

CHAPTER 21--S.F.No. 1218

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correcting erroneous, ambiguous, and omitted text and obsolete references; removing redundant, conflicting, and superseded provisions; making miscellaneous corrections to laws, statutes, and rules; amending Minnesota Statutes 2014, sections 5.25, subdivision 5; 13.321, subdivision 2a, by adding a subdivision; 13.3806, subdivision 1b; 13.381, subdivision 14a; 13.461, subdivisions 3, 7a; 13.602, subdivision 2; 13.681, by adding a subdivision; 13.72, subdivision 12; 13.871, subdivision 6, by adding a subdivision; 16A.126, subdivision 1; 16C.137, subdivision 2; 16D.04, subdivision 1; 81A.04, subdivision 1; 82.67, subdivision 3; 82.72, subdivision 3; 116D.04, subdivision 2a; 116L.146; 119A.50, subdivision 3; 120A.41; 122A.23, subdivision 2; 122A.414, subdivision 2; 122A.61, subdivision 1; 124D.10, subdivision 4; 124D.20, subdivision 8; 124D.861, subdivision 3; 125A.79, subdivisions 4, 8; 127A.441; 127A.49, subdivisions 2, 3; 144.0724, subdivision 4; 144.227, subdivision 1; 144A.10, subdivision 16; 161.3209, subdivision 3; 168A.03, subdivision 1; 169.781, subdivisions 1, 2; 174.12, subdivision 8; 241.332, subdivision 2; 241.335, subdivision 2; 241.336, subdivision 3; 244.05, subdivision 5; 245.466, subdivision 3a; 245.4871, subdivision 13; 245.4874, subdivision 1; 245.4877; 245.493, subdivisions 1, 1a, 2; 245A.191; 245A.192, subdivision 11; 245A.50, subdivision 4; 245C.03, subdivision 2; 245C.22, subdivision 5; 245D.061, subdivision 1; 253B.07, subdivision 7; 254B.05, subdivision 5; 256.01, subdivision 14b; 256.969, subdivisions 8, 23; 256B.0654, subdivision 2b; 256B.199; 256B.76, subdivision 4; 256J.14; 256J.21, subdivision 2; 256J.61; 260B.185, subdivision 1; 268.046, subdivision 1; 297A.68, subdivision 2; 297E.02, subdivision 6; 299C.61, subdivision 4; 299F.01, subdivision 2; 299L.02, subdivision 5; 299L.07, subdivision 5; 322C.0102, subdivision 6; 325D.40, subdivision 2; 325E.028, subdivision 4; 326B.04, subdivision 2; 403.09, subdivision 3; 412.014; 466A.01, subdivision 6; 471.87; 473.604, subdivision 3; 477A.011, subdivisions 30, 30a, 42; 477A.013, subdivisions 8, 9; 477A.015; 477A.03, subdivisions 2a, 2c; 477A.12, subdivisions 1, 2; 477A.16, subdivisions 1, 2; 477A.19, subdivisions 4, 5; 480A.09, subdivision 2; 500.215, subdivision 1; 518B.01, subdivision 4; 572A.02, subdivisions 2, 3; 609.106, subdivision 2; 609.19, subdivision 1; 609.223, subdivision 2; 609.266; 609.531, subdivision 1; 626.556, subdivision 3c; 626.8463, subdivision 1; 626.8555; 629.725; Laws 2013, chapter 143, article 8, section 40; proposing coding for new law in Minnesota Statutes, chapter 609B; repealing Minnesota Statutes 2014, sections 13.381, subdivision 17; 13.46, subdivision 13; 13.681, subdivision 7; 126C.01, subdivision 9; 239.001; 256B.0625, subdivision 50; 273.111, subdivision 9a; 469.1816; Laws 2014, chapter 228, article 1, section 2; Laws 2014, chapter 291, article 10, section 4; article 11, sections 15; 16; 21; Laws 2014, chapter 312, article 25, section 11; article 28, section 1; Minnesota Rules, parts 4900.3401; 8710.3000, subpart 5; 8710.3200, subpart 6; 8710.3310, subpart 5; 8710.3320, subpart 5; 8710.3330, subpart 5; 8710.3340, subpart 5; 8710.4000, subpart 5; 8710.4050, subpart 5; 8710.4200, subpart 5; 8710.4250, subpart 5; 8710.4300, subpart 5; 8710.4310, subpart 5; 8710.4320, subpart 5; 8710.4400, subpart 5; 8710.4450, subpart 5; 8710.4500, subpart 5; 8710.4550, subpart 5; 8710.4600, subpart 5; 8710.4650, subpart 5; 8710.4700, subpart 5; 8710.4750, subpart 9; 8710.4800, subpart 5; 8710.4850, subpart 5; 8710.4900, subpart 5; 8710.4950, subpart 9.

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

ARTICLE 1**MISCELLANEOUS**

Section 1. Minnesota Statutes 2014, section 5.25, subdivision 5, is amended to read:

Subd. 5. **Service on dissolved, withdrawn, or revoked business entity.** (a) Process, notice, or demand may be served on a dissolved, withdrawn, or revoked business entity that was governed by chapter 302A, 303, 317A, 321, 322B, or ~~323~~ 323A as provided in this subdivision. The court shall determine if service is proper.

(b) If a business entity has voluntarily dissolved or has withdrawn its request for authority to transact business in this state, or a court has entered a decree of dissolution or revocation of authority to do business, service must be made according to subdivision 3 or 4, so long as claims are not barred under the provisions of the chapter that governed the business entity.

(c) If a business entity has been involuntarily dissolved or its authority to transact business in this state has been revoked, service must be made according to subdivision 3 or 4.

Sec. 2. Minnesota Statutes 2014, section 13.602, subdivision 2, is amended to read:

Subd. 2. **State auditor data.** (a) **Public accountants.** Data sharing between the state auditor and public accountants is governed by section 6.69, subdivision 1.

(b) **Audit data.** Data relating to an audit under chapter 6 are classified under section 6.715.

~~(c) **Local records.** Data sharing between the state auditor and legislative auditor of information collected from local governments is governed by section 6.74.~~

Sec. 3. Minnesota Statutes 2014, section 13.72, subdivision 12, is amended to read:

Subd. 12. **Transportation Department data.** When the commissioner of transportation determines that the design-build best-value method of project delivery is appropriate for a project under sections 161.3410 to ~~161.3428~~ 161.3426, relocation reports, planimetric files, digital terrain models, preliminary design drawings, commissioner's orders, requests for proposals, and requests for qualifications are classified as protected nonpublic data with regard to data not on individuals and confidential data on individuals until the department publishes the data as part of the request for proposal process. The commissioner may release design-build data to land owners, counties, cities, and other parties under contract to a government entity as necessary to facilitate project development. The released data retain their classification as protected nonpublic data with regard to data not on individuals and confidential data on individuals as provided by section 13.03, subdivision 4, paragraph (c), until the department publishes the data as part of the request for proposal process.

Sec. 4. Minnesota Statutes 2014, section 13.871, subdivision 6, is amended to read:

Subd. 6. **Training; investigation; apprehension; reports.** (a) **Reports of gunshot wounds.** Disclosure of the name of a person making a report under section 626.52, subdivision 2, is governed by section 626.53.

(b) **Child abuse report records.** Data contained in child abuse report records are classified under section 626.556.

(c) **Interstate data exchange.** Disclosure of child abuse reports to agencies of another state is classified under section 626.556, subdivision 10g.

(d) **Release to family court services.** Release of child abuse data to a court services agency is authorized under section 626.556, subdivision 10h.

(e) **Release of data to mandated reporters.** Release of child abuse data to mandated reporters who have an ongoing responsibility for the health, education, or welfare of a child affected by the data is authorized under section 626.556, subdivision 10j.

(f) **Release of child abuse assessment or investigative records to other counties.** Release of child abuse investigative records to local welfare agencies is authorized under section 626.556, subdivision 10k.

(g) **Classifying and sharing records and reports of child abuse.** The classification of child abuse data and the sharing of records and reports of child abuse by and between local welfare agencies and law enforcement agencies are governed under section 626.556, subdivision 11.

(h) **Disclosure of information not required in certain cases.** Disclosure of certain data obtained from interviewing a minor is governed by section 626.556, subdivision 11a.

(i) **Data received from law enforcement.** Classifying child abuse data received by certain agencies from law enforcement agencies is governed under section 626.556, subdivision 11b.

(j) **Disclosure in child fatality cases.** Disclosure of information relating to a child fatality is governed under section 626.556, subdivision 11d.

(k) **Reports of prenatal exposure to controlled substances.** Data on persons making reports under section 626.5561 are classified under section 626.5561, subdivision 3.

(l) **Vulnerable adult report records.** Data contained in vulnerable adult report records are classified under section 626.557, subdivision 12b.

(m) **Adult protection team information sharing.** Sharing of local welfare agency vulnerable adult data with a protection team is governed by section 626.5571, subdivision 3.

(n) **Child protection team.** Data acquired by a case consultation committee or subcommittee of a child protection team are classified by section 626.558, subdivision 3.

~~(o) **Child maltreatment reports peer review panel.** Sharing data of cases reviewed by the panel is governed under section 626.5593, subdivision 2.~~

~~(p)~~ (o) **Peace officer discipline procedures.** Access by an officer under investigation to the investigating agency's investigative report on the officer is governed by section 626.89, subdivision 6.

~~(q)~~ (p) **Racial profiling study data.** Racial profiling study data is governed by Minnesota Statutes 2006, section 626.951.

Sec. 5. Minnesota Statutes 2014, section 16A.126, subdivision 1, is amended to read:

Subdivision 1. **Set rates.** The commissioner shall approve the rates an agency must pay to a revolving fund for services. Funds subject to this subdivision include, but are not limited to, the revolving funds established in sections 14.46; 14.53; 16B.2975, subdivision 3 4; 16B.48; 16B.54; 16B.58; 16B.85; 16E.14; 43A.55; and 176.591; and the fund established in section 43A.30.

Sec. 6. Minnesota Statutes 2014, section 16C.137, subdivision 2, is amended to read:

Subd. 2. **Report.** (a) The commissioner of administration, in collaboration with the commissioners of the Pollution Control Agency, the Departments of Agriculture, Commerce, Natural Resources, and Transportation, and other state departments, must evaluate the goals and directives established in this section and report their findings to the governor and the appropriate committees of the legislature by February 1 of each odd-numbered year. In the report, the ~~committee~~ commissioner must make recommendations for new or adjusted goals, directives, or legislative initiatives, in light of the progress the state has made implementing this section and the availability of new or improved technologies.

(b) The Department of Administration shall implement a fleet reporting and information management system. Each department will use this management system to demonstrate its progress in complying with this section.

Sec. 7. Minnesota Statutes 2014, section 16D.04, subdivision 1, is amended to read:

Subdivision 1. **Duties.** The commissioner shall provide services to the state and referring agencies to collect debts referred for collection under this chapter. The commissioner is not a collection agency as defined by section 332.31, subdivision 3, and is not licensed, bonded, or regulated by the commissioner of commerce under sections 332.31 to 332.35 or 332.38 to 332.44. The commissioner is subject to section 332.37, except clause (9), (10), (12), or (19). ~~Debts referred to the commissioner for collection under section 256.9792 may in turn be referred by the commissioner to the enterprise. An audited financial statement may not be required as a condition of debt placement with a private agency if the private agency: (1) has errors and omissions coverage under a professional liability policy in an amount of at least \$1,000,000; or (2) has a fidelity bond to cover actions of its employees, in an amount of at least \$100,000. In cases of debts referred under section 256.9792, the provisions of this chapter and section 256.9792 apply to the extent they are not in conflict. If they are in conflict, the provisions of section 256.9792 control. For purposes of this chapter, the referring agency for such debts remains the Department of Human Services.~~

Sec. 8. Minnesota Statutes 2014, section 81A.04, subdivision 1, is amended to read:

Subdivision 1. **General requirement.** Except as otherwise provided in subdivision 2, an individual may not act as an athlete agent in this state without holding a certificate of registration under section 81A.06 ~~or 81A.08.~~

Sec. 9. Minnesota Statutes 2014, section 82.67, subdivision 3, is amended to read:

Subd. 3. **Agency disclosure form.** The agency disclosure form shall be in substantially the form set forth below:

AGENCY RELATIONSHIPS IN REAL ESTATE TRANSACTIONS

Minnesota law requires that early in any relationship, real estate brokers or salespersons discuss with consumers what type of agency representation or relationship they desire. (1) The available options are listed below. This is **not** a contract. **This is an agency disclosure form only. If you desire representation, you must enter into a written contract according to state law** (a listing contract or a buyer representation contract). Until such time as you choose to enter into a written contract for representation, you will be treated as a customer and will not receive any representation from the broker or salesperson. The broker or salesperson will be acting as a Facilitator (see paragraph ~~¶~~ IV below), unless the broker or salesperson is representing another party as described below.

ACKNOWLEDGMENT: I/We acknowledge that I/We have been presented with the below-described options. I/We understand that until I/We have signed a representation contract, I/We are not represented by the broker/salesperson. I/We understand that written consent is required for a dual agency relationship. THIS IS A DISCLOSURE ONLY, NOT A CONTRACT FOR REPRESENTATION.

.....
Signature Date

.....
Signature Date

I.

Seller's Broker: A broker who lists a property, or a salesperson who is licensed to the listing broker, represents the Seller and acts on behalf of the Seller. A Seller's broker owes to the Seller the fiduciary duties described below.(2) The broker must also disclose to the Buyer material facts as defined in Minnesota Statutes, section 82.68, subdivision 3, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property. If a broker or salesperson working with a Buyer as a customer is representing the Seller, he or she must act in the Seller's best interest and must tell the Seller any information disclosed to him or her, except confidential information acquired in a facilitator relationship (see paragraph ¶ IV below). In that case, the Buyer will not be represented and will not receive advice and counsel from the broker or salesperson.

II.

Buyer's Broker: A Buyer may enter into an agreement for the broker or salesperson to represent and act on behalf of the Buyer. The broker may represent the Buyer only, and not the Seller, even if he or she is being paid in whole or in part by the Seller. A Buyer's broker owes to the Buyer the fiduciary duties described below.(2) The broker must disclose to the Buyer material facts as defined in Minnesota Statutes, section 82.68, subdivision 3, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property. If a broker or salesperson working with a Seller as a customer is representing the Buyer, he or she must act in the Buyer's best interest and must tell the Buyer any information disclosed to him or her, except confidential information acquired in a facilitator relationship (see paragraph ¶ IV below). In that case, the Seller will not be represented and will not receive advice and counsel from the broker or salesperson.

III.

Dual Agency-Broker Representing both Seller and Buyer: Dual agency occurs when one broker or salesperson represents both parties to a transaction, or when two salespersons licensed to the same broker each represent a party to the transaction. Dual agency requires the informed consent of all parties, and means that the broker and salesperson owe the same duties to the Seller and the Buyer. This role limits the level of representation the broker and salespersons can provide, and prohibits them from acting exclusively for either party. In a dual agency, confidential information about price, terms, and motivation for pursuing a transaction will be kept confidential unless one party instructs the broker or salesperson in writing to disclose specific information about him or her. Other information will be shared. Dual agents may not advocate for one party to the detriment of the other.(3)

Within the limitations described above, dual agents owe to both Seller and Buyer the fiduciary duties described below.(2) Dual agents must disclose to Buyers material facts as defined in Minnesota Statutes, section 82.68, subdivision 3, of which the broker is aware that could adversely and significantly affect the Buyer's use or enjoyment of the property.

IV.

Facilitator: A broker or salesperson who performs services for a Buyer, a Seller, or both but does not represent either in a fiduciary capacity as a Buyer's Broker, Seller's Broker, or Dual Agent. **THE FACILITATOR BROKER OR SALESPERSON DOES NOT OWE ANY PARTY ANY OF THE FIDUCIARY DUTIES LISTED BELOW, EXCEPT CONFIDENTIALITY, UNLESS THOSE DUTIES ARE INCLUDED IN A WRITTEN FACILITATOR SERVICES AGREEMENT.** The facilitator broker or salesperson owes the duty of confidentiality to the party but owes no other duty to the party except those duties required by law or contained in a written facilitator services agreement, if any. In the event a facilitator broker or salesperson, working with a Buyer, shows a property listed by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Seller's Broker (see paragraph I above). In the event a facilitator broker or salesperson, working with a Seller, accepts a showing of the property by a Buyer being represented by the facilitator broker or salesperson, then the facilitator broker or salesperson must act as a Buyer's Broker (see paragraph III above).

(1) This disclosure is required by law in any transaction involving property occupied or intended to be occupied by one to four families as their residence.

(2) The fiduciary duties mentioned above are listed below and have the following meanings:

Loyalty-broker/salesperson will act only in client(s)' best interest.

Obedience-broker/salesperson will carry out all client(s)' lawful instructions.

Disclosure-broker/salesperson will disclose to client(s) all material facts of which broker/salesperson has knowledge which might reasonably affect the client's use and enjoyment of the property.

Confidentiality-broker/salesperson will keep client(s)' confidences unless required by law to disclose specific information (such as disclosure of material facts to Buyers).

Reasonable Care-broker/salesperson will use reasonable care in performing duties as an agent.

Accounting-broker/salesperson will account to client(s) for all client(s)' money and property received as agent.

(3) If Seller(s) elect(s) not to agree to a dual agency relationship, Seller(s) may give up the opportunity to sell the property to Buyers represented by the broker/salesperson. If Buyer(s) elect(s) not to agree to a dual agency relationship, Buyer(s) may give up the opportunity to purchase properties listed by the broker.

Sec. 10. Minnesota Statutes 2014, section 82.72, subdivision 3, is amended to read:

Subd. 3. **Retention.** A licensed real estate broker shall retain for six years copies of all listings, buyer representation and facilitator services contracts, deposit receipts, purchase money contracts, canceled checks,

trust account records, and such other documents as may reasonably be related to carrying on a real estate brokerage business. The retention period shall run from the date of the closing of the transaction, or from the date of the closing document if the transaction is not consummated. The following documents need not be retained:

(1) agency disclosure forms provided to prospective buyers or sellers, where no contractual relationship is subsequently created and no services are provided by the licensee; and

(2) facilitator services contracts or buyer representation contracts entered into with prospective buyers, where the prospective buyer abandons the contractual relationship before any services have been provided by the licensee.

Sec. 11. Minnesota Statutes 2014, section 116D.04, subdivision 2a, is amended to read:

Subd. 2a. **When prepared.** Where there is potential for significant environmental effects resulting from any major governmental action, the action shall be preceded by a detailed environmental impact statement prepared by the responsible governmental unit. The environmental impact statement shall be an analytical rather than an encyclopedic document which describes the proposed action in detail, analyzes its significant environmental impacts, discusses appropriate alternatives to the proposed action and their impacts, and explores methods by which adverse environmental impacts of an action could be mitigated. The environmental impact statement shall also analyze those economic, employment, and sociological effects that cannot be avoided should the action be implemented. To ensure its use in the decision-making process, the environmental impact statement shall be prepared as early as practical in the formulation of an action.

(a) The board shall by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets shall be prepared as well as categories of actions for which no environmental review is required under this section. A mandatory environmental assessment worksheet shall not be required for the expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a biobutanol facility as defined in section 41A.105, subdivision 1a, based on the capacity of the expanded or converted facility to produce alcohol fuel, but must be required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other categories of actions for which environmental assessment worksheets must be prepared. The responsible governmental unit for an ethanol plant or biobutanol facility project for which an environmental assessment worksheet is prepared shall be the state agency with the greatest responsibility for supervising or approving the project as a whole.

A mandatory environmental impact statement shall not be required for a facility or plant located outside the seven-county metropolitan area that produces less than 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined in section 41A.105, subdivision 1a, clause (1); or a cellulosic biofuel facility, as defined in section 41A.10, subdivision 1, paragraph (d). A facility or plant that only uses a cellulosic feedstock to produce chemical products for use by another facility as a feedstock shall not be considered a fuel conversion facility as used in rules adopted under this chapter.

(b) The responsible governmental unit shall promptly publish notice of the completion of an environmental assessment worksheet by publishing the notice in at least one newspaper of general circulation in the geographic area where the project is proposed, by posting the notice on a Web site that has been designated as the official publication site for publication of proceedings, public notices, and summaries of

a political subdivision in which the project is proposed, or in any other manner determined by the board and shall provide copies of the environmental assessment worksheet to the board and its member agencies. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30-day period following publication of the notice that an environmental assessment worksheet has been completed. The responsible governmental unit's decision on the need for an environmental impact statement shall be based on the environmental assessment worksheet and the comments received during the comment period, and shall be made within 15 days after the close of the comment period. The board's chair may extend the 15-day period by not more than 15 additional days upon the request of the responsible governmental unit.

(c) An environmental assessment worksheet shall also be prepared for a proposed action whenever material evidence accompanying a petition by not less than 100 individuals who reside or own property in the state, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects. Petitions requesting the preparation of an environmental assessment worksheet shall be submitted to the board. The chair of the board shall determine the appropriate responsible governmental unit and forward the petition to it. A decision on the need for an environmental assessment worksheet shall be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The board's chair may extend the 15-day period by not more than 15 additional days upon request of the responsible governmental unit.

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

(1) the proposed action is:

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

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

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

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

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

(f) An early and open process shall be utilized to limit the scope of the environmental impact statement to a discussion of those impacts, which, because of the nature or location of the project, have the potential for significant environmental effects. The same process shall be utilized to determine the form, content and level of detail of the statement as well as the alternatives which are appropriate for consideration in

the statement. In addition, the permits which will be required for the proposed action shall be identified during the scoping process. Further, the process shall identify those permits for which information will be developed concurrently with the environmental impact statement. The board shall provide in its rules for the expeditious completion of the scoping process. The determinations reached in the process shall be incorporated into the order requiring the preparation of an environmental impact statement.

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

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

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

Sec. 12. Minnesota Statutes 2014, section 116L.146, is amended to read:

116L.146 EXPEDITED GRANT PROCESS.

(a) The board may authorize grants not to exceed \$50,000 each through an expedited grant approval process to:

- (1) eligible employers to provide training programs for up to 50 workers; or
- (2) a public or private institution of higher education to:

~~(i) do predevelopment or curriculum development for training programs prior to submission for program funding under section 116L.12;~~

~~(ii) (i) convert an existing curriculum for distance learning through interactive television or other communication methods; or~~

~~(iii) (ii) enable a training program to be offered when it would otherwise be canceled due to an enrollment shortfall of one or two students when the program is offered in a health-related field with a documented worker shortage and is part of a training program not exceeding two years in length.~~

(b) The board shall develop application procedures and evaluation policies for grants made under this section.

Sec. 13. Minnesota Statutes 2014, section 119A.50, subdivision 3, is amended to read:

Subd. 3. **Early childhood literacy programs.** (a) A research-based early childhood literacy program premised on actively involved parents, ongoing professional staff development, and high quality early literacy program standards is established to increase the literacy skills of children participating in Head Start to prepare them to be successful readers and to increase families' participation in providing early literacy experiences to their children. Program providers must:

(1) work to prepare children to be successful learners;

(2) work to close the achievement gap for at-risk children;

(3) use a culturally relevant integrated approach to early literacy that daily offers a literacy-rich classroom learning environment composed of books, writing materials, writing centers, labels, rhyming, and other related literacy materials and opportunities;

(4) support children's home language while helping the children master English and use multiple literacy strategies to provide a cultural bridge between home and school;

(5) use literacy mentors, ongoing literacy groups, and other teachers and staff to provide appropriate, extensive professional development opportunities in early literacy and classroom strategies for preschool teachers and other preschool staff;

(6) use ongoing data-based assessments that enable preschool teachers to understand, plan, and implement literacy strategies, activities, and curriculum that meet children's literacy needs and continuously improve children's literacy;

(7) foster participation by parents, community stakeholders, literacy advisors, and evaluation specialists; and

(8) provide parents of English learners with oral and written information to monitor the program's impact on their children's English language development, to know whether their children are progressing in developing their English proficiency and, where practicable, their native language proficiency, and to actively engage with their children in developing their English and native language proficiency.

Program providers are encouraged to collaborate with qualified, community-based early childhood providers in implementing this program and to seek nonstate funds to supplement the program.

(b) Program providers under paragraph (a) interested in extending literacy programs to children in kindergarten through grade 3 may elect to form a partnership with an eligible organization under section 124D.38, subdivision 2, or 124D.42, subdivision 6, ~~clause (3)~~ 8, schools enrolling children in kindergarten through grade 3, and other interested and qualified community-based entities to provide ongoing literacy programs that offer seamless literacy instruction focused on closing the literacy achievement gap. To close the literacy achievement gap by the end of third grade, partnership members must agree to use best efforts and practices and to work collaboratively to implement a seamless literacy model from age three to grade 3, consistent with paragraph (a). Literacy programs under this paragraph must collect and use literacy data to:

(1) evaluate children's literacy skills;

(2) monitor the progress and provide reading instruction appropriate to the specific needs of English learners; and

(3) formulate specific intervention strategies to provide reading instruction to children premised on the outcomes of formative and summative assessments and research-based indicators of literacy development.

The literacy programs under this paragraph also must train teachers and other providers working with children to use the assessment outcomes under clause ~~(2)~~ (3) to develop and use effective, long-term literacy coaching models that are specific to the program providers.

Sec. 14. Minnesota Statutes 2014, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.

A school board's annual school calendar must include at least 425 hours of instruction for a kindergarten student without a disability, 935 hours of instruction for a student in grades 1 ~~through~~ through 6, and 1,020 hours of instruction for a student in grades 7 ~~through~~ through 12, not including summer school. The school calendar for all-day kindergarten must include at least 850 hours of instruction for the school year. A school board's annual calendar must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the commissioner under section 124D.126.

Sec. 15. Minnesota Statutes 2014, section 122A.23, subdivision 2, is amended to read:

Subd. 2. **Applicants licensed in other states.** (a) Subject to the requirements of sections 122A.18, subdivision 8, and 123B.03, the Board of Teaching must issue a teaching license or a temporary teaching license under paragraphs (b) to (e) to an applicant who holds at least a baccalaureate degree from a regionally accredited college or university and holds or held a similar out-of-state teaching license that requires the applicant to successfully complete a teacher preparation program approved by the issuing state, which includes field-specific teaching methods and student teaching or essentially equivalent experience.

(b) The Board of Teaching must issue a teaching license to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach the same content field and grade levels if the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license.

(c) The Board of Teaching, consistent with board rules and paragraph (h), must issue up to three one-year temporary teaching licenses to an applicant who holds or held an out-of-state teaching license to teach

the same content field and grade levels, where the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license, but has not successfully completed all exams and human relations preparation components required by the Board of Teaching.

(d) The Board of Teaching, consistent with board rules, must issue up to three one-year temporary teaching licenses to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach the same content field and grade levels, where the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license, but has not completed field-specific teaching methods or student teaching or equivalent experience.

The applicant may complete field-specific teaching methods and student teaching or equivalent experience by successfully participating in a one-year school district mentorship program consistent with board-adopted standards of effective practice and Minnesota graduation requirements.

(e) The Board of Teaching must issue a temporary teaching license for a term of up to three years only in the content field or grade levels specified in the out-of-state license to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license where the out-of-state license is more limited in the content field or grade levels than a similar Minnesota license.

(f) The Board of Teaching must not issue to an applicant more than three one-year temporary teaching licenses under this subdivision.

(g) The Board of Teaching must not issue a license under this subdivision if the applicant has not attained the additional degrees, credentials, or licenses required in a particular licensure field.

(h) The Board of Teaching must require an applicant for a teaching license or a temporary teaching license under this subdivision to pass a skills examination in reading, writing, and mathematics or demonstrate, consistent with section 122A.09, subdivision 4, the applicant's attainment of either the requisite composite ACT Plus Writing or SAT score before the board issues the license unless, notwithstanding other provisions of this subdivision, an applicable board-approved National Association of State Directors of Teacher Education and Certification interstate reciprocity agreement exists to allow fully certified teachers from other states to transfer their certification to Minnesota.

Sec. 16. Minnesota Statutes 2014, section 122A.414, subdivision 2, is amended to read:

Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this program, a school district, intermediate school district, school site, or charter school must have an educational improvement plan under section 122A.413 and an alternative teacher professional pay system agreement under paragraph (b). A charter school participant also must comply with subdivision 2a.

(b) The alternative teacher professional pay system agreement must:

(1) describe how teachers can achieve career advancement and additional compensation;

(2) describe how the school district, intermediate school district, school site, or charter school will provide teachers with career advancement options that allow teachers to retain primary roles in student instruction and facilitate site-focused professional development that helps other teachers improve their skills;

(3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, base at least 60 percent of any compensation increase on teacher performance using:

(i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both;

(ii) measures of student growth and literacy that may include value-added models or student learning goals, consistent with section 122A.40, subdivision 8, paragraph (b), clause (9), or 122A.41, subdivision 5, paragraph (b), clause (9), and other measures that include the academic literacy, oral academic language, and achievement of English learners under section 122A.40, subdivision 8, paragraph (b), clause (10), or 122A.41, subdivision 5, paragraph (b), clause (10); and

(iii) an objective evaluation program under section 122A.40, subdivision 8, paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2);

(4) provide for participation in job-embedded learning opportunities such as professional learning communities to improve instructional skills and learning that are aligned with student needs under section 122A.413, consistent with the staff development plan under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

(5) allow any teacher in a participating school district, intermediate school district, school site, or charter school that implements an alternative pay system to participate in that system without any quota or other limit; and

(6) encourage collaboration rather than competition among teachers.

Sec. 17. Minnesota Statutes 2014, section 122A.61, subdivision 1, is amended to read:

Subdivision 1. **Staff development revenue.** A district is required to reserve an amount equal to at least two percent of the basic revenue under section 126C.10, subdivision 2, for in-service education for programs under section 120B.22, subdivision 2, for staff development plans, including plans for challenging instructional activities and experiences under section 122A.60, and for curriculum development and programs, other in-service education, teachers' evaluation, teachers' workshops, teacher conferences, the cost of substitute teachers for staff development purposes, preservice and in-service education for special education professionals and paraprofessionals, and other related costs for staff development efforts. A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt from reserving basic revenue according to this section. Districts may expend an additional amount of unreserved revenue for staff development based on their needs.

Sec. 18. Minnesota Statutes 2014, section 124D.10, subdivision 4, is amended to read:

Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from a school developer, may charter a licensed teacher under section 122A.18, subdivision 1, or a group of individuals that includes one or more licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the

commissioner's approval of the authorizer's affidavit under paragraph (b). The school must be organized and operated as a nonprofit corporation under chapter 317A and the provisions under the applicable chapter shall apply to the school except as provided in this section.

Notwithstanding sections 465.717 and 465.719, a school district, subject to this section and section 124D.11, may create a corporation for the purpose of establishing a charter school.

(b) Before the operators may establish and operate a school, the authorizer must file an affidavit with the commissioner stating its intent to charter a school. An authorizer must file a separate affidavit for each school it intends to charter. An authorizer must file an affidavit by May 1 to be able to charter a new school in the next school year after the commissioner approves the authorizer's affidavit. The affidavit must state the terms and conditions under which the authorizer would charter a school and how the authorizer intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the authorizer and the charter school board of directors under subdivision 6. The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of receipt of the affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business days to address the deficiencies. The commissioner must notify the authorizer of final approval or disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. If the authorizer does not address deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain commissioner approval precludes an authorizer from chartering the school that is the subject of this affidavit.

(c) The authorizer may prevent an approved charter school from opening for operation if, among other grounds, the charter school violates this section or does not meet the ready-to-open standards that are part of the authorizer's oversight and evaluation process or are stipulated in the charter school contract.

(d) The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must incorporate as a nonprofit corporation under chapter 317A and must establish a board of directors composed of at least five members who are not related parties until a timely election for members of the ongoing charter school board of directors is held according to the school's articles and bylaws under paragraph ~~(f)~~ (g). A charter school board of directors must be composed of at least five members who are not related parties. Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, members of the board of directors, and all parents or legal guardians of children enrolled in the school are the voters eligible to elect the members of the school's board of directors. A charter school must notify eligible voters of the school board election dates at least 30 days before the election. Board of director meetings must comply with chapter 13D.

(e) A charter school shall publish and maintain on the school's official Web site: (1) the minutes of meetings of the board of directors, and of members and committees having any board-delegated authority, for at least one calendar year from the date of publication; (2) directory information for members of the board of directors and committees having board-delegated authority; and (3) identifying and contact information for the school's authorizer. Identifying and contact information for the school's authorizer must be included in other school materials made available to the public. Upon request of an individual, the charter school must also make available in a timely fashion financial statements showing all operations and transactions affecting income, surplus, and deficit during the school's last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period. A charter school also must include that same information about its authorizer in other school materials that it makes available to the public.

(f) Every charter school board member shall attend annual training throughout the member's term on the board. All new board members shall attend initial training on the board's role and responsibilities, employment policies and practices, and financial management. A new board member who does not begin the required initial training within six months after being seated and complete that training within 12 months of being seated on the board is automatically ineligible to continue to serve as a board member. The school shall include in its annual report the training attended by each board member during the previous year.

(g) The ongoing board must be elected before the school completes its third year of operation. Board elections must be held during the school year but may not be conducted on days when the school is closed for holidays, breaks, or vacations. The charter school board of directors shall be composed of at least five nonrelated members and include: (i) at least one licensed teacher employed as a teacher at the school or providing instruction under contract between the charter school and a cooperative; (ii) at least one parent or legal guardian of a student enrolled in the charter school who is not an employee of the charter school; and (iii) at least one interested community member who resides in Minnesota and is not employed by the charter school and does not have a child enrolled in the school. The board may include a majority of teachers described in this paragraph or parents or community members, or it may have no clear majority. The chief financial officer and the chief administrator may only serve as ex-officio nonvoting board members. No charter school employees shall serve on the board other than teachers under item (i). Contractors providing facilities, goods, or services to a charter school shall not serve on the board of directors of the charter school. Board bylaws shall outline the process and procedures for changing the board's governance structure, consistent with chapter 317A. A board may change its governance structure only:

(1) by a majority vote of the board of directors and a majority vote of the licensed teachers employed by the school as teachers, including licensed teachers providing instruction under a contract between the school and a cooperative; and

(2) with the authorizer's approval.

Any change in board governance structure must conform with the composition of the board established under this paragraph.

(h) The granting or renewal of a charter by an authorizer must not be conditioned upon the bargaining unit status of the employees of the school.

(i) The granting or renewal of a charter school by an authorizer must not be contingent on the charter school being required to contract, lease, or purchase services from the authorizer. Any potential contract, lease, or purchase of service from an authorizer must be disclosed to the commissioner, accepted through an open bidding process, and be a separate contract from the charter contract. The school must document the open bidding process. An authorizer must not enter into a contract to provide management and financial services for a school that it authorizes, unless the school documents that it received at least two competitive bids.

(j) A charter school may apply to the authorizer to amend the school charter to expand the operation of the school to additional grades or sites that would be students' primary enrollment site beyond those defined in the original affidavit approved by the commissioner. After approving the school's application, the authorizer shall submit a supplementary affidavit in the form and manner prescribed by the commissioner. The authorizer must file a supplement affidavit by October 1 to be eligible to expand in the next school year. The supplementary affidavit must document that the school has demonstrated to the satisfaction of the authorizer the following:

(1) the need for the expansion with supporting long-range enrollment projections;

(2) a longitudinal record of demonstrated student academic performance and growth on statewide assessments under chapter 120B or on other academic assessments that measure longitudinal student performance and growth approved by the charter school's board of directors and agreed upon with the authorizer;

(3) a history of sound school finances and a finance plan to implement the expansion in a manner to promote the school's financial sustainability; and

(4) board capacity and an administrative and management plan to implement its expansion.

(k) The commissioner shall have 30 business days to review and comment on the supplemental affidavit. The commissioner shall notify the authorizer in writing of any deficiencies in the supplemental affidavit and the authorizer then has 20 business days to address, to the commissioner's satisfaction, any deficiencies in the supplemental affidavit. The commissioner must notify the authorizer of final approval or disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. The school may not expand grades or add sites until the commissioner has approved the supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

Sec. 19. Minnesota Statutes 2014, section 124D.20, subdivision 8, is amended to read:

Subd. 8. **Uses of general revenue.** (a) General community education revenue may be used for:

(1) nonvocational, recreational, and leisure time activities and programs;

(2) programs for adults with disabilities, if the programs and budgets are approved by the department;

(3) adult basic education programs, according to section 124D.52;

(4) summer programs for elementary and secondary pupils;

(5) implementation of a youth development plan;

(6) implementation of a youth service program;

(7) early childhood family education programs, according to section 124D.13;

(8) school readiness programs, according to section 124D.15; and

(9) ~~extended day school-age care~~ programs, according to section 124D.19, subdivision 11.

(b) In addition to money from other sources, a district may use up to ten percent of its community education revenue for equipment that is used exclusively in community education programs. This revenue may be used only for the following purposes:

(1) to purchase or lease computers and related materials;

(2) to purchase or lease equipment for instructional programs; and

(3) to purchase textbooks and library books.

(c) General community education revenue must not be used to subsidize the direct activity costs for adult enrichment programs. Direct activity costs include, but are not limited to, the cost of the activity leader or instructor, cost of materials, or transportation costs.

Sec. 20. Minnesota Statutes 2014, section 124D.861, subdivision 3, is amended to read:

Subd. 3. **Public engagement; progress report and budget process.** (a) To receive revenue under section 124D.862, the school board of an eligible district must incorporate school and district plan components under section 120B.11 into the district's comprehensive integration plan.

(b) A school board must hold at least one formal annual hearing to publicly report its progress in realizing the goals identified in its plan. At the hearing, the board must provide the public with longitudinal data demonstrating district and school progress in reducing the disparities in student academic performance among the specified categories of students and in realizing racial and economic integration, consistent with the district plan and the measures in paragraph (a). At least 30 days before the formal hearing under this paragraph, the board must post its plan, its preliminary analysis, relevant student performance data, and other longitudinal data on the district's Web site. A district must hold one hearing to meet the hearing requirements of both this section and section 120B.11.

(c) The district must submit a detailed budget to the commissioner by March 15 in the year before it implements its plan. The commissioner must review, and approve or disapprove the district's budget by June 1 of that year.

(d) The longitudinal data required under paragraph ~~(a)~~ (b) must be based on student growth and progress in reading and mathematics, as defined under section 120B.30, subdivision 1, and student performance data and achievement reports from fully adaptive reading and mathematics assessments for grades 3 through 7 beginning in the 2015-2016 school year under section 120B.30, subdivision 1a, and either (i) school enrollment choices, (ii) the number of world language proficiency or high achievement certificates awarded under section 120B.022, subdivision 1a, or the number of state bilingual and multilingual seals issued under section 120B.022, subdivision 1b, or (iii) school safety and students' engagement and connection at school under section 120B.35, subdivision 3, paragraph (d). Additional longitudinal data may be based on: students' progress toward career and college readiness under section 120B.30, subdivision 1; or rigorous coursework completed under section 120B.35, subdivision 3, paragraph (c), clause (2).

Sec. 21. Minnesota Statutes 2014, section 125A.79, subdivision 4, is amended to read:

Subd. 4. **Tuition.** Notwithstanding sections 125A.03 to 125A.24 and 125A.65, for children who are nonresidents of Minnesota, receive services under section 125A.76, subdivisions 1 and 2 2a, and are placed in the serving school district by court action, the serving school district shall submit unreimbursed tuition bills for eligible services to the Department of Education instead of the resident school district. To be eligible for reimbursement, the serving school district, as part of its child intake procedures, must demonstrate good faith effort to obtain from the placing agency a financial commitment to pay tuition costs.

EFFECTIVE DATE. This section is effective for fiscal year 2016 and later.

Sec. 22. Minnesota Statutes 2014, section 125A.79, subdivision 8, is amended to read:

Subd. 8. **Out-of-state tuition.** For children who are residents of the state, receive services under section 125A.76, subdivisions 1 and 2 2a, and are placed in a care and treatment facility by court action in a state that

does not have a reciprocity agreement with the commissioner under section 125A.155, the resident school district shall receive special education out-of-state tuition aid equal to the amount of the tuition bills, minus (1) the general education revenue, excluding basic skills revenue and the local optional levy attributable to the pupil, calculated using the resident district's average general education revenue per adjusted pupil unit, (2) the referendum equalization aid attributable to the pupil, calculated using the resident district's referendum equalization aid per adjusted pupil unit, and (3) the special education aid attributable to the pupil.

EFFECTIVE DATE. This section is effective for fiscal year 2016 and later.

Sec. 23. Minnesota Statutes 2014, section 127A.441, is amended to read:

127A.441 AID REDUCTION; LEVY REVENUE RECOGNITION CHANGE.

(a) Each year, the state aids payable to any school district for that fiscal year that are recognized as revenue in the school district's general and community service funds shall be adjusted by an amount equal to (1) the amount the district recognized as revenue for the prior fiscal year pursuant to section 123B.75, subdivision 5, paragraph (a) or (b), minus (2) the amount the district recognized as revenue for the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (a) or (b). For purposes of making the aid adjustments under this section, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b), shall not include any amount levied pursuant to section ~~124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3);~~ 126C.41, subdivisions 1, 2, and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; and 126C.48, subdivision 6. Payment from the permanent school fund shall not be adjusted pursuant to this section.

(b) The commissioner shall schedule the timing of the adjustments under paragraph (a) as close to the end of the fiscal year as possible.

The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

Sec. 24. Minnesota Statutes 2014, section 127A.49, subdivision 2, is amended to read:

Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270C.86, 375.192, or otherwise, the net tax capacity or referendum market value of any district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 126C.46. The amount of the abatement adjustment must be the product of:

(1) the net revenue loss as certified by the county auditor, times

(2) the ratio of:

(i) the sum of the amounts of the district's certified levy in the third preceding year according to the following:

(A) section 123B.57, if the district received health and safety aid according to that section for the second preceding year;

(B) section 124D.20, if the district received aid for community education programs according to that section for the second preceding year;

(C) section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year;

(D) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year;

(E) section 126C.10, subdivision 13a, if the district received operating capital aid according to section 126C.10, subdivision 13b, in the second preceding year;

(F) section 126C.10, subdivision 29, if the district received equity aid according to section 126C.10, subdivision 30, in the second preceding year;

(G) section 126C.10, subdivision 32, if the district received transition aid according to section 126C.10, subdivision 33, in the second preceding year;

(H) section 123B.53, subdivision 5, if the district received debt service equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

(I) section 123B.535, subdivision 4, if the district received natural disaster debt service equalization aid according to section 123B.535, subdivision 5, in the second preceding year;

(J) section 124D.22, subdivision 3, if the district received school-age care aid according to section 124D.22, subdivision 4, in the second preceding year;

(K) section 123B.591, subdivision 3, if the district received deferred maintenance aid according to section 123B.591, subdivision 4, in the second preceding year; and

(L) ~~section 126C.10, subdivision 35~~ 122A.415, subdivision 5, if the district received alternative teacher compensation equalization aid according to ~~section 126C.10, subdivision 36~~ 122A.415, subdivision 6, paragraph (a), in the second preceding year; to

(ii) the total amount of the district's certified levy in the third preceding December, plus or minus auditor's adjustments.

EFFECTIVE DATE. This section is effective for fiscal year 2017 and later.

Sec. 25. Minnesota Statutes 2014, section 127A.49, subdivision 3, is amended to read:

Subd. 3. **Excess tax increment.** (a) If a return of excess tax increment is made to a district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon decertification of a tax increment district, the school district's aid and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(b) An amount must be subtracted from the district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the district, times

(2) the ratio of:

(i) the sum of the amounts of the district's certified levy for the fiscal year in which the excess tax increment is paid according to the following:

(A) section 123B.57, if the district received health and safety aid according to that section for the second preceding year;

(B) section 124D.20, if the district received aid for community education programs according to that section for the second preceding year;

(C) section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year;

(D) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year;

(E) section 126C.10, subdivision 13a, if the district received operating capital aid according to section 126C.10, subdivision 13b, in the second preceding year;

(F) section 126C.10, subdivision 29, if the district received equity aid according to section 126C.10, subdivision 30, in the second preceding year;

(G) section 126C.10, subdivision 32, if the district received transition aid according to section 126C.10, subdivision 33, in the second preceding year;

(H) section 123B.53, subdivision 5, if the district received debt service equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

(I) section 123B.535, subdivision 4, if the district received natural disaster debt service equalization aid according to section 123B.535, subdivision 5, in the second preceding year;

(J) section 124D.22, subdivision 3, if the district received school-age care aid according to section 124D.22, subdivision 4, in the second preceding year;

(K) section 123B.591, subdivision 3, if the district received deferred maintenance aid according to section 123B.591, subdivision 4, in the second preceding year; and

(L) ~~section 126C.10, subdivision 35~~ 122A.415, subdivision 5, if the district received alternative teacher compensation equalization aid according to ~~section 126C.10, subdivision 36~~ 122A.415, subdivision 6, paragraph (a), in the second preceding year; to

(ii) the total amount of the district's certified levy for the fiscal year, plus or minus auditor's adjustments.

(c) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

(1) the amount of the distribution of excess increment; and

(2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district must use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

(d) This subdivision applies only to the total amount of excess increments received by a district for a calendar year that exceeds \$25,000.

EFFECTIVE DATE. This section is effective for fiscal year 2017 and later.

Sec. 26. Minnesota Statutes 2014, section 144.0724, subdivision 4, is amended to read:

Subd. 4. **Resident assessment schedule.** (a) A facility must conduct and electronically submit to the commissioner of health MDS assessments that conform with the assessment schedule defined by Code of Federal Regulations, title 42, section 483.20, and published by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, in the Long Term Care Assessment Instrument User's Manual, version 3.0, and subsequent updates when issued by the Centers for Medicare and Medicaid Services. The commissioner of health may substitute successor manuals or question and answer documents published by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, to replace or supplement the current version of the manual or document.

(b) The assessments used to determine a case mix classification for reimbursement include the following:

(1) a new admission assessment;

(2) an annual assessment which must have an assessment reference date (ARD) within 92 days of the previous assessment and the previous comprehensive assessment;

(3) a significant change in status assessment must be completed within 14 days of the identification of a significant change;

(4) all quarterly assessments must have an assessment reference date (ARD) within 92 days of the ARD of the previous assessment;

(5) any significant correction to a prior comprehensive assessment, if the assessment being corrected is the current one being used for RUG classification; and

(6) any significant correction to a prior quarterly assessment, if the assessment being corrected is the current one being used for RUG classification.

(c) In addition to the assessments listed in paragraph (b), the assessments used to determine nursing facility level of care include the following:

(1) preadmission screening completed under section 256.975, ~~subdivision~~ subdivisions 7a to 7c, by the Senior LinkAge Line or other organization under contract with the Minnesota Board on Aging; and

(2) a nursing facility level of care determination as provided for under section 256B.0911, subdivision 4e, as part of a face-to-face long-term care consultation assessment completed under section ~~256.975, subdivisions 7a to 7e~~ 256B.0911, by a county, tribe, or managed care organization under contract with the Department of Human Services.

Sec. 27. Minnesota Statutes 2014, section 144.227, subdivision 1, is amended to read:

Subdivision 1. **False statements.** A person who intentionally makes a false statement in a certificate, vital record, or report required to be filed under sections 144.211 to ~~144.214~~ 144.2131 or 144.216 to 144.227, or in an application for an amendment thereof, or in an application for a certified vital record or who supplies false information intending that the information be used in the preparation of a report, vital record, certificate, or amendment thereof, is guilty of a misdemeanor.

Sec. 28. Minnesota Statutes 2014, 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 572B.12 and the notice provisions of section 572B.15, subsection (c), 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. 29. Minnesota Statutes 2014, section 161.3209, subdivision 3, is amended to read:

Subd. 3. **Phase 2 - construction manager/general contractor contract.** (a) Before conducting any construction-related services, the commissioner shall:

(1) conduct an independent cost estimate for the project or each work package; and

(2) conduct contract negotiations with the construction manager/general contractor to develop a construction manager/general contractor contract. This contract must include a minimum construction manager/general contractor self-performing requirement of 30 percent of the negotiated cost. Items designated in the construction manager/general contractor contract as specialty items may be subcontracted and the cost of any specialty item performed under the subcontract will be deducted from the cost before computing the amount of work required to be performed by the contractor.

(b) If the construction manager/general contractor and the commissioner are unable to negotiate a contract, the commissioner may use other contract procurement processes or may readvertise the construction manager/general contractor contract. The construction manager/general contractor may: (1) bid or propose on the project if advertised under section 161.32 or 161.3206; or (2) join a design-build team if advertised under sections 161.3410 to ~~161.3428~~ 161.3426.

(c) The commissioner shall provide to all bidders or design-build teams all data shared between the commissioner and the construction manager/general contractor during the contract negotiations under this subdivision.

Sec. 30. Minnesota Statutes 2014, section 168A.03, subdivision 1, is amended to read:

Subdivision 1. **No certificate issued.** The registrar shall not issue a certificate of title for:

(1) a vehicle owned by the United States;

(2) a vehicle owned by a nonresident and not required by law to be registered in this state;

(3) a vehicle owned by a nonresident and regularly engaged in the interstate transportation of persons or property for which a currently effective certificate of title has been issued in another state;

(4) a vehicle moved solely by animal power;

(5) an implement of husbandry;

(6) special mobile equipment;

(7) a self-propelled wheelchair or invalid tricycle;

(8) a trailer (i) having a gross weight of 4,000 pounds or less unless a secured party holds an interest in the trailer or a certificate of title was previously issued by this state or any other state or (ii) designed

primarily for agricultural purposes except a recreational vehicle or a manufactured home, both as defined in section 168.002, subdivisions 16 and 27;

(9) a snowmobile; and

~~(10) a spotter truck, as defined in section 169.011, subdivision 77; and~~

~~(H)~~ (10) an electric-assisted bicycle, as defined in section 169.011, subdivision 27.

Sec. 31. Minnesota Statutes 2014, section 169.781, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of sections 169.781 to 169.783:

(a) "Commercial motor vehicle":

(1) means a motor vehicle as defined in section 169.011, subdivision 16, paragraph (a), or combination of motor vehicles used to transport passengers or property if the motor vehicle:

(i) has a gross vehicle weight of more than 26,000 pounds;

(ii) is a vehicle in a combination of more than 26,000 pounds;

(iii) is a bus; or

(iv) is of any size and is used in the transportation of hazardous materials that are required to be placarded under Code of Federal Regulations, title 49, parts 100-185; ~~or~~ and

~~(v) is a spotter truck; and~~

(2) does not include (i) a school bus or Head Start bus displaying a certificate under section 169.451, or (ii) a bus operated by the Metropolitan Council or by a local transit commission created in chapter 458A.

(b) "Commissioner" means the commissioner of public safety.

(c) "Owner" means a person who owns, or has control, under a lease of more than 30 days' duration, of one or more commercial motor vehicles.

Sec. 32. Minnesota Statutes 2014, section 169.781, subdivision 2, is amended to read:

Subd. 2. **Inspection required.** (a) It is unlawful for a person to operate or permit the operation, in violation of the requirements of paragraph (b), of:

(1) a commercial motor vehicle registered in Minnesota ~~or a spotter truck;~~

(2) special mobile equipment as defined in section 168.002, subdivision 31, and which is self-propelled, if it is mounted on a commercial motor vehicle chassis; or

(3) a vehicle used to transport passengers by a motor carrier of railroad employees under section 221.0255.

(b) A vehicle described in paragraph (a):

- (1) must display a valid safety inspection decal issued by an inspector certified by the commissioner; or
- (2) must carry (i) proof that the vehicle complies with federal motor vehicle inspection requirements for vehicles in interstate commerce, and (ii) a certificate of compliance with federal requirements issued by the commissioner under subdivision 9.

Sec. 33. Minnesota Statutes 2014, section 174.12, subdivision 8, is amended to read:

Subd. 8. **Legislative report.** (a) By February 1 of each odd-numbered year, the commissioner of transportation, with assistance from the commissioner of employment and economic development, shall submit a report on the transportation economic development program to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and economic development policy and finance.

(b) At a minimum, the report must:

(1) summarize the requirements and implementation of the transportation economic development program established in this section;

(2) review the criteria and economic impact performance measures used for evaluation, prioritization, and selection of projects;

(3) provide a brief overview of each project that received financial assistance under the program, which must at a minimum identify:

(i) basic project characteristics, such as funding recipient, geographic location, and type of transportation modes served;

(ii) sources and respective amounts of project funding; and

(iii) the degree of economic benefit anticipated or observed, following the economic impact performance measures established under subdivision 4;

(4) identify the allocation of funds, including but not limited to a breakdown of total project funds by transportation mode, the amount expended for administrative costs, and the amount transferred to the transportation economic development assistance account;

(5) evaluate the overall economic impact of the program ~~consistent with the accountability measurement requirements under section 116J.997~~; and

(6) provide recommendations for any legislative changes related to the program.

Sec. 34. Minnesota Statutes 2014, section 241.332, subdivision 2, is amended to read:

Subd. 2. **Information to corrections employee.** (a) Before disclosing any information about the inmate, the correctional facility shall inform the corrections employee of the confidentiality requirements of section 241.339 ~~and that the person may be subject to penalties for unauthorized release of test results about the inmate under section 241.34.~~

(b) The correctional facility shall inform the corrections employee of the insurance protections in section 72A.20, subdivision 29.

Sec. 35. Minnesota Statutes 2014, section 241.335, subdivision 2, is amended to read:

Subd. 2. **Procedures without consent.** If the inmate has provided a blood sample, but does not consent to blood-borne pathogens testing, the correctional facility shall ensure that the blood is tested for blood-borne pathogens if the corrections employee requests the test, provided all of the following criteria are met:

(1) the corrections employee and correctional facility have documented exposure to blood or body fluids during performance of the employee's work duties;

(2) a licensed physician has determined that a significant exposure has occurred under section 241.341 and has documented that blood-borne pathogen test results are needed for beginning, modifying, continuing, or discontinuing medical treatment for the corrections employee as recommended by the most current guidelines of the United States Public Health Service;

(3) the corrections employee provides a blood sample for testing for blood-borne pathogens as soon as feasible;

(4) the correctional facility asks the inmate to consent to a test for blood-borne pathogens and the inmate does not consent;

(5) the correctional facility has provided the inmate and the corrections employee with all of the information required by section 241.332; and

(6) the correctional facility has informed the corrections employee of the confidentiality requirements of section 241.339 ~~and the penalties for unauthorized release of inmate information under section 241.34.~~

Sec. 36. Minnesota Statutes 2014, section 241.336, subdivision 3, is amended to read:

Subd. 3. **Procedures without consent; expedited process.** (a) As used in this subdivision, "qualified physician" means a person who:

(1) is a licensed physician employed by or under contract with the correctional facility to provide services to employees and inmates; and

(2) is an infectious disease specialist or consults with an infectious disease specialist or a hospital infectious disease officer.

(b) An inmate in a correctional facility is subject to the release of medical information related to blood-borne pathogen infections or the collection and testing of a blood sample if a significant exposure occurs as determined by procedures in section 241.331, subdivision 2, clause (1). In the absence of affirmative consent and cooperation in the release of medical information or collection of a blood sample, the head of a correctional facility, having reported to and consulted with the state epidemiologist, may order an inmate to provide release of medical information related to blood-borne pathogen infections or a blood sample for testing for blood-borne pathogens if:

(1) the correctional facility followed the procedures in sections 241.33 to 241.336, subdivision 1, and 241.337 to 241.342 and attempted to obtain blood-borne pathogen test results according to those sections;

(2) a qualified physician has determined that a significant exposure has occurred to the corrections employee under section 241.341;

(3) a qualified physician has documented that the corrections employee has received vaccinations for preventing blood-borne pathogens, provided a blood sample, and consented to testing for blood-borne pathogens, and that blood-borne pathogen test results are needed for beginning, continuing, modifying, or discontinuing medical treatment for the corrections employee under section 241.341;

(4) the head of the correctional facility has received affidavits from qualified physicians, treating the corrections worker and the inmate, attesting that a significant exposure has occurred to the corrections employee under section 241.341;

(5) the correctional facility imposes appropriate safeguards against unauthorized disclosure and use of medical information or samples consistent with those established in sections 241.331 to ~~241.34~~ 241.339;

(6) a qualified physician for the corrections employee needs the test results for beginning, continuing, modifying, or discontinuing medical treatment for the corrections employee; and

(7) the head of the correctional facility finds a compelling need for the medical information or test results.

In assessing whether a compelling need exists under clause (7), the head of the correctional facility shall weigh the officer's need for the exchange of medical information or blood collection and test results against the interests of the inmate, including, but not limited to, privacy, health, safety, or economic interests. The head of the correctional facility shall also consider whether release of medical information or involuntary blood collection and testing would serve or harm public health interests.

(c) Each state and local correctional facility shall adopt a plan for implementing by July 1, 2006, policies and procedures for:

(1) the education and treatment of corrections employees and inmates that are consistent with those established by the Department of Corrections;

(2) ensuring that corrections employees and inmates are routinely offered and are provided voluntary vaccinations to prevent blood-borne pathogen infections;

(3) ensuring that corrections employees and inmates are routinely offered and are provided with voluntary postexposure prophylactic treatments for blood-borne pathogen infections in accordance with the most current guidelines of the United States Public Health Service; and

(4) ensuring voluntary access to treatment for blood-borne pathogen infections in accordance with the most current guidelines of the United States Public Health Service for corrections workers or inmates who are determined to have a blood-borne pathogen infection through procedures established in sections 241.331 to ~~241.34~~ 241.339.

(d) The commissioner of corrections and the director of each local correctional facility shall provide written notice to each inmate through the inmate handbook, or a comparable document, of the provisions of this subdivision.

Sec. 37. Minnesota Statutes 2014, section 244.05, subdivision 5, is amended to read:

Subd. 5. **Supervised release, life sentence.** (a) The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence

under section 609.185, paragraph (a), clause (3), (5), or (6); 609.3455, subdivision 3 or 4; 609.385; or Minnesota Statutes 2004, section 609.109, subdivision 3, after the inmate has served the minimum term of imprisonment specified in subdivision 4.

(b) The commissioner shall require the preparation of a community investigation report and shall consider the findings of the report when making a supervised release decision under this subdivision. The report shall reflect the sentiment of the various elements of the community toward the inmate, both at the time of the offense and at the present time. The report shall include the views of the sentencing judge, the prosecutor, any law enforcement personnel who may have been involved in the case, and any successors to these individuals who may have information relevant to the supervised release decision. The report shall also include the views of the victim and the victim's family unless the victim or the victim's family chooses not to participate.

(c) The commissioner shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's supervised release review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be given supervised release at this time. The commissioner must consider the victim's statement when making the supervised release decision.

(d) When considering whether to give supervised release to an inmate serving a life sentence under section 609.3455, subdivision 3 or 4, the commissioner shall consider, at a minimum, the following: the risk the inmate poses to the community if released, the inmate's progress in treatment, the inmate's behavior while incarcerated, psychological or other diagnostic evaluations of the inmate, the inmate's criminal history, and any other relevant conduct of the inmate while incarcerated or before incarceration. The commissioner may not give supervised release to the inmate unless:

(1) while in prison:

(i) the inmate has successfully completed appropriate sex offender treatment;

(ii) the inmate has been assessed for chemical dependency needs and, if appropriate, has successfully completed chemical dependency treatment; and

(iii) the inmate has been assessed for mental health needs and, if appropriate, has successfully completed mental health treatment; and

(2) a comprehensive individual release plan is in place for the inmate that ensures that, after release, the inmate will have suitable housing and receive appropriate aftercare and community-based treatment. The comprehensive plan also must include a postprison employment or education plan for the inmate.

(e) As used in this subdivision, "victim" means the individual who suffered harm as a result of the inmate's crime or, if the individual is deceased, the deceased's surviving spouse or next of kin.

Sec. 38. Minnesota Statutes 2014, section 245.466, subdivision 3a, is amended to read:

Subd. 3a. **Transition plan related to termination of contract.** Counties must prepare a transition plan that provides for continuity of care in the event of contract termination with a community mental health center under section ~~245.715~~ 245.62, or a community support services program under section 245.462, subdivision 6. The county shall provide at least 90 days' notice of the termination to the contracted agency

and the commissioner of human services. The transition plan must provide information to clients on how to access medical records and how to transfer to other providers.

Sec. 39. Minnesota Statutes 2014, section 245.4871, subdivision 13, is amended to read:

Subd. 13. **Education and prevention services.** (a) "Education and prevention services" means services designed to:

(1) educate the general public ~~and groups identified as at risk of developing emotional disturbance under section 245.4872, subdivision 3;~~

(2) increase the understanding and acceptance of problems associated with emotional disturbances;

(3) improve people's skills in dealing with high-risk situations known to affect children's mental health and functioning; and

(4) refer specific children or their families with mental health needs to mental health services.

(b) The services include distribution to individuals and agencies identified by the county board and the local children's mental health advisory council of information on predictors and symptoms of emotional disturbances, where mental health services are available in the county, and how to access the services.

Sec. 40. Minnesota Statutes 2014, section 245.4874, subdivision 1, is amended to read:

Subdivision 1. **Duties of county board.** (a) The county board must:

(1) develop a system of affordable and locally available children's mental health services according to sections 245.487 to 245.4889;

~~(2) establish a mechanism providing for interagency coordination as specified in section 245.4875, subdivision 6;~~

~~(3)~~ (2) consider the assessment of unmet needs in the county as reported by the local children's mental health advisory council under section 245.4875, subdivision 5, paragraph (b), clause (3). The county shall provide, upon request of the local children's mental health advisory council, readily available data to assist in the determination of unmet needs;

~~(4)~~ (3) assure that parents and providers in the county receive information about how to gain access to services provided according to sections 245.487 to 245.4889;

~~(5)~~ (4) coordinate the delivery of children's mental health services with services provided by social services, education, corrections, health, and vocational agencies to improve the availability of mental health services to children and the cost-effectiveness of their delivery;

~~(6)~~ (5) assure that mental health services delivered according to sections 245.487 to 245.4889 are delivered expeditiously and are appropriate to the child's diagnostic assessment and individual treatment plan;

~~(7)~~ (6) provide for case management services to each child with severe emotional disturbance according to sections 245.486; 245.4871, subdivisions 3 and 4; and 245.4881, subdivisions 1, 3, and 5;

~~(8)~~ (7) provide for screening of each child under section 245.4885 upon admission to a residential treatment facility, acute care hospital inpatient treatment, or informal admission to a regional treatment center;

~~(9)~~ (8) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.487 to 245.4889;

~~(10)~~ (9) assure that mental health professionals, mental health practitioners, and case managers employed by or under contract to the county to provide mental health services are qualified under section 245.4871;

~~(11)~~ (10) assure that children's mental health services are coordinated with adult mental health services specified in sections 245.461 to 245.486 so that a continuum of mental health services is available to serve persons with mental illness, regardless of the person's age;

~~(12)~~ (11) assure that culturally competent mental health consultants are used as necessary to assist the county board in assessing and providing appropriate treatment for children of cultural or racial minority heritage; and

~~(13)~~ (12) consistent with section 245.486, arrange for or provide a children's mental health screening for:

- (i) a child receiving child protective services;
- (ii) a child in out-of-home placement;
- (iii) a child for whom parental rights have been terminated;
- (iv) a child found to be delinquent; or
- (v) a child found to have committed a juvenile petty offense for the third or subsequent time.

A children's mental health screening is not required when a screening or diagnostic assessment has been performed within the previous 180 days, or the child is currently under the care of a mental health professional.

(b) When a child is receiving protective services or is in out-of-home placement, the court or county agency must notify a parent or guardian whose parental rights have not been terminated of the potential mental health screening and the option to prevent the screening by notifying the court or county agency in writing.

(c) When a child is found to be delinquent or a child is found to have committed a juvenile petty offense for the third or subsequent time, the court or county agency must obtain written informed consent from the parent or legal guardian before a screening is conducted unless the court, notwithstanding the parent's failure to consent, determines that the screening is in the child's best interest.

(d) The screening shall be conducted with a screening instrument approved by the commissioner of human services according to criteria that are updated and issued annually to ensure that approved screening instruments are valid and useful for child welfare and juvenile justice populations. Screenings shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer or local social services agency staff person who is trained in the use of the screening instrument. Training in the use of the instrument shall include:

- (1) training in the administration of the instrument;
- (2) the interpretation of its validity given the child's current circumstances;
- (3) the state and federal data practices laws and confidentiality standards;
- (4) the parental consent requirement; and
- (5) providing respect for families and cultural values.

If the screen indicates a need for assessment, the child's family, or if the family lacks mental health insurance, the local social services agency, in consultation with the child's family, shall have conducted a diagnostic assessment, including a functional assessment. The administration of the screening shall safeguard the privacy of children receiving the screening and their families and shall comply with the Minnesota Government Data Practices Act, chapter 13, and the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191. Screening results shall be considered private data and the commissioner shall not collect individual screening results.

(e) When the county board refers clients to providers of children's therapeutic services and supports under section 256B.0943, the county board must clearly identify the desired services components not covered under section 256B.0943 and identify the reimbursement source for those requested services, the method of payment, and the payment rate to the provider.

Sec. 41. Minnesota Statutes 2014, section 245.4877, is amended to read:

245.4877 EDUCATION AND PREVENTION SERVICES.

Education and prevention services must be available to all children residing in the county. Education and prevention services must be designed to:

- (1) convey information regarding emotional disturbances, mental health needs, and treatment resources to the general public and ~~groups identified as at high risk of developing emotional disturbance under section 245.4872, subdivision 3;~~
- (2) at least annually, distribute to individuals and agencies identified by the county board and the local children's mental health advisory council information on predictors and symptoms of emotional disturbances, where mental health services are available in the county, and how to access the services;
- (3) increase understanding and acceptance of problems associated with emotional disturbances;
- (4) improve people's skills in dealing with high-risk situations known to affect children's mental health and functioning;
- (5) prevent development or deepening of emotional disturbances; and
- (6) refer each child with emotional disturbance or the child's family with additional mental health needs to appropriate mental health services.

Sec. 42. Minnesota Statutes 2014, section 245.493, subdivision 1, is amended to read:

Subdivision 1. **Qualification requirements.** In order to qualify as a local children's mental health collaborative and be eligible to receive start-up funds, the representatives of the local system of care, ~~including~~

~~entities provided under section 245.4875, subdivision 6,~~ and nongovernmental entities such as parents of children in the target population; parent and consumer organizations; community, civic, and religious organizations; private and nonprofit mental and physical health care providers; culturally specific organizations; local foundations; and businesses, or at a minimum one county, one school district or special education cooperative, one mental health entity, and, by July 1, 1998, one juvenile justice or corrections entity, must agree to the following:

- (1) to establish a local children's mental health collaborative and develop an integrated service system;
 - (2) to commit resources to providing services through the local children's mental health collaborative;
- and
- (3) develop a plan to contribute funds to the children's mental health collaborative.

Sec. 43. Minnesota Statutes 2014, section 245.493, subdivision 1a, is amended to read:

Subd. 1a. **Duties of certain coordinating bodies.** (a) By mutual agreement of the collaborative and a coordinating body listed in this subdivision, a children's mental health collaborative or a collaborative established by the merger of a children's mental health collaborative and a family services collaborative under section 124D.23, may assume the duties of a community transition interagency committee established under section 125A.22; an interagency early intervention committee established under section 125A.30; or a local advisory council established under section 245.4875, subdivision 5; ~~or a local coordinating council established under section 245.4875, subdivision 6.~~

(b) Two or more family services collaboratives or children's mental health collaboratives may consolidate decision making, pool resources, and collectively act on behalf of the individual collaboratives, based on a written agreement among the participating collaboratives.

Sec. 44. Minnesota Statutes 2014, section 245.493, subdivision 2, is amended to read:

Subd. 2. **Duties of the collaborative.** Each local children's mental health collaborative must:

- (1) notify the commissioner of human services within ten days of formation by signing a collaborative agreement and providing the commissioner with a copy of the signed agreement;
- (2) identify a service delivery area and an operational target population within that service delivery area. The operational target population must be economically and culturally representative of children in the service delivery area to be served by the local children's mental health collaborative. The size of the operational target population must also be economically viable for the service delivery area;
- (3) seek to maximize federal revenues available to serve children in the target population by designating local expenditures for services for these children and their families that can be matched with federal dollars;
- (4) in consultation with the local children's advisory council and the local coordinating council, if it is not the local children's mental health collaborative, design, develop, and ensure implementation of an integrated service system that meets the requirements for state and federal reimbursement and develop interagency agreements necessary to implement the system;
- (5) expand membership to include representatives of other services in the local system of care including prepaid health plans under contract with the commissioner of human services to serve the needs of children in the target population and their families;

(6) create or designate a management structure for fiscal and clinical responsibility and outcome evaluation;

(7) spend funds generated by the local children's mental health collaborative as required in sections 245.491 to 245.495;

(8) explore methods and recommend changes needed at the state level to reduce duplication and promote coordination of services including the use of uniform forms for reporting, billing, and planning of services;

(9) submit its integrated service system design to the Children's Cabinet for approval within one year of notifying the commissioner of human services of its formation;

(10) provide an annual report ~~that includes the elements listed in section 245.494, subdivision 2,~~ and the collaborative's planned timeline to expand its operational target population to the Children's Cabinet; and

(11) expand its operational target population.

~~Each local children's mental health collaborative may contract with the commissioner of human services to become a medical assistance provider of mental health services according to section 245.4933.~~

Sec. 45. Minnesota Statutes 2014, section 245A.191, is amended to read:

245A.191 PROVIDER ELIGIBILITY FOR PAYMENTS FROM THE CHEMICAL DEPENDENCY CONSOLIDATED TREATMENT FUND.

(a) When a chemical dependency treatment provider licensed under Minnesota Rules, parts 2960.0430 to 2960.0490 or 9530.6405 to 9530.6505, agrees to meet the applicable requirements under section 254B.05, subdivision 5, paragraphs (b), clauses (1) to (4) and (6), (c), and ~~(d)~~ (e), to be eligible for enhanced funding from the chemical dependency consolidated treatment fund, the applicable requirements under section 254B.05 are also licensing requirements that may be monitored for compliance through licensing investigations and licensing inspections.

(b) Noncompliance with the requirements identified under paragraph (a) may result in:

(1) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(2) nonpayment of claims submitted by the license holder for public program reimbursement;

(3) recovery of payments made for the service;

(4) disenrollment in the public payment program; or

(5) other administrative, civil, or criminal penalties as provided by law.

Sec. 46. Minnesota Statutes 2014, 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) (c), 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, section 2.34(c), prior to implementing this subdivision.

Sec. 47. Minnesota Statutes 2014, section 245A.50, subdivision 4, is amended to read:

Subd. 4. **Cardiopulmonary resuscitation.** (a) When children are present in a family child care home governed by Minnesota Rules, parts 9502.0315 to 9502.0445, at least one caregiver must be present in the home who has been trained in cardiopulmonary resuscitation (CPR), including CPR techniques for infants and children, and in the treatment of obstructed airways ~~that includes CPR techniques for infants and children~~. The CPR training must have been provided by an individual approved to provide CPR instruction, must be repeated at least once every two years, and must be documented in the ~~staff person's~~ caregiver's records.

(b) A family child care provider is exempt from the CPR training requirement in this subdivision related to any substitute caregiver who provides less than 30 hours of care during any 12-month period.

(c) Persons providing CPR training must use CPR training that has been developed:

(1) by the American Heart Association or the American Red Cross and incorporates psychomotor skills to support the instruction; or

(2) using nationally recognized, evidence-based guidelines for CPR training and incorporates psychomotor skills to support the instruction.

Sec. 48. Minnesota Statutes 2014, section 245C.03, subdivision 2, is amended to read:

Subd. 2. **Personal care provider organizations and community first services and supports workers.** The commissioner shall conduct background studies on any individual required under sections 256B.0651 to 256B.0654; and 256B.0659; ~~and 256B.85~~ to have a background study completed under this chapter.

Sec. 49. Minnesota Statutes 2014, section 245C.22, subdivision 5, is amended to read:

Subd. 5. **Scope of set-aside.** (a) If the commissioner sets aside a disqualification under this section, the disqualified individual remains disqualified, but may hold a license and have direct contact with or access to persons receiving services. Except as provided in paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the licensed program, applicant, or agency specified in the set aside notice under section 245C.23. For personal care provider organizations, the commissioner's set-aside may further be limited to a specific individual who is receiving services. For new background studies required under section 245C.04, subdivision 1, paragraph (i) ~~(g)~~, if an individual's disqualification was previously set aside for the license holder's program and the new background study results in no new information that indicates the individual may pose a risk of harm to persons receiving services from the license holder, the previous set-aside shall remain in effect.

(b) If the commissioner has previously set aside an individual's disqualification for one or more programs or agencies, and the individual is the subject of a subsequent background study for a different program or agency, the commissioner shall determine whether the disqualification is set aside for the program or agency that initiated the subsequent background study. A notice of a set-aside under paragraph (c) shall be issued within 15 working days if all of the following criteria are met:

(1) the subsequent background study was initiated in connection with a program licensed or regulated under the same provisions of law and rule for at least one program for which the individual's disqualification was previously set aside by the commissioner;

(2) the individual is not disqualified for an offense specified in section 245C.15, subdivision 1 or 2;

(3) the commissioner has received no new information to indicate that the individual may pose a risk of harm to any person served by the program; and

(4) the previous set-aside was not limited to a specific person receiving services.

(c) When a disqualification is set aside under paragraph (b), the notice of background study results issued under section 245C.17, in addition to the requirements under section 245C.17, shall state that the disqualification is set aside for the program or agency that initiated the subsequent background study. The notice must inform the individual that the individual may request reconsideration of the disqualification under section 245C.21 on the basis that the information used to disqualify the individual is incorrect.

Sec. 50. Minnesota Statutes 2014, section 245D.061, subdivision 1, is amended to read:

Subdivision 1. **Standards for emergency use of manual restraints.** The license holder must ensure that emergency use of manual restraints complies with the requirements of this chapter and the license holder's policy and procedures as required under subdivision ~~40~~ 9. For the purposes of persons receiving

services governed by this chapter, this section supersedes the requirements identified in Minnesota Rules, part 9525.2770.

Sec. 51. Minnesota Statutes 2014, section 253B.07, subdivision 7, is amended to read:

Subd. 7. **Preliminary hearing.** (a) No proposed patient may be held in a treatment facility under a judicial hold pursuant to subdivision 6 2b longer than 72 hours, exclusive of Saturdays, Sundays, and legal holidays, unless the court holds a preliminary hearing and determines that the standard is met to hold the person.

(b) The proposed patient, patient's counsel, the petitioner, the county attorney, and any other persons as the court directs shall be given at least 24 hours written notice of the preliminary hearing. The notice shall include the alleged grounds for confinement. The proposed patient shall be represented at the preliminary hearing by counsel. The court may admit reliable hearsay evidence, including written reports, for the purpose of the preliminary hearing.

(c) The court, on its motion or on the motion of any party, may exclude or excuse a proposed patient who is seriously disruptive or who is incapable of comprehending and participating in the proceedings. In such instances, the court shall, with specificity on the record, state the behavior of the proposed patient or other circumstances which justify proceeding in the absence of the proposed patient.

(d) The court may continue the judicial hold of the proposed patient if it finds, by a preponderance of the evidence, that serious physical harm to the proposed patient or others is likely if the proposed patient is not immediately confined. If a proposed patient was acquitted of a crime against the person under section 611.026 immediately preceding the filing of the petition, the court may presume that serious physical harm to the patient or others is likely if the proposed patient is not immediately confined.

(e) Upon a showing that a person subject to a petition for commitment may need treatment with neuroleptic medications and that the person may lack capacity to make decisions regarding that treatment, the court may appoint a substitute decision-maker as provided in section 253B.092, subdivision 6. The substitute decision-maker shall meet with the proposed patient and provider and make a report to the court at the hearing under section 253B.08 regarding whether the administration of neuroleptic medications is appropriate under the criteria of section 253B.092, subdivision 7. If the substitute decision-maker consents to treatment with neuroleptic medications and the proposed patient does not refuse the medication, neuroleptic medication may be administered to the patient. If the substitute decision-maker does not consent or the patient refuses, neuroleptic medication may not be administered without a court order, or in an emergency as set forth in section 253B.092, subdivision 3.

Sec. 52. Minnesota Statutes 2014, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for chemical dependency services and service enhancements funded under this chapter.

(b) Eligible chemical dependency treatment services include:

(1) outpatient treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480, or applicable tribal license;

(2) medication-assisted therapy services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6500, or applicable tribal license;

(3) medication-assisted therapy plus enhanced treatment services that meet the requirements of clause (2) and provide nine hours of clinical services each week;

(4) high, medium, and low intensity residential treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;

(5) hospital-based treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480, or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

(6) adolescent treatment programs that are licensed as outpatient treatment programs according to Minnesota Rules, parts 9530.6405 to 9530.6485, or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license; and

(7) room and board facilities that meet the requirements of ~~section 254B.05~~, subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during hours of treatment activity that meets the requirements in Minnesota Rules, part 9530.6490, or section 245A.03, subdivision 2; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific programs as defined in section 254B.01, subdivision 8 4a, if the program meets the requirements in Minnesota Rules, part 9530.6605, subpart 13;

(3) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; and

(4) programs that offer services to individuals with co-occurring mental health and chemical dependency problems if:

(i) the program meets the co-occurring requirements in Minnesota Rules, part 9530.6495;

(ii) 25 percent of the counseling staff are licensed mental health professionals, as defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and licensed mental health professional, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance abuse disorders and the interaction between the two; and

(vi) co-occurring counseling staff will receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the chemical dependency facility of the child care provider's current licensure to provide child care services. Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in Minnesota Rules, part 9530.6490.

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

Sec. 53. Minnesota Statutes 2014, section 256.01, subdivision 14b, is amended to read:

Subd. 14b. **American Indian child welfare projects.** (a) The commissioner of human services may authorize projects to test tribal delivery of child welfare services to American Indian children and their parents and custodians living on the reservation. The commissioner has authority to solicit and determine which tribes may participate in a project. Grants may be issued to Minnesota Indian tribes to support the projects. The commissioner may waive existing state rules as needed to accomplish the projects. Notwithstanding section 626.556, the commissioner may authorize projects to use alternative methods of investigating and assessing reports of child maltreatment, provided that the projects comply with the provisions of section 626.556 dealing with the rights of individuals who are subjects of reports or investigations, including notice and appeal rights and data practices requirements. The commissioner may seek any federal approvals necessary to carry out the projects as well as seek and use any funds available to the commissioner, including use of federal funds, foundation funds, existing grant funds, and other funds. The commissioner is authorized to advance state funds as necessary to operate the projects. Federal reimbursement applicable to the projects is appropriated to the commissioner for the purposes of the projects. The projects must be required to address responsibility for safety, permanency, and well-being of children.

(b) For the purposes of this section, "American Indian child" means a person under 21 years old and who is a tribal member or eligible for membership in one of the tribes chosen for a project under this subdivision and who is residing on the reservation of that tribe.

(c) In order to qualify for an American Indian child welfare project, a tribe must:

- (1) be one of the existing tribes with reservation land in Minnesota;
- (2) have a tribal court with jurisdiction over child custody proceedings;
- (3) have a substantial number of children for whom determinations of maltreatment have occurred;
- (4) have capacity to respond to reports of abuse and neglect under section 626.556;
- (5) provide a wide range of services to families in need of child welfare services; and

(6) have a tribal-state title IV-E agreement in effect.

(d) Grants awarded under this section may be used for the nonfederal costs of providing child welfare services to American Indian children on the tribe's reservation, including costs associated with:

(1) assessment and prevention of child abuse and neglect;

(2) family preservation;

(3) facilitative, supportive, and reunification services;

(4) out-of-home placement for children removed from the home for child protective purposes; and

(5) other activities and services approved by the commissioner that further the goals of providing safety, permanency, and well-being of American Indian children.

(e) When a tribe has initiated a project and has been approved by the commissioner to assume child welfare responsibilities for American Indian children of that tribe under this section, the affected county social service agency is relieved of responsibility for responding to reports of abuse and neglect under section 626.556 for those children during the time within which the tribal project is in effect and funded. The commissioner shall work with tribes and affected counties to develop procedures for data collection, evaluation, and clarification of ongoing role and financial responsibilities of the county and tribe for child welfare services prior to initiation of the project. Children who have not been identified by the tribe as participating in the project shall remain the responsibility of the county. Nothing in this section shall alter responsibilities of the county for law enforcement or court services.

(f) Participating tribes may conduct children's mental health screenings under section 245.4874, subdivision 1, paragraph (a), clause ~~(13)~~ (12), for children who are eligible for the initiative and living on the reservation and who meet one of the following criteria:

(1) the child must be receiving child protective services;

(2) the child must be in foster care; or

(3) the child's parents must have had parental rights suspended or terminated.

Tribes may access reimbursement from available state funds for conducting the screenings. Nothing in this section shall alter responsibilities of the county for providing services under section 245.487.

(g) Participating tribes may establish a local child mortality review panel. In establishing a local child mortality review panel, the tribe agrees to conduct local child mortality reviews for child deaths or near-fatalities occurring on the reservation under subdivision 12. Tribes with established child mortality review panels shall have access to nonpublic data and shall protect nonpublic data under subdivision 12, paragraphs (c) to (e). The tribe shall provide written notice to the commissioner and affected counties when a local child mortality review panel has been established and shall provide data upon request of the commissioner for purposes of sharing nonpublic data with members of the state child mortality review panel in connection to an individual case.

(h) The commissioner shall collect information on outcomes relating to child safety, permanency, and well-being of American Indian children who are served in the projects. Participating tribes must provide information to the state in a format and completeness deemed acceptable by the state to meet state and federal reporting requirements.

(i) In consultation with the White Earth Band, the commissioner shall develop and submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services a plan to transfer legal responsibility for providing child protective services to White Earth Band member children residing in Hennepin County to the White Earth Band. The plan shall include a financing proposal, definitions of key terms, statutory amendments required, and other provisions required to implement the plan. The commissioner shall submit the plan by January 15, 2012.

Sec. 54. Minnesota Statutes 2014, section 256.969, subdivision 8, is amended to read:

Subd. 8. **Unusual length of stay experience.** (a) The commissioner shall establish day outlier thresholds for each diagnostic category established under subdivision 2 at two standard deviations beyond the mean length of stay. Payment for the days beyond the outlier threshold shall be in addition to the operating and property payment rates per admission established under subdivisions 2 and 2b. Payment for outliers shall be at 70 percent of the allowable operating cost, after adjustment by the case mix index, hospital cost index, relative values and the disproportionate population adjustment. The outlier threshold for neonatal and burn diagnostic categories shall be established at one standard deviation beyond the mean length of stay, and payment shall be at 90 percent of allowable operating cost calculated in the same manner as other outliers. A hospital may choose an alternative to the 70 percent outlier payment that is at a minimum of 60 percent and a maximum of 80 percent if the commissioner is notified in writing of the request by October 1 of the year preceding the rate year. The chosen percentage applies to all diagnostic categories except burns and neonates. The percentage of allowable cost that is unrecognized by the outlier payment shall be added back to the base year operating payment rate per admission.

(b) Effective for transfers occurring on and after November 1, 2014, the commissioner shall establish payment rates for ~~acute transfers~~ outlier payments that are based on Medicare methodologies.

Sec. 55. Minnesota Statutes 2014, section 256.969, subdivision 23, is amended to read:

Subd. 23. **Hospital payment adjustment after June 30, 1993.** (a) For admissions occurring after June 30, 1993, the commissioner shall adjust the medical assistance payment paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment under clause (1) for that hospital by 1.1.

(b) Any payment under this subdivision must be reduced by the amount of any payment received under subdivision 9, paragraph ~~(b)~~ (a), clause (1) or (2). For purposes of this subdivision, medical assistance does not include general assistance medical care.

(c) The commissioner shall adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in this section. The adjustment must be made on a nondiscounted hospital-specific basis.

Sec. 56. Minnesota Statutes 2014, section 256B.0654, subdivision 2b, is amended to read:

Subd. 2b. **Noncovered home care nursing services.** Home care nursing services do not cover the following:

(1) nursing services by a nurse who is the family foster care provider of a person who has not reached 18 years of age unless allowed under subdivision 4;

(2) nursing services to more than two persons receiving shared home care nursing services from a home care nurse in a single setting; and

(3) nursing services provided by a registered nurse or licensed practical nurse who is the recipient's legal guardian or related to the recipient as spouse, parent, or family foster parent whether by blood, marriage, or adoption except as specified in ~~section 256B.0652~~, subdivision 4.

Sec. 57. Minnesota Statutes 2014, section 256B.199, is amended to read:

256B.199 PAYMENTS REPORTED BY GOVERNMENTAL ENTITIES.

(a) The commissioner shall apply for federal matching funds for the expenditures in paragraphs (b) and (c).

(b) The commissioner shall apply for federal matching funds for certified public expenditures as follows:

(1) Hennepin County, Hennepin County Medical Center, Ramsey County, and Regions Hospital shall report quarterly to the commissioner beginning June 1, 2007, payments made during the second previous quarter that may qualify for reimbursement under federal law;

(2) based on these reports, the commissioner shall apply for federal matching funds; and

(3) by May 1 of each year, beginning May 1, 2007, the commissioner shall inform the nonstate entities listed in paragraph (a) of the amount of federal disproportionate share hospital payment money expected to be available in the current federal fiscal year.

(c) For the period from April 1, 2009, to September 30, 2010, the commissioner shall apply for additional federal matching funds available as disproportionate share hospital payments under the American Recovery and Reinvestment Act of 2009. These funds shall be made available as the state share of payments. The entities required to report certified public expenditures under paragraph (b), clause (1), shall report additional certified public expenditures as necessary under this paragraph.

(d) For services provided on or after September 1, 2011, the commissioner shall apply for additional federal matching funds available as disproportionate share hospital payments under the MinnesotaCare program. A hospital may elect on an annual basis to not be a disproportionate share hospital for purposes of this paragraph, if the hospital does not qualify for a payment under section 256.969, subdivision 9, paragraph (b) ~~(a)~~.

Sec. 58. Minnesota Statutes 2014, section 256B.76, subdivision 4, is amended to read:

Subd. 4. **Critical access dental providers.** (a) Effective for dental services rendered on or after January 1, 2002, the commissioner shall increase reimbursements to dentists and dental clinics deemed by the com-

missioner to be critical access dental providers. For dental services rendered on or after July 1, 2007, the commissioner shall increase reimbursement by 35 percent above the reimbursement rate that would otherwise be paid to the critical access dental provider. The commissioner shall pay the managed care plans and county-based purchasing plans in amounts sufficient to reflect increased reimbursements to critical access dental providers as approved by the commissioner.

(b) The commissioner shall designate the following dentists and dental clinics as critical access dental providers:

(1) nonprofit community clinics that:

(i) have nonprofit status in accordance with chapter 317A;

(ii) have tax exempt status in accordance with the Internal Revenue Code, section 501(c)(3);

(iii) are established to provide oral health services to patients who are low income, uninsured, have special needs, and are underserved;

(iv) have professional staff familiar with the cultural background of the clinic's patients;

(v) charge for services on a sliding fee scale designed to provide assistance to low-income patients based on current poverty income guidelines and family size;

(vi) do not restrict access or services because of a patient's financial limitations or public assistance status; and

(vii) have free care available as needed;

(2) federally qualified health centers, rural health clinics, and public health clinics;

(3) city or county owned and operated hospital-based dental clinics;

(4) a dental clinic or dental group owned and operated by a nonprofit corporation in accordance with chapter 317A with more than 10,000 patient encounters per year with patients who are uninsured or covered by medical assistance or MinnesotaCare;

(5) a dental clinic owned and operated by the University of Minnesota or the Minnesota State Colleges and Universities system; and

(6) private practicing dentists if:

(i) the dentist's office is located within a health professional shortage area as defined under Code of Federal Regulations, title 42, part 5, and United States Code, title 42, section 254E;

(ii) more than 50 percent of the dentist's patient encounters per year are with patients who are uninsured or covered by medical assistance or MinnesotaCare;

(iii) the dentist does not restrict access or services because of a patient's financial limitations or public assistance status; and

(iv) the level of service provided by the dentist is critical to maintaining adequate levels of patient access within the service area in which the dentist operates.

~~(c) A designated critical access clinic shall receive the reimbursement rate specified in paragraph (a) for dental services provided off site at a private dental office if the following requirements are met:~~

~~(1) the designated critical access dental clinic is located within a health professional shortage area as defined under Code of Federal Regulations, title 42, part 5, and United States Code, title 42, section 254E, and is located outside the seven-county metropolitan area;~~

~~(2) the designated critical access dental clinic is not able to provide the service and refers the patient to the off-site dentist;~~

~~(3) the service, if provided at the critical access dental clinic, would be reimbursed at the critical access reimbursement rate;~~

~~(4) the dentist and allied dental professionals providing the services off site are licensed and in good standing under chapter 150A;~~

~~(5) the dentist providing the services is enrolled as a medical assistance provider;~~

~~(6) the critical access dental clinic submits the claim for services provided off site and receives the payment for the services; and~~

~~(7) the critical access dental clinic maintains dental records for each claim submitted under this paragraph, including the name of the dentist, the off-site location, and the license number of the dentist and allied dental professionals providing the services.~~

Sec. 59. Minnesota Statutes 2014, section 256J.14, is amended to read:

256J.14 ELIGIBILITY FOR PARENTING OR PREGNANT MINORS.

(a) The definitions in this paragraph only apply to this ~~subdivision~~ section.

(1) "Household of a parent, legal guardian, or other adult relative" means the place of residence of:

(i) a natural or adoptive parent;

(ii) a legal guardian according to appointment or acceptance under sections 260C.325 or 524.5-201 to 524.5-317, and related laws;

(iii) a caregiver as defined in section 256J.08, subdivision 11; or

(iv) an appropriate adult relative designated by a county agency.

(2) "Adult supervised supportive living arrangement" means a private family setting which assumes responsibility for the care and control of the minor parent and minor child, or other living arrangement, not including a public institution, licensed by the commissioner of human services which ensures that the minor parent receives adult supervision and supportive services, such as counseling, guidance, independent living skills training, or supervision.

(b) A minor parent and the minor child who is in the care of the minor parent must reside in the household of a parent, legal guardian, other adult relative, or in an adult supervised supportive living arrangement in order to receive MFIP unless:

(1) the minor parent has no living parent, other adult relative, or legal guardian whose whereabouts is known;

(2) no living parent, other adult relative, or legal guardian of the minor parent allows the minor parent to live in the parent's, other adult relative's, or legal guardian's home;

(3) the minor parent lived apart from the minor parent's own parent or legal guardian for a period of at least one year before either the birth of the minor child or the minor parent's application for MFIP;

(4) the physical or emotional health or safety of the minor parent or minor child would be jeopardized if the minor parent and the minor child resided in the same residence with the minor parent's parent, other adult relative, or legal guardian; or

(5) an adult supervised supportive living arrangement is not available for the minor parent and child in the county in which the minor parent and child currently reside. If an adult supervised supportive living arrangement becomes available within the county, the minor parent and child must reside in that arrangement.

(c) The county agency shall inform minor applicants both orally and in writing about the eligibility requirements, their rights and obligations under the MFIP program, and any other applicable orientation information. The county must advise the minor of the possible exemptions under section 256J.54, subdivision 5, and specifically ask whether one or more of these exemptions is applicable. If the minor alleges one or more of these exemptions, then the county must assist the minor in obtaining the necessary verifications to determine whether or not these exemptions apply.

(d) If the county worker has reason to suspect that the physical or emotional health or safety of the minor parent or minor child would be jeopardized if they resided with the minor parent's parent, other adult relative, or legal guardian, then the county worker must make a referral to child protective services to determine if paragraph (b), clause (4), applies. A new determination by the county worker is not necessary if one has been made within the last six months, unless there has been a significant change in circumstances which justifies a new referral and determination.

(e) If a minor parent is not living with a parent, legal guardian, or other adult relative due to paragraph (b), clause (1), (2), or (4), the minor parent must reside, when possible, in a living arrangement that meets the standards of paragraph (a), clause (2).

(f) Regardless of living arrangement, MFIP must be paid, when possible, in the form of a protective payment on behalf of the minor parent and minor child according to section 256J.39, subdivisions 2 to 4.

Sec. 60. Minnesota Statutes 2014, section 256J.21, subdivision 2, is amended to read:

Subd. 2. **Income exclusions.** The following must be excluded in determining a family's available income:

(1) payments for basic care, difficulty of care, and clothing allowances received for providing family foster care to children or adults under Minnesota Rules, parts 9555.5050 to 9555.6265, 9560.0521, and 9560.0650 to 9560.0655, payments for family foster care for children under section 260C.4411 or chapter 256N, and payments received and used for care and maintenance of a third-party beneficiary who is not a household member;

(2) reimbursements for employment training received through the Workforce Investment Act of 1998, United States Code, title 20, chapter 73, section 9201;

(3) reimbursement for out-of-pocket expenses incurred while performing volunteer services, jury duty, employment, or informal carpooling arrangements directly related to employment;

(4) all educational assistance, except the county agency must count graduate student teaching assistantships, fellowships, and other similar paid work as earned income and, after allowing deductions for any unmet and necessary educational expenses, shall count scholarships or grants awarded to graduate students that do not require teaching or research as unearned income;

(5) loans, regardless of purpose, from public or private lending institutions, governmental lending institutions, or governmental agencies;

(6) loans from private individuals, regardless of purpose, provided an applicant or participant documents that the lender expects repayment;

(7)(i) state income tax refunds; and

(ii) federal income tax refunds;

(8)(i) federal earned income credits;

(ii) Minnesota working family credits;

(iii) state homeowners and renters credits under chapter 290A; and

(iv) federal or state tax rebates;

(9) funds received for reimbursement, replacement, or rebate of personal or real property when these payments are made by public agencies, awarded by a court, solicited through public appeal, or made as a grant by a federal agency, state or local government, or disaster assistance organizations, subsequent to a presidential declaration of disaster;

(10) the portion of an insurance settlement that is used to pay medical, funeral, and burial expenses, or to repair or replace insured property;

(11) reimbursements for medical expenses that cannot be paid by medical assistance;

(12) payments by a vocational rehabilitation program administered by the state under chapter 268A, except those payments that are for current living expenses;

(13) in-kind income, including any payments directly made by a third party to a provider of goods and services;

(14) assistance payments to correct underpayments, but only for the month in which the payment is received;

(15) payments for short-term emergency needs under section 256J.626, subdivision 2;

(16) funeral and cemetery payments as provided by section 256.935;

(17) nonrecurring cash gifts of \$30 or less, not exceeding \$30 per participant in a calendar month;

(18) any form of energy assistance payment made through Public Law 97-35, Low-Income Home Energy Assistance Act of 1981, payments made directly to energy providers by other public and private agencies, and any form of credit or rebate payment issued by energy providers;

(19) Supplemental Security Income (SSI), including retroactive SSI payments and other income of an SSI recipient, except as described in section 256J.37, subdivision 3b;

(20) Minnesota supplemental aid, including retroactive payments;

(21) proceeds from the sale of real or personal property;

(22) adoption or kinship assistance payments under chapter 256N or 259A and Minnesota permanency demonstration title IV-E waiver payments;

(23) state-funded family subsidy program payments made under section 252.32 to help families care for children with developmental disabilities, consumer support grant funds under section 256.476, and resources and services for a disabled household member under one of the home and community-based waiver services programs under chapter 256B;

(24) interest payments and dividends from property that is not excluded from and that does not exceed the asset limit;

(25) rent rebates;

(26) income earned by a minor caregiver, minor child through age 6, or a minor child who is at least a half-time student in an approved elementary or secondary education program;

(27) income earned by a caregiver under age 20 who is at least a half-time student in an approved elementary or secondary education program;

(28) MFIP child care payments under section 119B.05;

(29) all other payments made through MFIP to support a caregiver's pursuit of greater economic stability;

(30) income a participant receives related to shared living expenses;

(31) reverse mortgages;

(32) benefits provided by the Child Nutrition Act of 1966, United States Code, title 42, chapter 13A, sections 1771 to 1790;

(33) benefits provided by the women, infants, and children (WIC) nutrition program, United States Code, title 42, chapter 13A, section 1786;

(34) benefits from the National School Lunch Act, United States Code, title 42, chapter 13, sections 1751 to 1769e;

(35) relocation assistance for displaced persons under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, United States Code, title 42, chapter 61, subchapter II, section 4636, or the National Housing Act, United States Code, title 12, chapter 13, sections 1701 to 1750jj;

(36) benefits from the Trade Act of 1974, United States Code, title 19, chapter 12, part 2, sections 2271 to 2322;

(37) war reparations payments to Japanese Americans and Aleuts under United States Code, title 50, sections 1989 to 1989d;

(38) payments to veterans or their dependents as a result of legal settlements regarding Agent Orange or other chemical exposure under Public Law 101-239, section 10405, paragraph (a)(2)(E);

(39) income that is otherwise specifically excluded from MFIP consideration in federal law, state law, or federal regulation;

(40) security and utility deposit refunds;

(41) American Indian tribal land settlements excluded under Public Laws 98-123, 98-124, and 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech Lake, and Mille Lacs reservations and payments to members of the White Earth Band, under United States Code, title 25, chapter 9, section 331, and chapter 16, section 1407;

(42) all income of the minor parent's parents and stepparents when determining the grant for the minor parent in households that include a minor parent living with parents or stepparents on MFIP with other children;

(43) income of the minor parent's parents and stepparents equal to 200 percent of the federal poverty guideline for a family size not including the minor parent and the minor parent's child in households that include a minor parent living with parents or stepparents not on MFIP when determining the grant for the minor parent. The remainder of income is deemed as specified in section 256J.37, subdivision 1b;

(44) payments made to children eligible for relative custody assistance under section 257.85;

(45) vendor payments for goods and services made on behalf of a client unless the client has the option of receiving the payment in cash;

(46) the principal portion of a contract for deed payment;

(47) cash payments to individuals enrolled for full-time service as a volunteer under AmeriCorps programs including AmeriCorps VISTA, AmeriCorps State, AmeriCorps National, and AmeriCorps NCCC; and

(48) housing assistance grants under section 256J.35, paragraph (a).

EFFECTIVE DATE. This section is effective retroactively from January 1, 2015.

Sec. 61. Minnesota Statutes 2014, section 256J.61, is amended to read:

256J.61 REPORTING REQUIREMENTS.

The commissioner of human services, in cooperation with the commissioner of employment and economic development, shall develop reporting requirements for county agencies and employment and training service providers according to section 256.01, subdivision 2, paragraph (17) (q). Reporting requirements must, to the extent possible, use existing client tracking systems and must be within the limits

of funds available. The requirements must include summary information necessary for state agencies and the legislature to evaluate the effectiveness of the services.

Sec. 62. Minnesota Statutes 2014, section 260B.185, subdivision 1, is amended to read:

Subdivision 1. **Detention.** Before July 1, 1999, and pursuant to a request from an eight-day temporary holdover facility, as defined in Minnesota Statutes 1998, section 241.0221, the commissioner of corrections, or the commissioner's designee, may grant a onetime extension per child to the eight-day limit on detention under this chapter. This extension may allow such a facility to detain a child for up to 30 days including weekends and holidays. Upon the expiration of the extension, the child may not be transferred to another eight-day temporary holdover facility. The commissioner shall develop criteria for granting extensions under this section. These criteria must ensure that the child be transferred to a long-term juvenile detention facility as soon as such a transfer is possible. Nothing in this section changes the requirements in section 260B.178 regarding the necessity of detention hearings to determine whether continued detention of the child is proper.

Sec. 63. Minnesota Statutes 2014, section 268.046, subdivision 1, is amended to read:

Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a taxpaying employer to have that person obtain the taxpaying employer's workforce and provide workers to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for the duration of the contract the taxpaying employer's account under section 268.045. That tax account must be maintained by the person separate and distinct from every other tax account held by the person and identified in a manner prescribed by the commissioner. The tax account is, for the duration of the contract, considered that person's account for all purposes of this chapter. The workers obtained from the taxpaying employer and any other workers provided by that person to the taxpaying employer, including officers of the taxpaying employer as defined in section 268.035, subdivision 20, clause ~~(30)~~ (29), whose wages paid by the person are considered paid in covered employment under section 268.035, subdivision 24, for the duration of the contract between the taxpaying employer and the person, must, under section 268.044, be reported on the wage detail report under that tax account, and that person must pay any taxes due at the tax rate computed for that account under section 268.051, subdivision 2.

(b) Any workers of the taxpaying employer who are not covered by the contract under paragraph (a) must be reported by the taxpaying employer as a separate unit on the wage detail report under the tax account assigned under paragraph (a). Taxes and any other amounts due on the wages reported by the taxpaying employer under this paragraph may be paid directly by the taxpaying employer.

(c) If the taxpaying employer that contracts with a person under paragraph (a) does not have a tax account at the time of the execution of the contract, an account must be registered for the taxpaying employer under section 268.042 and the new employer tax rate under section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the person as provided for in paragraph (a).

(d) A person that contracts with a taxpaying employer under paragraph (a) must, within 30 calendar days of the execution or termination of a contract, notify the commissioner by electronic transmission, in a format prescribed by the commissioner, of that execution or termination. The taxpaying employer's name, the account number assigned, and any other information required by the commissioner must be provided by that person.

(e) Any contract subject to paragraph (a) must specifically inform the taxpaying employer of the assignment of the tax account under this section and the taxpaying employer's obligation under paragraph

(b). If there is a termination of the contract, the tax account is, as of the date of termination, immediately assigned to the taxpaying employer.

Sec. 64. Minnesota Statutes 2014, section 297A.68, subdivision 2, is amended to read:

Subd. 2. **Materials consumed in industrial production.** (a) Materials stored, used, or consumed in industrial production of tangible personal property intended to be sold ultimately at retail, are exempt, whether or not the item so used becomes an ingredient or constituent part of the property produced. Materials that qualify for this exemption include, but are not limited to, the following:

(1) chemicals, including chemicals used for cleaning food processing machinery and equipment;

(2) materials, including chemicals, fuels, and electricity purchased by persons engaged in industrial production to treat waste generated as a result of the production process;

(3) fuels, electricity, gas, and steam used or consumed in the production process, except that electricity, gas, or steam used for space heating, cooling, or lighting is exempt if (i) it is in excess of the average climate control or lighting for the production area, and (ii) it is necessary to produce that particular product;

(4) petroleum products and lubricants;

(5) packaging materials, including returnable containers used in packaging food and beverage products;

(6) accessory tools, equipment, and other items that are separate detachable units with an ordinary useful life of less than 12 months used in producing a direct effect upon the product; and

(7) the following materials, tools, and equipment used in metal-casting: crucibles, thermocouple protection sheaths and tubes, stalk tubes, refractory materials, molten metal filters and filter boxes, degassing lances, and base blocks.

(b) This exemption does not include:

(1) machinery, equipment, implements, tools, accessories, appliances, contrivances and furniture and fixtures, except those listed in paragraph (a), clause (6); and

(2) petroleum and special fuels used in producing or generating power for propelling ready-mixed concrete trucks on the public highways of this state.

(c) Industrial production includes, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products (whether vegetable or animal), commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity, the production of road building materials, and the research, development, design, or production of computer software. Industrial production does not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process.

(d) Industrial production does not include:

(1) the furnishing of services listed in section 297A.61, subdivision 3, paragraph (g), clause (6), items (i) to (vi) and (viii), or paragraph (m); or

(2) the transportation, transmission, or distribution of petroleum, liquefied gas, natural gas, water, or steam, in, by, or through pipes, lines, tanks, mains, or other means of transporting those products. For

purposes of this paragraph, "transportation, transmission, or distribution" does not include blending of petroleum or biodiesel fuel as defined in section 239.77.

Sec. 65. Minnesota Statutes 2014, section 297E.02, subdivision 6, is amended to read:

Subd. 6. **Combined net receipts tax.** (a) In addition to the taxes imposed under subdivision 1, a tax is imposed on the combined net receipts of the organization. As used in this section, "combined net receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles, and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for the fiscal year. The combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the fiscal year are:	The tax is:
Not over \$87,500	nine percent
Over \$87,500, but not over \$122,500	\$7,875 plus 18 percent of the amount over \$87,500, but not over \$122,500
Over \$122,500, but not over \$157,500	\$14,175 plus 27 percent of the amount over \$122,500, but not over \$157,500
Over \$157,500	\$23,625 plus 36 percent of the amount over \$157,500

(b) On or before April 1, 2016, the commissioner shall estimate the total amount of revenue, including interest and penalties, that will be collected for fiscal year 2016 from taxes imposed under this chapter. If the amount estimated by the commissioner equals or exceeds \$94,800,000, the commissioner shall certify that effective July 1, 2016, the rates under this paragraph apply in lieu of the rates under paragraph (a) and shall publish a notice to that effect in the State Register and notify each taxpayer by June 1, 2016. If the rates under this section apply, the combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the fiscal year are:	The tax is:
Not over \$87,500	8.5 percent
Over \$87,500, but not over \$122,500	\$7,438 plus 17 percent of the amount over \$87,500, but not over \$122,500
Over \$122,500, but not over \$157,500	\$13,388 plus 25.5 percent of the amount over \$122,500, but not over \$157,500
Over \$157,500	\$22,313 plus 34 percent of the amount over \$157,500

(c) Gross receipts derived from sports-themed tipboards are exempt from taxation under this section. For purposes of this paragraph, a sports-themed tipboard means a sports-themed tipboard as defined in section 349.12, subdivision 34, under which the winning numbers are determined by the numerical outcome of a professional sporting event.

Sec. 66. Minnesota Statutes 2014, section 299C.61, subdivision 4, is amended to read:

Subd. 4. **Child abuse crime.** "Child abuse crime" means:

(1) an act committed against a minor victim that constitutes a violation of section 609.185, paragraph (a), clause (5); 609.221; 609.222; 609.223; 609.224; 609.2242; 609.322; 609.324; 609.342; 609.343; 609.344; 609.345; 609.352; 609.377; or 609.378; or

(2) a violation of section 152.021, subdivision 1, clause (4); 152.022, subdivision 1, clause (5) or (6); 152.023, subdivision 1, clause (3) or (4); 152.023, subdivision 2, clause (4) or (6); or 152.024, subdivision 1, clause (2), (3), or (4).

Sec. 67. Minnesota Statutes 2014, section 299F.01, subdivision 2, is amended to read:

Subd. 2. **Division created; state fire marshal.** A division in the Department of Public Safety to be known as the Division of Fire Marshal is hereby created, under the supervision and control of the state fire marshal, to whom shall be assigned the duties and responsibilities described in this ~~section~~ chapter. The commissioner may place the fire marshal's position in the unclassified service if the position meets the criteria of section 43A.08, subdivision 1a.

Sec. 68. Minnesota Statutes 2014, section 299L.02, subdivision 5, is amended to read:

Subd. 5. **Background checks.** In any background check required to be conducted by the division under this chapter, chapter 240, 349, 349A, or section 3.9221, the director may, or shall when required by law, require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for the conducting of a national criminal history check. The director may charge a fee of \$15 for fingerprint recording and investigation under section 3.9221.

Sec. 69. Minnesota Statutes 2014, section 299L.07, subdivision 5, is amended to read:

Subd. 5. **Investigation.** Before a license under this section is granted, the director may conduct a background and financial investigation of the applicant, including the applicant's sources of financing. The director may, or shall when required by law, require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The director may charge an investigation fee of \$15 to cover the cost of the investigation. Of this fee, \$7 from each charge shall be deposited in the general fund.

Sec. 70. Minnesota Statutes 2014, section 322C.0102, subdivision 6, is amended to read:

Subd. 6. **Debtor in bankruptcy.** "Debtor in bankruptcy" means a person that is the subject of:

(1) an order for relief under United States Code, title ~~12~~ 11, or a successor statute of general application;
or

(2) a comparable order under federal, state, or foreign law governing insolvency.

Sec. 71. Minnesota Statutes 2014, section 325D.40, subdivision 2, is amended to read:

Subd. 2. **Government agency sales.** All state, municipal and other governmental agencies shall be governed by the Minnesota Unfair Cigarette Sales Act, and no such agency of government shall accept any bid offer which is below the "cost to wholesaler" as defined by section 325D.32, subdivision 10, ~~clause (1)~~

paragraph (a), nor shall sell such cigarettes at a cost less than provided for in section 325D.32, subdivision 11.

Sec. 72. Minnesota Statutes 2014, section 325E.028, subdivision 4, is amended to read:

Subd. 4. **Income verification.** Verification of income may be conducted by the local energy assistance provider or the municipal utility, cooperative electric association, or public utility unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance that uses income eligibility in an amount at or below the income eligibility in subdivision 1, paragraph (a), clause (1).

Sec. 73. Minnesota Statutes 2014, section 326B.04, subdivision 2, is amended to read:

Subd. 2. **Deposits.** Unless otherwise specifically designated by law: (1) all money collected under sections 144.122, paragraph (f); 181.723; 326B.092 to 326B.096; 326B.101 to 326B.194; 326B.197; 326B.32 to 326B.399; 326B.43 to 326B.49; 326B.52 to 326B.59; 326B.701; 326B.802 to 326B.885; 326B.90 to 326B.998; 327.31 to 327.36; and 327B.01 to 327B.12, except penalties, is credited to the construction code fund; (2) all fees collected under sections 326B.098 to 326B.099 in connection with continuing education for any license, registration, or certificate issued pursuant to this chapter are credited to the construction code fund; and (3) all penalties assessed under the sections set forth in clauses (1) and (2) and all penalties assessed under sections 144.99 to 144.993 in connection with any violation of sections 326B.43 to 326B.49 or 326B.52 to 326B.59 or the rules adopted under those sections are credited to the assigned risk safety account established by section 79.253.

Sec. 74. Minnesota Statutes 2014, section 403.09, subdivision 3, is amended to read:

Subd. 3. **Dispute resolution.** Disputes between parties must be resolved pursuant to section 403.025, subdivision 7, paragraph ~~(d)~~ (c).

Sec. 75. Minnesota Statutes 2014, section 412.014, is amended to read:

412.014 POWER TO OPERATE TELEPHONE LINES.

Any statutory city heretofore or hereafter incorporated, in the territory of which previous to such incorporation telephone lines have been constructed and operated by a town as authorized by Minnesota Statutes 2012, sections 237.33 to 237.40, is hereby authorized to continue to operate such telephone lines and the city shall have all the powers granted to towns and the council shall have all of the powers granted to boards of supervisors under Minnesota Statutes 2012, sections 237.33 to 237.40.

Sec. 76. Minnesota Statutes 2014, section 466A.01, subdivision 6, is amended to read:

Subd. 6. **Assisted housing.** "Assisted housing" means:

(1) the housing is either owned or under the control of a housing agency and is used in a manner authorized by sections 469.001 to 469.047;

(2) the housing is defined as an emergency shelter or transitional housing under section 272.02, subdivision 13 or 20;

~~(3) the housing is classified as class 5e property under section 273.13, subdivision 25, paragraph (c), clause (4); or~~

(4) (3) the housing is a building that receives a low-income housing credit under section 242 of the Internal Revenue Code of 1986; or which meets the requirements of that section, and was under construction or rehabilitation prior to May 1, 1988.

Sec. 77. Minnesota Statutes 2014, section 471.87, is amended to read:

471.87 PUBLIC OFFICERS, INTEREST IN CONTRACT; PENALTY.

Except as authorized in section 123B.195 or 471.88, a public officer who is authorized to take part in any manner in making any sale, lease, or contract in official capacity shall not voluntarily have a personal financial interest in that sale, lease, or contract or personally benefit financially therefrom. Every public officer who violates this provision is guilty of a gross misdemeanor.

Sec. 78. Minnesota Statutes 2014, section 473.604, subdivision 3, is amended to read:

Subd. 3. **Resolution of appointment; oath.** The clerk, secretary, or other appropriate official of each appointing public body shall immediately file with the secretary of state a certified copy of each resolution appointing commissioners. The city clerk of each city, upon the election and qualification of each new mayor thereof, shall file with the secretary of state a certificate stating the mayor's full name and address, and that such mayor has elected to act as a commissioner, or, in the event such mayor has appointed some other qualified voter instead, shall file a certified copy of the order of the mayor appointing such commissioner. The governor shall file appointments in the same office. Each person selected as a commissioner shall thereupon file in the same office the oath of office prescribed by the state Constitution, article V, section 5 6, subscribed by the person and certified by the officer administering the same.

Sec. 79. Minnesota Statutes 2014, section 477A.011, subdivision 30, is amended to read:

Subd. 30. **Pre-1940 housing percentage.** (a) Except as provided in paragraph (b), "pre-1940 housing percentage" for a city is 100 times the most recent count by the United States Bureau of the Census of all housing units in the city built before 1940, divided by the total number of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census. ~~For aids payable in 2014, "pre-1940 housing percentage" shall be based on 2010 housing data.~~

(b) For the city of East Grand Forks only, "pre-1940 housing percentage" is equal to 100 times the 1990 federal census count of all housing units in the city built before 1940, divided by the most recent count by the United States Bureau of the Census of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census.

Sec. 80. Minnesota Statutes 2014, section 477A.011, subdivision 30a, is amended to read:

Subd. 30a. **Percent of housing built between 1940 and 1970.** "Percent of housing built between 1940 and 1970" is equal to 100 times the most recent count by the United States Bureau of the Census of all housing units in the city built after 1939 but before 1970, divided by the total number of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census. ~~For aids payable in 2014, "percent of housing built between 1940 and 1970" shall be based on 2010 housing data.~~

Sec. 81. Minnesota Statutes 2014, section 477A.011, subdivision 42, is amended to read:

Subd. 42. **Jobs per capita.** "Jobs per capita in the city" means (1) the average annual number of employees in the city based on the data from the Quarterly Census of Employment and Wages, as reported

by the Department of Employment and Economic Development, for the most recent calendar year available November 1 of every odd-numbered year, divided by (2) the city's population for the same calendar year as the employment data. The commissioner of the Department of Employment and Economic Development shall certify to the city the average annual number of employees for each city by January 1 of every even-numbered year beginning with January 1, 2014. A city may challenge an estimate under this paragraph by filing its specific objection, including the names of employers that it feels may have misreported data, in writing with the commissioner by December 1 of every odd-numbered year. The commissioner shall make every reasonable effort to address the specific objection and adjust the data as necessary. The commissioner shall certify the estimates of the annual employment to the commissioner of revenue by January 1 of all even-numbered years, including any estimates still under objection. ~~For aids payable in 2014, "jobs per capita" shall be based on the annual number of employees and population for calendar year 2010 without additional review.~~

Sec. 82. Minnesota Statutes 2014, section 477A.013, subdivision 8, is amended to read:

Subd. 8. **City formula aid.** ~~(a) For aids payable in 2014 only, the formula aid for a city is equal to the sum of (1) its 2013 certified aid, and (2) the product of (i) the difference between its unmet need and its 2013 certified aid, and (ii) the aid gap percentage.~~

~~(b)~~ (a) For aids payable in 2015 and thereafter, the formula aid for a city is equal to the sum of (1) its formula aid in the previous year and (2) the product of (i) the difference between its unmet need and its formula aid in the previous year, and (ii) the aid gap percentage.

~~(c)~~ (b) For aids payable in 2015 and thereafter, if a city's certified aid from the previous year is greater than the sum of its unmet need plus its aid adjustment under subdivision 13, its formula aid is adjusted to equal its unmet need.

~~(d)~~ (c) No city may have a formula aid amount less than zero. The aid gap percentage must be the same for all cities subject to paragraph ~~(b)~~ (a).

~~(e)~~ (d) The applicable aid gap percentage must be calculated by the Department of Revenue so that the total of the aid under subdivision 9 equals the total amount available for aid under section 477A.03. Data used in calculating aids to cities under sections 477A.011 to 477A.013 shall be the most recently available data as of January 1 in the year in which the aid is calculated.

Sec. 83. Minnesota Statutes 2014, section 477A.013, subdivision 9, is amended to read:

Subd. 9. **City aid distribution.** (a) In calendar year 2014 and thereafter, each city shall receive an aid distribution equal to the sum of (1) the city formula aid under subdivision 8, and (2) its aid adjustment under subdivision 13.

(b) ~~For aids payable in 2014 only, the total aid for a city may not be less than the amount it was certified to receive in 2013 plus any increase under subdivision 13.~~ For aids payable in 2015 and thereafter, the total aid for a city must not be less than the amount it was certified to receive in the previous year minus the lesser of \$10 multiplied by its population, or five percent of its net levy in the year prior to the aid distribution.

Sec. 84. Minnesota Statutes 2014, section 477A.015, is amended to read:

477A.015 PAYMENT DATES.

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in two installments on July 20 and December 26 annually.

When the commissioner of public safety determines that a local government has suffered financial hardship due to a natural disaster, the commissioner of public safety shall notify the commissioner of revenue, who shall make payments of aids under sections 477A.011 to 477A.014, which are otherwise due on December 26, as soon as is practical after the determination is made but not before July 20.

The commissioner may pay all or part of the payments of aids under sections 477A.011 to 477A.014, which are due on December 26 at any time after August 15 if a local government requests such payment as being necessary for meeting its cash flow needs. ~~For aids payable in 2013 only, a city that is located in an area deemed a disaster area during the month of April 2013, as defined in section 12A.02, subdivision 5, shall receive its December 26, 2013 payment with its July 20, 2013 payment.~~

Sec. 85. Minnesota Statutes 2014, section 477A.03, subdivision 2a, is amended to read:

Subd. 2a. **Cities.** ~~For aids payable in 2014, the total aid paid under section 477A.013, subdivision 9, is \$507,598,012.~~ The total aid paid under section 477A.013, subdivision 9, is \$516,898,012 for aids payable in 2015. For aids payable in 2016 and thereafter, the total aid paid under section 477A.013, subdivision 9, is \$519,398,012.

Sec. 86. Minnesota Statutes 2014, section 477A.03, subdivision 2c, is amended to read:

Subd. 2c. **Towns.** ~~For aids payable in 2014, the total aids paid under section 477A.013, subdivision 1, is limited to \$10,000,000.~~ For aids payable in 2015 and thereafter, the total aids paid under section 477A.013, subdivision 1, is limited to the amount certified to be paid in the previous year \$10,000,000.

Sec. 87. Minnesota Statutes 2014, section 477A.12, subdivision 1, is amended to read:

Subdivision 1. **Types of land; payments.** The following amounts are annually appropriated to the commissioner of natural resources from the general fund for transfer to the commissioner of revenue. The commissioner of revenue shall pay the transferred funds to counties as required by sections 477A.11 to 477A.14. The amounts, based on the acreage as of July 1 of each year prior to the payment year, are:

(1) \$5.133 multiplied by the total number of acres of acquired natural resources land or, at the county's option three-fourths of one percent of the appraised value of all acquired natural resources land in the county, whichever is greater;

(2) \$5.133, multiplied by the total number of acres of transportation wetland or, at the county's option, three-fourths of one percent of the appraised value of all transportation wetland in the county, whichever is greater;

(3) \$5.133, multiplied by the total number of acres of wildlife management land, or, at the county's option, three-fourths of one percent of the appraised value of all wildlife management land in the county, whichever is greater;

(4) 50 percent of the dollar amount as determined under clause (1), multiplied by the number of acres of military refuge land in the county;

(5) \$1.50, multiplied by the number of acres of county-administered other natural resources land in the county;

(6) \$5.133, multiplied by the total number of acres of land utilization project land in the county;

(7) \$1.50, multiplied by the number of acres of commissioner-administered other natural resources land in the county; and

(8) without regard to acreage, and notwithstanding the rules adopted under section 84A.55, \$300,000 for local assessments under section 84A.55, subdivision 9, that shall be divided and distributed to the counties containing state-owned lands within a conservation area in proportion to each county's percentage of the total annual ditch assessments.

~~The commissioner of natural resources shall certify the number of acres and appraised values for wildlife management lands under clause (3) for calendar year 2013 to the commissioner of revenue by June 15, 2014. The commissioner of revenue shall make the payment for any positive difference in the 2013 payment under clause (3) by June 30, 2014.~~

Sec. 88. Minnesota Statutes 2014, section 477A.12, subdivision 2, is amended to read:

Subd. 2. **Procedure.** (a) Each county auditor shall certify to the Department of Natural Resources during July of each year prior to the payment year the number of acres of county-administered other natural resources land within the county. The Department of Natural Resources may, in addition to the certification of acreage, require descriptive lists of land so certified. The commissioner of natural resources shall determine and certify to the commissioner of revenue by March 1 of the payment year:

(1) the number of acres and most recent appraised value of acquired natural resources land, wildlife management land, and military refuge land within each county;

(2) the number of acres of commissioner-administered natural resources land within each county;

(3) the number of acres of county-administered other natural resources land within each county, based on the reports filed by each county auditor with the commissioner of natural resources; and

(4) the number of acres of land utilization project land within each county.

(b) The commissioner of transportation shall determine and certify to the commissioner of revenue by March 1 of the payment year the number of acres of transportation wetland and the appraised value of the land, but only if it exceeds 500 acres in a county.

(c) Each auditor of a county that contains state-owned lands within a conservation area shall determine and certify to the commissioner of natural resources by May 31 of the payment year, the county's ditch assessments for state-owned lands subject to section 84A.55, subdivision 9. A joint certification for two or more counties may be submitted to the commissioner of natural resources through the Consolidated Conservation Counties Joint Powers Board. The commissioner of natural resources shall certify the ditch assessments to the commissioner of revenue by June 15 of the payment year. ~~The commissioner of natural resources shall certify the ditch assessments under this paragraph for payment year 2013 by June 15, 2014. The commissioner of revenue shall make the payment for 2013 by June 30, 2014.~~

(d) The commissioner of revenue shall determine the distributions provided for in this section using: (1) the number of acres and appraised values certified by the commissioner of natural resources and the commissioner of transportation by March 1 of the payment year; and (2) ditch assessments under paragraph (c), by July 15 of the payment year.

Sec. 89. Minnesota Statutes 2014, section 477A.16, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) When used in this section, the following terms have the meanings indicated in this subdivision.

(b) "Local unit" means a home rule charter or statutory city, or a town.

(c) "Old rule utility net tax capacity" means the net tax capacity of all public utility property within the local unit's taxing jurisdiction for assessment year 2007, calculated as if the property were valued under valuation rules in effect prior to assessment year 2007.

(d) "New rule utility net tax capacity" means the net tax capacity of all public utility property within the local unit's taxing jurisdiction for assessment year 2007, calculated as if the property were valued under valuation rules in effect for assessment year 2007, but without the any phase-in provisions of Minnesota Rules, part 8100.0800.

(e) "Modified net tax capacity" means the local unit's net tax capacity for taxes payable in 2008, modified by substituting the old rule utility net tax capacity for the actual net tax capacity of utility property. Modified net tax capacity must be determined by the commissioner of revenue based on information and data available to the commissioner as of July 1, 2008.

(f) "Net tax capacity differential" means the positive difference, if any, by which the local unit's old rule utility net tax capacity exceeds its new rule utility net tax capacity.

(g) "Current year net tax capacity differential" means the positive difference, if any, by which the local unit's old rule utility net tax capacity exceeds its total tax capacity of utility property for taxes payable in the current year.

Sec. 90. Minnesota Statutes 2014, section 477A.16, subdivision 2, is amended to read:

Subd. 2. **Aid eligibility; payment.** (a) If the net tax capacity differential of the local unit exceeds four percent of its modified net tax capacity, the local unit is eligible for transition aid computed under ~~paragraphs~~ paragraph (b) and (e).

~~(b) For aids payable in 2009, transition aid under this section for an eligible local unit equals 50 percent of (1) the net tax capacity differential, times (2) the jurisdiction's tax rate for taxes payable in 2008.~~

~~(e) (b) For aids payable in 2010 and thereafter, transition aid under this section for an eligible local unit equals (1) the current year net tax capacity differential for taxes payable in the year preceding the aid distribution year, times (2) the jurisdiction's tax rate for taxes payable in 2008.~~

(d) The commissioner of revenue shall compute the amount of transition aid payable to each local unit under this section. On or before August 1 of each year, the commissioner shall certify the amount of transition aid computed for aids payable in the following year for each recipient local unit. The commissioner shall pay transition aid to local units annually at the times provided in section 477A.015.

Sec. 91. Minnesota Statutes 2014, section 477A.19, subdivision 4, is amended to read:

Subd. 4. **Payments.** The commissioner of revenue must compute the amount of aquatic invasive species prevention aid payable to each county under this section. On or before August 1 of each year, the commissioner shall certify the amount to be paid to each county in the following year. The commissioner shall

pay aquatic invasive species prevention aid to counties annually at the times provided in section 477A.015. For aid payable in 2014 only, the commissioner shall certify the amount to be paid to each county by July 1, 2014, and payment to the counties must be made at the time provided in section 477A.015 for the first installment of local government aid.

Sec. 92. Minnesota Statutes 2014, section 477A.19, subdivision 5, is amended to read:

Subd. 5. **Appropriation.** \$4,500,000 in 2014, and \$10,000,000 each year thereafter, is appropriated from the general fund to the commissioner of revenue to make the payments required under this section.

Sec. 93. Minnesota Statutes 2014, section 480A.09, subdivision 2, is amended to read:

Subd. 2. **Certiorari.** Oral arguments on writs of certiorari to review decisions of the commissioner of unemployment law judges in the Department of Employment and Economic Development shall be heard as provided in this subdivision.

(1) if the claimant applicant for benefits is a real party in interest in the proceedings and resides in Hennepin or Ramsey County, in one of those counties;

(2) if the claimant applicant for benefits is a real party in interest in the proceedings and resides elsewhere in the state, in the judicial district of the claimant's applicant's residence;

(3) otherwise, at a place as designated by the appellate administrator.

Sec. 94. Minnesota Statutes 2014, section 500.215, subdivision 1, is amended to read:

Subdivision 1. **General rule.** (a) Any provision of any deed restriction, subdivision regulation, restrictive covenant, local ordinance, contract, rental agreement or regulation, or homeowners association document that limits the right of an owner or tenant of residential property to display the flag of the United States and the flag of the State of Minnesota is void and unenforceable.

(b) "Homeowners association document" includes the declaration, articles of incorporation, bylaws, and rules and regulations of:

(1) a common interest community, as defined in section ~~515B.1-103(C)(10)~~ 515B.1-103(10), regardless of whether the common interest community is subject to chapter 515B; and

(2) a residential community that is not a common interest community, as defined in section ~~515B.1-103(C)(10)~~ 515B.1-103(10).

Sec. 95. Minnesota Statutes 2014, section 518B.01, subdivision 4, is amended to read:

Subd. 4. **Order for protection.** There shall exist an action known as a petition for an order for protection in cases of domestic abuse.

(a) A petition for relief under this section may be made by any family or household member personally or by a family or household member, a guardian as defined in section 524.1-201, clause ~~(20)~~ (26), or, if the court finds that it is in the best interests of the minor, by a reputable adult age 25 or older on behalf of minor family or household members. A minor age 16 or older may make a petition on the minor's own behalf against a spouse or former spouse, or a person with whom the minor has a child in common, if the court determines that the minor has sufficient maturity and judgment and that it is in the best interests of the minor.

(b) A petition for relief shall allege the existence of domestic abuse, and shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought.

(c) A petition for relief must state whether the petitioner has ever had an order for protection in effect against the respondent.

(d) A petition for relief must state whether there is an existing order for protection in effect under this chapter governing both the parties and whether there is a pending lawsuit, complaint, petition or other action between the parties under chapter 257, 518, 518A, 518B, or 518C. The court administrator shall verify the terms of any existing order governing the parties. The court may not delay granting relief because of the existence of a pending action between the parties or the necessity of verifying the terms of an existing order. A subsequent order in a separate action under this chapter may modify only the provision of an existing order that grants relief authorized under subdivision 6, paragraph (a), clause (1). A petition for relief may be granted, regardless of whether there is a pending action between the parties.

(e) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

(f) The court shall advise a petitioner under paragraph (e) of the right to file a motion and affidavit and to sue in forma pauperis pursuant to section 563.01 and shall assist with the writing and filing of the motion and affidavit.

(g) The court shall advise a petitioner under paragraph (e) of the right to serve the respondent by published notice under subdivision 5, paragraph (b), if the respondent is avoiding personal service by concealment or otherwise, and shall assist with the writing and filing of the affidavit.

(h) The court shall advise the petitioner of the right to seek restitution under the petition for relief.

(i) The court shall advise the petitioner of the right to request a hearing under subdivision 7, paragraph (c). If the petitioner does not request a hearing, the court shall advise the petitioner that the respondent may request a hearing and that notice of the hearing date and time will be provided to the petitioner by mail at least five days before the hearing.

(j) The court shall advise the petitioner of the right to request supervised parenting time, as provided in section 518.175, subdivision 1a.

Sec. 96. Minnesota Statutes 2014, section 572A.02, subdivision 2, is amended to read:

Subd. 2. Appointment of panel. (a) The parties shall each appoint one qualified arbitrator within 30 days of issuance of the mediation report. If a party does not appoint an arbitrator within 30 days, the Bureau of Mediation Services shall appoint a qualified arbitrator from the list of neutrals under sections 572A.01, subdivision 2, and 572A.015, subdivision 2, or someone else for the party. The parties shall notify the bureau prior to the close of the 30-day appointment period of the name and address of their respective appointed arbitrator. Each party is responsible for the fees and expenses for the arbitrator it selects.

(b) After appointment of the two arbitrators to the arbitration panel by the parties, or by the bureau should one or both of the parties fail to act, the two appointed arbitrators shall appoint a third arbitrator who must be learned in the law, within 15 days of the close of the initial 30-day arbitrator appointment period. If the arbitrators cannot agree on the selection of the third arbitrator within 15 days, the arbitrators shall jointly submit a request to the district court of the county in which the disputed area is located in accordance with

the selection procedures established in section ~~572.10~~ 572B.11. Within 15 days of receipt of an application by the district court, the district court shall select a neutral arbitrator and notify the parties and the Bureau of Mediation Services of the name and address of the selected arbitrator. The fees and expenses of the third arbitrator shall be shared equally by the parties. The third appointed arbitrator shall act as chair of the arbitration panel and shall conduct the proceedings. If the district court selects the third arbitrator, the date required for first hearing the matter may be extended an additional 15 days.

Sec. 97. Minnesota Statutes 2014, section 572A.02, subdivision 3, is amended to read:

Subd. 3. **Hearing.** Except as otherwise provided, within 60 days, the matter must be brought on for hearing in accordance with section ~~572.12~~ 572B.15. The Bureau of Mediation Services shall provide for the proceedings to occur in the county in which the majority of the affected property is located.

Sec. 98. Minnesota Statutes 2014, section 609.106, subdivision 2, is amended to read:

Subd. 2. **Life without release.** The court shall sentence a person to life imprisonment without possibility of release under the following circumstances:

(1) the person is convicted of first-degree murder under section 609.185, paragraph (a), clause (1), (2), (4), or (7);

(2) the person is convicted of committing first-degree murder in the course of a kidnapping under section 609.185, paragraph (a), clause (3); or

(3) the person is convicted of first-degree murder under section 609.185, paragraph (a), clause (3), (5), or (6), and the court determines on the record at the time of sentencing that the person has one or more previous convictions for a heinous crime.

Sec. 99. Minnesota Statutes 2014, section 609.19, subdivision 1, is amended to read:

Subdivision 1. **Intentional murder; drive-by shootings.** Whoever does either of the following is guilty of murder in the second degree and may be sentenced to imprisonment for not more than 40 years:

(1) causes the death of a human being with intent to effect the death of that person or another, but without premeditation; or

(2) causes the death of a human being while committing or attempting to commit a drive-by shooting in violation of section 609.66, subdivision 1e, under circumstances other than those described in section 609.185, paragraph (a), clause (3).

Sec. 100. Minnesota Statutes 2014, section 609.223, subdivision 2, is amended to read:

Subd. 2. **Past pattern of child abuse.** Whoever assaults a minor may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the perpetrator has engaged in a past pattern of child abuse against the minor. As used in this subdivision, "child abuse" has the meaning given it in section 609.185, paragraph (a), clause (5).

Sec. 101. Minnesota Statutes 2014, section 609.266, is amended to read:

609.266 DEFINITIONS.

The definitions in this ~~subdivision~~ section apply to sections 609.2114, subdivisions 1 and 2, and 609.2661 to 609.2691:

- (a) "Unborn child" means the unborn offspring of a human being conceived, but not yet born.
- (b) "Whoever" does not include the pregnant woman.

Sec. 102. Minnesota Statutes 2014, section 609.531, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a dangerous weapon as defined under section 609.02, subdivision 6, that the actor used or had in possession in furtherance of a crime.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the Bureau of Criminal Apprehension, the Department of Commerce Fraud Bureau, the Minnesota Division of Driver and Vehicle Services, the Minnesota State Patrol, a county sheriff's department, the Three Rivers Park District park rangers, the Department of Natural Resources Division of Enforcement, the University of Minnesota Police Department, the Department of Corrections Fugitive Apprehension Unit, a city, metropolitan transit, or airport police department; or a multijurisdictional entity established under section 299A.642 or 299A.681.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter, chapter 152 or 624;

(2) for driver's license or identification card transactions: any violation of section 171.22; and

(3) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; ~~609.21; 609.2112; 609.2113; 609.2114; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.282; 609.283; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.352; 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.611; 609.631; 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 609.895; 617.246; 617.247; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324; or a felony violation of, or a felony-level attempt or conspiracy to violate, Minnesota Statutes 2012, section 609.21.~~

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

(h) "Prosecuting authority" means the attorney who is responsible for prosecuting an offense that is the basis for a forfeiture under sections 609.531 to 609.5318.

Sec. 103. Minnesota Statutes 2014, section 626.556, subdivision 3c, is amended to read:

Subd. 3c. **Local welfare agency, Department of Human Services or Department of Health responsible for assessing or investigating reports of maltreatment.** (a) The county local welfare agency is the agency responsible for assessing or investigating allegations of maltreatment in child foster care, family child care, legally unlicensed child care, juvenile correctional facilities licensed under section 241.021 located in the local welfare agency's county, and reports involving children served by an unlicensed personal care provider organization under section 256B.0659. Copies of findings related to personal care provider organizations under section 256B.0659 must be forwarded to the Department of Human Services provider enrollment.

(b) The Department of Human Services is the agency responsible for assessing or investigating allegations of maltreatment in facilities licensed under chapters 245A and ~~245B~~ 245D, except for child foster care and family child care.

(c) The Department of Health is the agency responsible for assessing or investigating allegations of child maltreatment in facilities licensed under sections 144.50 to 144.58 and 144A.46.

Sec. 104. Minnesota Statutes 2014, section 626.8463, subdivision 1, is amended to read:

Subdivision 1. **Appointment requirements.** (a) Any individual appointed or employed as a part-time peace officer shall provide proof to the board that the individual has:

- (1) satisfied the selection standards of the board then in effect;
- (2) successfully completed board recognized courses in first aid and firearms training, including legal limitations on the justifiable use of deadly force; and
- (3) successfully passed a board part-time peace officer licensing examination.

~~(b) The board shall develop a new examination that tests in depth the expanded competency requirements of section 626.8462.~~

Sec. 105. Minnesota Statutes 2014, section 626.8555, is amended to read:

626.8555 PEACE OFFICER EDUCATION PROGRAMS.

Metropolitan State University and Minneapolis Community and Technical College, in consultation with the Board of Peace Officer Standards and Training and state and local law enforcement agencies in the seven-county metropolitan area, shall provide core law enforcement courses in an accelerated time period. The schools shall grant priority admission to students who have a bona fide offer of employment from a Minnesota law enforcement agency. These courses shall be available at the beginning of the 1995-1996 academic year and are contingent on sufficient program enrollment.

The board, Metropolitan State University, and Minneapolis Community and Technical College shall evaluate the accelerated law enforcement education program and report their findings to the 1997 legislature.

Sec. 106. Minnesota Statutes 2014, section 629.725, is amended to read:

629.725 NOTICE TO VICTIM REGARDING BAIL HEARING OF ARRESTED OR DETAINED PERSON.

(a) When a person arrested or a juvenile detained for a crime of violence or an attempted crime of violence is scheduled to be reviewed under section 629.715 for release from pretrial detention, the court shall make a reasonable and good faith effort to notify the victim of the alleged crime. If the victim is incapacitated or deceased, notice must be given to the victim's family. If the victim is a minor, notice must be given to the victim's parent or guardian. The notification must include:

- (1) the date and approximate time of the review;
- (2) the location where the review will occur;
- (3) the name and telephone number of a person that can be contacted for additional information; and
- (4) a statement that the victim and the victim's family may attend the review.

(b) As used in this section, "crime of violence" has the meaning given it in section 624.712, subdivision 5, and also includes:

- (1) sections 609.2112 ~~to~~; 609.2113; and 609.2114;
- (2) gross misdemeanor violations of section 609.224; ~~and~~;
- (3) nonfelony violations of sections 518B.01, 609.2231, 609.3451, 609.748, and 609.749; and
- (4) Minnesota Statutes 2012, section 609.21.

Sec. 107. Laws 2013, chapter 143, article 8, section 40, the effective date, is amended to read:

EFFECTIVE DATE. The change to clause (1) is effective for sales and purchases made after ~~August 31, 2014~~ June 30, 2015. The changes in clauses (13), (16), and (17), are effective the day following final enactment.

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

Sec. 108. 2014 AMENDMENTS TO MINNESOTA STATUTES, SECTION 256B.85 EFFECTIVE UPON FEDERAL APPROVAL.

The amendments to Minnesota Statutes, section 256B.85, by Laws 2014, chapter 275, article 1, sections 69 to 71; chapter 291, article 10, section 6; and chapter 312, article 26, sections 4 to 23, are effective upon federal approval. The service will begin 90 days after federal approval. The commissioner of human services shall notify the revisor of statutes when this occurs.

Sec. 109. REVISOR'S INSTRUCTION.

Subdivision 1. **Obsolete language.** The revisor of statutes shall change the term "writ of restitution" to "writ of recovery" wherever the term appears in Minnesota Statutes.

Subd. 2. **Obsolete language.** The revisor of statutes shall change the terms "Soil Conservation Service" and "soil conservation service" to "Natural Resources Conservation Service" wherever the terms appear in Minnesota Statutes and Minnesota Rules, except where the terms appear in Minnesota Rules, parts 6115.0680, subpart 2; 7037.1000, subparts 2 and 3; 7037.3300, subpart 4, item B; and 7041.0100, subpart 32.

Subd. 3. Erroneous reference. In each of the 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>326B.99, subdivision 2</u>	<u>326B.93 to 326B.998</u>	<u>326B.95 to 326B.998</u>
<u>326B.988</u>	<u>326B.93 to 326B.998</u>	<u>326B.95 to 326B.998</u>
<u>326B.972</u>	<u>326B.93 to 326B.998</u>	<u>326B.95 to 326B.998</u>
<u>326B.958, subdivision 2</u>	<u>326B.93 to 326B.998</u>	<u>326B.95 to 326B.998</u>
<u>326B.956, subdivision 1</u>	<u>326B.93 to 326B.998</u>	<u>326B.95 to 326B.998</u>
<u>326B.95, subdivision 1</u>	<u>326B.93 to 326B.998</u>	<u>326B.95 to 326B.998</u>
<u>326B.092, subdivision 7</u>	<u>326B.90 to 326B.93</u>	<u>326B.90 to 326B.925</u>

Subd. 4. 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>177.23, subdivision 7, clause (10)</u>	<u>353.01, subdivision 2b, clause (9)</u>	<u>353.01, subdivision 2b, clause (9), item (i)</u>
<u>353.22, subdivision 10</u>	<u>352.01, subdivision 2b, clause (7)</u>	<u>352.01, subdivision 2b, clause (6), item (i)</u>

Subd. 5. Erroneous reference. The revisor of statutes shall change the cross-reference from "145A.10, subdivision 1" to "145A.04, subdivisions 1 and 1a" in Minnesota Rules, part 9505.1696, subpart 19.

Subd. 6. Coding placement. The revisor of statutes shall renumber Minnesota Statutes, section 144.13, as 144.111.

Subd. 7. Obsolete terminology. The revisor of statutes shall change the term "vital statistics" or any derivative to "vital records" wherever it appears in Minnesota Statutes or Minnesota Rules.

Subd. 8. Erroneous reference. The revisor of statutes shall replace the reference to "4620.4300" in Minnesota Rules, part 4717.7000, subpart 1, item H, with "4620.3950."

Subd. 9. Terminology and references. (a) The revisor of statutes shall change the term "board of health" or "local boards of health" or any derivative of these terms to "community health board" or any derivative of this term wherever it appears in Minnesota Statutes and Minnesota Rules.

(b) The revisor of statutes shall change the reference to Minnesota Statutes, section 145A.02, subdivision 2, to Minnesota Statutes, section 145A.02, subdivision 5, wherever it appears in Minnesota Statutes and Minnesota Rules.

Subd. 10. Headnote. In Minnesota Statutes, section 609.713, the revisor of statutes shall change the headnote from "Terroristic Threats" to "Threats of Violence."

Subd. 11. Obsolete terminology. In Minnesota Statutes, sections 550.136, subdivision 6; 550.143, subdivision 3c; 551.05, subdivision 1d; 551.06, subdivision 6; 571.72, subdivisions 8 and 10; 571.912, sub-

division 3; 571.925; 571.931, subdivision 6; and 571.932, subdivision 2, the revisor of statutes shall delete form references to general assistance medical care (GAMC).

Subd. 12. **Erroneous reference.** The revisor of statutes shall replace the reference to "section 16A.695" in Minnesota Statutes, section 16A.727, with "section 16A.965."

Subd. 13. **Obsolete terminology.** The revisor of statutes shall replace the term "Association of Minnesota Counties insurance trust" or "Minnesota Association of Counties Insurance Trust" with "Minnesota Counties Intergovernmental Trust" wherever it appears in Minnesota Statutes.

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

Sec. 110. **REPEALER.**

Subdivision 1. **Obsolete subdivision.**

Minnesota Statutes 2014, section 13.381, subdivision 17, is repealed.

Subd. 2. **Obsolete subdivision.**

Minnesota Statutes 2014, section 13.46, subdivision 13, is repealed.

Subd. 3. **Obsolete subdivision.**

Minnesota Statutes 2014, section 13.681, subdivision 7, is repealed.

Subd. 4. **Obsolete subdivision.**

Minnesota Statutes 2014, section 126C.01, subdivision 9, is repealed.

Subd. 5. **Obsolete section.**

Minnesota Statutes 2014, section 239.001, is repealed.

Subd. 6. **Obsolete subdivision.**

Minnesota Statutes 2014, section 256B.0625, subdivision 50, is repealed.

Subd. 7. **Obsolete subdivision.**

Minnesota Statutes 2014, section 273.111, subdivision 9a, is repealed.

Subd. 8. **Obsolete section.**

Minnesota Statutes 2014, section 469.1816, is repealed.

Subd. 9. **Conflict resolution.**

The amendments to Minnesota Statutes, section 13.46, subdivision 4, paragraph (b), clause (5), by Laws 2014, chapter 228, article 1, section 2, are repealed.

Subd. 10. **Conflict resolution.**

Laws 2014, chapter 291, article 10, section 4, is repealed.

Subd. 11. Conflict resolution.

Laws 2014, chapter 291, article 11, section 15, is repealed.

Subd. 12. Conflict resolution.

Laws 2014, chapter 291, article 11, section 16, is repealed.

Subd. 13. Conflict resolution.

Laws 2014, chapter 291, article 11, section 21, is repealed.

Subd. 14. Conflict resolution.

Laws 2014, chapter 312, article 25, section 11, is repealed.

Subd. 15. Conflict resolution.

Laws 2014, chapter 312, article 28, section 1, is repealed.

Subd. 16. Obsolete rule.

Minnesota Rules, part 4900.3401, is repealed.

Subd. 17. Rule effective date clarification.

Minnesota Rules, parts 8710.3000, subpart 5; 8710.3200, subpart 6; 8710.3310, subpart 5; 8710.3320, subpart 5; 8710.3330, subpart 5; 8710.3340, subpart 5; 8710.4000, subpart 5; 8710.4050, subpart 5; 8710.4200, subpart 5; 8710.4250, subpart 5; 8710.4300, subpart 5; 8710.4310, subpart 5; 8710.4320, subpart 5; 8710.4400, subpart 5; 8710.4450, subpart 5; 8710.4500, subpart 5; 8710.4550, subpart 5; 8710.4600, subpart 5; 8710.4650, subpart 5; 8710.4700, subpart 5; 8710.4750, subpart 9; 8710.4800, subpart 5; 8710.4850, subpart 5; 8710.4900, subpart 5; and 8710.4950, subpart 9, are repealed.

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

Sec. 111. SUPERSEDING ACTS.

Any amendments or repeals enacted in the 2015 session of the legislature to sections also amended or repealed in this act supersede the amendments or repeals in this act, regardless of order of enactment.

ARTICLE 2

NONSUBSTANTIVE CROSS-REFERENCES

Section 1. Minnesota Statutes 2014, section 13.321, subdivision 2a, is amended to read:

Subd. 2a. **School accountability.** Certain school accountability data are governed by ~~section~~ sections 120B.35, subdivision 3, and 120B.36, subdivisions 1, paragraph (e), and 2.

Sec. 2. Minnesota Statutes 2014, section 13.321, is amended by adding a subdivision to read:

Subd. 8a. **Military-connected youth identifier.** Data collected on enrollment forms to allow students to self-identify as military-connected youth are governed by section 127A.852.

Sec. 3. Minnesota Statutes 2014, section 13.3806, subdivision 1b, is amended to read:

Subd. 1b. **Health care payment and pricing reform data.** (a) **Encounter data.** Data on providers required to submit encounter data to a private entity designated by the commissioner of health under section 62U.04, subdivision 4, are classified under section 62U.04, subdivision 4, paragraph (c).

(b) **Pricing data.** Pricing data required to be submitted to the commissioner of health by certain health plan companies and third-party administrators under section 62U.04, subdivision 5, are classified under section 62U.04, subdivision 5, paragraph (c).

Sec. 4. Minnesota Statutes 2014, section 13.381, subdivision 14a, is amended to read:

Subd. 14a. **Minnesota Responds Medical Reserve Corps.** (a) The sharing of data maintained by the commissioner of health on volunteer health professionals is governed by section 145A.06, subdivision 6, paragraph (c).

(b) Criminal history record data on Minnesota Responds Medical Reserve Corps volunteers are classified under section 145A.061.

Sec. 5. Minnesota Statutes 2014, section 13.461, subdivision 3, is amended to read:

Subd. 3. **Child mental health.** (a) **Client consent.** Informed written consent necessary for a child to receive mental health services is governed by section 245.4876, subdivision 5.

(b) **Identity disclosure.** Disclosure of identities of children receiving mental health services under sections 245.487 to 245.4889, and the identities of their families, is governed by section 245.4876, subdivision 7.

(c) **Children's mental health collaborative.** Data shared on individuals served by the collaborative are governed by section 245.493.

(d) **Screening results.** The classification of child mental health screening results is governed by section 245.4874, subdivision 1, paragraph (d).

Sec. 6. Minnesota Statutes 2014, section 13.461, subdivision 7a, is amended to read:

Subd. 7a. **Background studies.** (a) Access to and sharing of data for human services background studies under chapter 245C are governed by that chapter.

(b) Disqualifying records that are the subject of an order for expungement are governed by section 245C.22, subdivision 7, paragraph (f).

Sec. 7. Minnesota Statutes 2014, section 13.681, is amended by adding a subdivision to read:

Subd. 10. **Interconnection of on-site distributed generation.** The classification of data provided by an applicant for interconnection of distributed renewable energy generation is governed by section 216B.1611, subdivision 3a.

Sec. 8. Minnesota Statutes 2014, section 13.871, is amended by adding a subdivision to read:

Subd. 14. **Expungement petitions.** Provisions regarding the classification and sharing of data contained in a petition for expungement of a criminal record are included in section 609A.03.

Sec. 9. [609B.1641] BULLION COIN DEALER AND REPRESENTATIVE REGISTRATION; CONVICTIONS.

Under section 80G.04, the commissioner of commerce shall deny a registration or renewal of registration or revoke a registration of a bullion coin dealer or coin dealer representative, if the bullion coin dealer or coin dealer representative has within the last ten years been convicted of a financial crime or other crime involving fraud or theft.

Presented to the governor May 7, 2015