. The restriction must be implemented in the least restrictive alternative manner necessary to protect the person and provide support to reduce or eliminate

the need for the restriction in the most integrated setting and inclusive manner. The documentation must include the following information:

(1) the justification for the restriction based on an assessment of the person's vulnerability related to exercising the right without restriction;

(2) the objective measures set as conditions for ending the restriction;

(3) a schedule for reviewing the need for the restriction based on the conditions for ending the restriction to occur semiannually from the date of initial approval, at a minimum, or more frequently if requested by the person, the person's legal representative, if any, and case manager; and

(4) signed and dated approval for the restriction from the person, or the person's legal representative, if any. A restriction may be implemented only when the required approval has been obtained. Approval may be withdrawn at any time. If approval is withdrawn, the right must be immediately and fully restored.

Sec. 50. Minnesota Statutes 2013 Supplement, section 245D.051, subdivision 1, is amended to read:

Subdivision 1. **Conditions for psychotropic medication administration.** (a) When a person is prescribed a psychotropic medication and the license holder is assigned responsibility for administration of the medication in the person's coordinated service and support plan or the coordinated service and support plan addendum, the license holder must ensure that the requirements in paragraphs (b) ~~to (d)~~ and (c) and section 245D.05, subdivision 2, are met.

(b) Use of the medication must be included in the person's coordinated service and support plan or in the coordinated service and support plan addendum and based on a prescriber's current written or electronically recorded prescription.

(c) The license holder must develop, implement, and maintain the following documentation in the person's coordinated service and support plan addendum according to the requirements in sections 245D.07 and 245D.071:

(1) a description of the target symptoms that the psychotropic medication is to alleviate; and

(2) documentation methods the license holder will use to monitor and measure changes in the target symptoms that are to be alleviated by the psychotropic medication if required by the prescriber. The license holder must collect and report on medication and symptom-related data as instructed by the prescriber. The license holder must provide the monitoring data to the expanded support team for review every three months, or as otherwise requested by the person or the person's legal representative.

For the purposes of this section, "target symptom" refers to any perceptible diagnostic criteria for a person's diagnosed mental disorder, as defined by the Diagnostic and Statistical Manual of Mental Disorders Fourth Edition Text Revision (DSM-IV-TR) or successive editions, that has been identified for alleviation.

Sec. 51. Minnesota Statutes 2013 Supplement, section 245D.10, subdivision 4, is amended to read:

Subd. 4. **Availability of current written policies and procedures.** (a) The license holder must review and update, as needed, the written policies and procedures required under this chapter.

(b) (1) The license holder must inform the person and case manager of the policies and procedures affecting a person's rights under section 245D.04, and provide copies of those policies and procedures, within five working days of service initiation.

(2) If a license holder only provides basic services and supports, this includes the:

- (i) grievance policy and procedure required under subdivision 2; and
- (ii) service suspension and termination policy and procedure required under subdivision 3.

(3) For all other license holders this includes the:

- (i) policies and procedures in clause (2);
- (ii) emergency use of manual restraints policy and procedure required under section 245D.061, subdivision ~~10~~ 9; and
- (iii) data privacy requirements under section 245D.11, subdivision 3.

(c) The license holder must provide a written notice to all persons or their legal representatives and case managers at least 30 days before implementing any procedural revisions to policies affecting a person's service-related or protection-related rights under section 245D.04 and maltreatment reporting policies and procedures. The notice must explain the revision that was made and include a copy of the revised policy and procedure. The license holder must document the reasonable cause for not providing the notice at least 30 days before implementing the revisions.

(d) Before implementing revisions to required policies and procedures, the license holder must inform all employees of the revisions and provide training on implementation of the revised policies and procedures.

(e) The license holder must annually notify all persons, or their legal representatives, and case managers of any procedural revisions to policies required under this chapter, other than those in paragraph (c). Upon request, the license holder must provide the person, or the person's legal representative, and case manager with copies of the revised policies and procedures.

Sec. 52. Minnesota Statutes 2013 Supplement, section 245D.11, subdivision 4, is amended to read:

Subd. 4. **Admission criteria.** The license holder must establish policies and procedures that promote continuity of care by ensuring that admission or service initiation criteria:

(1) is consistent with the ~~license holder's registration information identified in the requirements in section 245D.031, subdivision 2, and with the service-related rights identified in section 245D.04, subdivisions 2, clauses (4) to (7), and 3, clause (8);~~

(2) identifies the criteria to be applied in determining whether the license holder can develop services to meet the needs specified in the person's coordinated service and support plan;

(3) requires a license holder providing services in a health care facility to comply with the requirements in section 243.166, subdivision 4b, to provide notification to residents when a registered predatory offender is admitted into the program or to a potential admission when the facility was already serving a registered predatory offender. For purposes of this clause, "health care facility" means a facility licensed by the commissioner as a residential facility under chapter 245A to provide adult foster care or residential services to persons with disabilities; and

(4) requires that when a person or the person's legal representative requests services from the license holder, a refusal to admit the person must be based on an evaluation of the person's assessed needs and the

license holder's lack of capacity to meet the needs of the person. The license holder must not refuse to admit a person based solely on the type of residential services the person is receiving, or solely on the person's severity of disability, orthopedic or neurological handicaps, sight or hearing impairments, lack of communication skills, physical disabilities, toilet habits, behavioral disorders, or past failure to make progress. Documentation of the basis for refusal must be provided to the person or the person's legal representative and case manager upon request.

Sec. 53. Minnesota Statutes 2013 Supplement, section 245D.31, subdivision 10, is amended to read:

Subd. 10. **Supervision requirements.** (a) At no time must one direct support staff member be assigned responsibility for supervision and training of more than ten persons receiving supervision and training, except as otherwise stated in each person's risk management coordinated service and support plan or coordinated service and support plan addendum.

(b) In the temporary absence of the director or a supervisor, a direct support staff member must be designated to supervise the center.

Sec. 54. Minnesota Statutes 2012, section 252.41, subdivision 1, is amended to read:

Subdivision 1. **Scope.** The definitions in this section apply to sections ~~252.40~~ 252.41 to 252.46.

Sec. 55. Minnesota Statutes 2012, section 252.451, subdivision 2, is amended to read:

Subd. 2. **Vendor participation and reimbursement.** Notwithstanding requirements in chapter 245A, and sections 252.28, ~~252.40~~ 252.41 to 252.46, and 256B.501, vendors of day training and habilitation services may enter into written agreements with qualified businesses to provide additional training and supervision needed by individuals to maintain their employment.

Sec. 56. Minnesota Statutes 2012, section 256B.038, is amended to read:

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

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

(b) Within the limits of appropriations specifically for this purpose, the commissioner shall apply the rate increases in paragraph (a) to home and community-based waiver services for persons with developmental disabilities under section 256B.501; home and community-based waiver services for the elderly under section 256B.0915; waived services under community alternatives for disabled individuals under section 256B.49; community alternative care waived services under section 256B.49; brain injury waived services under section 256B.49; nursing services and home health services under section 256B.0625, subdivision 6a; personal care services and nursing supervision of personal care services under section 256B.0625, subdivision 19a; private duty nursing services under section 256B.0625, subdivision 7; day training and habilitation services for adults with developmental disabilities under sections ~~252.40~~ 252.41 to 252.46; physical therapy services under sections 256B.0625, subdivision 8, and 256D.03, subdivision 4; oc-

cupational therapy services under sections 256B.0625, subdivision 8a, and 256D.03, subdivision 4; speech-language therapy services under section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0390; respiratory therapy services under section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0295; physician services under section 256B.0625, subdivision 3; dental services under sections 256B.0625, subdivision 9, and 256D.03, subdivision 4; alternative care services under section 256B.0913; adult residential program grants under Minnesota Rules, parts 9535.2000 to 9535.3000; adult and family community support grants under Minnesota Rules, parts 9535.1700 to 9535.1760; and semi-independent living services under section 252.275, including SILS funding under county social services grants formerly funded under chapter 256I.

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

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

Sec. 57. Minnesota Statutes 2013 Supplement, section 256B.057, subdivision 8, is amended to read:

Subd. 8. **Children under age two.** Medical assistance may be paid for a child under two years of age whose countable ~~family~~ household income is above 275 percent of the federal poverty guidelines for the same household size ~~family~~ but less than or equal to 280 percent of the federal poverty guidelines for the same household size ~~family~~ or an equivalent standard when converted using modified adjusted gross income methodology as required under the Affordable Care Act.

Sec. 58. Minnesota Statutes 2012, section 256B.0625, subdivision 33, is amended to read:

Subd. 33. **Child welfare targeted case management.** Medical assistance, subject to federal approval, covers child welfare targeted case management services as defined in section 256B.094 to children under age 21 who have been assessed and determined in accordance with section ~~256F.095~~ 256F.10 to be:

- (1) at risk of placement or in placement as defined in section 260C.212, subdivision 1;
 - (2) at risk of maltreatment or experiencing maltreatment as defined in section 626.556, subdivision 10e;
- or
- (3) in need of protection or services as defined in section 260C.007, subdivision 6.

Sec. 59. Minnesota Statutes 2013 Supplement, section 256B.0911, subdivision 6, is amended to read:

Subd. 6. **Payment for long-term care consultation services.** (a) Until September 30, 2013, payment for long-term care consultation face-to-face assessment shall be made as described in this subdivision.

(b) The total payment for each county must be paid monthly by certified nursing facilities in the county. The monthly amount to be paid by each nursing facility for each fiscal year must be determined by dividing the county's annual allocation for long-term care consultation services by 12 to determine the monthly payment and allocating the monthly payment to each nursing facility based on the number of licensed beds in the nursing facility. Payments to counties in which there is no certified nursing facility must be made by increasing the payment rate of the two facilities located nearest to the county seat.

(c) The commissioner shall include the total annual payment determined under paragraph (a) ~~(b)~~ for each nursing facility reimbursed under section 256B.431, 256B.434, or 256B.441.

(d) In the event of the layaway, delicensure and decertification, or removal from layaway of 25 percent or more of the beds in a facility, the commissioner may adjust the per diem payment amount in paragraph (c) and may adjust the monthly payment amount in paragraph (b). The effective date of an adjustment made under this paragraph shall be on or after the first day of the month following the effective date of the layaway, delicensure and decertification, or removal from layaway.

(e) Payments for long-term care consultation services are available to the county or counties to cover staff salaries and expenses to provide the services described in subdivision 1a. The county shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide long-term care consultation services while meeting the state's long-term care outcomes and objectives as defined in subdivision 1. The county shall be accountable for meeting local objectives as approved by the commissioner in the biennial home and community-based services quality assurance plan on a form provided by the commissioner.

(f) Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility.

(g) The commissioner of human services shall amend the Minnesota medical assistance plan to include reimbursement for the local consultation teams.

(h) Until the alternative payment methodology in paragraph (i) is implemented, the county may bill, as case management services, assessments, support planning, and follow-along provided to persons determined to be eligible for case management under Minnesota health care programs. No individual or family member shall be charged for an initial assessment or initial support plan development provided under subdivision 3a or 3b.

(i) The commissioner shall develop an alternative payment methodology, effective on October 1, 2013, for long-term care consultation services that includes the funding available under this subdivision, and for assessments authorized under sections 256B.092 and 256B.0659. In developing the new payment methodology, the commissioner shall consider the maximization of other funding sources, including federal administrative reimbursement through federal financial participation funding, for all long-term care consultation activity. The alternative payment methodology shall include the use of the appropriate time studies and the state financing of nonfederal share as part of the state's medical assistance program.

Sec. 60. Minnesota Statutes 2013 Supplement, section 256B.0917, subdivision 1a, is amended to read:

Subd. 1a. **Home and community-based services for older adults.** (a) The purpose of projects selected by the commissioner of human services under this section is to make strategic changes in the long-term services and supports system for older adults including statewide capacity for local service development and technical assistance, and statewide availability of home and community-based services for older adult services, caregiver support and respite care services, and other supports in the state of Minnesota. These projects are intended to create incentives for new and expanded home and community-based services in Minnesota in order to:

(1) reach older adults early in the progression of their need for long-term services and supports, providing them with low-cost, high-impact services that will prevent or delay the use of more costly services;

(2) support older adults to live in the most integrated, least restrictive community setting;

(3) support the informal caregivers of older adults;

(4) develop and implement strategies to integrate long-term services and supports with health care services, in order to improve the quality of care and enhance the quality of life of older adults and their informal caregivers;

(5) ensure cost-effective use of financial and human resources;

(6) build community-based approaches and community commitment to delivering long-term services and supports for older adults in their own homes;

(7) achieve a broad awareness and use of lower-cost in-home services as an alternative to nursing homes and other residential services;

(8) strengthen and develop additional home and community-based services and alternatives to nursing homes and other residential services; and

(9) strengthen programs that use volunteers.

(b) The services provided by these projects are available to older adults who are eligible for medical assistance and the elderly waiver under section 256B.0915, the alternative care program under section 256B.0913, or essential community supports grant under ~~subdivision 14, paragraph (b)~~ section 256B.0922, and to persons who have their own funds to pay for services.

Sec. 61. Minnesota Statutes 2012, section 256B.0918, subdivision 2, is amended to read:

Subd. 2. **Participating providers.** The commissioner shall publish a request for proposals in the State Register by August 15, 2005, specifying provider eligibility requirements, provider selection criteria, program specifics, funding mechanism, and methods of evaluation. The commissioner may publish additional requests for proposals in subsequent years. Providers who provide services funded through the following programs are eligible to apply to participate in the scholarship program: home and community-based waived services for persons with developmental disabilities under section 256B.501; home and community-based waived services for the elderly under section 256B.0915; waived services under community alternatives for disabled individuals under section 256B.49; community alternative care waived services under section 256B.49; brain injury waived services under section 256B.49; nursing services and home health services under section 256B.0625, subdivision 6a; personal care services and nursing supervision of personal care services under section 256B.0625, subdivision 19a; private duty nursing services under section 256B.0625, subdivision 7; day training and habilitation services for adults with developmental disabilities under sections ~~252.40~~ 252.41 to 252.46; and intermediate care facilities for persons with developmental disabilities under section 256B.5012.

Sec. 62. Minnesota Statutes 2012, section 256B.0947, subdivision 3a, is amended to read:

Subd. 3a. **Required service components.** (a) Subject to federal approval, medical assistance covers all medically necessary intensive nonresidential rehabilitative mental health services and supports, as defined in this section, under a single daily rate per client. Services and supports must be delivered by an eligible provider under subdivision 5 to an eligible client under subdivision 3.

(b) Intensive nonresidential rehabilitative mental health services, supports, and ancillary activities covered by the single daily rate per client must include the following, as needed by the individual client:

(1) individual, family, and group psychotherapy;

(2) individual, family, and group skills training, as defined in section 256B.0943, subdivision 1, paragraph ~~(p)~~ (q);

(3) crisis assistance as defined in section 245.4871, subdivision 9a, which includes recognition of factors precipitating a mental health crisis, identification of behaviors related to the crisis, and the development of a plan to address prevention, intervention, and follow-up strategies to be used in the lead-up to or onset of, and conclusion of, a mental health crisis; crisis assistance does not mean crisis response services or crisis intervention services provided in section 256B.0944;

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

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

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

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

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

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

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

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

(12) transition services as defined in this section;

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

(14) housing access support.

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

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

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

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

Sec. 63. Minnesota Statutes 2013 Supplement, section 256B.0949, subdivision 11, is amended to read:

Subd. 11. **Federal approval of the autism benefit.** ~~The provisions of subdivision 9~~ This section shall apply to state plan services under title XIX of the Social Security Act when federal approval is granted under a 1915(i) waiver or other authority which allows children eligible for medical assistance through the

TEFRA option under section 256B.055, subdivision 12, to qualify and includes children eligible for medical assistance in families over 150 percent of the federal poverty guidelines.

Sec. 64. Minnesota Statutes 2012, section 256B.431, subdivision 28, is amended to read:

Subd. 28. **Nursing facility rate increases beginning July 1, 1999, and July 1, 2000.** (a) For the rate years beginning July 1, 1999, and July 1, 2000, the commissioner shall make available to each nursing facility reimbursed under this section or section 256B.434 an adjustment to the total operating payment rate. For nursing facilities reimbursed under this section or section 256B.434, the July 1, 2000, operating payment rate increases provided in this subdivision shall be applied to each facility's June 30, 2000, operating payment rate. For each facility, total operating costs shall be separated into costs that are compensation related and all other costs. Compensation-related costs include salaries, payroll taxes, and fringe benefits for all employees except management fees, the administrator, and central office staff.

(b) For the rate year beginning July 1, 1999, the commissioner shall make available a rate increase for compensation-related costs of 4.843 percent and a rate increase for all other operating costs of 3.446 percent.

(c) For the rate year beginning July 1, 2000, the commissioner shall make available:

(1) a rate increase for compensation-related costs of 3.632 percent;

(2) an additional rate increase for each case mix payment rate which must be used to increase the per-hour pay rate of all employees except management fees, the administrator, and central office staff by an equal dollar amount and to pay associated costs for FICA, the Medicare tax, workers' compensation premiums, and federal and state unemployment insurance, to be calculated according to clauses (i) to (iii):

(i) the commissioner shall calculate the arithmetic mean of the 11 June 30, 2000, operating rates for each facility;

(ii) the commissioner shall construct an array of nursing facilities from highest to lowest, according to the arithmetic mean calculated in clause (i). A numerical rank shall be assigned to each facility in the array. The facility with the highest mean shall be assigned a numerical rank of one. The facility with the lowest mean shall be assigned a numerical rank equal to the total number of nursing facilities in the array. All other facilities shall be assigned a numerical rank in accordance with their position in the array;

(iii) the amount of the additional rate increase shall be \$1 plus an amount equal to \$3.13 multiplied by the ratio of the facility's numeric rank divided by the number of facilities in the array; and

(3) a rate increase for all other operating costs of 2.585 percent.

Money received by a facility as a result of the additional rate increase provided under clause (2) shall be used only for wage increases implemented on or after July 1, 2000, and shall not be used for wage increases implemented prior to that date.

(d) The payment rate adjustment for each nursing facility must be determined under clause (1) or (2):

(1) for each nursing facility that reports salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the commissioner shall determine the payment rate adjustment using the categories specified in paragraph (a) multiplied by the rate increases specified in paragraph (b) or (c), and then dividing the resulting amount by the nursing facility's actual resident days. In determining the amount of a payment rate adjustment for a nursing facility reimbursed under section 256B.434, the commissioner shall

determine the proportions of the facility's rates that are compensation-related costs and all other operating costs based on the facility's most recent cost report; and

(2) for each nursing facility that does not report salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the payment rate adjustment shall be computed using the facility's total operating costs, separated into the categories specified in paragraph (a) in proportion to the weighted average of all facilities determined under clause (1), multiplied by the rate increases specified in paragraph (b) or (c), and then dividing the resulting amount by the nursing facility's actual resident days.

(e) A nursing facility may apply for the compensation-related payment rate adjustment calculated under this subdivision. The application must be made to the commissioner and contain a plan by which the nursing facility will distribute the compensation-related portion of the payment rate adjustment to employees of the nursing facility. For nursing facilities in which the employees are represented by an exclusive bargaining representative, an agreement negotiated and agreed to by the employer and the exclusive bargaining representative constitutes the plan. For the second rate year, a negotiated agreement constitutes the plan only if the agreement is finalized after the date of enactment of all rate increases for the second rate year. The commissioner shall review the plan to ensure that the payment rate adjustment per diem is used as provided in paragraphs (a) to (c). To be eligible, a facility must submit its plan for the compensation distribution by December 31 each year. A facility may amend its plan for the second rate year by submitting a revised plan by December 31, 2000. If a facility's plan for compensation distribution is effective for its employees after July 1 of the year that the funds are available, the payment rate adjustment per diem shall be effective the same date as its plan.

(f) A copy of the approved distribution plan must be made available to all employees. This must be done by giving each employee a copy or by posting it in an area of the nursing facility to which all employees have access. If an employee does not receive the compensation adjustment described in their facility's approved plan and is unable to resolve the problem with the facility's management or through the employee's union representative, the employee may contact the commissioner at an address or phone number provided by the commissioner and included in the approved plan.

~~(g) If the reimbursement system under section 256B.435 is not implemented until July 1, 2001, the salary adjustment per diem authorized in subdivision 2i, paragraph (c), shall continue until June 30, 2001.~~

~~(h) For the rate year beginning July 1, 1999, the following nursing facilities shall be allowed a rate increase equal to 67 percent of the rate increase that would be allowed if subdivision 26, paragraph (a), was not applied:~~

- ~~(1) a nursing facility in Carver County licensed for 33 nursing home beds and four boarding care beds;~~
- ~~(2) a nursing facility in Faribault County licensed for 159 nursing home beds on September 30, 1998; and~~
- ~~(3) a nursing facility in Houston County licensed for 68 nursing home beds on September 30, 1998.~~

~~(i) (h) For the rate year beginning July 1, 1999, the following nursing facilities shall be allowed a rate increase equal to 67 percent of the rate increase that would be allowed if subdivision 26, paragraphs (a) and (b), were not applied:~~

- ~~(1) a nursing facility in Chisago County licensed for 135 nursing home beds on September 30, 1998; and~~
- ~~(2) a nursing facility in Murray County licensed for 62 nursing home beds on September 30, 1998.~~

~~(j)~~ (i) For the rate year beginning July 1, 1999, a nursing facility in Hennepin County licensed for 134 beds on September 30, 1998, shall:

(1) have the prior year's allowable care-related per diem increased by \$3.93 and the prior year's other operating cost per diem increased by \$1.69 before adding the inflation in subdivision 26, paragraph (d), clause (2); and

(2) be allowed a rate increase equal to 67 percent of the rate increase that would be allowed if subdivision 26, paragraphs (a) and (b), were not applied.

The increases provided in paragraphs (g), (h), and (i), ~~and (j)~~ shall be included in the facility's total payment rates for the purposes of determining future rates under this section or any other section.

~~(k)~~ (j) For the rate years beginning on or after July 1, 2000, a nursing home facility in Goodhue County that was licensed for 104 beds on February 1, 2000, shall have its employee pension benefit costs reported on its Rule 50 cost report treated as PERA contributions for the purpose of computing its payment rates.

Sec. 65. Minnesota Statutes 2013 Supplement, section 256B.5015, subdivision 1, is amended to read:

Subdivision 1. **Day training and habilitation services.** Day training and habilitation services costs shall be paid as a pass-through payment at the lowest rate paid for the comparable services at that site under sections ~~252.40~~ 252.41 to 252.46. The pass-through payments for training and habilitation services shall be paid separately by the commissioner and shall not be included in the computation of the ICF/DD facility total payment rate.

Sec. 66. Minnesota Statutes 2012, section 256B.69, subdivision 23, is amended to read:

Subd. 23. **Alternative services; elderly and disabled persons.** (a) The commissioner may implement demonstration projects to create alternative integrated delivery systems for acute and long-term care services to elderly persons and persons with disabilities as defined in section 256B.77, subdivision 7a, that provide increased coordination, improve access to quality services, and mitigate future cost increases. The commissioner may seek federal authority to combine Medicare and Medicaid capitation payments for the purpose of such demonstrations and may contract with Medicare-approved special needs plans that are offered by a demonstration provider or by an entity that is directly or indirectly wholly owned or controlled by a demonstration provider to provide Medicaid services. Medicare funds and services shall be administered according to the terms and conditions of the federal contract and demonstration provisions. For the purpose of administering medical assistance funds, demonstrations under this subdivision are subject to subdivisions 1 to 22. The provisions of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations, with the exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1, items B and C, which do not apply to persons enrolling in demonstrations under this section. All enforcement and rulemaking powers available under chapters 62D, 62M, and 62Q are hereby granted to the commissioner of health with respect to Medicare-approved special needs plans with which the commissioner contracts to provide Medicaid services under this section. An initial open enrollment period may be provided. Persons who disenroll from demonstrations under this subdivision remain subject to Minnesota Rules, parts 9500.1450 to 9500.1464. When a person is enrolled in a health plan under these demonstrations and the health plan's participation is subsequently terminated for any reason, the person shall be provided an opportunity to select a new health plan and shall have the right to change health plans within the first 60 days of enrollment in the second health plan. Persons required to participate in health plans under this section who fail to make a choice of health plan shall not be randomly assigned to health plans under these demonstrations. Notwithstanding section 256L.12, subdivision 5, and Minnesota Rules, part 9505.5220, subpart 1,

item A, if adopted, for the purpose of demonstrations under this subdivision, the commissioner may contract with managed care organizations, including counties, to serve only elderly persons eligible for medical assistance, elderly and disabled persons, or disabled persons only. For persons with a primary diagnosis of developmental disability, serious and persistent mental illness, or serious emotional disturbance, the commissioner must ensure that the county authority has approved the demonstration and contracting design. Enrollment in these projects for persons with disabilities shall be voluntary. The commissioner shall not implement any demonstration project under this subdivision for persons with a primary diagnosis of developmental disabilities, serious and persistent mental illness, or serious emotional disturbance, without approval of the county board of the county in which the demonstration is being implemented.

(b) MS 2009 Supplement [Expired, 2003 c 47 s 4; 2007 c 147 art 7 s 60]

(c) Before implementation of a demonstration project for disabled persons, the commissioner must provide information to appropriate committees of the house of representatives and senate and must involve representatives of affected disability groups in the design of the demonstration projects.

(d) A nursing facility reimbursed under the alternative reimbursement methodology in section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity provide services under paragraph (a). The commissioner shall amend the state plan and seek any federal waivers necessary to implement this paragraph.

(e) The commissioner, in consultation with the commissioners of commerce and health, may approve and implement programs for all-inclusive care for the elderly (PACE) according to federal laws and regulations governing that program and state laws or rules applicable to participating providers. A PACE provider is not required to be licensed or certified as a health plan company as defined in section 62Q.01, subdivision 4. Persons age 55 and older who have been screened by the county and found to be eligible for services under the elderly waiver or community alternatives for disabled individuals or who are already eligible for Medicaid but meet level of care criteria for receipt of waiver services may choose to enroll in the PACE program. Medicare and Medicaid services will be provided according to this subdivision and federal Medicare and Medicaid requirements governing PACE providers and programs. PACE enrollees will receive Medicaid home and community-based services through the PACE provider as an alternative to services for which they would otherwise be eligible through home and community-based waiver programs and Medicaid State Plan Services. The commissioner shall establish Medicaid rates for PACE providers that do not exceed costs that would have been incurred under fee-for-service or other relevant managed care programs operated by the state.

(f) The commissioner shall seek federal approval to expand the Minnesota disability health options (MnDHO) program established under this subdivision in stages, first to regional population centers outside the seven-county metro area and then to all areas of the state. Until July 1, 2009, expansion for MnDHO projects that include home and community-based services is limited to the two projects and service areas in effect on March 1, 2006. Enrollment in integrated MnDHO programs that include home and community-based services shall remain voluntary. Costs for home and community-based services included under MnDHO must not exceed costs that would have been incurred under the fee-for-service program. Notwithstanding whether expansion occurs under this paragraph, in determining MnDHO payment rates and risk adjustment methods, the commissioner must consider the methods used to determine county allocations for home and community-based program participants. If necessary to reduce MnDHO rates to comply with the provision regarding MnDHO costs for home and community-based services, the commissioner shall achieve the reduction by maintaining the base rate for contract year 2010 for services provided under the community alternatives for disabled individuals waiver at the same level as for contract year 2009. The commissioner

may apply other reductions to MnDHO rates to implement decreases in provider payment rates required by state law. Effective January 1, 2011, enrollment and operation of the MnDHO program in effect during 2010 shall cease. The commissioner may reopen the program provided all applicable conditions of this section are met. In developing program specifications for expansion of integrated programs, the commissioner shall involve and consult the state-level stakeholder group established in subdivision 28, paragraph (d), including consultation on whether and how to include home and community-based waiver programs. Plans to reopen MnDHO projects shall be presented to the chairs of the house of representatives and senate committees with jurisdiction over health and human services policy and finance prior to implementation.

(g) Notwithstanding section ~~256B.0261~~ 256B.0621, health plans providing services under this section are responsible for home care targeted case management and relocation targeted case management. Services must be provided according to the terms of the waivers and contracts approved by the federal government.

Sec. 67. Minnesota Statutes 2013 Supplement, section 256B.694, is amended to read:

256B.694 SOLE-SOURCE OR SINGLE-PLAN MANAGED CARE CONTRACT.

(a) MS 2010 [~~Expired, 2008 c 364 s 10~~]

(b) The commissioner shall consider, and may approve, contracting on a single-health plan basis with county-based purchasing plans, or with other qualified health plans that have coordination arrangements with counties, to serve persons enrolled in state public health care programs, in order to promote better coordination or integration of health care services, social services and other community-based services, provided that all requirements applicable to health plan purchasing, including those in sections 256B.69 and 256B.692, are satisfied.

Sec. 68. Minnesota Statutes 2012, section 256B.765, is amended to read:

256B.765 PROVIDER RATE INCREASES.

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

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

(c) The annual adjustment under paragraph (a) shall be provided for home and community-based waiver services for persons with developmental disabilities under section 256B.501; home and community-based waiver services for the elderly under section 256B.0915; waived services under community alternatives for disabled individuals under section 256B.49; community alternative care waived services under section 256B.49; brain injury waived services under section 256B.49; nursing services and home health services under section 256B.0625, subdivision 6a; personal care services and nursing supervision of personal care services under section 256B.0625, subdivision 19a; private duty nursing services under section 256B.0625, subdivision 7; day training and habilitation services for adults with developmental

disabilities under sections ~~252.40~~ 252.41 to 252.46; physical therapy services under sections 256B.0625, subdivision 8, and 256D.03, subdivision 4; occupational therapy services under sections 256B.0625, subdivision 8a, and 256D.03, subdivision 4; speech-language therapy services under section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0390; respiratory therapy services under section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0295; alternative care services under section 256B.0913; adult residential program grants under Minnesota Rules, parts 9535.2000 to 9535.3000; adult and family community support grants under Minnesota Rules, parts 9535.1700 to 9535.1760; semi-independent living services under section 252.275 including SILS funding under county social services grants formerly funded under chapter 256I; and community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication.

Sec. 69. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Activities of daily living" or "ADLs" means eating, toileting, grooming, dressing, bathing, mobility, positioning, and transferring.

(c) "Agency-provider model" means a method of CFSS under which a qualified agency provides services and supports through the agency's own employees and policies. The agency must allow the participant to have a significant role in the selection and dismissal of support workers of their choice for the delivery of their specific services and supports.

(d) "Behavior" means a description of a need for services and supports used to determine the home care rating and additional service units. The presence of Level I behavior is used to determine the home care rating. "Level I behavior" means physical aggression towards self or others or destruction of property that requires the immediate response of another person. If qualified for a home care rating as described in subdivision 8, additional service units can be added as described in subdivision 8, paragraph (f), for the following behaviors:

(1) Level I behavior;

(2) increased vulnerability due to cognitive deficits or socially inappropriate behavior; or

(3) increased need for assistance for recipients who are verbally aggressive or resistive to care so that time needed to perform activities of daily living is increased.

(e) "Complex health-related needs" means an intervention listed in clauses (1) to (8) that has been ordered by a physician, and is specified in a community support plan, including:

(1) tube feedings requiring:

(i) a gastrojejunostomy tube; or

(ii) continuous tube feeding lasting longer than 12 hours per day;

(2) wounds described as:

(i) stage III or stage IV;

(ii) multiple wounds;

- (iii) requiring sterile or clean dressing changes or a wound vac; or
 - (iv) open lesions such as burns, fistulas, tube sites, or ostomy sites that require specialized care;
 - (3) parenteral therapy described as:
 - (i) IV therapy more than two times per week lasting longer than four hours for each treatment; or
 - (ii) total parenteral nutrition (TPN) daily;
 - (4) respiratory interventions, including:
 - (i) oxygen required more than eight hours per day;
 - (ii) respiratory vest more than one time per day;
 - (iii) bronchial drainage treatments more than two times per day;
 - (iv) sterile or clean suctioning more than six times per day;
 - (v) dependence on another to apply respiratory ventilation augmentation devices such as BiPAP and CPAP; and
 - (vi) ventilator dependence under section 256B.0652;
 - (5) insertion and maintenance of catheter, including:
 - (i) sterile catheter changes more than one time per month;
 - (ii) clean intermittent catheterization, and including self-catheterization more than six times per day; or
 - (iii) bladder irrigations;
 - (6) bowel program more than two times per week requiring more than 30 minutes to perform each time;
 - (7) neurological intervention, including:
 - (i) seizures more than two times per week and requiring significant physical assistance to maintain safety; or
 - (ii) swallowing disorders diagnosed by a physician and requiring specialized assistance from another on a daily basis; and
 - (8) other congenital or acquired diseases creating a need for significantly increased direct hands-on assistance and interventions in six to eight activities of daily living.
- (f) "Community first services and supports" or "CFSS" means the assistance and supports program under this section needed for accomplishing activities of daily living, instrumental activities of daily living, and health-related tasks through hands-on assistance to accomplish the task or constant supervision and cueing to accomplish the task, or the purchase of goods as defined in subdivision 7, ~~paragraph (a)~~, clause (3), that replace the need for human assistance.
- (g) "Community first services and supports service delivery plan" or "service delivery plan" means a written summary of the services and supports that is based on the community support plan identified in section 256B.0911 and coordinated services and support plan and budget identified in section 256B.0915,

subdivision 6, if applicable, that is determined by the participant to meet the assessed needs, using a person-centered planning process.

(h) "Critical activities of daily living" means transferring, mobility, eating, and toileting.

(i) "Dependency" in activities of daily living means a person requires hands-on assistance or constant supervision and cueing to accomplish one or more of the activities of daily living every day or on the days during the week that the activity is performed; however, a child may not be found to be dependent in an activity of daily living if, because of the child's age, an adult would either perform the activity for the child or assist the child with the activity and the assistance needed is the assistance appropriate for a typical child of the same age.

(j) "Extended CFSS" means CFSS services and supports under the agency-provider model included in a service plan through one of the home and community-based services waivers authorized under sections 256B.0915; 256B.092, subdivision 5; and 256B.49, which exceed the amount, duration, and frequency of the state plan CFSS services for participants.

(k) "Financial management services contractor or vendor" means a qualified organization having a written contract with the department to provide services necessary to use the budget model under subdivision 13 that include but are not limited to: participant education and technical assistance; CFSS service delivery planning and budgeting; billing, making payments, and monitoring of spending; and assisting the participant in fulfilling employer-related requirements in accordance with Section 3504 of the Internal Revenue Code and the Internal Revenue Service Revenue Procedure 70-6.

(l) "Budget model" means a service delivery method of CFSS that allows the use of an individualized CFSS service delivery plan and service budget and provides assistance from the financial management services contractor to facilitate participant employment of support workers and the acquisition of supports and goods.

(m) "Health-related procedures and tasks" means procedures and tasks related to the specific needs of an individual that can be delegated or assigned by a state-licensed healthcare or mental health professional and performed by a support worker.

(n) "Instrumental activities of daily living" means activities related to living independently in the community, including but not limited to: meal planning, preparation, and cooking; shopping for food, clothing, or other essential items; laundry; housecleaning; assistance with medications; managing finances; communicating needs and preferences during activities; arranging supports; and assistance with traveling around and participating in the community.

(o) "Legal representative" means parent of a minor, a court-appointed guardian, or another representative with legal authority to make decisions about services and supports for the participant. Other representatives with legal authority to make decisions include but are not limited to a health care agent or an attorney-in-fact authorized through a health care directive or power of attorney.

(p) "Medication assistance" means providing verbal or visual reminders to take regularly scheduled medication, and includes any of the following supports listed in clauses (1) to (3) and other types of assistance, except that a support worker may not determine medication dose or time for medication or inject medications into veins, muscles, or skin:

(1) under the direction of the participant or the participant's representative, bringing medications to the participant including medications given through a nebulizer, opening a container of previously set-

up medications, emptying the container into the participant's hand, opening and giving the medication in the original container to the participant, or bringing to the participant liquids or food to accompany the medication;

- (2) organizing medications as directed by the participant or the participant's representative; and
- (3) providing verbal or visual reminders to perform regularly scheduled medications.

(q) "Participant's representative" means a parent, family member, advocate, or other adult authorized by the participant to serve as a representative in connection with the provision of CFSS. This authorization must be in writing or by another method that clearly indicates the participant's free choice. The participant's representative must have no financial interest in the provision of any services included in the participant's service delivery plan and must be capable of providing the support necessary to assist the participant in the use of CFSS. If through the assessment process described in subdivision 5 a participant is determined to be in need of a participant's representative, one must be selected. If the participant is unable to assist in the selection of a participant's representative, the legal representative shall appoint one. Two persons may be designated as a participant's representative for reasons such as divided households and court-ordered custodies. Duties of a participant's representatives may include:

- (1) being available while care is provided in a method agreed upon by the participant or the participant's legal representative and documented in the participant's CFSS service delivery plan;
- (2) monitoring CFSS services to ensure the participant's CFSS service delivery plan is being followed; and
- (3) reviewing and signing CFSS time sheets after services are provided to provide verification of the CFSS services.

(r) "Person-centered planning process" means a process that is directed by the participant to plan for services and supports. The person-centered planning process must:

- (1) include people chosen by the participant;
- (2) provide necessary information and support to ensure that the participant directs the process to the maximum extent possible, and is enabled to make informed choices and decisions;
- (3) be timely and occur at time and locations of convenience to the participant;
- (4) reflect cultural considerations of the participant;
- (5) include strategies for solving conflict or disagreement within the process, including clear conflict-of-interest guidelines for all planning;
- (6) provide the participant choices of the services and supports they receive and the staff providing those services and supports;
- (7) include a method for the participant to request updates to the plan; and
- (8) record the alternative home and community-based settings that were considered by the participant.

(s) "Shared services" means the provision of CFSS services by the same CFSS support worker to two or three participants who voluntarily enter into an agreement to receive services at the same time and in the same setting by the same provider.

(t) "Support specialist" means a professional with the skills and ability to assist the participant using either the agency-provider model under subdivision 11 or the flexible spending budget model under subdivision 13, in services including but not limited to assistance regarding:

(1) the development, implementation, and evaluation of the CFSS service delivery plan under subdivision 6;

(2) recruitment, training, or supervision, including supervision of health-related tasks or behavioral supports appropriately delegated or assigned by a health care professional, and evaluation of support workers; and

(3) facilitating the use of informal and community supports, goods, or resources.

(u) "Support worker" means an employee of the agency provider or of the participant who has direct contact with the participant and provides services as specified within the participant's service delivery plan.

(v) "Wages and benefits" means the hourly wages and salaries, the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, contributions to employee retirement accounts, or other forms of employee compensation and benefits.

Sec. 70. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 5, is amended to read:

Subd. 5. **Assessment requirements.** (a) The assessment of functional need must:

(1) be conducted by a certified assessor according to the criteria established in section 256B.0911, subdivision 3a;

(2) be conducted face-to-face, initially and at least annually thereafter, or when there is a significant change in the participant's condition or a change in the need for services and supports; and

(3) be completed using the format established by the commissioner.

(b) A participant who is residing in a facility may be assessed and choose CFSS for the purpose of using CFSS to return to the community as described in subdivisions 3 and 7, ~~paragraph (a)~~, clause (5).

(c) The results of the assessment and any recommendations and authorizations for CFSS must be determined and communicated in writing by the lead agency's certified assessor as defined in section 256B.0911 to the participant and the agency-provider or financial management services provider chosen by the participant within 40 calendar days and must include the participant's right to appeal under section 256.045, subdivision 3.

(d) The lead agency assessor may request a temporary authorization for CFSS services. Authorization for a temporary level of CFSS services is limited to the time specified by the commissioner, but shall not exceed 45 days. The level of services authorized under this provision shall have no bearing on a future authorization.

Sec. 71. Minnesota Statutes 2013 Supplement, section 256B.85, subdivision 8, is amended to read:

Subd. 8. **Determination of CFSS service methodology.** (a) All community first services and supports must be authorized by the commissioner or the commissioner's designee before services begin, except for

the assessments established in section 256B.0911. The authorization for CFSS must be completed as soon as possible following an assessment but no later than 40 calendar days from the date of the assessment.

(b) The amount of CFSS authorized must be based on the recipient's home care rating described in paragraphs (d) and (e) and any additional service units for which the person qualifies as described in paragraph (f).

(c) The home care rating shall be determined by the commissioner or the commissioner's designee based on information submitted to the commissioner identifying the following for a recipient:

(1) the total number of dependencies of activities of daily living as defined in subdivision 2, paragraph (b);

(2) the presence of complex health-related needs as defined in subdivision 2, paragraph (e); and

(3) the presence of Level I behavior as defined in subdivision 2, paragraph (d), ~~clause (1)~~.

(d) The methodology to determine the total service units for CFSS for each home care rating is based on the median paid units per day for each home care rating from fiscal year 2007 data for the PCA program.

(e) Each home care rating is designated by the letters P through Z and EN and has the following base number of service units assigned:

(1) P home care rating requires Level I behavior or one to three dependencies in ADLs and qualifies one for five service units;

(2) Q home care rating requires Level I behavior and one to three dependencies in ADLs and qualifies one for six service units;

(3) R home care rating requires a complex health-related need and one to three dependencies in ADLs and qualifies one for seven service units;

(4) S home care rating requires four to six dependencies in ADLs and qualifies one for ten service units;

(5) T home care rating requires four to six dependencies in ADLs and Level I behavior and qualifies one for 11 service units;

(6) U home care rating requires four to six dependencies in ADLs and a complex health-related need and qualifies one for 14 service units;

(7) V home care rating requires seven to eight dependencies in ADLs and qualifies one for 17 service units;

(8) W home care rating requires seven to eight dependencies in ADLs and Level I behavior and qualifies one for 20 service units;

(9) Z home care rating requires seven to eight dependencies in ADLs and a complex health-related need and qualifies one for 30 service units; and

(10) EN home care rating includes ventilator dependency as defined in section 256B.0651, subdivision 1, paragraph (g). Recipients who meet the definition of ventilator-dependent and the EN home care rating and utilize a combination of CFSS and other home care services are limited to a total of 96 service units per

day for those services in combination. Additional units may be authorized when a recipient's assessment indicates a need for two staff to perform activities. Additional time is limited to 16 service units per day.

(f) Additional service units are provided through the assessment and identification of the following:

(1) 30 additional minutes per day for a dependency in each critical activity of daily living as defined in subdivision 2, paragraph (h);

(2) 30 additional minutes per day for each complex health-related function as defined in subdivision 2, paragraph (e); and

(3) 30 additional minutes per day for each behavior issue as defined in subdivision 2, paragraph (d).

Sec. 72. Minnesota Statutes 2012, section 256J.95, subdivision 10, is amended to read:

Subd. 10. **Diversionary work program grant.** (a) The amount of cash benefits that a family unit is eligible for under the diversionary work program is based on the number of persons in the family unit, the family maintenance needs, personal needs allowance, and countable income. The county agency shall evaluate the income of the family unit that is requesting payments under the diversionary work program. Countable income means gross earned and unearned income not excluded or disregarded under MFIP. The same disregards for earned income that are allowed under MFIP are allowed for the diversionary work program.

(b) The DWP grant is based on the family maintenance needs for which the DWP family unit is responsible plus a personal needs allowance. Housing and utilities, except for telephone service, shall be vendor paid. Unless otherwise stated in this section, actual housing and utility expenses shall be used when determining the amount of the DWP grant.

(c) The maximum monthly benefit amount available under the diversionary work program is the difference between the family unit's needs under paragraph (b) and the family unit's countable income not to exceed the cash portion of the MFIP standard of need as defined in section 256J.08, subdivision 55a, for the family unit's size.

(d) Once the county has determined a grant amount, the DWP grant amount will not be decreased if the determination is based on the best information available at the time of approval and shall not be decreased because of any additional income to the family unit. The grant must be increased if a participant later verifies an increase in family maintenance needs or family unit size. The minimum cash benefit amount, if income and asset tests are met, is \$10. Benefits of \$10 shall not be vendor paid.

(e) When all criteria are met, including the development of an employment plan as described in subdivision 14 and eligibility exists for the month of application, the amount of benefits for the diversionary work program retroactive to the date of application is as specified in section 256J.35, paragraph ~~(a)~~ (b).

(f) Any month during the four-month DWP period that a person receives a DWP benefit directly or through a vendor payment made on the person's behalf, that person is ineligible for MFIP or any other TANF cash assistance program except for benefits defined in section 256J.626, subdivision 2, clause (1).

If during the four-month period a family unit that receives DWP benefits moves to a county that has not established a diversionary work program, the family unit may be eligible for MFIP the month following the last month of the issuance of the DWP benefit.

Sec. 73. Minnesota Statutes 2013 Supplement, section 256N.02, subdivision 13, is amended to read:

Subd. 13. **Initial assessment.** "Initial assessment" means the assessment conducted within the first 30 days of a child's initial placement into foster care under section 256N.24, subdivisions ~~4 and 5~~ and 6.

Sec. 74. Minnesota Statutes 2013 Supplement, section 256N.24, subdivision 6, is amended to read:

Subd. 6. **Completion of initial assessment.** (a) The assessment must be completed in consultation with the child's caregiver. Face-to-face contact with the caregiver is not required to complete the assessment.

(b) Initial assessments are completed for foster children, eligible under section 256N.21.

(c) The initial assessment must be completed by the financially responsible agency, in consultation with the legally responsible agency if different, within 30 days of the child's placement in foster care.

(d) If the foster parent is unable or unwilling to cooperate with the assessment process, the child shall be assigned the basic level, level B under section 256N.26, subdivision 3.

(e) Notice to the foster parent shall be provided as specified in subdivision ~~12~~ 13.

Sec. 75. Minnesota Statutes 2013 Supplement, section 256N.24, subdivision 7, is amended to read:

Subd. 7. **Timing of special assessment.** (a) A special assessment is required as part of the negotiation of the guardianship assistance agreement under section 256N.22 if:

(1) the child was not placed in foster care with the prospective relative custodian or custodians prior to the negotiation of the guardianship assistance agreement under section 256N.25; or

(2) any requirement for reassessment under subdivision ~~8~~ 9 is met.

(b) A special assessment is required as part of the negotiation of the adoption assistance agreement under section 256N.23 if:

(1) the child was not placed in foster care with the prospective adoptive parent or parents prior to the negotiation of the adoption assistance agreement under section 256N.25; or

(2) any requirement for reassessment under subdivision ~~8~~ 9 is met.

(c) A special assessment is required when a child transitions from a pre-Northstar Care for Children program into Northstar Care for Children if the commissioner determines that a special assessment is appropriate instead of assigning the transition child to a level under section 256N.28.

(d) The special assessment must be completed prior to the establishment of a guardianship assistance or adoption assistance agreement on behalf of the child.

Sec. 76. Minnesota Statutes 2013 Supplement, section 256N.24, subdivision 8, is amended to read:

Subd. 8. **Completing the special assessment.** (a) The special assessment must be completed in consultation with the child's caregiver. Face-to-face contact with the caregiver is not required to complete the special assessment.

(b) If a new special assessment is required prior to the effective date of the guardianship assistance agreement, it must be completed by the financially responsible agency, in consultation with the legally

responsible agency if different. If the prospective relative custodian is unable or unwilling to cooperate with the special assessment process, the child shall be assigned the basic level, level B under section 256N.26, subdivision 3, unless the child is known to be an at-risk child, in which case, the child shall be assigned level A under section 256N.26, subdivision 1.

(c) If a special assessment is required prior to the effective date of the adoption assistance agreement, it must be completed by the financially responsible agency, in consultation with the legally responsible agency if different. If there is no financially responsible agency, the special assessment must be completed by the agency designated by the commissioner. If the prospective adoptive parent is unable or unwilling to cooperate with the special assessment process, the child must be assigned the basic level, level B under section 256N.26, subdivision 3, unless the child is known to be an at-risk child, in which case, the child shall be assigned level A under section 256N.26, subdivision 1.

(d) Notice to the prospective relative custodians or prospective adoptive parents must be provided as specified in subdivision ~~12~~ 13.

Sec. 77. Minnesota Statutes 2013 Supplement, section 256N.24, subdivision 9, is amended to read:

Subd. 9. **Timing of and requests for reassessments.** Reassessments for an eligible child must be completed within 30 days of any of the following events:

(1) for a child in continuous foster care, when six months have elapsed since completion of the last assessment;

(2) for a child in continuous foster care, change of placement location;

(3) for a child in foster care, at the request of the financially responsible agency or legally responsible agency;

(4) at the request of the commissioner; or

(5) at the request of the caregiver under subdivision ~~9~~ 10.

Sec. 78. Minnesota Statutes 2013 Supplement, section 256N.24, subdivision 12, is amended to read:

Subd. 12. **Approval of initial assessments, special assessments, and reassessments.** (a) Any agency completing initial assessments, special assessments, or reassessments must designate one or more supervisors or other staff to examine and approve assessments completed by others in the agency under subdivision 2. The person approving an assessment must not be the case manager or staff member completing that assessment.

(b) In cases where a special assessment or reassessment for guardian assistance and adoption assistance is required under subdivision ~~7 or 10~~ 8 or 11, the commissioner shall review and approve the assessment as part of the eligibility determination process outlined in section 256N.22, subdivision 7, for guardianship assistance, or section 256N.23, subdivision 7, for adoption assistance. The assessment determines the maximum for the negotiated agreement amount under section 256N.25.

(c) The new rate is effective the calendar month that the assessment is approved, or the effective date of the agreement, whichever is later.

Sec. 79. Minnesota Statutes 2013 Supplement, section 256N.24, subdivision 13, is amended to read:

Subd. 13. **Notice for caregiver.** (a) The agency as defined in subdivision ~~5 or 10~~ 6 or 11 that is responsible for completing the initial assessment or reassessment must provide the child's caregiver with written notice of the initial assessment or reassessment.

(b) Initial assessment notices must be sent within 15 days of completion of the initial assessment and must minimally include the following:

- (1) a summary of the child's completed individual assessment used to determine the initial rating;
- (2) statement of rating and benefit level;
- (3) statement of the circumstances under which the agency must reassess the child;
- (4) procedure to seek reassessment;

(5) notice that the caregiver has the right to a fair hearing review of the assessment and how to request a fair hearing, consistent with section 256.045, subdivision 3; and

(6) the name, telephone number, and e-mail, if available, of a contact person at the agency completing the assessment.

(c) Reassessment notices must be sent within 15 days after the completion of the reassessment and must minimally include the following:

- (1) a summary of the child's individual assessment used to determine the new rating;
- (2) any change in rating and its effective date;
- (3) procedure to seek reassessment;

(4) notice that if a change in rating results in a reduction of benefits, the caregiver has the right to a fair hearing review of the assessment and how to request a fair hearing consistent with section 256.045, subdivision 3;

(5) notice that a caregiver who requests a fair hearing of the reassessed rating within ten days may continue at the current rate pending the hearing, but the agency may recover any overpayment; and

(6) name, telephone number, and e-mail, if available, of a contact person at the agency completing the reassessment.

(d) Notice is not required for special assessments since the notice is part of the guardianship assistance or adoption assistance negotiated agreement completed according to section 256N.25.

Sec. 80. Minnesota Statutes 2013 Supplement, section 256N.25, subdivision 2, is amended to read:

Subd. 2. **Negotiation of agreement.** (a) When a child is determined to be eligible for guardianship assistance or adoption assistance, the financially responsible agency, or, if there is no financially responsible agency, the agency designated by the commissioner, must negotiate with the caregiver to develop an agreement under subdivision 1. If and when the caregiver and agency reach concurrence as to the terms of

the agreement, both parties shall sign the agreement. The agency must submit the agreement, along with the eligibility determination outlined in sections 256N.22, subdivision 7, and 256N.23, subdivision 7, to the commissioner for final review, approval, and signature according to subdivision 1.

(b) A monthly payment is provided as part of the adoption assistance or guardianship assistance agreement to support the care of children unless the child is determined to be an at-risk child, in which case the special at-risk monthly payment under section 256N.26, subdivision 7, must be made until the caregiver obtains written documentation from a qualified expert that the potential disability upon which eligibility for the agreement was based has manifested itself.

(1) The amount of the payment made on behalf of a child eligible for guardianship assistance or adoption assistance is determined through agreement between the prospective relative custodian or the adoptive parent and the financially responsible agency, or, if there is no financially responsible agency, the agency designated by the commissioner, using the assessment tool established by the commissioner in section 256N.24, subdivision 2, and the associated benefit and payments outlined in section 256N.26. Except as provided under section 256N.24, subdivision 1, paragraph (c), the assessment tool establishes the monthly benefit level for a child under foster care. The monthly payment under a guardianship assistance agreement or adoption assistance agreement may be negotiated up to the monthly benefit level under foster care. In no case may the amount of the payment under a guardianship assistance agreement or adoption assistance agreement exceed the foster care maintenance payment which would have been paid during the month if the child with respect to whom the guardianship assistance or adoption assistance payment is made had been in a foster family home in the state.

(2) The rate schedule for the agreement is determined based on the age of the child on the date that the prospective adoptive parent or parents or relative custodian or custodians sign the agreement.

(3) The income of the relative custodian or custodians or adoptive parent or parents must not be taken into consideration when determining eligibility for guardianship assistance or adoption assistance or the amount of the payments under section 256N.26.

(4) With the concurrence of the relative custodian or adoptive parent, the amount of the payment may be adjusted periodically using the assessment tool established by the commissioner in section 256N.24, subdivision 2, and the agreement renegotiated under subdivision 3 when there is a change in the child's needs or the family's circumstances.

(5) The guardianship assistance or adoption assistance agreement of a child who is identified as at-risk receives the special at-risk monthly payment under section 256N.26, subdivision 7, unless and until the potential disability manifests itself, as documented by an appropriate professional, and the commissioner authorizes commencement of payment by modifying the agreement accordingly. A relative custodian or adoptive parent of an at-risk child with a guardianship assistance or adoption assistance agreement may request a reassessment of the child under section 256N.24, subdivision 9 10, and renegotiation of the guardianship assistance or adoption assistance agreement under subdivision 3 to include a monthly payment, if the caregiver has written documentation from a qualified expert that the potential disability upon which eligibility for the agreement was based has manifested itself. Documentation of the disability must be limited to evidence deemed appropriate by the commissioner.

(c) For guardianship assistance agreements:

(1) the initial amount of the monthly guardianship assistance payment must be equivalent to the foster care rate in effect at the time that the agreement is signed less any offsets under section 256N.26, subdivision

11, or a lesser negotiated amount if agreed to by the prospective relative custodian and specified in that agreement, unless the child is identified as at-risk or the guardianship assistance agreement is entered into when a child is under the age of six;

(2) an at-risk child must be assigned level A as outlined in section 256N.26 and receive the special at-risk monthly payment under section 256N.26, subdivision 7, unless and until the potential disability manifests itself, as documented by a qualified expert, and the commissioner authorizes commencement of payment by modifying the agreement accordingly; and

(3) the amount of the monthly payment for a guardianship assistance agreement for a child, other than an at-risk child, who is under the age of six must be as specified in section 256N.26, subdivision 5.

(d) For adoption assistance agreements:

(1) for a child in foster care with the prospective adoptive parent immediately prior to adoptive placement, the initial amount of the monthly adoption assistance payment must be equivalent to the foster care rate in effect at the time that the agreement is signed less any offsets in section 256N.26, subdivision 11, or a lesser negotiated amount if agreed to by the prospective adoptive parents and specified in that agreement, unless the child is identified as at-risk or the adoption assistance agreement is entered into when a child is under the age of six;

(2) an at-risk child must be assigned level A as outlined in section 256N.26 and receive the special at-risk monthly payment under section 256N.26, subdivision 7, unless and until the potential disability manifests itself, as documented by an appropriate professional, and the commissioner authorizes commencement of payment by modifying the agreement accordingly;

(3) the amount of the monthly payment for an adoption assistance agreement for a child under the age of six, other than an at-risk child, must be as specified in section 256N.26, subdivision 5;

(4) for a child who is in the guardianship assistance program immediately prior to adoptive placement, the initial amount of the adoption assistance payment must be equivalent to the guardianship assistance payment in effect at the time that the adoption assistance agreement is signed or a lesser amount if agreed to by the prospective adoptive parent and specified in that agreement; and

(5) for a child who is not in foster care placement or the guardianship assistance program immediately prior to adoptive placement or negotiation of the adoption assistance agreement, the initial amount of the adoption assistance agreement must be determined using the assessment tool and process in this section and the corresponding payment amount outlined in section 256N.26.

Sec. 81. Minnesota Statutes 2013 Supplement, section 256N.25, subdivision 3, is amended to read:

Subd. 3. **Renegotiation of agreement.** (a) A relative custodian or adoptive parent of a child with a guardianship assistance or adoption assistance agreement may request renegotiation of the agreement when there is a change in the needs of the child or in the family's circumstances. When a relative custodian or adoptive parent requests renegotiation of the agreement, a reassessment of the child must be completed consistent with section 256N.24, subdivisions 9 and 10 and 11. If the reassessment indicates that the child's level has changed, the financially responsible agency or, if there is no financially responsible agency, the agency designated by the commissioner or the commissioner's designee, and the caregiver must renegotiate the agreement to include a payment with the level determined through the reassessment process. The agreement must not be renegotiated unless the commissioner, the financially responsible agency, and the

caregiver mutually agree to the changes. The effective date of any renegotiated agreement must be determined by the commissioner.

(b) A relative custodian or adoptive parent of an at-risk child with a guardianship assistance or adoption assistance agreement may request renegotiation of the agreement to include a monthly payment higher than the special at-risk monthly payment under section 256N.26, subdivision 7, if the caregiver has written documentation from a qualified expert that the potential disability upon which eligibility for the agreement was based has manifested itself. Documentation of the disability must be limited to evidence deemed appropriate by the commissioner. Prior to renegotiating the agreement, a reassessment of the child must be conducted as outlined in section 256N.24, subdivision 9 10. The reassessment must be used to renegotiate the agreement to include an appropriate monthly payment. The agreement must not be renegotiated unless the commissioner, the financially responsible agency, and the caregiver mutually agree to the changes. The effective date of any renegotiated agreement must be determined by the commissioner.

(c) Renegotiation of a guardianship assistance or adoption assistance agreement is required when one of the circumstances outlined in section 256N.26, subdivision 13, occurs.

Sec. 82. Minnesota Statutes 2013 Supplement, section 256N.26, subdivision 6, is amended to read:

Subd. 6. **Emergency foster care rate for initial placement.** (a) A child who enters foster care due to immediate custody by a police officer or court order, consistent with section 260C.175, subdivisions 1 and 2, or equivalent provision under tribal code, shall receive the emergency foster care rate for up to 30 days. The emergency foster care rate cannot be extended beyond 30 days of the child's placement.

(b) For this payment rate to be applied, at least one of three conditions must apply:

(1) the child's initial placement must be in foster care in Minnesota;

(2) the child's previous placement was more than two years ago; or

(3) the child's previous placement was for fewer than 30 days and an assessment under section 256N.24 was not completed by an agency under section 256N.24.

(c) The emergency foster care rate consists of the appropriate basic monthly rate under subdivision 3 plus a difficulty of care supplemental monthly rate of level D under subdivision 4.

(d) The emergency foster care rate ends under any of three conditions:

(1) when an assessment under section 256N.24 is completed;

(2) when the placement ends; or

(3) after 30 days have elapsed.

(e) The financially responsible agency, in consultation with the legally responsible agency, if different, may replace the emergency foster care rate at any time by completing an initial assessment on which a revised difficulty of care supplemental monthly rate would be based. Consistent with section 256N.24, subdivision 9 10, the caregiver may request a reassessment in writing for an initial assessment to replace the emergency foster care rate. This written request would initiate an initial assessment under section 256N.24, subdivision 5. If the revised difficulty of care supplemental level based on the initial assessment is higher than level D, then the revised higher rate shall apply retroactively to the beginning of the placement. If the revised level is lower, the lower rate shall apply on the date the initial assessment was completed.

(f) If a child remains in foster care placement for more than 30 days, the emergency foster care rate ends after the 30th day of placement and an assessment under section 256N.26 must be completed.

Sec. 83. Minnesota Statutes 2013 Supplement, section 256N.26, subdivision 15, is amended to read:

Subd. 15. **Payments.** (a) Payments to caregivers under Northstar Care for Children must be made monthly. Consistent with section 256N.24, subdivision ~~12~~ 13, the financially responsible agency must send the caregiver the required written notice within 15 days of a completed assessment or reassessment.

(b) Unless paragraph (c) or (d) applies, the financially responsible agency shall pay foster parents directly for eligible children in foster care.

(c) When the legally responsible agency is different than the financially responsible agency, the legally responsible agency may make the payments to the caregiver, provided payments are made on a timely basis. The financially responsible agency must pay the legally responsible agency on a timely basis. Caregivers must have access to the financially and legally responsible agencies' records of the transaction, consistent with the retention schedule for the payments.

(d) For eligible children in foster care, the financially responsible agency may pay the foster parent's payment for a licensed child-placing agency instead of paying the foster parents directly. The licensed child-placing agency must timely pay the foster parents and maintain records of the transaction. Caregivers must have access to the financially responsible agency's records of the transaction and the child-placing agency's records of the transaction, consistent with the retention schedule for the payments.

Sec. 84. Minnesota Statutes 2013 Supplement, section 256N.27, subdivision 3, is amended to read:

Subd. 3. **Local share.** (a) The financially responsible agency at the time of placement for foster care or finalization of the agreement for guardianship assistance or adoption assistance shall pay the local share of the maintenance payments as determined under subdivision 4, and an identical share of the pre-Northstar Care for Children foster care program under section 260C.4411, subdivision 1, the relative custody assistance program under section 257.85, and the pre-Northstar Care for Children adoption assistance program under chapter 259A.

(b) The financially responsible agency shall pay the entire cost of any initial clothing allowance, administrative payments to child caring agencies specified in section 317A.907, or other support services it authorizes, except as provided under other provisions of law.

(c) In cases of federally required adoption assistance where there is no financially responsible agency as provided in section ~~256N.24~~ 256N.23, subdivision 5, the commissioner shall pay the local share.

(d) When an Indian child being placed in Minnesota meets title IV-E eligibility defined in section 473(d) of the Social Security Act and is receiving guardianship assistance or adoption assistance, the agency or entity assuming responsibility for the child is responsible for the nonfederal share of the payment.

Sec. 85. Minnesota Statutes 2012, section 257.73, subdivision 1, is amended to read:

Subdivision 1. **Replacement birth record.** Upon compliance with the provisions of section 257.55, subdivision 1, paragraph (e), 257.75, or upon order of a court of this state or upon request of a court of another state, the state or local registrar of vital statistics shall prepare a replacement record of birth consistent with the acknowledgment or the findings of the court and shall substitute the replacement certificate for the original record of birth.

Sec. 86. Minnesota Statutes 2012, section 260C.307, is amended to read:

260C.307 PROCEDURES IN TERMINATING PARENTAL RIGHTS.

Subdivision 1. **Who may petition.** Any reputable person, including but not limited to any agent of the commissioner of human services, having knowledge of circumstances which indicate that the rights of a parent to a child should be terminated, may petition the juvenile court in the manner provided in section 260C.141, subdivisions 4 and 5.

Subd. 2. **Hearing requirement.** The termination of parental rights under the provisions of section 260C.301, shall be made only after a hearing before the court, in the manner provided in section 260C.163.

Subd. 3. **Notice.** The court shall have notice of the time, place, and purpose of the hearing served on the parents, as defined in sections 257.51 to 257.74 or 259.49, subdivision 1, clause (2), and upon the child's grandparent if the child has lived with the grandparent within the two years immediately preceding the filing of the petition. Notice must be served in the manner provided in sections 260C.151 and 260C.152, except that personal service shall be made at least ten days before the day of the hearing. Published notice shall be made for three weeks, the last publication to be at least ten days before the day of the hearing; and notice sent by certified mail shall be mailed at least 20 days before the day of the hearing. A parent who consents to the termination of parental rights under the provisions of section 260C.301, subdivision 2 1, clause (a), may waive in writing the notice required by this subdivision; however, if the parent is a minor or incompetent the waiver shall be effective only if the parent's guardian ad litem concurs in writing.

Subd. 4. **Consent.** No parental rights of a minor or incompetent parent may be terminated on consent of the parents under the provisions of section 260C.301, subdivision 2 1, clause (a), unless the guardian ad litem, in writing, joins in the written consent of the parent to the termination of parental rights.

Sec. 87. Minnesota Statutes 2012, section 268.095, subdivision 5, is amended to read:

Subd. 5. **Discharge defined.** (a) A discharge from employment occurs when any words or actions by an employer would lead a reasonable employee to believe that the employer will no longer allow the employee to work for the employer in any capacity. A layoff because of lack of work is considered a discharge. A suspension from employment without pay of more than 30 calendar days is considered a discharge.

(b) An employee who gives notice of intention to quit the employment and is not allowed by the employer to work the entire notice period is considered discharged from the employment as of the date the employer will no longer allow the employee to work. If the discharge occurs within 30 calendar days before the intended date of quitting, then, as of the intended date of quitting, the separation from employment is considered a quit from employment subject to subdivision 1.

(c) The end of a job assignment with the client of a staffing service is considered a discharge from employment with the staffing service unless ~~section 268.095~~, subdivision 2, paragraph (d), applies.

Sec. 88. Minnesota Statutes 2012, section 270.12, subdivision 3, is amended to read:

Subd. 3. **Jurisdictions in two or more counties.** When a taxing jurisdiction lies in two or more counties, if the sales ratio studies prepared by the Department of Revenue show that the average levels of assessment in the several portions of the taxing jurisdictions in the different counties differ by more than five percent, the board may order the apportionment of the levy. When the sales ratio studies prepared by the Department of Revenue show that the average levels of assessment in the several portions of the taxing jurisdictions in

the different counties differ by more than ten percent, the board shall order the apportionment of the levy unless (a) the proportion of total adjusted gross tax capacity in one of the counties is less than ten percent of the total adjusted gross tax capacity in the taxing jurisdiction and the average level of assessment in that portion of the taxing jurisdiction is the level which differs by more than five percent from the assessment level in any one of the other portions of the taxing jurisdiction; (b) significant changes have been made in the level of assessment in the taxing jurisdiction which have not been reflected in the sales ratio study, and those changes alter the assessment levels in the portions of the taxing jurisdiction so that the assessment level now differs by five percent or less; or (c) commercial, industrial, mineral, or public utility property predominates in one county within the taxing jurisdiction and another class of property predominates in another county within that same taxing jurisdiction. If one or more of these factors are present, the board may order the apportionment of the levy.

Notwithstanding any other provision, the levy for the Metropolitan Mosquito Control District, Metropolitan Council, metropolitan transit district, and metropolitan transit area must be apportioned without regard to the percentage difference.

If, pursuant to this subdivision, the board apportions the levy, then that levy apportionment among the portions in the different counties shall be made in the same proportion as the adjusted gross tax capacity as determined by the commissioner in each portion is to the total adjusted gross tax capacity of the taxing jurisdiction.

For the purposes of this section, the average level of assessment in a taxing jurisdiction or portion thereof shall be the aggregate assessment sales ratio. Gross Tax capacities as determined by the commissioner shall be the gross tax capacities as determined for the year preceding the year in which the levy to be apportioned is levied.

Actions pursuant to this subdivision shall be commenced subsequent to the annual meeting on April 15 of the State Board of Equalization, but notice of the action shall be given to the affected jurisdiction and the appropriate county auditors by the following June 30.

Apportionment of a levy pursuant to this subdivision shall be considered as a remedy to be taken after equalization pursuant to subdivision 2, and when equalization within the jurisdiction would disturb equalization within other jurisdictions of which the several portions of the jurisdiction in question are a part.

Sec. 89. Minnesota Statutes 2012, section 273.1398, subdivision 8, is amended to read:

Subd. 8. **Appropriation.** An amount sufficient to pay the aids and credits provided under this section for school districts, intermediate school districts, or any group of school districts levying as a single taxing entity, is annually appropriated from the general fund to the commissioner of education. An amount sufficient to pay the aids and credits provided under this section for counties, cities, towns, and special taxing districts is annually appropriated from the general fund to the commissioner of revenue. A jurisdiction's aid amount may be increased or decreased based on any prior year adjustments for ~~homestead credit or other~~ property tax credit or aid programs.

Sec. 90. Minnesota Statutes 2012, section 273.42, subdivision 2, is amended to read:

Subd. 2. **Property tax credit.** Owners of land that is an agricultural or nonagricultural homestead, non-homestead agricultural land, rental residential property, and both commercial and noncommercial seasonal residential recreational property, as those terms are defined in section 273.13 listed on records of the county auditor or county treasurer over which runs a high voltage transmission line with a capacity of 200 kilovolts

or more, except a high voltage transmission line the construction of which was commenced prior to July 1, 1974, shall receive a property tax credit in an amount determined by multiplying a fraction, the numerator of which is the length of high voltage transmission line which runs over that parcel and the denominator of which is the total length of that particular line running over all property within the city or township by ten percent of the transmission line tax revenue derived from the tax on that portion of the line within the city or township pursuant to section 273.36. In the case of property owners in unorganized townships, the property tax credit shall be determined by multiplying a fraction, the numerator of which is the length of the qualifying high voltage transmission line which runs over the parcel and the denominator of which is the total length of the qualifying high voltage transmission line running over all property within all the unorganized townships within the county, by the total utility property tax credit fund amount available within the county for that year pursuant to subdivision 1. Where a right-of-way width is shared by more than one property owner, the numerator shall be adjusted by multiplying the length of line on the parcel by the proportion of the total width on the parcel owned by that property owner. The amount of credit for which the property qualifies shall not exceed 20 percent of the total gross tax on the parcel prior to deduction of the state paid agricultural credit and the state paid homestead credit, provided that, if the property containing the right-of-way is included in a parcel which exceeds 40 acres, the total gross tax on the parcel shall be multiplied by a fraction, the numerator of which is the sum of the number of acres in each quarter-quarter section or portion thereof which contains a right-of-way and the denominator of which is the total number of acres in the parcel set forth on the tax statement, and the maximum credit shall be 20 percent of the product of that computation, prior to deduction of those credits. The auditor of the county in which the affected parcel is located shall calculate the amount of the credit due for each parcel and transmit that information to the county treasurer. The county auditor, in computing the credit received pursuant to section 273.135, shall reduce the gross tax by the amount of the credit received pursuant to this section, unless the amount of the credit would be less than \$10.

If, after the county auditor has computed the credit to those qualifying property owners in unorganized townships, there is money remaining in the utility property tax credit fund, then that excess amount in the fund shall be returned to the general school fund of the county.

Sec. 91. Minnesota Statutes 2012, section 275.065, subdivision 3, is amended to read:

Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes. Upon written request by the taxpayer, the treasurer may send the notice in electronic form or by electronic mail instead of on paper or by ordinary mail.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority proposes to collect for taxes payable the following year. In the case of a town, or in the case of the state general tax, the final tax amount will be its proposed tax. The notice must clearly state for each city that has a population over 500, county, school district, regional library authority established under section 134.201, and metropolitan taxing districts as defined in paragraph (i), the time and place of a meeting for each taxing authority in which the budget and levy will be discussed and public input allowed, prior to the final budget and levy determination. The taxing authorities must provide the county auditor with the information to be included in the notice on or before the time it certifies its proposed levy under subdivision 1. The public must be allowed to speak at that meeting, which must occur after November 24 and must not be held before 6:00 p.m. It must provide a telephone number for the taxing authority that taxpayers may call if they have

questions related to the notice and an address where comments will be received by mail, except that no notice required under this section shall be interpreted as requiring the printing of a personal telephone number or address as the contact information for a taxing authority. If a taxing authority does not maintain public offices where telephone calls can be received by the authority, the authority may inform the county of the lack of a public telephone number and the county shall not list a telephone number for that taxing authority.

(d) The notice must state for each parcel:

(1) the market value of the property as determined under section 273.11, and used for computing property taxes payable in the following year and for taxes payable in the current year as each appears in the records of the county assessor on November 1 of the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) the items listed below, shown separately by county, city or town, and state general tax, ~~net of the residential and agricultural homestead credit under section 273.1384~~, voter approved school levy, other local school levy, and the sum of the special taxing districts, and as a total of all taxing authorities:

(i) the actual tax for taxes payable in the current year; and

(ii) the proposed tax amount.

If the county levy under clause (2) includes an amount for a lake improvement district as defined under sections 103B.501 to 103B.581, the amount attributable for that purpose must be separately stated from the remaining county levy amount.

In the case of a town or the state general tax, the final tax shall also be its proposed tax unless the town changes its levy at a special town meeting under section 365.52. If a school district has certified under section 126C.17, subdivision 9, that a referendum will be held in the school district at the November general election, the county auditor must note next to the school district's proposed amount that a referendum is pending and that, if approved by the voters, the tax amount may be higher than shown on the notice. In the case of the city of Minneapolis, the levy for Minneapolis Park and Recreation shall be listed separately from the remaining amount of the city's levy. In the case of the city of St. Paul, the levy for the St. Paul Library Agency must be listed separately from the remaining amount of the city's levy. In the case of Ramsey County, any amount levied under section 134.07 may be listed separately from the remaining amount of the county's levy. In the case of a parcel where tax increment or the fiscal disparities areawide tax under chapter 276A or 473F applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease between the total taxes payable in the current year and the total proposed taxes, expressed as a percentage.

For purposes of this section, the amount of the tax on homesteads qualifying under the senior citizens' property tax deferral program under chapter 290B is the total amount of property tax before subtraction of the deferred property tax amount.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda and school district levy referenda;

(3) a levy limit increase approved by the voters by the first Tuesday after the first Monday in November of the levy year as provided under section 275.73;

(4) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;

(5) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

(6) the contamination tax imposed on properties which received market value reductions for contamination.

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead, and satisfactory documentation is provided to the county assessor by the applicable deadline, and the property qualifies for the homestead classification in that assessment year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

- (1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or
- (2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

(i) For purposes of this subdivision and subdivision 6, "metropolitan special taxing districts" means the following taxing districts in the seven-county metropolitan area that levy a property tax for any of the specified purposes listed below:

(1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325, 473.446, 473.521, 473.547, or 473.834;

(2) Metropolitan Airports Commission under section 473.667, 473.671, or 473.672; and

(3) Metropolitan Mosquito Control Commission under section 473.711.

For purposes of this section, any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be included with the appropriate county's levy.

(j) The governing body of a county, city, or school district may, with the consent of the county board, include supplemental information with the statement of proposed property taxes about the impact of state

aid increases or decreases on property tax increases or decreases and on the level of services provided in the affected jurisdiction. This supplemental information may include information for the following year, the current year, and for as many consecutive preceding years as deemed appropriate by the governing body of the county, city, or school district. It may include only information regarding:

- (1) the impact of inflation as measured by the implicit price deflator for state and local government purchases;
- (2) population growth and decline;
- (3) state or federal government action; and
- (4) other financial factors that affect the level of property taxation and local services that the governing body of the county, city, or school district may deem appropriate to include.

The information may be presented using tables, written narrative, and graphic representations and may contain instruction toward further sources of information or opportunity for comment.

Sec. 92. Minnesota Statutes 2012, section 276A.01, subdivision 4, is amended to read:

Subd. 4. **Residential property.** "Residential property" means the following categories of property, as defined in section 273.13, excluding that portion of the property that is exempt from taxation pursuant to section 272.02:

- (1) class 1a, 1b, and 2a property, limited to the homestead dwelling, a garage, and the one acre of land on which the dwelling is located;
- (2) that portion of class 3 property used exclusively for residential occupancy; and
- (3) property valued and assessed under section 273.13, subdivision 25, except for hospitals and property valued and assessed under section 273.13, subdivision 25, paragraph ~~(e)~~ (d), clauses ~~(5)~~ (1) and ~~(6)~~ (3).

Sec. 93. Minnesota Statutes 2013 Supplement, section 290B.04, subdivision 2, is amended to read:

Subd. 2. **Approval; recording.** The commissioner shall approve all initial applications that qualify under this chapter and shall notify qualifying homeowners on or before December 1. The commissioner may investigate the facts or require confirmation in regard to an application. The commissioner shall record or file a notice of qualification for deferral, including the names of the qualifying homeowners and a legal description of the property, in the office of the county recorder, or registrar of titles, whichever is applicable, in the county where the qualifying property is located. The notice must state that it serves as a notice of lien and that it includes deferrals under this section for future years. The commissioner shall prescribe the form of the notice. Execution of the notice by the original or facsimile signature of the commissioner or a delegate entitles ~~them~~ the notice to be recorded, and no other attestation, certification, or acknowledgment is necessary. The homeowner shall pay the recording or filing fees for the notice, which, notwithstanding section 357.18, shall be paid by the homeowner at the time of satisfaction of the lien.

Sec. 94. Minnesota Statutes 2013 Supplement, section 292.16, is amended to read:

292.16 DEFINITIONS.

- (a) For purposes of this chapter, the following definitions apply.

(b) The definitions of terms defined in section 291.005 apply.

(c) "Resident" has the meaning given in section 290.01, subdivision 7, paragraph (a).

(d) "Taxable gifts" means:

(1) the transfers by gift which are included in taxable gifts for federal gift tax purposes under the following sections of the Internal Revenue Code:

(i) section 2503;

(ii) sections 2511 to 2514; ~~and~~

(iii) ~~sections~~ section 2516 to 2519; less; and

(iv) sections 2518 and 2519; less

(2) the deductions allowed in sections 2522 to 2524 of the Internal Revenue Code.

Sec. 95. Minnesota Statutes 2013 Supplement, section 296A.17, subdivision 3, is amended to read:

Subd. 3. **Refund on graduated basis.** Any person who has directly or indirectly paid the excise tax on aviation gasoline or special fuel for aircraft use provided for by this chapter and the airflight property tax under section ~~270.72~~ 270.072 shall, as to all such aviation gasoline and special fuel received, stored, or withdrawn from storage by the person in this state in any calendar year and not sold or otherwise disposed of to others, or intended for sale or other disposition to others, on which such tax has been so paid, be entitled to the following graduated reductions in such tax for that calendar year, to be obtained by means of the following refunds:

(1) on each gallon of such aviation gasoline or special fuel up to 50,000 gallons, all but five cents per gallon;

(2) on each gallon of such aviation gasoline or special fuel above 50,000 gallons and not more than 150,000 gallons, all but two cents per gallon;

(3) on each gallon of such aviation gasoline or special fuel above 150,000 gallons and not more than 200,000 gallons, all but one cent per gallon;

(4) on each gallon of such aviation gasoline or special fuel above 200,000, all but one-half cent per gallon.

Sec. 96. Minnesota Statutes 2013 Supplement, section 297A.66, subdivision 3, is amended to read:

Subd. 3. **Retailer not maintaining place of business in this state.** (a) To the extent allowed by the United States Constitution and in accordance with the terms and conditions of federal remote seller law, a retailer making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state shall collect sales and use taxes and remit them to the commissioner under section 297A.77.

(b) To the extent allowed by the United States Constitution and the laws of the United States, a retailer making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state shall collect sales and use taxes and remit them to the commissioner under section

297A.77, if the retailer engages in the regular or systematic soliciting of sales from potential customers in this state by:

(1) distribution, by mail or otherwise, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition in which this state is included as part of a broader regional or national publication which are not placed in other geographically defined editions of the same issue of the same publication;

(6) advertisements in regional or national publications in an edition which is not by its contents geographically targeted to Minnesota but which is sold over the counter in Minnesota or by subscription to Minnesota residents;

(7) advertisements broadcast on a radio or television station located in Minnesota; or

(8) any other solicitation by telegraphy, telephone, computer database, cable, optic, microwave, or other communication system.

This paragraph (a) must be construed without regard to the state from which distribution of the materials originated or in which they were prepared.

(c) The location within or without this state of independent vendors that provide products or services to the retailer in connection with its solicitation of customers within this state, including such products and services as creation of copy, printing, distribution, and recording, is not considered in determining whether the retailer is required to collect tax.

(d) A retailer not maintaining a place of business in this state is presumed, subject to rebuttal, to be engaged in regular solicitation within this state if it engages in any of the activities in paragraph (a) (b) and:

(1) makes 100 or more retail sales from outside this state to destinations in this state during a period of 12 consecutive months; or

(2) makes ten or more retail sales totaling more than \$100,000 from outside this state to destinations in this state during a period of 12 consecutive months.

Sec. 97. Minnesota Statutes 2013 Supplement, section 297A.66, subdivision 4a, is amended to read:

Subd. 4a. **Solicitor.** (a) "Solicitor," for purposes of subdivision 1, paragraph (a), means a person, whether an independent contractor or other representative, who directly or indirectly solicits business for the retailer.

(b) A retailer is presumed to have a solicitor in this state if it enters into an agreement with a resident under which the resident, for a commission or other substantially similar consideration, directly or indirectly refers potential customers, whether by a link on an Internet Web site, or otherwise, to the seller. This paragraph only applies if the total gross receipts are at least \$10,000 in the 12-month period ending on

the last day of the most recent calendar quarter before the calendar quarter in which the sale is made. For purposes of this paragraph, gross receipts means receipts from sales to customers located in the state who were referred to the retailer by all residents with this type of agreement with the retailer.

(c) The presumption under paragraph (b) may be rebutted by proof that the resident with whom the seller has an agreement did not engage in any solicitation in the state on behalf of the retailer that would satisfy the nexus requirement of the United States Constitution during the 12-month period in question. Nothing in this section shall be construed to narrow the scope of the terms affiliate, agent, salesperson, canvasser, or other representative for purposes of subdivision 1, paragraph (a).

(d) For purposes of this ~~paragraph~~ subdivision, "resident" includes an individual who is a resident of this state, as defined in section 290.01, or a business that owns tangible personal property located in this state or has one or more employees providing services for the business in this state.

(e) This subdivision does not apply to chapter 290 and does not expand or contract the jurisdiction to tax a trade or business under chapter 290.

Sec. 98. Minnesota Statutes 2012, section 297B.01, subdivision 12, is amended to read:

Subd. 12. **Motor vehicle registrar.** "Motor vehicle registrar" shall mean the registrar of motor vehicles who is the officer in charge of the ~~Motor Vehicle Division of Driver and Vehicle Services~~, Department of Public Safety, of this state and who shall act as the agent of the commissioner of revenue in administering the provisions of this chapter.

Sec. 99. Minnesota Statutes 2012, section 298.01, subdivision 4b, is amended to read:

Subd. 4b. **Deductions.** For purposes of determining taxable income under subdivision 4, the deductions from gross income include only those expenses necessary to convert raw iron ore or taconite concentrates to marketable quality. Such expenses include costs associated with beneficiation and refinement but do not include expenses such as transportation, stockpiling, marketing, or marine insurance that are incurred after marketable iron ore or taconite pellets are produced. The allowable deductions from a mine or plant that mines and produces iron ore or taconite and one or more mineral or metal referred to in section 298.016 must be determined separately for the purposes of computing the deduction in section 290.01, subdivision 19c, clause ~~(9)~~ (8). These deductions may be combined on one occupation tax return to arrive at the deduction from gross income for all production.

Sec. 100. Minnesota Statutes 2012, section 298.01, subdivision 4c, is amended to read:

Subd. 4c. **Special deductions; net operating loss.** (a) For purposes of determining taxable income under subdivision 4, the provisions of section 290.01, subdivisions 19c, clauses (6) and ~~(9)~~ (8), and 19d, clauses (7) and (11), are not used to determine taxable income.

(b) The amount of net operating loss incurred in a taxable year beginning before January 1, 1990, that may be carried over to a taxable year beginning after December 31, 1989, is the amount of net operating loss carryover determined in the calculation of the hypothetical corporate franchise tax under Minnesota Statutes 1988, sections 298.40 and 298.402.

Sec. 101. Minnesota Statutes 2012, section 299C.54, subdivision 4, is amended to read:

Subd. 4. **Data classification.** The information included in the missing children bulletin is public data as defined in section ~~13.01~~ 13.02, subdivision 15.

Sec. 102. Minnesota Statutes 2012, section 299D.02, subdivision 1, is amended to read:

Subdivision 1. **Commissioner's powers and duties; radio dispatchers.** All the powers and duties of the commissioner of transportation with reference to the State Highway Patrol and the nationwide police communication system not heretofore provided for and enumerated in Minnesota Statutes 1967, sections 161.48 and 161.49, are hereby transferred to and imposed upon the commissioner of public safety. In conjunction with the transfer persons in the classified service of the state who shall be transferred pursuant to Minnesota Statutes 1969, section 15.015, subdivision 5, there shall be transferred to the Department of Public Safety the personnel who are presently serving as radio dispatchers for the Highway Patrol. Such classified employees serving as Highway Patrol radio dispatchers shall continue to be paid from the trunk highway fund.

Sec. 103. Minnesota Statutes 2012, section 322B.925, is amended to read:

322B.925 REGISTERED AGENT AND CERTAIN REPORTS.

A foreign limited liability company authorized to transact business in this state shall:

(1) appoint and continuously maintain a registered agent in the same manner as provided in section 322B.13; or

(2) file a report upon any change in the name or business address of its registered agent in the same manner as provided in section 322B.135, ~~subdivision 3~~.

Sec. 104. Minnesota Statutes 2012, section 326B.32, subdivision 4, is amended to read:

Subd. 4. **Removal; vacancies.** (a) An appointed member of the board may be removed by the governor at any time (1) for cause, after notice and hearing, or (2) after missing three consecutive meetings. The chair of the board shall inform the governor of an appointed member missing the three consecutive meetings. After the second consecutive missed meeting and before the next meeting, the secretary of the board shall notify the appointed member in writing that the member may be removed for missing the next meeting. In the case of a vacancy on the board, the governor shall, with the advice and consent of the Senate, appoint a person to fill the vacancy for the remainder of the unexpired term.

(b) Vacancies shall be filled pursuant to section ~~15.097~~ 15.0597, subdivisions 5 and 6.

Sec. 105. Minnesota Statutes 2012, section 327B.12, subdivision 1, is amended to read:

Subdivision 1. **Private remedies.** (a) Any person injured or threatened with injury by a dealer or manufacturer's violation of sections 327B.01 to 327B.12 may bring a private action in any court of competent jurisdiction.

(b) A borrower injured by a violation of the standards, duties, prohibitions, or requirements of sections 327B.08, subdivision 6; ~~325B.09~~ 327B.09, subdivision 6; or ~~325B.095~~ 327B.095, shall have a private right of action and the court shall award actual, incidental, and consequential damages.

Sec. 106. Minnesota Statutes 2012, section 374.21, subdivision 3, is amended to read:

Subd. 3. **Veteran organizations, meeting places.** If, in the opinion of the city council and county board, it is inadvisable to provide meeting halls or quarters in the city hall and courthouse, for veteran organizations

and their auxiliaries, and in the opinion of those bodies halls or quarters should be provided, the county board and city council may provide not more than \$20,000 for improving halls or quarters in a municipally-owned auditorium building for the organizations and their auxiliaries out of the balances remaining in the funds referred to in Minnesota Statutes 1994, section 374.23. If the halls or quarters in a municipal auditorium are improved for the use of the organizations and their auxiliaries, the halls and quarters shall be under the sole control and management of the same persons or committees that manage the city hall and courthouse building. All costs of heating, lighting, and operating the halls or quarters shall be paid by the persons or committees. The persons or committees may direct the organizations and their auxiliaries to form a joint housing or other proper committee to represent and act for the organizations and their auxiliaries in all matters relating to the halls and quarters and to prepare and adopt rules and regulations setting the time, manner, and conditions under which the halls or quarters shall be used by the organizations and auxiliaries. If the joint housing or other committee is formed, any rules or regulations it adopts must be approved by the persons or committees having control and management of the halls or quarters before becoming effective.

Sec. 107. Minnesota Statutes 2012, section 375.192, subdivision 3, is amended to read:

Subd. 3. **Homestead credit status.** Subject to the approval of the commissioner of revenue, the county board shall authorize the county auditor to grant the credits classification denied under section 272.115, subdivision 4, if a certificate of value has been filed with the county auditor. The county board shall not hear any requests under this subdivision after May 31 of the year in which the taxes are payable.

Sec. 108. Minnesota Statutes 2012, section 383A.405, subdivision 3, is amended to read:

Subd. 3. **Detention home staff.** Notwithstanding section 260B.080 ~~or 260C.080~~, or other law, in Ramsey County, staff for detention homes shall be appointed and removed by the director of the Community Corrections Department. Salaries for all employees shall be set by the county board of commissioners subject to sections 383A.281 to 383A.301.

Sec. 109. Minnesota Statutes 2013 Supplement, section 383B.158, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) In sections 383B.158 to ~~383B.1585~~ 383B.1584, the definitions in this subdivision apply.

(b) "Best value" describes a result intended in acquiring design-build services. Best value determination must include price and must measure a responder's qualifications, experience, prior performance, and responses to technical and qualitative criteria.

(c) "County board" means the Hennepin County Board of Commissioners.

(d) "Design-build selection panel" means the individuals appointed by the county to advise the county administrator and county board in preparing and conducting the design-build selection process. At least three members of the committee must be individuals who are not county employees, a minimum of two members must be professionally licensed under chapter 326, and at least one must be or must have been a commercial contractor. No committee member shall have personal financial interest in the project or with any of the design-build proposals.

(e) "Design-build contract" means a single contract, which may be in phases, between the county and a design-builder to furnish the architectural or engineering and related design services as well as the labor, materials, supplies, equipment, and construction services for a project.

(f) "Design-build firm" means a proprietorship, partnership, limited liability partnership, joint venture, corporation, or any type of limited liability company, professional corporation, or any legal entity.

(g) "Design-builder" means the design-build firm that proposes to design and build a project governed by the procedures of this section.

(h) "Design professional" means a person who holds or employs individuals who hold a license under chapter 326 and who is required to be registered under Minnesota law.

(i) "Primary designer" means the designer who is to have primary design responsibility for a project, and does not include designers who are merely consulted by the county and do not have substantial design responsibility, or designers who will or may be employed or consulted by the primary designer.

(j) "Project" means an undertaking for the county to design, construct, erect, or remodel a building or facility, or to design, construct, or reconstruct a county road, bridge, or multimodal transportation facility or other infrastructure relating to a county roadway or multimodal transportation.

(k) "Proposal" means an offer by a design-builder to enter into a design-build contract for a project in response to a request for proposals, including a phase-one or phase-two proposal.

(l) "Request for proposals" or "RFP" means the document or publication through which the county solicits proposals from prequalified design-builders to design and construct a design-build project.

(m) "Request for qualifications" or "RFQ" means a document to prequalify and short-list potential design-builders for a project.

Sec. 110. Minnesota Statutes 2012, section 383B.219, subdivision 3, is amended to read:

Subd. 3. **Licensed professional staff.** Section 383B.34, ~~subdivision 4~~, applies to this section.

Sec. 111. Minnesota Statutes 2012, section 461.15, is amended to read:

461.15 BLIND PERSONS NOT TO PAY CIGARETTE LICENSES.

No applicant for any license required of persons for the sale or manufacture of cigarettes shall be required to pay any fee to the state or any political subdivision thereof upon furnishing a doctor's certificate showing that the applicant is blind, as defined by ~~Laws 1937, Chapter 324~~ section 256D.35, subdivision 4a.

Sec. 112. Minnesota Statutes 2012, section 462A.05, subdivision 24, is amended to read:

Subd. 24. **Housing for elderly, persons with physical or developmental disabilities, and single parent families.** (a) It may engage in housing programs for low- and moderate-income elderly, persons with physical or developmental disabilities, or single parent families in the case of home sharing programs, as defined by the agency, to provide grants or loans, with or without interest, for:

(1) accessibility improvements to residences occupied by elderly persons;

(2) housing sponsors, as defined by the agency, of home sharing programs to match existing homeowners with prospective tenants who will contribute either rent or services to the homeowner, where either the homeowner or the prospective tenant is elderly, a person with physical or developmental disabilities, or the head of a single parent family;

(3) the construction of or conversion of existing buildings into structures for occupancy by the elderly that contain from three to 12 private sleeping rooms with shared cooking facilities and common space; and

(4) housing sponsors, as defined by the agency, to demonstrate the potential for home equity conversion in Minnesota for the elderly, in both rural and urban areas, and to determine the need in those equity conversions for consumer safeguards.

(b) In making the grants or loans, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. The agency may provide technical assistance to sponsors of home sharing programs or may contract or delegate the provision of the technical assistance in accordance with section 462A.07, subdivision 12.

(c) Housing sponsors who receive funding through these programs shall provide homeowners and tenants participating in a home sharing program with information regarding their rights and obligations as they relate to federal and state tax law including, but not limited to, taxable rental income, homestead ~~credit~~ classification under chapter 273, and the property tax refund act under chapter 290A.

Sec. 113. Minnesota Statutes 2012, section 469.175, subdivision 6, is amended to read:

Subd. 6. **Annual financial reporting.** (a) The state auditor shall develop a uniform system of accounting and financial reporting for tax increment financing districts. The system of accounting and financial reporting shall, as nearly as possible:

(1) provide for full disclosure of the sources and uses of tax increments of the district;

(2) permit comparison and reconciliation with the affected local government's accounts and financial reports;

(3) permit auditing of the funds expended on behalf of a district, including a single district that is part of a multidistrict project or that is funded in part or whole through the use of a development account funded with tax increments from other districts or with other public money;

(4) be consistent with generally accepted accounting principles.

(b) The authority must annually submit to the state auditor a financial report in compliance with paragraph (a). Copies of the report must also be provided to the county auditor and to the governing body of the municipality, if the authority is not the municipality. To the extent necessary to permit compliance with the requirement of financial reporting, the county and any other appropriate local government unit or private entity must provide the necessary records or information to the authority or the state auditor as provided by the system of accounting and financial reporting developed pursuant to paragraph (a). The authority must submit the annual report for a year on or before August 1 of the next year.

(c) The annual financial report must also include the following items:

(1) the original net tax capacity of the district and any subdistrict under section 469.177, subdivision 1;

(2) the net tax capacity for the reporting period of the district and any subdistrict;

(3) the captured net tax capacity of the district;

(4) any fiscal disparity deduction from the captured net tax capacity under section 469.177, subdivision 3;

(5) the captured net tax capacity retained for tax increment financing under section 469.177, subdivision 2, paragraph (a), clause (1);

(6) any captured net tax capacity distributed among affected taxing districts under section 469.177, subdivision 2, paragraph (a), clause (2);

(7) the type of district;

(8) the date the municipality approved the tax increment financing plan and the date of approval of any modification of the tax increment financing plan, the approval of which requires notice, discussion, a public hearing, and findings under subdivision 4, paragraph (a);

(9) the date the authority first requested certification of the original net tax capacity of the district and the date of the request for certification regarding any parcel added to the district;

(10) the date the county auditor first certified the original net tax capacity of the district and the date of certification of the original net tax capacity of any parcel added to the district;

(11) the month and year in which the authority has received or anticipates it will receive the first increment from the district;

(12) the date the district must be decertified;

(13) for the reporting period and prior years of the district, the actual amount received from, at least, the following categories:

(i) tax increments paid by the captured net tax capacity retained for tax increment financing under section 469.177, subdivision 2, paragraph (a), clause (1), but excluding any excess taxes;

(ii) tax increments that are interest or other investment earnings on or from tax increments;

(iii) tax increments that are proceeds from the sale or lease of property, tangible or intangible, purchased by the authority with tax increments;

(iv) tax increments that are repayments of loans or other advances made by the authority with tax increments;

(v) bond proceeds; and

(vi) the agricultural homestead market value ~~homestead~~ credit paid to the authority under section 273.1384;

(14) for the reporting period and for the prior years of the district, the actual amount expended for, at least, the following categories:

(i) acquisition of land and buildings through condemnation or purchase;

(ii) site improvements or preparation costs;

(iii) installation of public utilities, parking facilities, streets, roads, sidewalks, or other similar public improvements;

(iv) administrative costs, including the allocated cost of the authority; and

(v) for housing districts, construction of affordable housing;

(15) the amount of any payments for activities and improvements located outside of the district that are paid for or financed with tax increments;

(16) the amount of payments of principal and interest that are made during the reporting period on any nondefeased:

(i) general obligation tax increment financing bonds; and

(ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;

(17) the principal amount, at the end of the reporting period, of any nondefeased:

(i) general obligation tax increment financing bonds; and

(ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;

(18) the amount of principal and interest payments that are due for the current calendar year on any nondefeased:

(i) general obligation tax increment financing bonds; and

(ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;

(19) if the fiscal disparities contribution under chapter 276A or 473F for the district is computed under section 469.177, subdivision 3, paragraph (a), the amount of total increased property taxes to be paid from outside the tax increment financing district; and

(20) any additional information the state auditor may require.

(d) The reporting requirements imposed by this subdivision apply to districts certified before, on, and after August 1, 1979.

Sec. 114. Minnesota Statutes 2012, section 469.1764, subdivision 1, is amended to read:

Subdivision 1. **Scope; application.** (a) This section applies to a tax increment financing district or area added to a district, if the request for certification of the district or the area added to the district was made after July 31, 1979, and before July 1, 1982.

(b) This section, section 469.1763, subdivision 6, and any special law applying to the district are the exclusive authority to spend tax increments on activities located outside of the geographic area of a tax increment financing district that is subject to this section.

(c) This section does not apply to increments from a district that is subject to the provisions of this section, if:

(1) the district was decertified before the enactment of this section and all increments spent on activities located outside of the geographic area of the district were repaid and distributed as excess increments under section 469.176, subdivision 2; or

(2) the use of increments on activities located outside of the geographic area of the district consists solely of payment of debt service on bonds under Minnesota Statutes 2010, section 469.129, subdivision 2, before its repeal, and any bonds issued to refund bonds issued under that subdivision.

Sec. 115. Minnesota Statutes 2013 Supplement, section 469.177, subdivision 1d, is amended to read:

Subd. 1d. **Original net tax capacity adjustment; homestead market value exclusion.** (a) Upon approval by the municipality, by resolution, the authority may elect to reduce the original net tax capacity of a qualified district by the amount of the tax capacity attributable to the market value exclusion under section 273.13, subdivision 35, for taxes payable in the year preceding the election. The amount of the reduction may not reduce the original net tax capacity below zero.

(b) For purposes of this subdivision, a qualified district means a tax increment financing district that satisfies the following conditions:

(1) for taxes payable in 2011, the authority received a homestead market value credit reimbursement under section 273.1384 for the district of \$10,000 or more;

(2) for taxes payable in 2013, the reduction in captured tax capacity resulting from the market value exclusion for the district was equal to or greater than 1.75 percent of the district's captured tax capacity; and

(3) either (i) the authority is permitted to expend increments on activities under the provisions of section 469.1763, subdivision 3, or an equivalent provision of special law on July 1, 2013, or (ii) the district's tax increments received for taxes payable in 2012 ~~exceeded~~ were less than the amount of debt service payments due during calendar year 2012 on bonds issued under section 469.178 to which the district's increments are pledged.

The calculation of the amount under clause (2) must reflect any adjustments to original net tax capacity made under subdivision 1, paragraphs (d) and (e), for the homestead market value exclusion.

(c) The authority must notify the county auditor of its election under this section no later than July 1, 2014. Notifications made by July 1, 2013, are effective beginning for taxes payable in 2014, and notifications made after July 1, 2013, are effective beginning for taxes payable in 2015.

Sec. 116. Minnesota Statutes 2012, section 469.1771, subdivision 1, is amended to read:

Subdivision 1. **Enforcement.** (a) The owner of taxable property located in the city, town, school district, or county in which the tax increment financing district is located may bring suit for equitable relief or for damages, as provided in subdivisions 2, 3, and 4, arising out of a failure of a municipality or authority to comply with the provisions of sections 469.174 to ~~469.1798~~ 469.1794, or related provisions of this chapter. The prevailing party in a suit filed under the preceding sentence is entitled to costs, including reasonable attorney fees.

(b) The state auditor may examine and audit political subdivisions' use of tax increment financing. Without previous notice, the state auditor may examine or audit accounts and records on a random basis as the auditor deems to be in the public interest. If the state auditor finds evidence that an authority or municipality has violated a provision of the law for which a remedy is provided under this section, the state auditor shall forward the relevant information to the county attorney. The county attorney may bring an action to enforce the provisions of sections 469.174 to ~~469.1798~~ 469.1794 or related provisions of this chapter, for matters referred by the state auditor or on behalf of the county. If the county attorney determines

not to bring an action or if the county attorney has not brought an action within 12 months after receipt of the initial notification by the state auditor of the violation, the county attorney shall notify the state auditor in writing.

(c) If the state auditor finds an authority is not in compliance with sections 469.174 to ~~469.1798~~ 469.1794 or related provisions of law, the auditor shall notify the governing body of the municipality that approved the tax increment financing district of its findings. The governing body of the municipality must respond in writing to the state auditor within 60 days after receiving the notification. Its written response must state whether the municipality accepts, in whole or part, the auditor's findings. If the municipality does not accept the findings, the statement must indicate the basis for its disagreement. The state auditor shall annually summarize the responses it receives under this section and send the summary and copies of the responses to the chairs of the committees of the legislature with jurisdiction over tax increment financing.

(d) The state auditor shall notify the attorney general in writing and provide supporting materials for a violation found by the auditor, if the:

(1) auditor receives notification from the county attorney under paragraph (b) or receives no notification for a 12-month period after initially notifying the county attorney and the state auditor confirms with the county attorney or the municipality that no action has been brought regarding the matter; and

(2) municipality or development authority have not eliminated or resolved the violation to the satisfaction of the state auditor.

The auditor shall provide the municipality and development authority a copy of the notification sent to the attorney general.

Sec. 117. Minnesota Statutes 2012, section 469.310, subdivision 7, is amended to read:

Subd. 7. **Job opportunity building zone percentage or zone percentage.** "Job opportunity building zone percentage" or "zone percentage" means the following fraction reduced to a percentage:

(1) the numerator of the fraction is:

(i) the ratio of the taxpayer's property factor under section 290.191 located in the zone for the taxable year over the property factor numerator determined under section 290.191, plus

(ii) the ratio of the taxpayer's job opportunity building zone payroll factor under subdivision 8 over the payroll factor numerator determined under section 290.191; and

(2) the denominator of the fraction is two.

When calculating the zone percentage for a business that is part of a unitary business as defined under section 290.17, subdivision 4, the denominator of the payroll and property factors is the Minnesota payroll and property of the unitary business as reported on the combined report under section 290.17, subdivision 4, paragraph (j) (h).

Sec. 118. Minnesota Statutes 2013 Supplement, section 473.606, subdivision 3, is amended to read:

Subd. 3. **Treasurer; investments.** The treasurer shall receive and be responsible for all moneys of the corporation, from whatever source derived, and the same shall be considered public funds. The treasurer

shall disburse the moneys of the corporation only on orders made by the executive and operating officer, herein provided for, countersigned by such other officer or such employee of the corporation as may be authorized and directed so to do by the corporation, showing the name of the claimant and the nature of the claim. No disbursement shall be certified by such officers until the same have been approved by said commissioners at a meeting thereof. Whenever the executive director of the corporation shall certify, pursuant to action taken by the commissioners at a meeting thereof, that there are moneys and the amount thereof in the possession of the treasurer not currently needed, then the treasurer may invest said amount or any part thereof in securities approved for investment under section 118A.04.

Whenever it shall appear to the commissioners that any invested funds are needed for current purposes before the maturity dates of the securities held, they shall cause the executive director to so certify to the treasurer and it shall then be the duty of the treasurer to order the sale or conversion into cash of the securities in the amount so certified. All interest and profit on said investments shall be credited to and constitute a part of the funds of the commission. The treasurer shall keep an account of all moneys received and disbursed, and at least once a year, at times to be designated by the corporation, file with the secretary a financial statement of the corporation, showing in appropriate and identifiable groupings the receipts and disbursements since the last approved statements; moneys on hand and the purposes for which the same are appropriated; and shall keep an account of all securities purchased as herein provided, the funds from which purchased and the interest and profit which may have accrued thereon, and shall accompany the financial statement aforesaid with a statement setting forth such account. The corporation may pay to the treasurer from time to time compensation in such amount as it may determine to cover clerk hire to enable the treasurer to carry out duties and those required in connection with bonds issued by the corporation as ~~in this act~~ authorized under sections 473.601 to 473.679.

Sec. 119. Minnesota Statutes 2012, section 473.641, subdivision 1, is amended to read:

Subdivision 1. **Considerations.** In determining whether a new airport shall be acquired or established or an existing airport expanded by the acquisition of an annexation thereto of additional lands, the corporation shall, before taking any action thereon, hold a public hearing in accordance with the procedure set forth ~~in this act~~ sections 473.601 to 473.679; and in reaching such determination, the corporation shall take into consideration the objectives of ~~the act~~ sections 473.601 to 473.679 as set forth in section 473.602; and shall take into consideration the use or uses to be made of the new airport or the use or uses to be made of the lands to be acquired and annexed to an existing airport, and shall take into consideration the effect the acquisition or establishment of the new airport will have upon the residents and properties in the area surrounding such new airport, or, in the case of the acquisition and annexation of lands to an existing airport, the effect such acquisition and annexation will have on residents and properties in the area surrounding such lands; and with respect to the new airport to be acquired or established, the commission shall take into consideration, in addition to the foregoing, the adequacy of present airport facilities in the area over which the corporation has jurisdiction, the nature of the terrain at the site thereof and in the vicinity of such site, whether there are safe areas available for expansion purposes, and whether the adjoining area is free from obstructions based on a proper glide ratio; and to aid the commission in giving consideration to such objectives and factors, and in reaching such determination, evidence may be offered and shall be received as to such objectives and factors at the public hearing herein provided for.

Sec. 120. Minnesota Statutes 2012, section 473.661, subdivision 4, is amended to read:

Subd. 4. **Noise mitigation.** (a) According to the schedule in paragraph (b), commission funds must be dedicated (1) to supplement the implementation of corrective land use management measures approved by

the Federal Aviation Administration as part of the commission's Federal Aviation Regulations, part 150 noise compatibility program, and (2) for soundproofing and accompanying air conditioning of residences, schools, and other public buildings when there is a demonstrated need because of aircraft noise, regardless of the location of the building to be soundproofed.

(b) The noise mitigation program described in paragraph (a) shall be funded by the commission from whatever source of funds according to the following schedule:

In 1993, an amount equal to 20 percent of the passenger facilities charges revenue amount budgeted by the commission for 1993;

In 1994, an amount equal to 20 percent of the passenger facilities charges revenue amount budgeted by the commission for 1994;

In 1995, an amount equal to 35 percent of the passenger facilities charges revenue amount budgeted by the commission for 1995; and

In 1996 and 1997, an amount equal to 40 percent of the passenger facilities charges revenue amount budgeted by the commission for 1996.

(c) From 1996 to 2002, the commission shall spend no less than \$185,000,000 from any source of funds for insulation and accompanying air conditioning of residences, schools, and other publicly owned buildings where there is a demonstrated need because of aircraft noise; and property acquisition, limited to residences, schools, and other publicly owned buildings, within the noise impacted area. In addition, the corporation shall insulate and air condition four schools in Minneapolis and two schools in Richfield that are located in the 1996 60 Ldn contour.

(d) Before the commission constructs a new runway at Minneapolis-St. Paul International Airport, the commission shall determine the probable levels of noise that will result in various parts of the metropolitan area from the operation of aircraft on the new runway and shall develop a program to mitigate noise in those parts of the metropolitan area that are located outside the 1996 65 Ldn contour but will be located within the 65 Ldn contour as established after the new runway is in operation. Based upon this determination, the commission shall reserve in its annual budget, until noise mitigation measures are completed, an amount of money necessary to implement this noise mitigation program in the newly impacted areas.

(e) The commission's capital improvement projects, program, and plan must reflect the requirements of this section. As part of the commission's report to the legislature under section 473.621, subdivision 1a, the commission must provide a description and the status of each noise mitigation project implemented under this section.

(f) Within 180 days of submitting the commission's and the Metropolitan Council's report and recommendations on major airport planning to the legislature as required by Minnesota Statutes 2012, section 473.618, the commission, with the assistance of its sound abatement advisory committee, shall make a recommendation to the state Advisory Council on Metropolitan Airport Planning regarding proposed mitigation activities and appropriate funding levels for mitigation activities at Minneapolis-St. Paul International Airport and in the neighboring communities. The recommendation shall examine mitigation measures to the 60 Ldn level. The state Advisory Council on Metropolitan Airport Planning shall review the recommendation and comment to the legislature within 60 days after the recommendation is submitted to the council.

Sec. 121. Minnesota Statutes 2012, section 473F.02, subdivision 4, is amended to read:

Subd. 4. **Residential property.** "Residential property" means the following categories of property, as defined in section 273.13, excluding that portion of such property exempt from taxation pursuant to section 272.02:

(a) class 1, 1b, 2a, 4a, 4b, 4c, and 4d property except resorts and property classified under section 273.13, subdivision 25, paragraph ~~(e)~~ (d), clause ~~(6)~~ (3); and

(b) ~~and~~ that portion of class 3a, 3b, and 5 property used exclusively for residential occupancy.

Sec. 122. Minnesota Statutes 2013 Supplement, section 473F.08, subdivision 3c, is amended to read:

Subd. 3c. **Mall of America.** (a) When computing the net tax capacity under section 473F.05, the Hennepin County auditor shall exclude the captured tax capacity of Tax Increment Financing Districts No. 1-C and No. 1-G in the city of Bloomington.

(b) Notwithstanding the provisions of subdivision 2, paragraph (a), the commercial-industrial contribution percentage for the city of Bloomington is the contribution net tax capacity divided by the total net tax capacity of commercial-industrial property in the city, excluding any commercial-industrial property that is captured tax capacity of Tax Increment Financing Districts No. 1-C and No. 1-G.

(c) The property taxes to be paid on commercial-industrial tax capacity that is included in the captured tax capacity of Tax Increment Financing Districts No. 1-C and No. 1-G in the city of Bloomington must be determined as described in subdivision 6, except that the portion of the tax that is based on the areawide tax rate is to be treated as tax increment under section 469.176.

(d) The provisions of this subdivision take effect only if the clerk of the city of Bloomington certifies to the Hennepin County auditor that the city has entered into a binding written agreement with the Metropolitan Council to repair and restore, or to replace, the old Cedar Avenue bridge for use by bicycle commuters and recreational users.

(e) This subdivision expires on the earliest of the following dates:

(1) when the tax increment financing districts have been decertified in 2024 or 2035, as provided by Laws 2013, chapter 143, article 9, section 22, subdivision 2 or 4; or

(2) on January 1, 2014, if the city clerk fails to make the certification provided in paragraph (d) or if the city fails to file its local approval of Laws 2013, chapter 143, article 9, section 23₂ with the secretary of state by December 31, 2013.

Sec. 123. Minnesota Statutes 2012, section 475.53, subdivision 7, is amended to read:

Subd. 7. **Adjustment of debt limits.** If the amount of debt a municipality may incur is limited by special law or city charter to a stated percentage or proportion of assessed value, the limit must be calculated as a percentage or proportion of tax capacity. The percentage or proportion provided in the special law or charter provision must be multiplied by 8.2 to determine the applicable percentage or proportion of gross tax capacity and must be multiplied by 10.2 to determine the applicable percentage or proportion of net tax capacity.

Sec. 124. Minnesota Statutes 2012, section 484.90, subdivision 6, is amended to read:

Subd. 6. **Allocation.** (a) In all cases prosecuted in district court by an attorney for a municipality or other subdivision of government within the county for violations of state statute, or of an ordinance; or charter provision, rule, or regulation of a city; all fines, penalties, and forfeitures collected shall be deposited in the state treasury and distributed according to this paragraph. Except where a different disposition is provided by section 299D.03, subdivision 5, 484.841, 484.85, or other law, on or before the last day of each month, the courts shall pay over all fines, penalties, and forfeitures collected by the court administrator during the previous month as follows:

(1) 100 percent of all fines or penalties for parking violations for which complaints and warrants have not been issued to the treasurer of the city or town in which the offense was committed; and

(2) two-thirds of all other fines to the treasurer of the city or town in which the offense was committed and one-third credited to the state general fund.

All other fines, penalties, and forfeitures collected by the court administrator shall be distributed by the courts as provided by law.

(b) Fines, penalties, and forfeitures shall be distributed as provided in paragraph (a) when:

(1) a city contracts with the county attorney for prosecutorial services under section 484.87, subdivision 3;

(2) a city has a population of 600 or less and has given the duty to prosecute cases to the county attorney under section ~~487.87~~ 484.87; or

(3) the attorney general provides assistance to the county attorney as permitted by law.

Sec. 125. Minnesota Statutes 2012, section 518C.613, is amended to read:

518C.613 JURISDICTION TO MODIFY SUPPORT ORDER OF ANOTHER STATE WHEN INDIVIDUAL PARTIES RESIDE IN THIS STATE.

(a) If all of the parties who are individuals reside in this state and the child does not reside in the issuing state, a tribunal of this state has jurisdiction to enforce and to modify the issuing state's child support order in a proceeding to register that order.

(b) A tribunal of this state exercising jurisdiction as provided in this section shall apply sections 518C.101 to 518C.209 and 518C.601 to 518C.614 to the enforcement or modification proceeding. Sections 518C.301 to ~~518C.507~~ 518C.508 and 518C.701 to 518C.802 do not apply and the tribunal shall apply the procedural and substantive law of this state.

Sec. 126. Minnesota Statutes 2012, section 548.091, subdivision 2a, is amended to read:

Subd. 2a. **Entry and docketing of child support judgment.** (a) On or after the date an unpaid amount becomes a judgment by operation of law under subdivision 1a, the obligee or the public authority may file with the court administrator:

(1) a statement identifying, or a copy of, the judgment or decree of dissolution or legal separation, determination of parentage, order under chapter 518B or 518C, an order under section 256.87, an order

under section 260B.331 or 260C.331, or judgment, decree, or order for child support by a court in any other state, which provides for periodic installments of child support, or a judgment or notice of attorney fees and collection costs under section ~~518A.695~~ 518A.735;

(2) an affidavit of default. The affidavit of default must state the full name, occupation, place of residence, and last known post office address of the obligor, the name of the obligee, the date or dates payment was due and not received and judgment was obtained by operation of law, the total amount of the judgments to be entered and docketed; and

(3) an affidavit of service of a notice of intent to enter and docket judgment and to recover attorney fees and collection costs on the obligor, in person or by first class mail at the obligor's last known post office address. Service is completed upon mailing in the manner designated. Where applicable, a notice of interstate lien in the form promulgated under United States Code, title 42, section 652(a), is sufficient to satisfy the requirements of clauses (1) and (2).

(b) A judgment entered and docketed under this subdivision has the same effect and is subject to the same procedures, defenses, and proceedings as any other judgment in district court, and may be enforced or satisfied in the same manner as judgments under section 548.09, except as otherwise provided.

Sec. 127. Minnesota Statutes 2012, section 572B.04, is amended to read:

572B.04 EFFECT OF AGREEMENT TO ARBITRATE; NONWAIVABLE PROVISIONS.

(a) Except as otherwise provided in subsections (b) and (c), the parties to an agreement to arbitrate or to an arbitration proceeding may waive or vary the requirements of sections 572B.01 to 572B.31 to the extent permitted by law.

(b) Before a controversy arises that is subject to an agreement to arbitrate, the parties to the agreement may not:

(1) waive or vary the requirements of section 572B.05, subsection (a); 572B.06, subsection (a); 572B.08; 572B.17, subsection (a) or (b); 572B.26; or 572B.27;

(2) unreasonably restrict the right under section 572B.09 to notice of the initiation of an arbitration proceeding;

(3) unreasonably restrict the right under section 572B.12 to disclosure of any facts by a neutral arbitrator; or

(4) waive the right under section 572B.16 of a party to an agreement to arbitrate to be represented by a lawyer at any proceeding or hearing under sections 572B.01 to 572B.31, except that an employer and a labor organization may waive the right to representation by a lawyer in a labor arbitration.

(c) The parties to an agreement to arbitrate may not waive or vary the requirements of this section or section 572B.03, subsection (a)(1) or (b); 572B.07; 572B.14; 572B.18; 572B.20, subsection (c) or (d); 572B.22; 572B.23; 572B.24; 572B.25, subsection (a) or (b); 572B.29; 572B.30; or 572B.31; ~~or 572B.32~~.

Sec. 128. Minnesota Statutes 2012, section 604A.33, subdivision 1, is amended to read:

Subdivision 1. **Application.** This section applies to residential treatment programs for children or group homes for children licensed under chapter 245A, residential services and programs for juveniles licensed

under section 241.021, providers licensed pursuant to sections 144A.01 to 144A.33 or sections 144A.43 to 144A.47, personal care provider organizations under section 256B.0659, providers of day training and habilitation services under sections ~~252.40~~ 252.41 to 252.46, board and lodging facilities licensed under chapter 157, intermediate care facilities for persons with developmental disabilities, and other facilities licensed to provide residential services to persons with developmental disabilities.

Sec. 129. Minnesota Statutes 2012, section 609B.203, is amended to read:

609B.203 FAILURE TO PRODUCE PROOF OF INSURANCE; REVOCATION.

(a) A person's driver's license is revoked under section 169.792, subdivision 7, if that person, whether a driver or motor vehicle owner, fails to provide proof of insurance under the requirements of section ~~169.172~~ 169.792.

(b) If a person whose driver's license has been revoked under the circumstances specified in paragraph (a) is also the owner of the motor vehicle, the motor vehicle registration is also revoked under section ~~169.172~~ 169.792, subdivision 12.

(c) A person, an owner, or, in certain circumstances, a driver, who operates a motor vehicle upon a public highway, road, or street, fails to have vehicle insurance, and contributes to a vehicle accident resulting in death or substantial bodily harm, is subject to revocation under section 169.797, subdivision 4, paragraph (c), for not more than 12 months.

Sec. 130. Minnesota Statutes 2013 Supplement, section 626.556, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Family assessment" means a comprehensive assessment of child safety, risk of subsequent child maltreatment, and family strengths and needs that is applied to a child maltreatment report that does not allege substantial child endangerment. Family assessment does not include a determination as to whether child maltreatment occurred but does determine the need for services to address the safety of family members and the risk of subsequent maltreatment.

(b) "Investigation" means fact gathering related to the current safety of a child and the risk of subsequent maltreatment that determines whether child maltreatment occurred and whether child protective services are needed. An investigation must be used when reports involve substantial child endangerment, and for reports of maltreatment in facilities required to be licensed under chapter 245A or ~~245B~~ 245D; under sections 144.50 to 144.58 and 241.021; in a school as defined in sections 120A.05, subdivisions 9, 11, and 13, and 124D.10; or in a nonlicensed personal care provider association as defined in sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.

(c) "Substantial child endangerment" means a person responsible for a child's care, and in the case of sexual abuse includes a person who has a significant relationship to the child as defined in section 609.341, or a person in a position of authority as defined in section 609.341, who by act or omission commits or attempts to commit an act against a child under their care that constitutes any of the following:

- (1) egregious harm as defined in section 260C.007, subdivision 14;
- (2) sexual abuse as defined in paragraph (d);

(3) abandonment under section 260C.301, subdivision 2;

(4) neglect as defined in paragraph (f), clause (2), that substantially endangers the child's physical or mental health, including a growth delay, which may be referred to as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(5) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

(6) manslaughter in the first or second degree under section 609.20 or 609.205;

(7) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

(8) solicitation, inducement, and promotion of prostitution under section 609.322;

(9) criminal sexual conduct under sections 609.342 to 609.3451;

(10) solicitation of children to engage in sexual conduct under section 609.352;

(11) malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378;

(12) use of a minor in sexual performance under section 617.246; or

(13) parental behavior, status, or condition which mandates that the county attorney file a termination of parental rights petition under section 260C.503, subdivision 2.

(d) "Sexual abuse" means the subjection of a child by a person responsible for the child's care, by a person who has a significant relationship to the child, as defined in section 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any act which involves a minor which constitutes a violation of prostitution offenses under sections 609.321 to 609.324 or 617.246. Sexual abuse includes threatened sexual abuse which includes the status of a parent or household member who has committed a violation which requires registration as an offender under section 243.166, subdivision 1b, paragraph (a) or (b), or required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

(e) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, other school employees or agents, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(f) "Neglect" means the commission or omission of any of the acts specified under clauses (1) to (9), other than by accidental means:

(1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;

(2) failure to protect a child from conditions or actions that seriously endanger the child's physical or mental health when reasonably able to do so, including a growth delay, which may be referred to as a failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

(5) nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of medical care may cause serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

(6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance, or the presence of a fetal alcohol spectrum disorder;

(7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

(8) chronic and severe use of alcohol or a controlled substance by a parent or person responsible for the care of the child that adversely affects the child's basic needs and safety; or

(9) emotional harm from a pattern of behavior which contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(g) "Physical abuse" means any physical injury, mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive or deprivation procedures, or regulated interventions, that have not been authorized under section 121A.67 or 245.825.

Abuse does not include reasonable and moderate physical discipline of a child administered by a parent or legal guardian which does not result in an injury. Abuse does not include the use of reasonable force by a teacher, principal, or school employee as allowed by section 121A.582. Actions which are not reasonable and moderate include, but are not limited to, any of the following that are done in anger or without regard to the safety of the child:

(1) throwing, kicking, burning, biting, or cutting a child;

- (2) striking a child with a closed fist;
- (3) shaking a child under age three;
- (4) striking or other actions which result in any nonaccidental injury to a child under 18 months of age;
- (5) unreasonable interference with a child's breathing;
- (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;
- (7) striking a child under age one on the face or head;

(8) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled substances which were not prescribed for the child by a practitioner, in order to control or punish the child; or other substances that substantially affect the child's behavior, motor coordination, or judgment or that results in sickness or internal injury, or subjects the child to medical procedures that would be unnecessary if the child were not exposed to the substances;

(9) unreasonable physical confinement or restraint not permitted under section 609.379, including but not limited to tying, caging, or chaining; or

(10) in a school facility or school zone, an act by a person responsible for the child's care that is a violation under section 121A.58.

(h) "Report" means any report received by the local welfare agency, police department, county sheriff, or agency responsible for assessing or investigating maltreatment pursuant to this section.

(i) "Facility" means:

(1) a licensed or unlicensed day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245D;

(2) a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or

(3) a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.

(j) "Operator" means an operator or agency as defined in section 245A.02.

(k) "Commissioner" means the commissioner of human services.

(l) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem and parenting time expeditor services.

(m) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(n) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury. Threatened injury includes, but is not limited to, exposing a child to a person responsible for the child's care, as defined in paragraph (e), clause (1), who has:

(1) subjected a child to, or failed to protect a child from, an overt act or condition that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a similar law of another jurisdiction;

(2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph (b), clause (4), or a similar law of another jurisdiction;

(3) committed an act that has resulted in an involuntary termination of parental rights under section 260C.301, or a similar law of another jurisdiction; or

(4) committed an act that has resulted in the involuntary transfer of permanent legal and physical custody of a child to a relative under Minnesota Statutes 2010, section 260C.201, subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a similar law of another jurisdiction.

A child is the subject of a report of threatened injury when the responsible social services agency receives birth match data under paragraph (o) from the Department of Human Services.

(o) Upon receiving data under section 144.225, subdivision 2b, contained in a birth record or recognition of parentage identifying a child who is subject to threatened injury under paragraph (n), the Department of Human Services shall send the data to the responsible social services agency. The data is known as "birth match" data. Unless the responsible social services agency has already begun an investigation or assessment of the report due to the birth of the child or execution of the recognition of parentage and the parent's previous history with child protection, the agency shall accept the birth match data as a report under this section. The agency may use either a family assessment or investigation to determine whether the child is safe. All of the provisions of this section apply. If the child is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

(p) Persons who conduct assessments or investigations under this section shall take into account accepted child-rearing practices of the culture in which a child participates and accepted teacher discipline practices, which are not injurious to the child's health, welfare, and safety.

(q) "Accidental" means a sudden, not reasonably foreseeable, and unexpected occurrence or event which:

(1) is not likely to occur and could not have been prevented by exercise of due care; and

(2) if occurring while a child is receiving services from a facility, happens when the facility and the employee or person providing services in the facility are in compliance with the laws and rules relevant to the occurrence or event.

(r) "Nonmaltreatment mistake" means:

(1) at the time of the incident, the individual was performing duties identified in the center's child care program plan required under Minnesota Rules, part 9503.0045;

(2) the individual has not been determined responsible for a similar incident that resulted in a finding of maltreatment for at least seven years;

(3) the individual has not been determined to have committed a similar nonmaltreatment mistake under this paragraph for at least four years;

(4) any injury to a child resulting from the incident, if treated, is treated only with remedies that are available over the counter, whether ordered by a medical professional or not; and

(5) except for the period when the incident occurred, the facility and the individual providing services were both in compliance with all licensing requirements relevant to the incident.

This definition only applies to child care centers licensed under Minnesota Rules, chapter 9503. If clauses (1) to (5) apply, rather than making a determination of substantiated maltreatment by the individual, the commissioner of human services shall determine that a nonmaltreatment mistake was made by the individual.

Sec. 131. Laws 2010, chapter 216, section 55, as amended by Laws 2013, chapter 143, article 9, section 13, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective upon compliance by the governing body of the city of Oakdale with the requirements of Minnesota Statutes, section 645.021, subdivision 3, except that the amendments to subdivision 1 are effective only upon compliance with Minnesota Statutes, section 469.1782, subdivision 2, by Ramsey Washington County and Independent School District No. 622.

Sec. 132. Laws 2013, chapter 108, article 1, section 68, is amended to read:

Sec. 68. **REPEALER.**

(a) Minnesota Statutes 2012, sections 256L.01, subdivision 4a; 256L.031; 256L.04, subdivisions 1b, 9, and 10a; 256L.05, subdivision 3b; 256L.07, subdivisions 4, 5, 8, and 9; 256L.11, subdivisions 5 and 6; and 256L.17, subdivisions 1, 2, 3, 4, and 5, are repealed effective January 1, 2014.

(b) Minnesota Statutes 2012, sections 256B.055, subdivisions 3, 5, and 10b; 256B.056, subdivision 5b; and 256B.057, subdivisions 1c and 2, are repealed effective January 1, 2014.

EFFECTIVE DATE. This section is effective retroactively from December 31, 2013.

Sec. 133. Laws 2013, chapter 108, article 3, section 48, is amended to read:

Sec. 48. **REPEALER.**

(a) Minnesota Statutes 2012, section 256J.24, subdivision 6, is repealed January 1, 2015.

(b) Minnesota Statutes 2012, section 609.093, is repealed effective the day following final enactment.

EFFECTIVE DATE. This section is effective retroactively from June 30, 2013.

Sec. 134. Laws 2013, chapter 108, article 11, section 33, is amended to read:

Sec. 33. **REPEALER.**

(a) Minnesota Statutes 2012, sections 144A.46; and 144A.4605; 144A.461; and 144A.465, are repealed effective July 1, 2015.

(b) Minnesota Rules, parts 4668.0002; 4668.0003; 4668.0005; 4668.0008; 4668.0012; 4668.0016; 4668.0017; 4668.0019; 4668.0030; 4668.0035; 4668.0040; 4668.0050; 4668.0060; 4668.0065; 4668.0070;

4668.0075; 4668.0080; 4668.0100; 4668.0110; 4668.0120; 4668.0130; 4668.0140; 4668.0150; 4668.0160; 4668.0170; 4668.0180; 4668.0190; 4668.0200; 4668.0218; 4668.0220; 4668.0230; 4668.0240; 4668.0800; 4668.0805; 4668.0810; 4668.0815; 4668.0820; 4668.0825; 4668.0830; 4668.0835; 4668.0840; 4668.0845; 4668.0855; 4668.0860; 4668.0865; 4668.0870; 4669.0001; 4669.0010; 4669.0020; 4669.0030; 4669.0040; and 4669.0050, are repealed effective July 1, 2015.

EFFECTIVE DATE. This section is effective retroactively from May 24, 2013.

Sec. 135. Laws 2013, chapter 108, article 11, section 34, is amended to read:

Sec. 34. EFFECTIVE DATE.

~~This article is effective the day following final enactment.~~ (a) Sections 1 to 6, 26 to 28, and 30 to 32 are effective July 1, 2013.

(b) Section 29 is effective July 1, 2015.

(c) Sections 7 to 25 are effective for new licensees as of January 1, 2014, beginning January 1, 2014.

(d) Sections 7 to 13 and 16 to 25 are effective for current licensees as of December 31, 2013, on or after July 1, 2014, upon their license renewal unless a different date is specified.

(e) Sections 14 and 15 are effective for current licensees as of December 31, 2013, on or after July 1, 2014, upon their license renewal unless a different date is specified. Until license renewal, these licensees must follow the requirements in Minnesota Statutes, section 144A.46.

EFFECTIVE DATE. This section is effective retroactively from May 24, 2013.

Sec. 136. Laws 2013, chapter 108, article 12, section 108, is amended to read:

Sec. 108. REVISOR'S INSTRUCTION.

The revisor shall substitute the term "vertical heat exchangers" or "vertical heat exchanger" with "bored geothermal heat exchangers" or "bored geothermal heat exchanger" wherever it appears in Minnesota Statutes, sections 103I.005, subdivisions 2 and 12; 103I.101, subdivisions 2 and 5; 103I.105; 103I.205, subdivision 4; 103I.208, subdivision 2; 103I.501; 103I.531, subdivision 5; and 103I.641, subdivisions 1, 2, and 3; and Minnesota Rules.

Sec. 137. Laws 2013, chapter 108, article 15, section 3, is amended to read:

Sec. 3. FEDERAL APPROVAL.

(a) The implementation of this article and article 2 is contingent on federal approval.

(b) Upon full or partial approval of the waiver application, the commissioner of human services shall submit to the commissioner of management and budget a plan for implementing the provisions in this article and article 2 that received federal approval as well as any provisions that do not require federal approval. The plan must:

(1) include fiscal estimates that, with federal administrative reimbursement, do not increase the general fund appropriations to the commissioner of human services in fiscal years 2014 and 2015; and

(2) include a fiscal estimate for the systems modernization appropriation, which cannot exceed \$11,598,000 for the biennium ending June 30, 2015.

(c) Upon approval by the commissioner of management and budget, the commissioner of human services may implement the plan.

(d) The commissioner of management and budget must notify the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance when the plan is approved. The plan must be made publicly available.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2013.

Sec. 138. **REVISOR'S INSTRUCTION.**

Subdivision 1. **Obsolete language.** The revisor of statutes shall delete the phrase "deaf and blind" and insert the word "deafblind" in Minnesota Rules, part 8775.0400, subpart 1.

Subd. 2. **Obsolete reference.** The revisor of statutes shall update the cross-references to home care in Minnesota Statutes, chapters 144D and 144G, as the cross-referenced statutes become effective according to Laws 2013, chapter 108, article 11.

Subd. 3. **Obsolete language.** The revisor of statutes shall delete the term "commissioner of agriculture" and insert the term "Board of Water and Soil Resources" in Minnesota Rules, parts 8400.4015, 8400.4070, and 8400.4080.

Sec. 139. **REPEALER.**

Subdivision 1. **Obsolete subdivisions.**

Minnesota Statutes 2012, section 144.214, subdivisions 1, 2, and 3, are repealed retroactively from July 1, 2013.

Subd. 2. **Obsolete subdivision.**

Minnesota Statutes 2012, section 270B.14, subdivision 14, is repealed.

Subd. 3. **Contingent enactment.**

Minnesota Statutes 2013 Supplement, sections 256B.021, subdivision 7; and 256I.05, subdivision 10, are repealed.

Subd. 4. **Conflict resolution.**

Laws 2013, chapter 108, article 1, section 66, is repealed effective the day following final enactment.

Subd. 5. **Conflict resolution.**

Laws 2013, chapter 116, article 1, section 49, subdivision 5, paragraphs (c) and (e), Laws 2013, chapter 116, article 1, section 49, subdivision 6, paragraphs (b) and (c) are repealed.

Subd. 6. **Conflict resolution.**

Laws 2013, chapter 134, section 7, is repealed.

Subd. 7. Conflict resolution.

Laws 2013, chapter 138, article 4, section 1, is repealed.

Subd. 8. Conflict resolution.

(a) Laws 2013, chapter 107, article 4, section 19, is repealed effective January 1, 2016.

(b) Laws 2013, chapter 108, article 3, section 31, is effective January 1, 2016.

Sec. 140. SUPERSEDING ACTS.

Any amendments or repeals enacted in the 2014 session of the legislature to sections also amended or repealed in this article supersede the amendments or repeals in this act, regardless of order of enactment.

ARTICLE 2

PENSIONS AND RETIREMENT

Section 1. Minnesota Statutes 2013 Supplement, section 69.021, subdivision 10, is amended to read:

Subd. 10. Reduction in police state aid apportionment. (a) The commissioner of revenue shall reduce the apportionment of police state aid under subdivisions 5, paragraph (b), 6, and 7a, for eligible employer units by the amount of any excess police state aid.

(b) "Excess police state aid" is:

(1) for counties and for municipalities in which police retirement coverage is provided wholly by the public employees police and fire fund and all police officers are members of the plan governed by sections 353.63 to 353.657, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the Public Employees Retirement Association;

~~(2) for the cities of Fairmont and Minneapolis, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association, plus the amount of any additional municipal contribution under section 353.668, subdivision 6, or 353.669, subdivision 6;~~

~~(3) (2) for the Metropolitan Airports Commission, the amount in excess of the commission's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the Public Employees Retirement Association; and~~

~~(4) (3) for the Department of Natural Resources and for the Department of Public Safety, the amount in excess of the employer's total prior calendar year obligation under section 352B.02, subdivision 1c, for plan members who are peace officers under section 69.011, subdivision 1, paragraph (g), as certified by the executive director of the Minnesota State Retirement System.~~

(c) The employer's total prior calendar year obligation with respect to the public employees police and fire plan under paragraph (b), clause (1), is the total prior calendar year obligation under section 353.65, subdivision 3, for police officers as defined in section 353.64, subdivision 2, and the actual total prior calendar

year obligation under section 353.65, subdivision 3, for firefighters, as defined in section 353.64, subdivision 3, but not to exceed for those firefighters the applicable following employer calendar year amount:

Municipality	Maximum Amount
Albert Lea	\$54,157.01
Anoka	10,399.31
Apple Valley	5,442.44
Austin	49,864.73
Bemidji	27,671.38
Brooklyn Center	6,605.92
Brooklyn Park	24,002.26
Burnsville	15,956.00
Cloquet	4,260.49
Coon Rapids	39,920.00
Cottage Grove	8,588.48
Crystal	5,855.00
East Grand Forks	51,009.88
Edina	32,251.00
Elk River	5,216.55
Ely	13,584.16
Eveleth	16,288.27
Fergus Falls	6,742.00
Fridley	33,420.64
Golden Valley	11,744.61
Hastings	16,561.00
Hopkins	4,324.23
International Falls	14,400.69
Lakeville	782.35
Lino Lakes	5,324.00
Little Falls	7,889.41
Maple Grove	6,707.54
Maplewood	8,476.69
Minnetonka	10,403.00
Montevideo	1,307.66

Moorhead	68,069.26
New Hope	6,739.72
North St. Paul	4,241.14
Northfield	770.63
Owatonna	37,292.67
Plymouth	6,754.71
Red Wing	3,504.01
Richfield	53,757.96
Rosemount	1,712.55
Roseville	9,854.51
St. Anthony	33,055.00
St. Louis Park	53,643.11
Thief River Falls	28,365.04
Virginia	31,164.46
Waseca	11,135.17
West St. Paul	15,707.20
White Bear Lake	6,521.04
Woodbury	3,613.00
any other municipality	0.00

(d) The total amount of excess police state aid must be deposited in the excess police state-aid account in the general fund, administered and distributed as provided in subdivision 11.

Sec. 2. Minnesota Statutes 2013 Supplement, section 69.031, subdivision 5, is amended to read:

Subd. 5. **Deposit of state aid.** (a) If the municipality or the independent nonprofit firefighting corporation is covered by the voluntary statewide lump-sum volunteer firefighter retirement plan under chapter 353G, the executive director shall credit the fire state aid against future municipal contribution requirements under section 353G.08 and shall notify the municipality or independent nonprofit firefighting corporation of the fire state aid so credited at least annually. If the municipality or the independent nonprofit firefighting corporation is not covered by the voluntary statewide lump-sum volunteer firefighter retirement plan, the municipal treasurer shall, within 30 days after receipt, transmit the fire state aid to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality. If the relief association has not filed a financial report with the municipality, the municipal treasurer shall delay transmission of the fire state aid to the relief association until the complete financial report is filed. If the municipality or independent nonprofit firefighting corporation is not covered by the voluntary statewide lump-sum volunteer firefighter retirement plan, if there is no relief association organized, or if the association has dissolved or has been removed as trustees of state aid, then the treasurer of the municipality shall deposit the money in the municipal treasury and the money may be disbursed only for the purposes and in the manner set forth in section 424A.08 or for the payment of the employer con-

tribution requirement with respect to firefighters covered by the public employees police and fire retirement plan under section 353.65, subdivision 3.

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, including municipalities covered by section 353.665, the total state aid must be applied toward the municipality's employer contribution to the public employees police and fire fund under sections 353.65, subdivision 3, and ~~353.668, subdivision 6, or 353.669, subdivision 6, if applicable~~ 353.665, subdivision 8.

(c) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund under section 353.65, subdivision 3.

(d) The designated Metropolitan Airports Commission official, upon receipt of the police state aid for the Metropolitan Airports Commission, shall apply the total police state aid toward the commission's employer contribution for police officers to the public employees police and fire plan under section 353.65, subdivision 3.

(e) The police state aid apportioned to the Departments of Public Safety and Natural Resources under section 69.021, subdivision 7a, is appropriated to the commissioner of management and budget for transfer to the funds and accounts from which the salaries of peace officers certified under section 69.011, subdivision 2b, are paid. The commissioner of revenue shall certify to the commissioners of public safety, natural resources, and management and budget the amounts to be transferred from the appropriation for police state aid. The commissioners of public safety and natural resources shall certify to the commissioner of management and budget the amounts to be credited to each of the funds and accounts from which the peace officers employed by their respective departments are paid. Each commissioner shall allocate the police state aid first for employer contributions for employees funded from the general fund and then for employer contributions for employees funded from other funds. For peace officers whose salaries are paid from the general fund, the amounts transferred from the appropriation for police state aid must be canceled to the general fund.

Sec. 3. Minnesota Statutes 2013 Supplement, section 69.041, is amended to read:

69.041 SHORTFALL FROM GENERAL FUND.

(a) If the annual funding requirements of fire or police relief associations or consolidation accounts under sections ~~353A.09~~, 424A.091 to 424A.095, or Laws 2013, chapter 111, article 5, sections 31 to 42, exceed all applicable revenue sources of a given year, including the insurance premium taxes funding the applicable fire or police state aid as set under section 297I.05, subdivisions 2, 3, and 4, the shortfall in the annual funding requirements must be paid from the general fund to the extent appropriated by the legislature.

(b) Nothing in this section may be deemed to relieve any municipality from its obligation to a relief association or consolidation account under law.

Sec. 4. Minnesota Statutes 2013 Supplement, section 69.051, subdivision 3, is amended to read:

Subd. 3. **Report by certain municipalities.** (a) The chief administrative officer of each municipality which has an organized fire department but which does not have a firefighters' relief association governed by ~~section 69.77~~ or sections 424A.091 to 424A.095 or section 23, and which is not exempted under paragraph (b) shall annually prepare a detailed financial report of the receipts and disbursements by the municipality

for fire protection service during the preceding calendar year on a form prescribed by the state auditor. The financial report must contain any information which the state auditor deems necessary to disclose the sources of receipts and the purpose of disbursements for fire protection service. The financial report must be signed by the municipal clerk or clerk-treasurer of the municipality. The financial report must be filed by the municipal clerk or clerk-treasurer with the state auditor on or before July 1 annually. The municipality does not qualify initially to receive, and is not entitled subsequently to retain, state aid under this chapter if the financial reporting requirement or the applicable requirements of this chapter or any other statute or special law have not been complied with or are not fulfilled.

(b) Each municipality that has an organized fire department and provides retirement coverage to its firefighters through the voluntary statewide lump-sum volunteer firefighter retirement plan under chapter 353G qualifies to have fire state aid transmitted to and retained in the statewide lump-sum volunteer firefighter retirement fund without filing a detailed financial report if the executive director of the Public Employees Retirement Association certifies compliance by the municipality with the requirements of sections 353G.04 and 353G.08, paragraph (e), and certifies conformity by the applicable fire chief with the requirements of section 353G.07.

Sec. 5. Minnesota Statutes 2013 Supplement, section 352.03, subdivision 4, is amended to read:

Subd. 4. **Duties and powers of board of directors.** (a) The board shall:

(1) elect a chair;

(2) appoint an executive director;

(3) establish rules to administer this chapter and chapters 3A, 352B, 352C, 352D, and 490 and transact the business of the system, subject to the limitations of law;

(4) consider and dispose of, or take any other action the board of directors deems appropriate concerning, denials of applications for annuities or disability benefits under this chapter, chapter 3A, 352B, 352C, 352D, or 490, and complaints of employees and others pertaining to the retirement of employees and the operation of the system;

(5) oversee the administration of the deferred compensation plan established in section 352.965;

(6) oversee the administration of the health care savings plan established in section 352.98; and

(7) approve early retirement and optional annuity factors, subject to review by the actuary retained by the Legislative Commission on Pensions and Retirement; establish the schedule for implementation of the approved factors; and notify the Legislative Commission on Pensions and Retirement of the implementation schedule.

(b) The board shall advise the director on any matters relating to the system and carrying out functions and purposes of this chapter. The board's advice shall control.

Sec. 6. Minnesota Statutes 2012, section 353.27, subdivision 1a, is amended to read:

Subd. 1a. **MERF division account established; revenue and disbursements.** The MERF division account is established as a special account. The MERF division account includes all of the assets of the former Minneapolis Employees Retirement Fund that were transferred to the administration of the Public Employees Retirement Association under section 353.50. The special account is credited with the con-

tributions under section 353.50, subdivision 7, state aid under ~~sections~~ section 353.505 and 356.43, investment performance on the special account assets, and all other income of the MERF division authorized by law. The payments of annuities and benefits authorized by Minnesota Statutes 2008, chapter 422A, in the amounts and at the times provided in that chapter, and the administrative expenses of the MERF division are appropriated from the special account.

Sec. 7. Minnesota Statutes 2012, section 353.28, subdivision 6, is amended to read:

Subd. 6. Collection of unpaid amounts. (a) If a governmental subdivision which receives the direct proceeds of property taxation fails to pay an amount due under ~~chapter 353, 353A, 353B,~~ this chapter or chapter 353C; or 353D, the executive director shall certify the amount to the governmental subdivision for payment. If the governmental subdivision fails to remit the sum so due in a timely fashion, the executive director shall certify the amount to the applicable county auditor for collection. The county auditor shall collect the amount out of the revenue of the governmental subdivision, or shall add the amount to the levy of the governmental subdivision and make payment directly to the association. This tax must be levied, collected, and apportioned in the manner that other taxes are levied, collected, and apportioned.

(b) If a governmental subdivision which is not funded directly from the proceeds of property taxation fails to pay an amount due under this chapter, the executive director shall certify the amount to the governmental subdivision for payment. If the governmental subdivision fails to pay the amount for a period of 60 days after the date of the certification, the executive director shall certify the amount to the commissioner of management and budget, who shall deduct the amount from any subsequent state-aid payment or state appropriation amount applicable to the governmental subdivision and make payment directly to the association. If the amount of the state-aid payment or state appropriation is not sufficient to pay the full sum due, the amounts paid to the association must be applied first to the unpaid employee deductions withheld from the employees' wages and next to the unpaid employer contributions. Any remaining amount received by the association must be applied to the interest due on the employee and employer contribution amounts. If a governmental subdivision under this paragraph owes amounts to more than one public retirement plan, section 356.98 applies.

(c) If a governmental subdivision has been dissolved or closed, the requirements in paragraph (b) of a certification to the governmental subdivision and the related 60-day waiting period do not apply. The executive director is authorized to immediately certify the applicable amount to the commissioner of management and budget.

Sec. 8. Minnesota Statutes 2013 Supplement, section 353.29, subdivision 3, is amended to read:

Subd. 3. Retirement annuity formula. (a) This paragraph, in conjunction with section 353.30, subdivisions 1a, 1b, and 1c, applies to any member who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (b), in conjunction with section 353.30, subdivision 5, produces a higher annuity amount, in which case paragraph (b) applies. The average salary as defined in section 353.01, subdivision 17a, multiplied by 2.2 percent ~~specified in~~ for each year of allowable service for the first ten years and thereafter by 2.7 percent per year of allowable service and completed months less than a full year for a basic member, and 1.2 percent for each year of allowable service for the first ten years and thereafter by 1.7 percent per year of allowable service and completed months less than a full year for a coordinated member determines the amount of the normal retirement annuity.

(b) This paragraph applies to a member who has become at least 55 years old and first became a public employee after June 30, 1989, and to any other member whose annuity amount, when calculated under

this paragraph and in conjunction with section 353.30, subdivision 5, is higher than it is when calculated under paragraph (a), in conjunction with section 353.30, subdivisions 1a, 1b, and 1c. The average salary, as defined in section 353.01, subdivision 17a, multiplied by 2.7 percent for each year of allowable service and completed months less than a full year for a basic member and 1.7 percent per year of allowable service and completed months less than a full year for a coordinated member, determines the amount of the normal retirement annuity.

Sec. 9. Minnesota Statutes 2012, section 353.65, subdivision 1, is amended to read:

Subdivision 1. **Fund established.** (a) The public employees police and fire fund is established for police officers and firefighters who meet the eligibility criteria under section 353.64.

(b) Employee contributions other than those made under subdivision 2, paragraph (b) or (c), employer contributions under subdivision 3 and under sections 353.667, subdivision 6, and 353.668, subdivision 6, other than the excess contribution established by section 69.031, subdivision 5, paragraphs (2), clauses (b) and (c), and (3) section 353.665, subdivision 8, and other amounts authorized by law, including all employee and employer contributions of members transferred, must be deposited in the public employees police and fire fund.

Sec. 10. Minnesota Statutes 2012, section 353.65, subdivision 6, is amended to read:

Subd. 6. **Fund.** All contributions other than the excess contribution established by section 69.031, subdivision 5, paragraphs (2), clauses (b) and (c), and (3) shall be credited to the fund and all interest and other income of the fund shall be credited to said fund. The retirement fund shall be disbursed only for the purposes herein provided. The expenses of said fund and the annuities herein provided upon retirement shall be paid from said fund.

Sec. 11. Minnesota Statutes 2012, section 353D.03, subdivision 4, is amended to read:

Subd. 4. **Payments by former eligible elected officials.** Former eligible elected local government officials in the defined contribution plan under this chapter shall not contribute to the plan except under section 353D.12.

Sec. 12. Minnesota Statutes 2013 Supplement, section 354A.31, subdivision 4, is amended to read:

Subd. 4. **Computation of normal coordinated retirement annuity; St. Paul fund.** (a) This subdivision applies to the coordinated program of the St. Paul Teachers Retirement Fund Association.

(b) The normal coordinated retirement annuity is an amount equal to a retiring coordinated member's average salary under section 354A.011, subdivision 7a, multiplied by the retirement annuity formula percentage.

(c) This paragraph, in conjunction with subdivision 6, applies to a person who first became a member or a member in a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with subdivision 7, produces a higher annuity amount, in which case paragraph (d) will apply. For service rendered before July 1, 2015, the retirement annuity formula percentage for purposes of this paragraph is 1.2 percent per year for each year of coordinated service for the first ten years and 1.7 percent for each year of coordinated service thereafter. For service rendered after June 30, 2015, the retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision

~~1a, 1.4 percent per year for each year of coordinated service for the first ten years and the percent specified in section 356.315, subdivision 2b, 1.9 percent~~ for each year of coordinated service thereafter.

(d) This paragraph applies to a person who has become at least 55 years old and who first becomes a member after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with subdivision 7 is higher than it is when calculated under paragraph (c), in conjunction with the provisions of subdivision 6. The retirement annuity formula percentage for purposes of this paragraph is 1.7 percent for each year of coordinated service rendered before July 1, 2015, and ~~the percent specified in section 356.215, subdivision 2b, 1.9 percent~~ for each year of coordinated service thereafter.

Sec. 13. Minnesota Statutes 2013 Supplement, section 354A.31, subdivision 4a, is amended to read:

Subd. 4a. **Computation of normal coordinated retirement annuity; Duluth fund.** (a) This subdivision applies to the new law coordinated program of the Duluth Teachers Retirement Fund Association.

(b) The normal coordinated retirement annuity is an amount equal to a retiring coordinated member's average salary under section 354A.011, subdivision 7a, multiplied by the retirement annuity formula percentage.

(c) This paragraph, in conjunction with subdivision 6, applies to a person who first became a member or a member in a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with subdivision 7, produces a higher annuity amount, in which case paragraph (d) applies. The retirement annuity formula percentage for purposes of this paragraph is 1.2 percent per year for each year of coordinated program service for the first ten years rendered through June 30, 2013, and ~~the percent specified in section 356.315, subdivision 1a, 1.4 percent~~ per year for each year of coordinated program service rendered after June 30, 2013, and 1.7 percent for each subsequent year of coordinated program service through June 30, 2013, and ~~the percent specified in section 356.315, subdivision 2b, 1.9 percent~~ per year for each year of coordinated program service rendered after June 30, 2013.

(d) This paragraph applies to a person who is at least 55 years old and who first becomes a member after June 30, 1989, and to any other member who is at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with subdivision 7, is higher than it is when calculated under paragraph (c) in conjunction with subdivision 6. The retirement annuity formula percentage for purposes of this paragraph is 1.7 percent for each year of coordinated program service through June 30, 2013, and ~~the percent specified in section 356.315, subdivision 2b, 1.9 percent~~ per year for each year of coordinated program service rendered after June 30, 2013.

Sec. 14. Minnesota Statutes 2013 Supplement, section 356.47, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) This section applies to the balance of annual retirement annuities on the amount of retirement annuity reductions after reemployed annuitant earnings limitations for retirement plans governed by section 352.115, subdivision 10; 353.37; or 354.44, subdivision 5; ~~or 354A.31, subdivision 3.~~

(b) This section also applies to the balance of annual retirement annuities on the amount of retirement annuity reductions under section 354A.31, subdivision 3, for members of the Duluth Teachers Retirement Fund Association whose effective date of retirement is before July 1, 2013.

(c) This section also applies to the balance of annual retirement annuities on the amount of retirement annuity reductions under section 354A.31, subdivision 3, for members of the St. Paul Teachers Retirement Fund Association whose effective date of retirement is before July 1, 2013.

Sec. 15. Minnesota Statutes 2012, section 356.99, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in paragraphs (b) to (e) have the meanings given them.

(b) "Chief administrative officer" means the person selected or elected by the governing board of a covered pension plan with primary responsibility to administer the covered pension plan, or that person's designee or representative.

(c) "Covered pension plan" means a plan enumerated in section 356.30, subdivision 3, except clauses (3), (5), and ~~(6)~~.

(d) "Governing board" means the governing board of the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the Duluth Teachers Retirement Fund Association, or the St. Paul Teachers Retirement Fund Association.

(e) "Member" means an active plan member in a covered pension plan.

Sec. 16. Minnesota Statutes 2013 Supplement, section 356A.01, subdivision 19, is amended to read:

Subd. 19. **Pension fund.** "Pension fund" means the assets amassed and held in a pension plan, other than the general fund, as reserves for present and future payment of benefits and administrative expenses. For the Bloomington Fire Department Relief Association or a retirement plan governed by ~~section 69.77~~ or by chapter 424A, the term means the relief association special fund.

Sec. 17. Minnesota Statutes 2013 Supplement, section 423A.02, subdivision 3, is amended to read:

Subd. 3. **Reallocation of amortization state aid.** (a) Seventy percent of the difference between \$5,720,000 and the current year amortization aid distributed under subdivision 1 that is not distributed for any reason to a municipality must be distributed by the commissioner of revenue according to this paragraph. The commissioner shall distribute 50 percent of the amounts derived under this paragraph to the Teachers Retirement Association, ten percent to the Duluth Teachers Retirement Fund Association, and 40 percent to the St. Paul Teachers Retirement Fund Association to fund the unfunded actuarial accrued liabilities of the respective funds. These payments must be made on July 15 each fiscal year. If the St. Paul Teachers Retirement Fund Association or the Duluth Teachers Retirement Fund Association becomes fully funded, the association's eligibility for its portion of this aid ceases. Amounts remaining in the undistributed balance account at the end of the biennium if aid eligibility ceases cancel to the general fund.

(b) In order to receive amortization aid under paragraph (a), before June 30 annually Independent School District No. 625, St. Paul, must make an additional contribution of \$800,000 each year to the St. Paul Teachers Retirement Fund Association.

(c) Thirty percent of the difference between \$5,720,000 and the current year amortization aid under subdivision ~~1a~~ 1 that is not distributed for any reason to a municipality must be distributed under section 69.021, subdivision 7, paragraph (d), as additional funding to support a minimum fire state aid amount for volunteer firefighter relief associations.

Sec. 18. Minnesota Statutes 2013 Supplement, section 424A.02, subdivision 7, is amended to read:

Subd. 7. **Deferred service pensions.** (a) A member of a defined benefit relief association is entitled to a deferred service pension if the member separates from active service and membership and has completed the

minimum service and membership requirements in subdivision 1. The requirement that a member separate from active service and membership is waived for persons who have discontinued their volunteer firefighter duties and who are employed on a full-time basis under section 424A.015, subdivision 1.

(b) The deferred service pension is payable when the former member reaches at least age 50, or at least the minimum age specified in the bylaws governing the relief association if that age is greater than age 50, and when the former member makes a valid written application.

(c) A defined benefit relief association that provides a lump-sum service pension governed by subdivision 3 may, when its governing bylaws so provide, pay interest on the deferred lump-sum service pension during the period of deferral. If provided for in the bylaws, interest must be paid in one of the following manners:

(1) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested by the relief association in a separate account established and maintained by the relief association;

(2) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested in a separate investment vehicle held by the relief association; or

(3) at an interest rate of up to five percent, compounded annually, as set by the board of trustees.

(d) Any change in the interest rate set by the board of ~~directors~~ trustees under paragraph (c), clause (3), must be ratified by the governing body of the municipality served by the fire department to which the relief association is directly associated, or by the independent nonprofit firefighting corporation, as applicable.

(e) Interest under paragraph (c), clause (3), is payable beginning on the January 1 next following the date on which the deferred service pension interest rate as set by the board of trustees was ratified by the governing body of the municipality served by the fire department to which the relief association is directly associated, or by the independent nonprofit firefighting corporation, as applicable.

(f) Unless the bylaws of a relief association that has elected to pay interest or additional investment performance on deferred lump-sum service pensions under paragraph (c) specifies a different interest or additional investment performance method, including the interest or additional investment performance period starting date and ending date, the interest or additional investment performance on a deferred service pension is creditable as follows:

(1) for a relief association that has elected to pay interest or additional investment performance under paragraph (c), clause (1) or (3), beginning on the first day of the month next following the date on which the member separates from active service and membership and ending on the last day of the month immediately before the month in which the deferred member commences receipt of the deferred service pension; or

(2) for a relief association that has elected to pay interest or additional investment performance under paragraph (c), clause (2), beginning on the date that the member separates from active service and membership and ending on the date that the separate investment vehicle is valued immediately before the date on which the deferred member commences receipt of the deferred service pension.

(g) For a deferred service pension that is transferred to a separate account established and maintained by the relief association or separate investment vehicle held by the relief association, the deferred member bears the full investment risk subsequent to transfer and in calculating the accrued liability of the volunteer

firefighters relief association that pays a lump-sum service pension, the accrued liability for deferred service pensions is equal to the separate relief association account balance or the fair market value of the separate investment vehicle held by the relief association.

(h) The deferred service pension is governed by and must be calculated under the general statute, special law, relief association articles of incorporation, and relief association bylaw provisions applicable on the date on which the member separated from active service with the fire department and active membership in the relief association.

Sec. 19. Minnesota Statutes 2012, section 424B.12, subdivision 2, is amended to read:

Subd. 2. **Benefit plan.** The articles of incorporation or bylaws of the successor relief association must specify whether the relief association is a defined benefit relief association or whether the relief association is a defined contribution relief association. If the successor relief association is a defined benefit relief association, the relief association benefits must comply with sections 424A.02 and ~~424B.11, subdivision 1a~~ 424B.10. If the successor relief association is a defined contribution relief association, the relief association must comply with sections 424A.016 and ~~424B.12~~ 424B.11, subdivision 2.

Sec. 20. Minnesota Statutes 2013 Supplement, section 490.121, subdivision 25, is amended to read:

Subd. 25. **Tier I.** "Tier I" is the benefit program of the retirement plan with a membership specified by section 490.1221, paragraph (b), and governed by sections ~~356.315, subdivisions 7 and 8; 356.415, subdivisions 1 and 1f; and 490.121 to 490.133, except as modified in sections 356.315, subdivision 8a;~~ 490.121, subdivision 21f, paragraph (b); 490.1222; 490.123, subdivision 1a, paragraph (b); and 490.124, subdivision 1, paragraphs (c) and (d).

Sec. 21. Minnesota Statutes 2013 Supplement, section 490.121, subdivision 26, is amended to read:

Subd. 26. **Tier II.** "Tier II" is the benefit program of the retirement plan with a membership specified by section 490.1221, paragraph (c), and governed by sections ~~356.315, subdivision 8a;~~ 356.415, subdivisions 1 and 1f; 490.121 to 490.133, as modified in section 490.121, subdivision 21f, paragraph (b); 490.1222; 490.123, subdivision 1a, paragraph (b); and 490.124, subdivision 1, paragraphs (c) and (d).

Sec. 22. Minnesota Statutes 2013 Supplement, section 490.124, subdivision 1, is amended to read:

Subdivision 1. **Retirement annuity.** (a) Except as qualified hereinafter from and after the mandatory retirement date, the normal retirement date, the early retirement date, or one year from the disability retirement date, as the case may be, a retiring judge is eligible to receive a retirement annuity from the judges' retirement fund.

(b) For a tier I program judge, the retirement annuity is an amount equal to:

(1) 2.7 percent multiplied by the judge's final average compensation with that result then multiplied by the number of years and fractions of years of allowable service rendered before July 1, 1980; plus

(2) 3.2 percent multiplied by the judge's final average compensation with that result then multiplied by the number of years and fractions of years of allowable service rendered after June 30, 1980.

(c) For a tier II program judge who was first appointed or elected as a judge before July 1, 2013, the retirement annuity is an amount equal to:

(1) ~~the percent specified in section 356.315, subdivision 8,~~ 3.2 percent multiplied by the judge's final average compensation with that result then multiplied by the number of years and fractions of years of allowable service rendered before January 1, 2014; plus

(2) ~~the percentage specified in section 356.315, subdivision 8a,~~ 2.5 percent multiplied by the judge's final average compensation with that result then multiplied by the number of years and fractions of years of allowable service rendered after December 31, 2013.

(d) For a tier II program judge who was first appointed or elected as a judge after June 30, 2013, the retirement annuity is an amount equal to the percent specified in section 356.315, subdivision 8a, multiplied by the judge's final average compensation with that result then multiplied by the number of years and fractions of years of allowable service.

(e) For a judge in the tier I program, service that exceeds the service credit limit in section 490.121, subdivision 22, must be excluded in calculating the retirement annuity, but the compensation earned by the judge during this period of judicial service must be used in determining a judge's final average compensation and calculating the retirement annuity.

Sec. 23. Laws 1969, chapter 223, sections 1 and 2; as amended by Laws 1971, chapter 11, section 1; Laws 1971, chapter 329, section 1; Laws 1973, chapter 129, section 6; Laws 1973, chapter 772, section 2; Laws 1974, chapter 152, section 10; Laws 1975, chapter 271, section 6; Laws 1977, chapter 429, section 63; Laws 1978, chapter 563, sections 1 to 3; Laws 1980, chapter 341, section 1; Laws 1980, chapter 607, article 14, section 27, article 15, section 2; Laws 1981, chapter 208, section 7; Laws 1981, chapter 224, sections 23 to 26; Laws 1982, chapter 460, section 5; Laws 1982, chapter 578, article 3, section 2; Laws 1983, chapter 71, section 1; Laws 1983, chapter 289, section 114, subdivision 1; Laws 1983, chapter 291, section 2; Laws 1984, chapter 574, section 2; Laws 1984, chapter 655, article 1, section 92; Laws 1985, First Special Session chapter 7, section 35; Laws 1986, chapter 356, section 6; Laws 1986, chapter 359, section 10; Laws 1987, chapter 259, sections 6 and 7; Laws 1989, chapter 319, article 8, section 7, article 19, section 3; Laws 1993, chapter 300, section 8; Laws 1994, chapter 604, article 2, section 1; Laws 2002, chapter 377, article 6, section 1; Laws 2002, chapter 392, article 1, section 1, article 11, section 52; Laws 2005, First Special Session chapter 8, article 11, section 1; Laws 2006, chapter 271, article 8, section 1; Laws 2009, chapter 169, article 8, section 1; Laws 2011, First Special Session chapter 8, article 6, section 19, article 7, section 19, article 8, sections 4, 5, and 14; Laws 2012, chapter 286, article 10, section 4, article 11, sections 1 and 2; and Laws 2013, chapter 111, article 5, sections 31 to 42, is amended to read:

69.77 BLOOMINGTON FIREFIGHTERS RELIEF ASSOCIATION.

Subdivision 1. **Conditioned employer support for the Bloomington Fire Department Relief Association.** (a) Notwithstanding any law to the contrary, only if the city of Bloomington and the Bloomington Fire Department Relief Association comply with the provisions of this section, the city of Bloomington may contribute public funds, including any applicable police or fire state aid, or levy property taxes for the support of the Bloomington Fire Department Relief Association and for the operation and maintenance of the relief association.

(b) The commissioner shall not include in the apportionment of fire state aid the city of Bloomington if the Bloomington Fire Department Relief Association does not comply with the provisions of this section or the provisions of any applicable special law relating to the funding or financing of the association and the city of Bloomington may not qualify initially to receive, or be entitled subsequently to retain, fire state aid under sections 69.011 to 69.051 until the reason for the disqualification is remedied, whereupon the

city of Bloomington, if otherwise qualified, is entitled to again receive fire state aid for the year occurring immediately subsequent to the year in which the disqualification is remedied.

(c) The state auditor and the commissioner shall determine if the city of Bloomington and the Bloomington Fire Department Relief Association fail to comply with the provisions of this section or the funding or financing provisions of any applicable special law.

Subd. 1a. **Covered retirement plans.** The provisions of this section apply to the Bloomington Firefighters Relief Association.

Subd. 2. **Inapplicable penalty.** The penalty provided for in subdivision 1 does not apply to the Bloomington Fire Department Relief Association if the requirements of subdivisions 3 4 to 10 are met.

Subd. 2a. [Renumbered subd 3]

Subd. 2b. [Renumbered subd 4]

Subd. 2c. [Renumbered subd 5]

Subd. 2d. [Renumbered subd 6]

Subd. 2e. [Renumbered subd 7]

Subd. 2f. [Renumbered subd 8]

Subd. 2g. [Renumbered subd 9]

Subd. 2h. [Renumbered subd 10]

Subd. 2i. [Renumbered subd 11]

Subd. 3. [Renumbered subd 13]

Subd. 3. [Repealed, Laws 2013, chapter 111, article 5, section 81]

[Repealed, Laws 2013, chapter 111, article 5, section 81]

Subd. 4. **Relief association financial requirements; minimum municipal obligation.** (a) The officers of the Bloomington Fire Department Relief Association shall determine the financial requirements of the relief association and the minimum obligation of the city of Bloomington for the following calendar year in accordance with the requirements of this subdivision. The financial requirements of the relief association and the minimum obligation of the city of Bloomington must be determined on or before the submission date established by the city of Bloomington under subdivision 5.

(b) The financial requirements of the relief association for the following calendar year must be based on the most recent actuarial valuation or survey of the special fund of the association if more than one fund is maintained by the association, or of the association, if only one fund is maintained, prepared in accordance with sections 356.215, subdivisions 4 to 15, and 356.216, as required under subdivision 10. If an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the actuarial estimate must be used in calculating the subsequent financial requirements of the relief association.

(c) If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated under clauses (1), (2), and (3), constitute

the financial requirements of the relief association for the following year. If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the amount calculated under clauses (1) and (2) constitute the financial requirements of the relief association for the following year. The financial requirement elements are:

(1) the normal level cost requirement for the following year, expressed as a dollar amount, which must be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected change in the active membership, for the following year;

(2) to the dollar amount of normal cost determined under clause (1) must be added an amount equal to the dollar amount of the administrative expenses of the special fund of the association if more than one fund is maintained by the association, or of the association if only one fund is maintained, for the most recent year, multiplied by the factor of 1.035. The administrative expenses are those authorized under section 69.80; and

(3) to the dollar amount of normal cost and expenses determined under clauses (1) and (2) must be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded actuarial accrued liability as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the applicable rate specified in section 356.215, subdivision 8, by that fund's amortization date as specified in paragraph (d).

~~The special fund amortization date is determined under section 356.216, clause (2). The amortization date specified in this paragraph supersedes any amortization date specified in any applicable special law.~~

(d) If the actuarial value of the assets of the special fund of the relief association exceed the actuarial accrued liability as reported in the most recent actuarial valuation of the special fund of the relief association, the financial requirements of the relief association are the amounts calculated under paragraph (c), clauses (1) and (2), reduced by one-tenth of the amount by which the actuarial value of the assets of the special fund of the relief association exceeds the actuarial accrued liability of the special fund of the relief association.

(e) The minimum obligation of the municipality is an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated amount anticipated for the following calendar year from the fire state aid program established under sections 69.011 to 69.051 receivable by the relief association after any allocation made under section 69.031, subdivision 5, paragraph (b), clause (2).

Subd. 5. Determination submission. The officers of the relief association shall submit the determination of the financial requirements of the relief association and of the minimum obligation of the municipality to the Bloomington City Council on or before the date established by the city of Bloomington, which may not be earlier than August 1 and may not be later than September 1 of each year. The Bloomington City Council must ascertain whether or not the determinations were prepared in accordance with law.

Subd. 6. Municipal payment. (a) The city of Bloomington shall provide for and shall pay, each year, at least the amount of the minimum obligation of the city of Bloomington to the Bloomington Fire Department Relief Association.

(b) If there is any deficiency in the municipal payment to meet the minimum obligation of the city of Bloomington as of the end of any calendar year, the amount of the deficiency must be added to the minimum

obligation of the city of Bloomington for the following year calculated under subdivision 4 and must include interest at the compound rate of six percent per annum from the date that the city of Bloomington was required to make payment under this subdivision until the date that the city of Bloomington actually makes the required payment.

Subd. 7. **Budget inclusion.** (a) The city of Bloomington shall provide in the annual municipal budget for at least the minimum obligation of the municipality calculated under subdivision 4.

(b) The city of Bloomington may levy taxes for the payment of the minimum obligation of the city of Bloomington without any limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of the special fund or any fund of the relief association has attained a specified minimum asset level. In addition, any taxes levied under this section may not cause the amount or rate of other taxes levied in that year or to be levied in a subsequent year by the city of Bloomington which are subject to a limitation as to rate or amount to be reduced.

(c) If the city of Bloomington does not include the full amount of the minimum obligation of the city of Bloomington in the levy that the city of Bloomington certified to the Hennepin County auditor in any year, the officers of the relief association shall certify the amount of any deficiency to the Hennepin County auditor. Upon verifying the existence of any deficiency in the levy certified by the city of Bloomington, the Hennepin County auditor shall spread a levy over the taxable property of the city of Bloomington in the amount of the deficiency certified to by the officers of the relief association.

Subd. 8. **Accelerated amortization.** Any sums of money paid by the city of Bloomington to the relief association in excess of the minimum obligation of the city of Bloomington in any year must be used to amortize any unfunded actuarial accrued liabilities of the Bloomington Fire Department Relief Association.

Subd. 9. ~~Local paid fire relief association~~ **Investment authority.** (a) The funds of the association must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7; whichever applies.

(b) The governing board of the Bloomington Fire Department Relief Association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm must use the formula or formulas developed by the State Board of Investment under section 11A.04, clause (11). The governing board of the Bloomington Fire Department Relief Association may certify general fund assets of the relief association for investment by the State Board of Investment in fixed income pools or in a separately managed account at the discretion of the State Board of Investment as provided in section 11A.14.

Subd. 10. **Actuarial valuation required.** The governing board of the Bloomington Fire Department Relief Association shall obtain an actuarial valuation showing the condition of the special fund of the relief association under sections 356.215 and 356.216 and the applicable standards for actuarial work established by the Legislative Commission on Pensions and Retirement. The actuarial valuation must be made as of December 31 of every year. A copy of the actuarial valuation must be filed with the Director of the Legislative Reference Library, the Bloomington City Council, the executive director of the Legislative Commission on Pensions and Retirement, and the state auditor, not later than July 1 of the following year.

Subd. 11. **Municipal approval of benefit changes required.** Any amendment to the bylaws or articles of incorporation of the Bloomington Fire Department Relief Association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from the relief association is not effective until it is ratified by the city of Bloomington. The officers of

the relief association shall not seek municipal ratification before obtaining either an updated actuarial valuation including the proposed amendment or an estimate of the expected actuarial impact of the proposed amendment prepared by the actuary of the relief association and submitting that actuarial valuation or estimate to the Bloomington city clerk.

Subd. 12. **Application of other laws to contribution rate.** In the absence of any specific provision to the contrary, no general or special law previously enacted may be construed as reducing the levy amount or rate of contribution to a police or firefighters relief association to which subdivision 1a applies, by a municipality or member of the association, which is required as a condition for the use of public funds or the levy of taxes for the support of the association. Each association, the municipality in which it is organized, and the officers of each, are authorized to do all things required by this section as a condition for the use of public funds or the levy of taxes for the support of the association.

Subd. 13. **Citation.** This section may be cited as the "Bloomington Fire Department Relief Association Guidelines Act."

Sec. 24. Laws 2013, chapter 111, article 16, section 1, is amended to read:

Section 1. **PUBLIC SAFETY; APPROPRIATIONS.**

The following amounts are appropriated to the Department of Public Safety for the increased employer contribution in article 9, section 3:

(1) \$95,000 in fiscal year 2015 is appropriated from the general fund. The general fund base appropriation for fiscal year 2017 is \$189,000;

(2) \$546,000 in fiscal year 2015 is appropriated from the trunk highway fund. The trunk highway fund base appropriation for fiscal year 2017 is \$1,093,000; and

(3) \$8,000 in fiscal year 2015 is appropriated from the highway user tax distribution fund. The highway user tax distribution fund base appropriation for fiscal year 2017 is \$16,000.

Sec. 25. **REVISOR'S INSTRUCTION.**

Subdivision 1. **Erroneous reference.** In Minnesota Statutes, sections 352.95, subdivision 3, and 352B.10, subdivision 2a, the revisor shall change references to "352.113, subdivision 4, paragraph (e)" to "352.113, subdivision 4, paragraph (g)."

Subd. 2. **Erroneous reference.** In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>353.01,</u> <u>subdivision</u> <u>37</u>	<u>356.30,</u> <u>subdivision 3,</u> <u>clause (7)</u>	<u>356.30,</u> <u>subdivision 3,</u> <u>clause (6)</u>
<u>353.01,</u> <u>subdivision</u> <u>37</u>	<u>356.30,</u> <u>subdivision 3,</u> <u>clauses (8) and</u> <u>(9)</u>	<u>356.30,</u> <u>subdivision 3,</u> <u>clauses (7) and</u> <u>(8)</u>

<u>355.02,</u> subdivision <u>3</u>	<u>356.30,</u> subdivision 3, except clauses (4) and (8)	<u>356.30,</u> subdivision 3, except clauses (4) and (7)
<u>355.095,</u> subdivision <u>1</u>	<u>356.30,</u> subdivision 3, except clauses (4) and (8)	<u>356.30,</u> subdivision 3, except clauses (4) and (7)
<u>356.195,</u> subdivision <u>1</u>	<u>356.30,</u> subdivision 3, except clause (10)	<u>356.30,</u> subdivision 3, except clause (9)

Sec. 26. **REPEALER.**

Subdivision 1. **Obsolete statute.**

Minnesota Statutes 2012, section 353.026, is repealed.

Subd. 2. **Obsolete subdivision.**

Minnesota Statutes 2013 Supplement, section 356.315, subdivision 8a, is repealed.

Sec. 27. **SUPERSEDING ACTS.**

Any amendments or repeals enacted in the 2014 session of the legislature to sections also amended or repealed in this article supersede the amendments or repeals in this act, regardless of order of enactment.

Presented to the governor May 15, 2014

Signed by the governor May 16, 2014, 10:53 a.m.