

**CHAPTER 40--S.F.No. 1654**

*An act relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2016, sections 10A.01, subdivision 3; 10A.20, subdivision 1b; 13.321, by adding a subdivision; 13.381, by adding a subdivision; 13.383, by adding a subdivision; 13.461, by adding a subdivision; 13.598, by adding a subdivision; 13.7191, by adding a subdivision; 15A.0825, subdivision 8; 16A.152, subdivision 1b; 43A.23, subdivision 1; 43A.316, subdivision 9; 62A.46, subdivision 7; 69.021, subdivision 10; 97A.075, subdivision 5; 97A.133, subdivision 2; 103F.601, subdivision 2; 116R.02, subdivision 4; 119B.06, subdivision 1; 124D.19, subdivision 3; 126C.05, subdivision 14; 127A.41, subdivision 8; 144.0571; 144.0722, subdivision 1; 144.0724, subdivisions 1, 2, 9; 144A.071, subdivisions 3, 4a, 4c, 4d; 144A.073, subdivision 3c; 144A.10, subdivision 4; 144A.15, subdivision 2; 144A.154; 144A.161, subdivision 10; 144A.1888; 144A.611, subdivision 1; 144D.01, subdivision 6; 146B.03, subdivision 7; 148.512, subdivision 16; 148.725, subdivision 5; 148E.280; 150A.02; 151.06, subdivision 1; 151.32; 152.25, subdivision 4; 153B.30, subdivision 2; 179A.10, subdivision 1; 204B.13, subdivisions 1, 2; 237.59, subdivision 2; 237.761, subdivision 4; 245.4835, subdivision 2; 245.493, subdivision 1; 245.62, subdivision 4; 245A.11, subdivision 2a; 245F.09, subdivision 1; 252.292, subdivision 4; 256.045, subdivisions 3b, 4; 256.0451, subdivisions 1, 3, 11, 19; 256.481; 256.9741, subdivision 7; 256.9742, subdivision 6; 256.991; 256B.02, subdivision 9; 256B.059, subdivisions 5, 6; 256B.0622, subdivisions 7b, 7d; 256B.0911, subdivisions 4d, 6; 256B.25, subdivision 3; 256B.35, subdivision 4; 256B.421, subdivision 1; 256B.50, subdivisions 1, 1c; 256B.501, subdivisions 3i, 4b; 256B.692, subdivision 6; 256B.76, subdivision 1; 256B.78; 256D.03, subdivision 2a; 256D.04; 256D.05, subdivision 1; 256D.44, subdivision 5; 256J.01, subdivision 3; 256J.21, subdivision 2; 256J.515; 260.55; 260.56; 260.57; 260C.451, subdivision 8; 270.074, subdivision 3; 273.1392; 275.71, subdivision 4; 275.72, subdivision 2; 276.04, subdivision 3; 276A.06, subdivision 10; 289A.121, subdivisions 5, 6; 290.091, subdivision 2; 290A.03, subdivision 8; 295.53, subdivision 1; 297F.10, subdivision 1; 297I.06, subdivision 3; 297I.15, subdivision 4; 298.001, by adding a subdivision; 298.24, subdivision 1; 298.28, subdivision 6; 317A.061, subdivision 2; 340A.409, subdivision 1; 354A.37, subdivision 1; 354C.11, subdivision 2; 356.215, subdivision 8; 383B.32, subdivisions 3, 4; 462C.05, subdivision 7; 473.39, subdivision 1; 518A.53, subdivision 11; 617.85; Laws 2017, chapter 3, section 1; repealing Minnesota Statutes 2016, sections 120B.365; 122A.245, subdivision 10; 124D.095, subdivision 10; 128D.055, subdivision 4; 129C.30, subdivision 5; 144A.10, subdivision 8a; 216H.077; 290A.28; Laws 2014, chapter 207, section 1; Laws 2014, chapter 227, article 2, section 1; Laws 2015, chapter 68, article 3, section 12; Laws 2016, chapter 135, article 4, section 9; Laws 2016, chapter 189, article 26, section 4.*

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

**ARTICLE 1****MISCELLANEOUS**

Section 1. Minnesota Statutes 2016, section 10A.01, subdivision 3, is amended to read:

Subd. 3. **Advance of credit.** "Advance of credit" means any money owed for goods provided or services rendered. "Advance of credit" does not mean a loan as defined in subdivision ~~21~~ 20.

Sec. 2. Minnesota Statutes 2016, section 10A.20, subdivision 1b, is amended to read:

Subd. 1b. **Release of reports.** ~~Except as provided in subdivision 1e,~~ A report filed under this section is nonpublic data until 8:00 a.m. on the day following the day the report was due.

Sec. 3. Minnesota Statutes 2016, section 15A.0825, subdivision 8, is amended to read:

Subd. 8. **Chair.** The ~~commission~~ council shall elect a chair from among its members.

Sec. 4. Minnesota Statutes 2016, section 16A.152, subdivision 1b, is amended to read:

Subd. 1b. **Budget reserve level.** (a) The commissioner of management and budget shall calculate the budget reserve level by multiplying the current biennium's general fund nondedicated revenues and the most recent budget reserve percentage under subdivision 8.

(b) If, on the basis of a November forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted general fund balance at the close of the biennium and that the provisions of subdivision 2, paragraph (a), clauses (1), (2), (3), and (4), ~~(5), and (6)~~ are satisfied, the commissioner shall transfer to the budget reserve account in the general fund the amount necessary to increase the budget reserve to the budget reserve level determined under paragraph (a). The amount of the transfer authorized in this paragraph shall not exceed 33 percent of the positive unrestricted general fund balance determined in the forecast.

Sec. 5. Minnesota Statutes 2016, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) The commissioner is authorized to request proposals or to negotiate and to enter into contracts with parties which in the judgment of the commissioner are best qualified to provide service to the benefit plans. Contracts entered into are not subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate premium rates and coverage. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers, and any other factors which the commissioner deems appropriate. Each benefit contract must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. A carrier licensed under chapter 62A is exempt from the taxes imposed by chapter 2971 on premiums paid to it by the state.

(b) All self-insured hospital and medical service products must comply with coverage mandates, data reporting, and consumer protection requirements applicable to the licensed carrier administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

(c) Notwithstanding paragraph (b), a self-insured hospital and medical product offered under sections 43A.22 to 43A.30 is required to extend dependent coverage to an eligible employee's child to the full extent required under chapters 62A and 62L. Dependent child coverage must, at a minimum, extend to an eligible employee's dependent child to the limiting age as defined in section 62Q.01, subdivision 9 2a, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required in sections 62A.042 and 62A.302.

(d) Beginning January 1, 2010, the health insurance benefit plans offered in the commissioner's plan under section 43A.18, subdivision 2, and the managerial plan under section 43A.18, subdivision 3, must include an option for a health plan that is compatible with the definition of a high-deductible health plan in section 223 of the United States Internal Revenue Code.

Sec. 6. Minnesota Statutes 2016, section 43A.316, subdivision 9, is amended to read:

Subd. 9. **Insurance trust fund.** The insurance trust fund in the state treasury consists of deposits of the premiums received from employers participating in the program and transfers before July 1, 1994, from the excess contributions holding account established by Minnesota Statutes 1995 Supplement, section 353.65, subdivision 7. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. Premiums paid by employers to the fund are exempt from the taxes imposed by chapter 297I. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The State Board of Investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

Sec. 7. Minnesota Statutes 2016, section 62A.46, subdivision 7, is amended to read:

Subd. 7. **Physician.** "Physician" means a medical practitioner licensed or holding a temporary permit under sections 147.02, 147.03, ~~147.031~~, 147.037, or holding a residency permit under section 147.0391.

Sec. 8. Minnesota Statutes 2016, section 69.021, subdivision 10, is amended to read:

Subd. 10. **Reduction in police state aid apportionment.** (a) The commissioner of revenue shall reduce the apportionment of police state aid under subdivisions 5, paragraph (b), 6, and 7a, for eligible employer units by the amount of any excess police state aid.

(b) "Excess police state aid" is:

(1) for counties and for municipalities in which police retirement coverage is provided wholly by the public employees police and fire fund and all police officers are members of the plan governed by sections 353.63 to 353.657, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the Public Employees Retirement Association;

(2) for the Metropolitan Airports Commission, the amount in excess of the commission's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the Public Employees Retirement Association; and

(3) for the Department of Natural Resources and for the Department of Public Safety, the amount in excess of the employer's total prior calendar year obligation under section 352B.02, subdivision 1c, for plan members who are peace officers under section 69.011, subdivision 1, paragraph (g), as certified by the executive director of the Minnesota State Retirement System.

(c) The employer's total prior calendar year obligation with respect to the public employees police and fire plan under paragraph (b), clause (1), is the total prior calendar year obligation under section 353.65, subdivision 3, for police officers as defined in section 353.64, ~~subdivision 3~~ subdivisions 1, 1a, and 2, and the actual total prior calendar year obligation under section 353.65, subdivision 3, for firefighters, as defined in section 353.64, ~~subdivision 3~~ subdivisions 1, 1a, and 2, but not to exceed for those firefighters the applicable following employer calendar year amount:

Municipality	Maximum Amount
Albert Lea	\$54,157.01
Anoka	10,399.31
Apple Valley	5,442.44
Austin	49,864.73

Bemidji	27,671.38
Brooklyn Center	6,605.92
Brooklyn Park	24,002.26
Burnsville	15,956.00
Cloquet	4,260.49
Coon Rapids	39,920.00
Cottage Grove	8,588.48
Crystal	5,855.00
East Grand Forks	51,009.88
Edina	32,251.00
Elk River	5,216.55
Ely	13,584.16
Eveleth	16,288.27
Fergus Falls	6,742.00
Fridley	33,420.64
Golden Valley	11,744.61
Hastings	16,561.00
Hopkins	4,324.23
International Falls	14,400.69
Lakeville	782.35
Lino Lakes	5,324.00
Little Falls	7,889.41
Maple Grove	6,707.54
Maplewood	8,476.69
Minnetonka	10,403.00
Montevideo	1,307.66
Moorhead	68,069.26
New Hope	6,739.72
North St. Paul	4,241.14
Northfield	770.63
Owatonna	37,292.67
Plymouth	6,754.71

Red Wing	3,504.01
Richfield	53,757.96
Rosemount	1,712.55
Roseville	9,854.51
St. Anthony	33,055.00
St. Louis Park	53,643.11
Thief River Falls	28,365.04
Virginia	31,164.46
Waseca	11,135.17
West St. Paul	15,707.20
White Bear Lake	6,521.04
Woodbury	3,613.00
any other municipality	0.00

(d) The total amount of excess police state aid must be deposited in the excess police state-aid account in the general fund, administered and distributed as provided in subdivision 11.

Sec. 9. Minnesota Statutes 2016, section 97A.075, subdivision 5, is amended to read:

Subd. 5. **Turkey account.** (a) \$4.50 from each turkey license sold, except youth licenses under section 97A.475, subdivision 2, clause (4), and subdivision 3, paragraph (a), clause (7), must be credited to the wild-turkey management account and is appropriated to the commissioner only for:

(1) the development, restoration, and maintenance of suitable habitat for wild turkeys on public and private land including forest stand improvement and establishment of nesting cover, winter roost area, and reliable food sources;

(2) acquisitions of, or easements on, critical wild-turkey habitat;

(3) reimbursement of expenditures to provide wild-turkey habitat on public and private land;

(4) trapping and transplantation of wild turkeys; and

(5) the promotion of turkey habitat development and maintenance, population surveys and monitoring, and research.

(b) Money in the account may not be used for:

(1) costs unless they are directly related to a specific parcel of land under paragraph (a), clauses (1) to (3), a specific trap and transplant project under paragraph (a), clause (4), or to specific promotional or evaluative activities under paragraph (a), clause (5); or

(2) any permanent personnel costs.

Sec. 10. Minnesota Statutes 2016, section 97A.133, subdivision 2, is amended to read:

Subd. 2. **Payment in lieu of taxes.** The consolidated conservation lands included in state wildlife management areas are subject to the payment in lieu of tax as provided in section 477A.12, ~~paragraph (a) subdivision 1~~, clause (1).

Sec. 11. Minnesota Statutes 2016, section 103F.601, subdivision 2, is amended to read:

Subd. 2. **Easement agreements.** (a) The easement agreements must be conservation easements, as defined in section 84C.01, ~~paragraph clause~~ (1). The conservation easements may be possessory or nonpossessory if agreed upon by the property owner and the commissioner.

(b) The conservation easements must be:

(1) for a period of at least 20 years, with provision for renewal for at least 20-year periods; or

(2) permanent in duration.

(c) Highest priority must be given to property owners desiring to enter agreements for permanent easements.

(d) The commissioner may reexamine the payment rates at the beginning of a 20-year renewal period and adjust them after giving consideration to current land and crop values.

Sec. 12. Minnesota Statutes 2016, section 116R.02, subdivision 4, is amended to read:

Subd. 4. **Security.** (a) If so provided in the commissioner's order or any indenture authorizing the applicable series of bonds, up to \$125,000,000 principal amount of bonds for the facility described in subdivision 5, and any bonds issued to refund these bonds may be secured by either of the following methods:

(1) upon the occurrence of any deficiency in a debt service reserve fund for a series of bonds as provided in section 116R.13, subdivision 3, the commissioner shall issue and sell deficiency bonds in a principal amount not to exceed \$125,000,000 for facilities described in subdivision 5; or

(2) the bonds may be directly secured by a pledge of the full faith, credit, and taxing power of the state and issued as general obligation revenue bonds of the state in accordance with the Minnesota Constitution, article XI, sections 4 to 7. In no event may the security provided by this paragraph extend in whole or part to any series of bonds other than the initial series of bonds so secured and any series of bonds issued to refund these bonds.

Deficiency bonds and bonds issued under clause (2) must be issued in accordance with and subject to sections 16A.641, 16A.66, 16A.672, and 16A.675, except for section 16A.641, subdivision 5, except as otherwise provided in Laws 1991, chapter 350, article 1, and except that the bonds may be sold at public or private sale at a price or prices determined by the commissioner as provided in section 116R.13, subdivision 3.

(b) The commissioner may request St. Louis County to pay or secure payment of principal and interest due on up to \$12,600,000 principal amount of revenue bonds for the facility described in subdivision 5. At the request of the commissioner, St. Louis County shall, by resolution of its county board, unconditionally and irrevocably pledge as a general obligation, its full faith, credit, and taxing power to pay or secure payment of principal and interest due on the principal amount or amounts requested by the commissioner. The general obligation and pledge of St. Louis County are not subject to and shall not be taken into account for purposes of any debt limitation. A levy of taxes for the St. Louis County general obligation is not subject to and shall not be taken into account for purposes of any levy limitations. The general obligation and the bonds secured by the general obligation may be issued without an election. Except for sections 475.61 and 475.64, chapter 475 does not apply to the general obligation or to the bonds secured by the general obligation.

(c) The commissioner may request the city of Duluth to pay or secure payment of principal and interest due on up to \$47,600,000 principal amount of revenue bonds for the facility described in subdivision 5. At the request of the commissioner, the city of Duluth shall pledge specified revenues of the city, as provided in Laws 1991, chapter 350, article 1, section 24, to pay principal and interest due on the principal amount requested by the commissioner.

~~(d) Bonds and deficiency bonds issued under sections 116R.01 to 116R.15 and any indenture entered into in connection with the issuance of the bonds are not subject to section 16B.06.~~

Sec. 13. Minnesota Statutes 2016, section 119B.06, subdivision 1, is amended to read:

Subdivision 1. **Commissioner to administer block grant.** The commissioner is authorized and directed to receive, administer, and expend child care funds available under the child care and development block grant authorized under the Child Care and Development Block Grant Act of 2014, Public Law 401-508 113-186.

Sec. 14. Minnesota Statutes 2016, section 124D.19, subdivision 3, is amended to read:

Subd. 3. **Community education director.** (a) Except as provided under paragraphs (b) and (c), each board shall employ a licensed community education director. The board shall submit the name of the person who is serving as director of community education under this section on the district's annual community education report to the commissioner.

(b) A board may apply to the Minnesota Board of School Administrators under Minnesota Rules, part ~~3512.3500~~ 3512.0505, subpart 9, for authority to use an individual who is not licensed as a community education director.

(c) A board of a district with a total population of 6,000 or less may identify an employee who holds a valid superintendent license under Minnesota Rules, chapter 3512, to serve as director of community education. To be eligible for an exception under this paragraph, the board shall certify in writing to the commissioner that the district has not placed a licensed director of community education on unrequested leave. A principal serving as a community education director under this paragraph on June 1, 2011, may continue to serve in that capacity.

Sec. 15. Minnesota Statutes 2016, section 126C.05, subdivision 14, is amended to read:

Subd. 14. **Computing pupil units for a prior year.** In computing pupil units for a prior year, the number of pupil units shall be adjusted to reflect any change for the current year in relative weightings by grade level or category of special assistance, any change in measurement from average daily attendance to average daily membership, any change in the limit on average daily membership that can be generated by a pupil for a fiscal year as provided in subdivisions 8 and 15, and any change in school district boundaries, ~~but not for the addition for the first time in the current year of a specified category of special assistance as provided in subdivision 1, clause (4).~~

Sec. 16. Minnesota Statutes 2016, section 127A.41, subdivision 8, is amended to read:

Subd. 8. **Appropriation transfers.** (a) If a direct appropriation from the general fund to the department for any education aid or grant authorized in this chapter and chapters 122A, 123A, 123B, 124D, 124E, 125A, 126C, and 134, excluding appropriations under sections 124D.135, 124D.16, 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and 124D.56, exceeds the amount required, the commissioner may transfer the excess to any education aid or grant appropriation that is insufficient. However, section 126C.20 applies to a deficiency in the direct appropriation for general education aid. Excess appropriations must be allocated proportionately among aids or grants that have insufficient appropriations. The commissioner of management

and budget shall make the necessary transfers among appropriations according to the determinations of the commissioner. If the amount of the direct appropriation for the aid or grant plus the amount transferred according to this subdivision is insufficient, the commissioner shall prorate the available amount among eligible districts. The state is not obligated for any additional amounts.

(b) Transfers for aids paid under section 127A.45, subdivisions 12, ~~paragraph (a)~~, 12a, ~~paragraph (a)~~, and 13, shall be made during the fiscal year after the fiscal year of the entitlement. Transfers for aids paid under section 127A.45, subdivisions 11, ~~12, paragraph (b)~~, and 12a, ~~paragraph (b)~~, shall be made during the fiscal year of the appropriation.

Sec. 17. Minnesota Statutes 2016, section 144.0571, is amended to read:

**144.0571 INCLUSION OF OTHER HEALTH-RELATED OCCUPATIONS TO CRIMINAL BACKGROUND CHECKS.**

(a) ~~If the Department of Health is not reviewed by the Sunset Advisory Commission according to the schedule in section 3D.21,~~ The commissioner of health, as the regulator for occupational therapy practitioners, speech-language pathologists, audiologists, and hearing instrument dispensers, shall require applicants for licensure or renewal to submit to a criminal history records check as required under section 214.075 for other health-related licensed occupations regulated by the health-related licensing boards.

(b) Any statutory changes necessary to include the commissioner of health to section 214.075 shall be included in the plan required in section 214.075, subdivision 8.

Sec. 18. Minnesota Statutes 2016, section 144.0722, subdivision 1, is amended to read:

Subdivision 1. **Resident reimbursement classifications.** The commissioner of health shall establish resident reimbursement classifications based upon the assessments of residents of nursing homes and boarding care homes conducted under section 144.0721, or under rules established by the commissioner of human services under sections ~~256B.41~~ 256B.421 to 256B.48. The reimbursement classifications established by the commissioner must conform to the rules established by the commissioner of human services.

Sec. 19. Minnesota Statutes 2016, section 144.0724, subdivision 1, is amended to read:

Subdivision 1. **Resident reimbursement case mix classifications.** The commissioner of health shall establish resident reimbursement classifications based upon the assessments of residents of nursing homes and boarding care homes conducted under this section and according to section ~~256B.438~~ 256R.17.

Sec. 20. Minnesota Statutes 2016, section 144.0724, subdivision 2, is amended to read:

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

(a) "Assessment reference date" or "ARD" means the specific end point for look-back periods in the MDS assessment process. This look-back period is also called the observation or assessment period.

(b) "Case mix index" means the weighting factors assigned to the RUG-IV classifications.

(c) "Index maximization" means classifying a resident who could be assigned to more than one category, to the category with the highest case mix index.

(d) "Minimum data set" or "MDS" means a core set of screening, clinical assessment, and functional status elements, that include common definitions and coding categories specified by the Centers for Medicare and Medicaid Services and designated by the Minnesota Department of Health.



(e) "Representative" means a person who is the resident's guardian or conservator, the person authorized to pay the nursing home expenses of the resident, a representative of the Office of Ombudsman for Long-Term Care whose assistance has been requested, or any other individual designated by the resident.

(f) "Resource utilization groups" or "RUG" means the system for grouping a nursing facility's residents according to their clinical and functional status identified in data supplied by the facility's minimum data set.

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

(h) "Nursing facility level of care determination" means the assessment process that results in a determination of a resident's or prospective resident's need for nursing facility level of care as established in subdivision 11 for purposes of medical assistance payment of long-term care services for:

- (1) nursing facility services under section 256B.434 or ~~256B.441~~ chapter 256R;
- (2) elderly waiver services under section 256B.0915;
- (3) CADI and BI waiver services under section 256B.49; and
- (4) state payment of alternative care services under section 256B.0913.

Sec. 21. Minnesota Statutes 2016, section 144.0724, subdivision 9, is amended to read:

Subd. 9. **Audit authority.** (a) The commissioner shall audit the accuracy of resident assessments performed under section ~~256B.438~~ 256R.17 through any of the following: desk audits; on-site review of residents and their records; and interviews with staff, residents, or residents' families. The commissioner shall reclassify a resident if the commissioner determines that the resident was incorrectly classified.

(b) The commissioner is authorized to conduct on-site audits on an unannounced basis.

(c) A facility must grant the commissioner access to examine the medical records relating to the resident assessments selected for audit under this subdivision. The commissioner may also observe and speak to facility staff and residents.

(d) The commissioner shall consider documentation under the time frames for coding items on the minimum data set as set out in the Long-Term Care Facility Resident Assessment Instrument User's Manual published by the Centers for Medicare and Medicaid Services.

(e) The commissioner shall develop an audit selection procedure that includes the following factors:

(1) Each facility shall be audited annually. If a facility has two successive audits in which the percentage of change is five percent or less and the facility has not been the subject of a special audit in the past 36 months, the facility may be audited biannually. A stratified sample of 15 percent, with a minimum of ten assessments, of the most current assessments shall be selected for audit. If more than 20 percent of the RUG-IV classifications are changed as a result of the audit, the audit shall be expanded to a second 15 percent sample, with a minimum of ten assessments. If the total change between the first and second samples is 35 percent or greater, the commissioner may expand the audit to all of the remaining assessments.

(2) If a facility qualifies for an expanded audit, the commissioner may audit the facility again within six months. If a facility has two expanded audits within a 24-month period, that facility will be audited at least every six months for the next 18 months.

(3) The commissioner may conduct special audits if the commissioner determines that circumstances exist that could alter or affect the validity of case mix classifications of residents. These circumstances include, but are not limited to, the following:

- (i) frequent changes in the administration or management of the facility;
- (ii) an unusually high percentage of residents in a specific case mix classification;
- (iii) a high frequency in the number of reconsideration requests received from a facility;
- (iv) frequent adjustments of case mix classifications as the result of reconsiderations or audits;
- (v) a criminal indictment alleging provider fraud;
- (vi) other similar factors that relate to a facility's ability to conduct accurate assessments;
- (vii) an atypical pattern of scoring minimum data set items;
- (viii) nonsubmission of assessments;
- (ix) late submission of assessments; or
- (x) a previous history of audit changes of 35 percent or greater.

(f) Within 15 working days of completing the audit process, the commissioner shall make available electronically the results of the audit to the facility. If the results of the audit reflect a change in the resident's case mix classification, a case mix classification notice will be made available electronically to the facility, using the procedure in subdivision 7, paragraph (a). The notice must contain the resident's classification and a statement informing the resident, the resident's authorized representative, and the facility of their right to review the commissioner's documents supporting the classification and to request a reconsideration of the classification. This notice must also include the address and telephone number of the Office of Ombudsman for Long-Term Care.

Sec. 22. Minnesota Statutes 2016, section 144A.071, subdivision 3, is amended to read:

Subd. 3. **Exceptions authorizing increase in beds; hardship areas.** (a) The commissioner of health, in coordination with the commissioner of human services, may approve the addition of new licensed and Medicare and Medicaid certified nursing home beds, using the criteria and process set forth in this subdivision.

(b) The commissioner, in cooperation with the commissioner of human services, shall consider the following criteria when determining that an area of the state is a hardship area with regard to access to nursing facility services:

(1) a low number of beds per thousand in a specified area using as a standard the beds per thousand people age 65 and older, in five year age groups, using data from the most recent census and population projections, weighted by each group's most recent nursing home utilization, of the county at the 20th percentile, as determined by the commissioner of human services;

(2) a high level of out-migration for nursing facility services associated with a described area from the county or counties of residence to other Minnesota counties, as determined by the commissioner of human services, using as a standard an amount greater than the out-migration of the county ranked at the 50th percentile;

(3) an adequate level of availability of noninstitutional long-term care services measured as public spending for home and community-based long-term care services per individual age 65 and older, in five year age groups, using data from the most recent census and population projections, weighted by each group's most recent nursing home utilization, as determined by the commissioner of human services using as a standard an amount greater than the 50th percentile of counties;

(4) there must be a declaration of hardship resulting from insufficient access to nursing home beds by local county agencies and area agencies on aging; and

(5) other factors that may demonstrate the need to add new nursing facility beds.

(c) On August 15 of odd-numbered years, the commissioner, in cooperation with the commissioner of human services, may publish in the State Register a request for information in which interested parties, using the data provided under section 144A.351, along with any other relevant data, demonstrate that a specified area is a hardship area with regard to access to nursing facility services. For a response to be considered, the commissioner must receive it by November 15. The commissioner shall make responses to the request for information available to the public and shall allow 30 days for comment. The commissioner shall review responses and comments and determine if any areas of the state are to be declared hardship areas.

(d) For each designated hardship area determined in paragraph (c), the commissioner shall publish a request for proposals in accordance with section 144A.073 and Minnesota Rules, parts 4655.1070 to 4655.1098. The request for proposals must be published in the State Register by March 15 following receipt of responses to the request for information. The request for proposals must specify the number of new beds which may be added in the designated hardship area, which must not exceed the number which, if added to the existing number of beds in the area, including beds in layaway status, would have prevented it from being determined to be a hardship area under paragraph (b), clause (1). Beginning July 1, 2011, the number of new beds approved must not exceed 200 beds statewide per biennium. After June 30, 2019, the number of new beds that may be approved in a biennium must not exceed 300 statewide. For a proposal to be considered, the commissioner must receive it within six months of the publication of the request for proposals. The commissioner shall review responses to the request for proposals and shall approve or disapprove each proposal by the following July 15, in accordance with section 144A.073 and Minnesota Rules, parts 4655.1070 to 4655.1098. The commissioner shall base approvals or disapprovals on a comparison and ranking of proposals using only the criteria in subdivision 4a. Approval of a proposal expires after 18 months unless the facility has added the new beds using existing space, subject to approval by the commissioner, or has commenced construction as defined in section 144A.071, subdivision 1a, paragraph (d). If, after the approved beds have been added, fewer than 50 percent of the beds in a facility are newly licensed, the operating payment rates previously in effect shall remain. If, after the approved beds have been added, 50 percent or more of the beds in a facility are newly licensed, operating payment rates shall be determined according to Minnesota Rules, part 9549.0057, using the limits under ~~section 256B.441~~ chapter 256R. External fixed payment rates must be determined according to ~~section 256B.441, subdivision 53~~ chapter 256R. Property payment rates for facilities with beds added under this subdivision must be determined in the same manner as rate determinations resulting from projects approved and completed under section 144A.073.

(e) The commissioner may:

(1) certify or license new beds in a new facility that is to be operated by the commissioner of veterans affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans affairs or the United States Veterans Administration; and

(2) license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner by an organization that is not a related organization as defined in section ~~256B.441, subdivision 34~~ 256R.02, subdivision 43, to the prior licensee within 120 days after delicensure or decertification.

Sec. 23. Minnesota Statutes 2016, section 144A.071, subdivision 4a, is amended to read:

Subd. 4a. **Exceptions for replacement beds.** It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.

The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) to license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) at the time the facility was destroyed or damaged the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

(iv) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility; and

(v) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds.

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2;

(b) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed \$1,000,000;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(e) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed \$1,000,000. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(f) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this paragraph;

(g) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable

complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

(h) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of \$200,000 or more;

(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(j) to license and certify new nursing home beds to replace beds in a facility acquired by the Minneapolis Community Development Agency as part of redevelopment activities in a city of the first class, provided the new facility is located within three miles of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under section 256B.431 or 256B.434;

(k) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;

(l) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed \$1,000,000;

(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds;

(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to layaway all of its licensed and certified nursing home beds. These beds may be relicensed and recertified in a newly constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature. The proposal must be developed in consultation with the interagency committee on long-term care planning. The beds on layaway status shall have the same status as voluntarily delicensed and decertified beds, except that beds on layaway status remain subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1998;

(o) to allow a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass County and which is directly related to that portion of the facility that must be repaired, renovated, or replaced, to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993;

(p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to the commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed wards to single or double occupancy. Beds on layaway status shall have the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to the surcharge in section 256.9657, remain subject to the license application and

renewal fees under section 144A.07 and shall be subject to a \$100 per bed reactivation fee. In addition, at any time within three years of the effective date of the layaway, the beds on layaway status may be:

(1) relicensed and recertified upon relocation and reactivation of some or all of the beds to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or International Falls; provided that the total project construction costs related to the relocation of beds from layaway status for any facility receiving relocated beds may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073;

(2) relicensed and recertified, upon reactivation of some or all of the beds within the facility which placed the beds in layaway status, if the commissioner has determined a need for the reactivation of the beds on layaway status.

The property-related payment rate of a facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than three years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(q) to license and certify beds in a renovation and remodeling project to convert 12 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County; had a licensed capacity of 154 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(r) to license and certify up to 117 beds that are relocated from a licensed and certified 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds located in South St. Paul, provided that the nursing facility and hospital are owned by the same or a related organization and that prior to the date the relocation is completed the hospital ceases operation of its inpatient hospital services at that hospital. After relocation, the nursing facility's status shall be the same as it was prior to relocation. The nursing facility's property-related payment rate resulting from the project authorized in this paragraph shall become effective no earlier than April 1, 1996. For purposes of calculating the incremental change in the facility's rental per diem resulting from this project, the allowable appraised value of the nursing facility portion of the existing health care facility physical plant prior to the renovation and relocation may not exceed \$2,490,000;

(s) to license and certify two beds in a facility to replace beds that were voluntarily delicensed and decertified on June 28, 1991;

(t) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed nursing home and 21-bed boarding care home facility in Minneapolis, notwithstanding the licensure and certification after July 1, 1995, of the Minneapolis facility as a 147-bed nursing home facility after completion of a construction project approved in 1993 under section 144A.073, to be laid away upon 30 days' prior written notice to the commissioner. Beds on layaway status shall have the same status as voluntarily delicensed or decertified beds except that they shall remain subject to the surcharge in section 256.9657. The 16 beds on layaway status may be relicensed as nursing home beds and recertified at any time within five years of the effective date of the layaway upon relocation of some or all of the beds to a licensed and certified facility located in Watertown, provided that the total project construction costs related to the relocation of beds from layaway status for the Watertown facility may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073.

The property-related payment rate of the facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for the facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than five years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(u) to license and certify beds that are moved within an existing area of a facility or to a newly constructed addition which is built for the purpose of eliminating three- and four-bed rooms and adding space for dining, lounge areas, bathing rooms, and ancillary service areas in a nursing home that, as of January 1, 1995, was located in Fridley and had a licensed capacity of 129 beds;

(v) to relocate 36 beds in Crow Wing County and four beds from Hennepin County to a 160-bed facility in Crow Wing County, provided all the affected beds are under common ownership;

(w) to license and certify a total replacement project of up to 49 beds located in Norman County that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(x) to license and certify to the licensee of a nursing home in Polk County that was destroyed by flood in 1997 replacement projects with a total of up to 129 beds, with at least 25 beds to be located in Polk County and up to 104 beds distributed among up to three other counties. These beds may only be distributed to counties with fewer than the median number of age intensity adjusted beds per thousand, as most recently published by the commissioner of human services. If the licensee chooses to distribute beds outside of Polk County under this paragraph, prior to distributing the beds, the commissioner of health must approve the location in which the licensee plans to distribute the beds. The commissioner of health shall consult with the commissioner of human services prior to approving the location of the proposed beds. The licensee may combine these beds with beds relocated from other nursing facilities as provided in section 144A.073, subdivision 3c. The operating payment rates for the new nursing facilities shall be determined based on the interim and settle-up payment provisions of section 256B.431, or 256B.434, ~~or 256B.441~~ chapter 256R, or Minnesota Rules, parts 9549.0010 to 9549.0080. Property-related reimbursement rates shall be determined under section 256B.431, or 256B.434, ~~or 256B.441~~ chapter 256R. If the replacement beds permitted under this paragraph are combined with beds from other nursing facilities, the rates shall be calculated as the weighted average of rates determined as provided in this paragraph and ~~section 256B.441, subdivision 60~~ chapter 256R;

(y) to license and certify beds in a renovation and remodeling project to convert 13 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County, was not owned by a hospital corporation, had a licensed capacity of 64 beds, and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(z) to license and certify up to 150 nursing home beds to replace an existing 285 bed nursing facility located in St. Paul. The replacement project shall include both the renovation of existing buildings and the construction of new facilities at the existing site. The reduction in the licensed capacity of the existing facility shall occur during the construction project as beds are taken out of service due to the construction process. Prior to the start of the construction process, the facility shall provide written information to the commissioner

of health describing the process for bed reduction, plans for the relocation of residents, and the estimated construction schedule. The relocation of residents shall be in accordance with the provisions of law and rule;

(aa) to allow the commissioner of human services to license an additional 36 beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that the total number of licensed and certified beds at the facility does not increase;

(bb) to license and certify a new facility in St. Louis County with 44 beds constructed to replace an existing facility in St. Louis County with 31 beds, which has resident rooms on two separate floors and an antiquated elevator that creates safety concerns for residents and prevents nonambulatory residents from residing on the second floor. The project shall include the elimination of three- and four-bed rooms;

(cc) to license and certify four beds in a 16-bed certified boarding care home in Minneapolis to replace beds that were voluntarily delicensed and decertified on or before March 31, 1992. The licensure and certification is conditional upon the facility periodically assessing and adjusting its resident mix and other factors which may contribute to a potential institution for mental disease declaration. The commissioner of human services shall retain the authority to audit the facility at any time and shall require the facility to comply with any requirements necessary to prevent an institution for mental disease declaration, including delicensure and decertification of beds, if necessary;

(dd) to license and certify 72 beds in an existing facility in Mille Lacs County with 80 beds as part of a renovation project. The renovation must include construction of an addition to accommodate ten residents with beginning and midstage dementia in a self-contained living unit; creation of three resident households where dining, activities, and support spaces are located near resident living quarters; designation of four beds for rehabilitation in a self-contained area; designation of 30 private rooms; and other improvements;

(ee) to license and certify beds in a facility that has undergone replacement or remodeling as part of a planned closure under section ~~256B.437~~ 256R.40;

(ff) to license and certify a total replacement project of up to 124 beds located in Wilkin County that are in need of relocation from a nursing home significantly damaged by flood. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(gg) to allow the commissioner of human services to license an additional nine beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 240-bed nursing home located in Duluth, provided that the total number of licensed and certified beds at the facility does not increase;

(hh) to license and certify up to 120 new nursing facility beds to replace beds in a facility in Anoka County, which was licensed for 98 beds as of July 1, 2000, provided the new facility is located within four miles of the existing facility and is in Anoka County. Operating and property rates shall be determined and allowed under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, or section 256B.434 or ~~256B.441~~ chapter 256R; or

(ii) to transfer up to 98 beds of a 129-licensed bed facility located in Anoka County that, as of March 25, 2001, is in the active process of closing, to a 122-licensed bed nonprofit nursing facility located in the city of Columbia Heights or its affiliate. The transfer is effective when the receiving facility notifies the commissioner in writing of the number of beds accepted. The commissioner shall place all transferred beds on layaway status held in the name of the receiving facility. The layaway adjustment provisions of section 256B.431, subdivision 30, do not apply to this layaway. The receiving facility may only remove the beds from layaway for recertification and relicensure at the receiving facility's current site, or at a newly constructed facility located in Anoka County. The receiving facility must receive statutory authorization before removing



these beds from layaway status, or may remove these beds from layaway status if removal from layaway status is part of a moratorium exception project approved by the commissioner under section 144A.073.

Sec. 24. Minnesota Statutes 2016, section 144A.071, subdivision 4c, is amended to read:

Subd. 4c. **Exceptions for replacement beds after June 30, 2003.** (a) The commissioner of health, in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(1) to license and certify an 80-bed city-owned facility in Nicollet County to be constructed on the site of a new city-owned hospital to replace an existing 85-bed facility attached to a hospital that is also being replaced. The threshold allowed for this project under section 144A.073 shall be the maximum amount available to pay the additional medical assistance costs of the new facility;

(2) to license and certify 29 beds to be added to an existing 69-bed facility in St. Louis County, provided that the 29 beds must be transferred from active or layaway status at an existing facility in St. Louis County that had 235 beds on April 1, 2003.

The licensed capacity at the 235-bed facility must be reduced to 206 beds, but the payment rate at that facility shall not be adjusted as a result of this transfer. The operating payment rate of the facility adding beds after completion of this project shall be the same as it was on the day prior to the day the beds are licensed and certified. This project shall not proceed unless it is approved and financed under the provisions of section 144A.073;

(3) to license and certify a new 60-bed facility in Austin, provided that: (i) 45 of the new beds are transferred from a 45-bed facility in Austin under common ownership that is closed and 15 of the new beds are transferred from a 182-bed facility in Albert Lea under common ownership; (ii) the commissioner of human services is authorized by the 2004 legislature to negotiate budget-neutral planned nursing facility closures; and (iii) money is available from planned closures of facilities under common ownership to make implementation of this clause budget-neutral to the state. The bed capacity of the Albert Lea facility shall be reduced to 167 beds following the transfer. Of the 60 beds at the new facility, 20 beds shall be used for a special care unit for persons with Alzheimer's disease or related dementias;

(4) to license and certify up to 80 beds transferred from an existing state-owned nursing facility in Cass County to a new facility located on the grounds of the Ah-Gwah-Ching campus. The operating cost payment rates for the new facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431. The property payment rate for the first three years of operation shall be \$35 per day. For subsequent years, the property payment rate of \$35 per day shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434;

(5) to initiate a pilot program to license and certify up to 80 beds transferred from an existing county-owned nursing facility in Steele County relocated to the site of a new acute care facility as part of the county's Communities for a Lifetime comprehensive plan to create innovative responses to the aging of its population. Upon relocation to the new site, the nursing facility shall delicense 28 beds. The payment rate for external fixed costs for the new facility shall be increased by an amount as calculated according to items (i) to (v):

(i) compute the estimated decrease in medical assistance residents served by the nursing facility by multiplying the decrease in licensed beds by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure of 28 beds by multiplying the anticipated decrease in medical assistance residents, determined in item (i), by the existing facility's weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the nursing facility, determined in item (i), by the average monthly elderly waiver service costs for individuals in Steele County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) divide the amount in item (iv) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days; and

(6) to consolidate and relocate nursing facility beds to a new site in Goodhue County and to integrate these services with other community-based programs and services under a communities for a lifetime pilot program and comprehensive plan to create innovative responses to the aging of its population. Two nursing facilities, one for 84 beds and one for 65 beds, in the city of Red Wing licensed on July 1, 2015, shall be consolidated into a newly renovated 64-bed nursing facility resulting in the delicensure of 85 beds. Notwithstanding the carryforward of the approval authority in section 144A.073, subdivision 11, the funding approved in April 2009 by the commissioner of health for a project in Goodhue County shall not carry forward. The closure of the 85 beds shall not be eligible for a planned closure rate adjustment under section ~~256B.437~~ 256R.40. The construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f. The payment rate for external fixed costs for the new facility shall be increased by an amount as calculated according to items (i) to (vi):

(i) compute the estimated decrease in medical assistance residents served by both nursing facilities by multiplying the difference between the occupied beds of the two nursing facilities for the reporting year ending September 30, 2009, and the projected occupancy of the facility at 95 percent occupancy by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure by multiplying the anticipated decrease in the medical assistance residents, determined in item (i), by the hospital-owned nursing facility weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the facilities, determined in item (i), by the average monthly elderly waiver service costs for individuals in Goodhue County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) multiply the amount in item (iv) by 57.2 percent; and

(vi) divide the difference of the amount in item (iv) and the amount in item (v) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days.

(b) Projects approved under this subdivision shall be treated in a manner equivalent to projects approved under subdivision 4a.

Sec. 25. Minnesota Statutes 2016, section 144A.071, subdivision 4d, is amended to read:

Subd. 4d. **Consolidation of nursing facilities.** (a) The commissioner of health, in consultation with the commissioner of human services, may approve a request for consolidation of nursing facilities which includes the closure of one or more facilities and the upgrading of the physical plant of the remaining nursing facility or facilities, the costs of which exceed the threshold project limit under subdivision 2, clause (a). The commissioners shall consider the criteria in this section, section 144A.073, and section ~~256B.437~~ 256R.40, in approving or rejecting a consolidation proposal. In the event the commissioners approve the request, the commissioner of human services shall calculate an external fixed costs rate adjustment according to clauses (1) to (3):

(1) the closure of beds shall not be eligible for a planned closure rate adjustment under section ~~256B.437, subdivision 6~~ 256R.40, subdivision 5;

(2) the construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f, or a moratorium exception adjustment under section 144A.073; and

(3) the payment rate for external fixed costs for a remaining facility or facilities shall be increased by an amount equal to 65 percent of the projected net cost savings to the state calculated in paragraph (b), divided by the state's medical assistance percentage of medical assistance dollars, and then divided by estimated medical assistance resident days, as determined in paragraph (c), of the remaining nursing facility or facilities in the request in this paragraph. The rate adjustment is effective on the later of the first day of the month following completion of the construction upgrades in the consolidation plan or the first day of the month following the complete closure of a facility designated for closure in the consolidation plan. If more than one facility is receiving upgrades in the consolidation plan, each facility's date of construction completion must be evaluated separately.

(b) For purposes of calculating the net cost savings to the state, the commissioner shall consider clauses (1) to (7):

(1) the annual savings from estimated medical assistance payments from the net number of beds closed taking into consideration only beds that are in active service on the date of the request and that have been in active service for at least three years;

(2) the estimated annual cost of increased case load of individuals receiving services under the elderly waiver;

(3) the estimated annual cost of elderly waiver recipients receiving support under group residential housing;

(4) the estimated annual cost of increased case load of individuals receiving services under the alternative care program;

(5) the annual loss of license surcharge payments on closed beds;

(6) the savings from not paying planned closure rate adjustments that the facilities would otherwise be eligible for under section ~~256B.437~~ 256R.40; and

(7) the savings from not paying external fixed costs payment rate adjustments from submission of renovation costs that would otherwise be eligible as threshold projects under section 256B.434, subdivision 4f.

(c) For purposes of the calculation in paragraph (a), clause (3), the estimated medical assistance resident days of the remaining facility or facilities shall be computed assuming 95 percent occupancy multiplied by the historical percentage of medical assistance resident days of the remaining facility or facilities, as reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, multiplied by 365.

(d) For purposes of net cost of savings to the state in paragraph (b), the average occupancy percentages will be those reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, and the average payment rates shall be calculated based on the approved payment rates in effect at the time the consolidation request is submitted.

(e) To qualify for the external fixed costs payment rate adjustment under this subdivision, the closing facilities shall:

(1) submit an application for closure according to section ~~256B.437, subdivision 3~~ 256R.40, subdivision 2; and

(2) follow the resident relocation provisions of section 144A.161.

(f) The county or counties in which a facility or facilities are closed under this subdivision shall not be eligible for designation as a hardship area under subdivision 3 for five years from the date of the approval of the proposed consolidation. The applicant shall notify the county of this limitation and the county shall acknowledge this in a letter of support.

Sec. 26. Minnesota Statutes 2016, section 144A.073, subdivision 3c, is amended to read:

Subd. 3c. **Cost neutral relocation projects.** (a) Notwithstanding subdivision 3, the commissioner may at any time accept proposals, or amendments to proposals previously approved under this section, for relocations that are cost neutral with respect to state costs as defined in section 144A.071, subdivision 5a. The commissioner, in consultation with the commissioner of human services, shall evaluate proposals according to subdivision 4a, clauses (1), (4), (5), (6), and (8), and other criteria established in rule or law. The commissioner of human services shall determine the allowable payment rates of the facility receiving the beds in accordance with section ~~256B.441, subdivision 60~~ 256R.50. The commissioner shall approve or disapprove a project within 90 days.

(b) For the purposes of paragraph (a), cost neutrality shall be measured over the first three 12-month periods of operation after completion of the project.

Sec. 27. Minnesota Statutes 2016, section 144A.10, subdivision 4, is amended to read:

Subd. 4. **Correction orders.** Whenever a duly authorized representative of the commissioner of health finds upon inspection of a nursing home, that the facility or a controlling person or an employee of the facility is not in compliance with sections 144.411 to 144.417, 144.651, 144.6503, 144A.01 to 144A.155, or 626.557 or the rules promulgated thereunder, a correction order shall be issued to the facility. The correction order shall state the deficiency, cite the specific rule or statute violated, state the suggested method of correction, and specify the time allowed for correction. If the commissioner finds that the nursing home had uncorrected or repeated violations which create a risk to resident care, safety, or rights, the commissioner shall notify the commissioner of human services who shall require the facility to use any ~~efficiency~~ incentive payments received under section ~~256B.431, subdivision 2b, paragraph (d)~~ 256R.38, to correct the violations and shall require the facility to forfeit incentive payments for failure to correct the violations ~~as provided in section 256B.431, subdivision 2n~~. The forfeiture shall not apply to correction orders issued for physical plant deficiencies.

Sec. 28. Minnesota Statutes 2016, section 144A.15, subdivision 2, is amended to read:

Subd. 2. **Appointment of receiver, rental.** If, after hearing, the court finds that receivership is necessary as a means of protecting the health, safety, or welfare of a resident of the facility, the court shall appoint the commissioner of health as a receiver to take charge of the facility. The commissioner may enter into an agreement for a managing agent to work on the commissioner's behalf in operating the facility during the receivership. The court shall determine a fair monthly rental for the facility, taking into account all relevant factors including the condition of the facility. This rental fee shall be paid by the receiver to the appropriate controlling person for each month that the receivership remains in effect but shall be reduced by the amount that the costs of the receivership provided under section ~~256B.495~~ 256R.52 are in excess of the facility rate. The controlling person may agree to waive the fair monthly rent by affidavit to the court. Notwithstanding any other law to the contrary, no payment made to a controlling person by any state agency during a period of receivership shall include any allowance for profit or be based on any formula which includes an allowance for profit.

Notwithstanding state contracting requirements in chapter 16C, the commissioner shall establish and maintain a list of qualified licensed nursing home administrators, or other qualified persons or organizations

with experience in delivering skilled health care services and the operation of long-term care facilities for those interested in being a managing agent on the commissioner's behalf during a state receivership of a facility. This list will be a resource for choosing a managing agent and the commissioner may update the list at any time. A managing agent cannot be someone who: (1) is the owner, licensee, or administrator of the facility; (2) has a financial interest in the facility at the time of the receivership or is a related party to the owner, licensee, or administrator; or (3) has owned or operated any nursing facility or boarding care home that has been ordered into receivership.

Sec. 29. Minnesota Statutes 2016, section 144A.154, is amended to read:

**144A.154 RATE RECOMMENDATION.**

The commissioner may recommend to the commissioner of human services a review of the rates for a nursing home or boarding care home that participates in the medical assistance program that is in ~~voluntary or involuntary~~ receivership, and that has needs or deficiencies documented by the Department of Health. If the commissioner of health determines that a review of the rate under section ~~256B.495~~ 256R.52 is needed, the commissioner shall provide the commissioner of human services with:

- (1) a copy of the order or determination that cites the deficiency or need; and
- (2) the commissioner's recommendation for additional staff and additional annual hours by type of employee and additional consultants, services, supplies, equipment, or repairs necessary to satisfy the need or deficiency.

Sec. 30. Minnesota Statutes 2016, section 144A.161, subdivision 10, is amended to read:

Subd. 10. **Facility closure rate adjustment.** Upon the request of a closing facility, the commissioner of human services must allow the facility a closure rate adjustment equal to a 50 percent payment rate increase to reimburse relocation costs or other costs related to facility closure. This rate increase is effective on the date the facility's occupancy decreases to 90 percent of capacity days after the written notice of closure is distributed under subdivision 5 and shall remain in effect for a period of up to 60 days. The commissioner shall delay the implementation of rate adjustments under section ~~256B.437, subdivisions 3, paragraph (b), and 6, paragraph (a)~~ 256R.40, subdivisions 5 and 6, to offset the cost of this rate adjustment.

Sec. 31. Minnesota Statutes 2016, section 144A.1888, is amended to read:

**144A.1888 REUSE OF FACILITIES.**

Notwithstanding any local ordinance related to development, planning, or zoning to the contrary, the conversion or reuse of a nursing home that closes or that curtails, reduces, or changes operations shall be considered a conforming use permitted under local law, provided that the facility is converted to another long-term care service approved by a regional planning group under section ~~256B.437~~ 256R.40 that serves a smaller number of persons than the number of persons served before the closure or curtailment, reduction, or change in operations.

Sec. 32. Minnesota Statutes 2016, section 144A.611, subdivision 1, is amended to read:

Subdivision 1. **Nursing homes and certified boarding care homes.** The actual costs of tuition and textbooks and reasonable expenses for the competency evaluation or the nursing assistant training program and competency evaluation approved under section 144A.61, which are paid to nursing assistants or adult training programs pursuant to subdivisions 2 and 4, are a reimbursable expense for nursing homes and certified boarding care homes under section ~~256B.431, subdivision 36~~ 256R.37.

Sec. 33. Minnesota Statutes 2016, section 144D.01, subdivision 6, is amended to read:

Subd. 6. **Health-related services.** "Health-related services" include professional nursing services, home health aide tasks, ~~and home care aide tasks identified in Minnesota Rules, parts 4668.0100, subparts 1 and 2; and 4668.0110, subpart 1;~~ or the central storage of medication for residents.

Sec. 34. Minnesota Statutes 2016, section 146B.03, subdivision 7, is amended to read:

Subd. 7. **Temporary licensure.** (a) The commissioner may issue a temporary license to an applicant who submits to the commissioner on a form provided by the commissioner:

(1) proof that the applicant is over the age of 18;

(2) all fees required under section ~~148B.10~~ 146B.10; and

(3) a letter from a licensed technician who has agreed to provide the supervision to meet the supervised experience requirement under subdivision 4.

(b) Upon completion of the required supervised experience, the temporary licensee shall submit documentation of satisfactorily completing the requirements under subdivision 4, and the applicable fee under section 146B.10. The commissioner shall issue a new license in accordance with subdivision 4.

(c) A temporary license issued under this subdivision is valid for one year and may be renewed for one additional year.

Sec. 35. Minnesota Statutes 2016, section 148.512, subdivision 16, is amended to read:

Subd. 16. **Licensure.** "Licensure" is the system of regulation defined in section 214.001, subdivision 3, ~~paragraph (c)~~ clause (3), and is the process specified in sections 148.511 to 148.5198.

Sec. 36. Minnesota Statutes 2016, section 148.725, subdivision 5, is amended to read:

Subd. 5. **Examination.** The applicant must satisfactorily complete the board-approved examination as stated in section 148.723 ~~or 148.73~~.

Sec. 37. Minnesota Statutes 2016, section 148E.280, is amended to read:

**148E.280 USE OF TITLES.**

(a) ~~No individual may be presented to the public by any title incorporating the words "social work" or "social worker" or in the titles in section 148E.195, unless that individual holds a license under sections 148E.055 and 148E.060, or practices in a setting exempt from licensure under section 148E.065.~~

~~This paragraph expires July 1, 2016.~~

(b) ~~Effective July 1, 2016;~~ No individual may be presented to the public by any title incorporating the words "social work" or "social worker" or in the titles in section 148E.195, unless that individual is employed by a county or holds a license under this chapter.

Sec. 38. Minnesota Statutes 2016, section 150A.02, is amended to read:

**150A.02 BOARD OF DENTISTRY.**

Subdivision 1. **Generally.** There is hereby created a Board of Dentistry whose duty it shall be to carry out the purposes and enforce the provisions of sections 150A.01 to 150A.12. The board shall consist of two

public members as defined by section 214.02, five qualified resident dentists, one qualified resident licensed dental assistant, and one qualified resident dental hygienist appointed by the governor. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of board complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214. Each board member who is a dentist, licensed dental assistant, or dental hygienist shall have been lawfully in active practice in this state for five years immediately preceding appointment; and no board member shall be eligible for appointment to more than two consecutive four-year terms, and members serving on the board at the time of the enactment hereof shall be eligible to reappointment provided they shall not have served more than nine consecutive years at the expiration of the term to which they are to be appointed. At least 90 days prior to the expiration of the terms of dentists, licensed dental assistants, or dental hygienists, the Minnesota Dental Association, Minnesota Dental Assistants Association, or the Minnesota ~~State Dental Hygiene Hygienists'~~ Association shall recommend to the governor for each term expiring not less than two dentists, two licensed dental assistants, or two dental hygienists, respectively, who are qualified to serve on the board, and from the list so recommended the governor may appoint members to the board for the term of four years, the appointments to be made within 30 days after the expiration of the terms. Within 60 days after the occurrence of a dentist, licensed dental assistant, or dental hygienist vacancy, prior to the expiration of the term, in the board, the Minnesota Dental Association, the Minnesota Dental Assistants Association, or the Minnesota ~~State Dental Hygiene Hygienists'~~ Association shall recommend to the governor not less than two dentists, two licensed dental assistants, or two dental hygienists, who are qualified to serve on the board and from the list so recommended the governor, within 30 days after receiving such list of dentists, may appoint one member to the board for the unexpired term occasioned by such vacancy. Any appointment to fill a vacancy shall be made within 90 days after the occurrence of such vacancy. The first four-year term of the dental hygienist and of the licensed dental assistant shall commence on the first Monday in January, 1977.

Sec. 39. Minnesota Statutes 2016, section 151.06, subdivision 1, is amended to read:

Subdivision 1. **Generally; rules.** (a) ~~Powers and duties.~~ The Board of Pharmacy shall have the power and it shall be its duty:

- (1) to regulate the practice of pharmacy;
- (2) to regulate the manufacture, wholesale, and retail sale of drugs within this state;
- (3) to regulate the identity, labeling, purity, and quality of all drugs and medicines dispensed in this state, using the United States Pharmacopeia and the National Formulary, or any revisions thereof, or standards adopted under the federal act as the standard;
- (4) to enter and inspect by its authorized representative any and all places where drugs, medicines, medical gases, or veterinary drugs or devices are sold, vended, given away, compounded, dispensed, manufactured, wholesaled, or held; it may secure samples or specimens of any drugs, medicines, medical gases, or veterinary drugs or devices after paying or offering to pay for such sample; it shall be entitled to inspect and make copies of any and all records of shipment, purchase, manufacture, quality control, and sale of these items provided, however, that such inspection shall not extend to financial data, sales data, or pricing data;
- (5) to examine and license as pharmacists all applicants whom it shall deem qualified to be such;
- (6) to license wholesale drug distributors;
- (7) to take disciplinary action against any registration or license required under this chapter upon any of the grounds listed in section 151.071, and in accordance with the provisions of section 151.071;
- (8) to employ necessary assistants and adopt rules for the conduct of its business;

(9) to register as pharmacy technicians all applicants who the board determines are qualified to carry out the duties of a pharmacy technician;

(10) to perform such other duties and exercise such other powers as the provisions of the act may require; and

(11) to enter and inspect any business to which it issues a license or registration.

(b) ~~Rules.~~ For the purposes aforesaid, it shall be the duty of the board to make and publish uniform rules not inconsistent herewith for carrying out and enforcing the provisions of this chapter. The board shall adopt rules regarding prospective drug utilization review and patient counseling by pharmacists. A pharmacist in the exercise of the pharmacist's professional judgment, upon the presentation of a prescription by a patient or the patient's caregiver or agent, shall perform the prospective drug utilization review required by rules issued under this subdivision.

(c) ~~Substitution; rules.~~ If the United States Food and Drug Administration (FDA) determines that the substitution of drugs used for the treatment of epilepsy or seizures poses a health risk to patients, the board shall adopt rules in accordance with accompanying FDA interchangeability standards regarding the use of substitution for these drugs. If the board adopts a rule regarding the substitution of drugs used for the treatment of epilepsy or seizures that conflicts with the substitution requirements of section 151.21, subdivision 3, the rule shall supersede the conflicting statute. If the rule proposed by the board would increase state costs for state public health care programs, the board shall report to the chairs and ranking minority members of the senate Health and Human Services Budget Division and the house of representatives Health Care and Human Services Finance Division the proposed rule and the increased cost associated with the proposed rule before the board may adopt the rule.

Sec. 40. Minnesota Statutes 2016, section 151.32, is amended to read:

**151.32 CITATION.**

The title of sections 151.01 to 151.40 shall be the Pharmacy Practice Act ~~of 1988~~.

Sec. 41. Minnesota Statutes 2016, section 152.25, subdivision 4, is amended to read:

Subd. 4. **Reports.** (a) The commissioner shall provide regular updates to the task force on medical cannabis therapeutic research and to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services, public safety, judiciary, and civil law ~~on medical cannabis therapeutic research~~ regarding any changes in federal law or regulatory restrictions regarding the use of medical cannabis.

(b) The commissioner may submit medical research based on the data collected under sections 152.22 to 152.37 to any federal agency with regulatory or enforcement authority over medical cannabis to demonstrate the effectiveness of medical cannabis for treating a qualifying medical condition.

Sec. 42. Minnesota Statutes 2016, section 153B.30, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** (a) To be eligible for licensure as an orthotist, prosthetist, or prosthetist orthotist, an applicant shall meet orthotist, prosthetist, or prosthetist orthotist certification requirements of either the American Board for Certification in Orthotics, Prosthetics, and Pedorthics or the Board of Certification/Accreditation ~~requirements~~ in effect at the time of the individual's application for licensure and be in good standing with the certifying board.

(b) To be eligible for licensure as a pedorthist, an applicant shall meet the pedorthist certification requirements of either the American Board for Certification in Orthotics, Prosthetics, and Pedorthics or the



Board of Certification/Accreditation that are in effect at the time of the individual's application for licensure and be in good standing with the certifying board.

(c) To be eligible for licensure as an orthotic or prosthetic assistant, an applicant shall meet the orthotic or prosthetic assistant certification requirements of the American Board for Certification in Orthotics, Prosthetics, and Pedorthics that are in effect at the time of the individual's application for licensure and be in good standing with the certifying board.

(d) To be eligible for licensure as an orthotic fitter, an applicant shall meet the orthotic fitter certification requirements of either the American Board for Certification in Orthotics, Prosthetics, and Pedorthics or the Board of Certification/Accreditation that are in effect at the time of the individual's application for licensure and be in good standing with the certifying board.

Sec. 43. Minnesota Statutes 2016, section 179A.10, subdivision 1, is amended to read:

Subdivision 1. **Exclusions.** The commissioner of management and budget shall meet and negotiate with the exclusive representative of each of the units specified in this section, except as provided in section 43A.06, subdivision 1, paragraph (c). The units provided in this section are the only appropriate units for executive branch state employees. The following employees shall be excluded from any appropriate unit:

(1) the positions and classes of positions in the classified and unclassified services defined as managerial by the commissioner of management and budget in accordance with section 43A.18, subdivision 3, and so designated in the official state compensation schedules;

(2) unclassified positions in the Minnesota State Colleges and Universities defined as managerial by the Board of Trustees;

~~(3) positions of physician employees compensated under section 43A.17, subdivision 4;~~

~~(4)~~ (3) positions of all unclassified employees appointed by a constitutional officer;

~~(5)~~ (4) positions in the Bureau of Mediation Services and the Public Employment Relations Board;

~~(6)~~ (5) positions of employees whose classification is pilot or chief pilot;

~~(7)~~ (6) administrative law judge and compensation judge positions in the Office of Administrative Hearings; and

~~(8)~~ (7) positions of all confidential employees.

The governor may upon the unanimous written request of exclusive representatives of units and the commissioner direct that negotiations be conducted for one or more units in a common proceeding or that supplemental negotiations be conducted for portions of a unit or units defined on the basis of appointing authority or geography.

Sec. 44. Minnesota Statutes 2016, section 204B.13, subdivision 1, is amended to read:

Subdivision 1. **Partisan office.** (a) A vacancy in nomination for a partisan office must be filled in the manner provided by this section. A vacancy in nomination exists for a partisan office when a major political party candidate who has been nominated in accordance with section 204D.03, subdivision 3, or 204D.10, subdivision 1:

(1) dies;

(2) withdraws by filing an affidavit of withdrawal, as provided in paragraph (b), at least one day prior to the general election with the same official who received the affidavit of candidacy; or

(3) is determined to be ineligible to hold the office the candidate is seeking, pursuant to a court order issued under section 204B.44.

(b) An affidavit of withdrawal filed under paragraph (a), clause ~~(3)~~ (2), must state that the candidate has been diagnosed with a catastrophic illness that will permanently and continuously incapacitate the candidate and prevent the candidate from performing the duties of the office sought, if elected. The affidavit must be accompanied by a certificate verifying the candidate's illness meets the requirements of this paragraph, signed by at least two licensed physicians. The affidavit and certificate may be filed by the candidate or the candidate's legal guardian.

Sec. 45. Minnesota Statutes 2016, section 204B.13, subdivision 2, is amended to read:

**Subd. 2. Partisan office; nomination by party; special election.** (a) Except as provided in subdivision 5, a major political party may fill a vacancy in nomination of that party's candidate as defined in subdivision 1, paragraph (a), clause (1), (2), or (3), by filing one nomination certificate with the same official who received the affidavits of candidacy for that office.

A major political party may provide in its governing rules a procedure, including designation of an appropriate committee, to fill a vacancy in nomination for any federal or state partisan office. The nomination certificate shall be prepared under the direction of and executed by the chair and secretary of the political party and filed within the timelines established in this section. When filing the certificate the chair and secretary shall attach an affidavit stating that the newly nominated candidate has been selected under the rules of the party and that the individuals signing the certificate and making the affidavit are the chair and secretary of the party.

(b) In the case of a vacancy in nomination for partisan office that occurs on or before the 79th day before the general election, the major political party must file the nomination certificate no later than 71 days before the general election. The name of the candidate nominated by the party must appear on the general election ballot.

(c) Except as provided in subdivision 5, in the case of a vacancy in nomination for a partisan office that occurs after the 79th day before the general election, the general election ballot shall remain unchanged, but the county and state canvassing boards must not certify the vote totals for that office from the general election, and the office must be filled at a special election held in accordance with this section. Except for the vacancy in nomination, all other candidates whose names appeared on the general election ballot for the office must appear on the special election ballot for the office. New affidavits of candidacy or nominating petitions may not be accepted, and there must not be a primary to fill the vacancy in nomination. The major political party may file a nomination certificate as provided in paragraph (a) no later than seven days after the general election. On the date of the general election, the county auditor or municipal clerk shall post a notice in each precinct affected by a vacancy in nomination under this paragraph, informing voters of the reason for the vacancy in nomination and the procedures for filling the vacancy in nomination and conducting a special election as required by this section. The secretary of state shall prepare and electronically distribute the notice to county auditors in each county affected by a vacancy in nomination.

Sec. 46. Minnesota Statutes 2016, section 237.59, subdivision 2, is amended to read:

**Subd. 2. Petition.** (a) A telephone company, or the commission on its own motion, may petition to have a service of that telephone company classified as subject to effective competition or emerging competition. The petition must be served on the commission, the department, the Office of the Attorney General, and any other person designated by the commission. The petition must contain at least:

- (1) a list of the known alternative providers of the service available to the company's customers; and
- (2) a description of affiliate relationships with any other provider of the service in the company's market.

(b) At the time the company first offers a service, it shall also file a petition with the commission for a determination as to how the service should be classified. In the event that no interested party or the commission objects to the company's proposed classification within 20 days of the filing of the petition, the company's proposed classification of the service is deemed approved. If an objection is filed, the commission shall determine the appropriate classification after a hearing conducted pursuant to section 237.61. In either event, the company may offer the new service to its customers ten days after the company files the price list and incremental cost study as provided in ~~section 237.60, subdivision 2, paragraph (f)~~ Minnesota Rules, parts 7811.2210 and 7812.2210.

(c) A new service may be classified as subject to effective competition or emerging competition pursuant to the criteria set forth in subdivision 5. A new service must be regulated under the emerging competition provisions if it is not integrally related to the provision of adequate local service or access to the telephone network or to the privacy, health, or safety of the company's customers, whether or not it meets the criteria set forth in subdivision 5.

Sec. 47. Minnesota Statutes 2016, section 237.761, subdivision 4, is amended to read:

Subd. 4. **Flexibly priced service.** (a) A service not listed in subdivision 3 or not otherwise determined to be price regulated under subdivision 6 or 7 or nonprice regulated must be classified as a flexibly priced service.

(b) Flexibly priced services are regulated consistent with ~~section 237.60, subdivision 2~~ Minnesota Rules, parts 7811.2210 and 7812.2210, except that:

(1) rate decreases may be effective immediately upon filing and upon notice to affected customers; and

(2) rate increases may be effective 20 days after filing and upon notice to affected customers and are considered approved if no objection is filed or raised by an interested party or the commission within 20 days after the filing. If an interested party files an objection, the commission shall make its determination on the proposed rate increase within 90 days of the filing of the objection.

Sec. 48. Minnesota Statutes 2016, section 245.4835, subdivision 2, is amended to read:

Subd. 2. **Failure to maintain expenditures.** (a) If a county does not comply with subdivision 1, the commissioner shall require the county to develop a corrective action plan according to a format and timeline established by the commissioner. If the commissioner determines that a county has not developed an acceptable corrective action plan within the required timeline, or that the county is not in compliance with an approved corrective action plan, the protections provided to that county under section 245.485 do not apply.

(b) The commissioner shall consider the following factors to determine whether to approve a county's corrective action plan:

(1) the degree to which a county is maximizing revenues for mental health services from noncounty sources;

(2) the degree to which a county is expanding use of alternative services that meet mental health needs, but do not count as mental health services within existing reporting systems. If approved by the commissioner, the alternative services must be included in the county's base as well as subsequent years. The commissioner's approval for alternative services must be based on the following criteria:

(i) the service must be provided to children with emotional disturbance or adults with mental illness;

(ii) the services must be based on an individual treatment plan or individual community support plan as defined in the Comprehensive Mental Health Act; and

(iii) the services must be supervised by a mental health professional and provided by staff who meet the staff qualifications defined in sections 256B.0943, subdivision 7, and ~~256B.0622~~ 256B.0623, subdivision 5.

(c) Additional county expenditures to make up for the prior year's underspending may be spread out over a two-year period.

Sec. 49. Minnesota Statutes 2016, 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 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) to develop a plan to contribute funds to the children's mental health collaborative.

Sec. 50. Minnesota Statutes 2016, section 245.62, subdivision 4, is amended to read:

Subd. 4. **Rules.** The commissioner shall promulgate rules to establish standards for the designation of an agency as a community mental health center. These standards shall include, but are not limited to:

- ~~(a)~~ (1) provision of mental health services in the prevention, identification, treatment and aftercare of emotional disorders, chronic and acute mental illness, developmental disabilities, and alcohol and drug abuse and dependency, including the services listed in section 245.61 except detoxification services;
- ~~(b)~~ (2) establishment of a community mental health center board pursuant to section 245.66; and
- ~~(c)~~ (3) approval pursuant to section 245.69, subdivision 2.

Sec. 51. Minnesota Statutes 2016, section 245A.11, subdivision 2a, is amended to read:

Subd. 2a. **Adult foster care and community residential setting license capacity.** (a) The commissioner shall issue adult foster care and community residential setting licenses with a maximum licensed capacity of four beds, including nonstaff roomers and boarders, except that the commissioner may issue a license with a capacity of five beds, including roomers and boarders, according to paragraphs (b) to ~~(f)~~ (g).

(b) The license holder may have a maximum license capacity of five if all persons in care are age 55 or over and do not have a serious and persistent mental illness or a developmental disability.

(c) The commissioner may grant variances to paragraph (b) to allow a facility with a licensed capacity of up to five persons to admit an individual under the age of 55 if the variance complies with section 245A.04, subdivision 9, and approval of the variance is recommended by the county in which the licensed facility is located.

(d) The commissioner may grant variances to paragraph ~~(b)~~ (a) to allow the use of an additional bed, up to five, for emergency crisis services for a person with serious and persistent mental illness or a

developmental disability, regardless of age, if the variance complies with section 245A.04, subdivision 9, and approval of the variance is recommended by the county in which the licensed facility is located.

(e) The commissioner may grant a variance to paragraph (b) to allow for the use of an additional bed, up to five, for respite services, as defined in section 245A.02, for persons with disabilities, regardless of age, if the variance complies with sections 245A.03, subdivision 7, and 245A.04, subdivision 9, and approval of the variance is recommended by the county in which the licensed facility is located. Respite care may be provided under the following conditions:

(1) staffing ratios cannot be reduced below the approved level for the individuals being served in the home on a permanent basis;

(2) no more than two different individuals can be accepted for respite services in any calendar month and the total respite days may not exceed 120 days per program in any calendar year;

(3) the person receiving respite services must have his or her own bedroom, which could be used for alternative purposes when not used as a respite bedroom, and cannot be the room of another person who lives in the facility; and

(4) individuals living in the facility must be notified when the variance is approved. The provider must give 60 days' notice in writing to the residents and their legal representatives prior to accepting the first respite placement. Notice must be given to residents at least two days prior to service initiation, or as soon as the license holder is able if they receive notice of the need for respite less than two days prior to initiation, each time a respite client will be served, unless the requirement for this notice is waived by the resident or legal guardian.

(f) The commissioner may issue an adult foster care or community residential setting license with a capacity of five adults if the fifth bed does not increase the overall statewide capacity of licensed adult foster care or community residential setting beds in homes that are not the primary residence of the license holder, as identified in a plan submitted to the commissioner by the county, when the capacity is recommended by the county licensing agency of the county in which the facility is located and if the recommendation verifies that:

(1) the facility meets the physical environment requirements in the adult foster care licensing rule;

(2) the five-bed living arrangement is specified for each resident in the resident's:

(i) individualized plan of care;

(ii) individual service plan under section 256B.092, subdivision 1b, if required; or

(iii) individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required;

(3) the license holder obtains written and signed informed consent from each resident or resident's legal representative documenting the resident's informed choice to remain living in the home and that the resident's refusal to consent would not have resulted in service termination; and

(4) the facility was licensed for adult foster care before March 1, 2011.

(g) The commissioner shall not issue a new adult foster care license under paragraph (f) after June 30, 2017. The commissioner shall allow a facility with an adult foster care license issued under paragraph (f) before June 30, 2017, to continue with a capacity of five adults if the license holder continues to comply with the requirements in paragraph (f).

Sec. 52. Minnesota Statutes 2016, section 245F.09, subdivision 1, is amended to read:

Subdivision 1. **Use of protective procedures.** (a) ~~Programs~~ A program must incorporate person-centered planning and trauma-informed care into its protective procedure policies. Protective procedures may be used only in cases where a less restrictive alternative will not protect the patient or others from harm and when the patient is in imminent danger of harming self or others. When a program uses a protective procedure, the program must continuously observe the patient until the patient may safely be left for 15-minute intervals. Use of the procedure must end when the patient is no longer in imminent danger of harming self or others.

(b) Protective procedures may not be used:

(1) for disciplinary purposes;

(2) to enforce program rules;

(3) for the convenience of staff;

(4) as a part of any patient's health monitoring plan; or

(5) for any reason except in response to specific, current behaviors which create an imminent danger of harm to the patient or others.

Sec. 53. Minnesota Statutes 2016, section 252.292, subdivision 4, is amended to read:

Subd. 4. **Facility rates.** For purposes of this section, the commissioner shall establish payment rates under section 256B.501 and Minnesota Rules, parts 9553.0010 to 9553.0080, except that, in order to facilitate an orderly transition of residents from community intermediate care facilities for persons with developmental disabilities to services provided under the home and community-based services program, the commissioner may, in a contract with the provider, modify the effect of provisions in Minnesota Rules, parts 9553.0010 to 9553.0080, as stated in clauses ~~(a)~~ (1) to ~~(i)~~ (9):

~~(a)~~ (1) extend the interim and settle-up rate provisions to include facilities covered by this section;

~~(b)~~ (2) extend the length of the interim period but not to exceed 12 months. The commissioner may grant a variance to exceed the 12-month interim period, as necessary, for facilities which are licensed and certified to serve more than 99 persons. In no case shall the commissioner approve an interim period which exceeds 24 months;

~~(c)~~ (3) waive the investment per bed limitations for the interim period and the settle-up rate;

~~(d)~~ (4) limit the amount of reimbursable expenses related to the acquisition of new capital assets;

~~(e)~~ (5) prohibit the acquisition of additional capital debt or refinancing of existing capital debt unless prior approval is obtained from the commissioner;

~~(f)~~ (6) establish an administrative operating cost limitation for the interim period and the settle-up rate;

~~(g)~~ (7) require the retention of financial and statistical records until the commissioner has audited the interim period and the settle-up rate;

~~(h)~~ (8) require that the interim period be audited by a certified or licensed public accounting firm; or

~~(i)~~ (9) change any other provision to which all parties to the contract agree.

Sec. 54. Minnesota Statutes 2016, section 256.045, subdivision 3b, is amended to read:

Subd. 3b. **Standard of evidence for maltreatment and disqualification hearings.** (a) The state human services judge shall determine that maltreatment has occurred if a preponderance of evidence exists to support

the final disposition under sections 626.556 and 626.557. For purposes of hearings regarding disqualification, the state human services judge shall affirm the proposed disqualification in an appeal under subdivision 3, paragraph (a), clause ~~(9)~~ (10), if a preponderance of the evidence shows the individual has:

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

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

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

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

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

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

Sec. 55. Minnesota Statutes 2016, section 256.045, subdivision 4, is amended to read:

Subd. 4. **Conduct of hearings.** (a) All hearings held pursuant to subdivision 3, 3a, 3b, or 4a shall be conducted according to the provisions of the federal Social Security Act and the regulations implemented in accordance with that act to enable this state to qualify for federal grants-in-aid, and according to the rules and written policies of the commissioner of human services. County agencies shall install equipment necessary to conduct telephone hearings. A state human services judge may schedule a telephone conference hearing when the distance or time required to travel to the county agency offices will cause a delay in the issuance of an order, or to promote efficiency, or at the mutual request of the parties. Hearings may be conducted by telephone conferences unless the applicant, recipient, former recipient, person, or facility contesting maltreatment objects. A human services judge may grant a request for a hearing in person by holding the hearing by interactive video technology or in person. The human services judge must hear the case in person if the person asserts that either the person or a witness has a physical or mental disability that would impair the person's or witness's ability to fully participate in a hearing held by interactive video technology. The hearing shall not be held earlier than five days after filing of the required notice with the county or state agency. The state human services judge shall notify all interested persons of the time, date, and location of the hearing at least five days before the date of the hearing. Interested persons may be represented by legal counsel or other representative of their choice, including a provider of therapy services, at the hearing and may appear personally, testify and offer evidence, and examine and cross-examine witnesses. The applicant, recipient, former recipient, person, or facility contesting maltreatment shall have the opportunity to examine the contents of the case file and all documents and records to be used by the county or state agency at the hearing at a reasonable time before the date of the hearing and during the hearing. In hearings under subdivision 3, paragraph (a), clauses (4), ~~(8)~~, and (9), and (10), either party may subpoena the private data

relating to the investigation prepared by the agency under section 626.556 or 626.557 that is not otherwise accessible under section 13.04, provided the identity of the reporter may not be disclosed.

(b) The private data obtained by subpoena in a hearing under subdivision 3, paragraph (a), clause (4), ~~(8), or (9)~~, or (10), must be subject to a protective order which prohibits its disclosure for any other purpose outside the hearing provided for in this section without prior order of the district court. Disclosure without court order is punishable by a sentence of not more than 90 days imprisonment or a fine of not more than \$1,000, or both. These restrictions on the use of private data do not prohibit access to the data under section 13.03, subdivision 6. Except for appeals under subdivision 3, paragraph (a), clauses (4), (5), ~~(8), and (9)~~, and (10), upon request, the county agency shall provide reimbursement for transportation, child care, photocopying, medical assessment, witness fee, and other necessary and reasonable costs incurred by the applicant, recipient, or former recipient in connection with the appeal. All evidence, except that privileged by law, commonly accepted by reasonable people in the conduct of their affairs as having probative value with respect to the issues shall be submitted at the hearing and such hearing shall not be "a contested case" within the meaning of section 14.02, subdivision 3. The agency must present its evidence prior to or at the hearing, and may not submit evidence after the hearing except by agreement of the parties at the hearing, provided the petitioner has the opportunity to respond.

(c) In hearings under subdivision 3, paragraph (a), clauses (4), ~~(8), and (9)~~, and (10), involving determinations of maltreatment or disqualification made by more than one county agency, by a county agency and a state agency, or by more than one state agency, the hearings may be consolidated into a single fair hearing upon the consent of all parties and the state human services judge.

(d) For hearings under subdivision 3, paragraph (a), clause (4) or (10), involving a vulnerable adult, the human services judge shall notify the vulnerable adult who is the subject of the maltreatment determination and, if known, a guardian of the vulnerable adult appointed under section 524.5-310, or a health care agent designated by the vulnerable adult in a health care directive that is currently effective under section 145C.06 and whose authority to make health care decisions is not suspended under section 524.5-310, of the hearing. The notice must be sent by certified mail and inform the vulnerable adult of the right to file a signed written statement in the proceedings. A guardian or health care agent who prepares or files a written statement for the vulnerable adult must indicate in the statement that the person is the vulnerable adult's guardian or health care agent and sign the statement in that capacity. The vulnerable adult, the guardian, or the health care agent may file a written statement with the human services judge hearing the case no later than five business days before commencement of the hearing. The human services judge shall include the written statement in the hearing record and consider the statement in deciding the appeal. This subdivision does not limit, prevent, or excuse the vulnerable adult from being called as a witness testifying at the hearing or grant the vulnerable adult, the guardian, or health care agent a right to participate in the proceedings or appeal the human services judge's decision in the case. The lead investigative agency must consider including the vulnerable adult victim of maltreatment as a witness in the hearing. If the lead investigative agency determines that participation in the hearing would endanger the well-being of the vulnerable adult or not be in the best interests of the vulnerable adult, the lead investigative agency shall inform the human services judge of the basis for this determination, which must be included in the final order. If the human services judge is not reasonably able to determine the address of the vulnerable adult, the guardian, or the health care agent, the human services judge is not required to send a hearing notice under this subdivision.

Sec. 56. Minnesota Statutes 2016, section 256.0451, subdivision 1, is amended to read:

Subdivision 1. **Scope.** The requirements in this section apply to all fair hearings and appeals under section 256.045, subdivision 3, paragraph (a), clauses (1), (2), (3), (5), (6), ~~and (7), (8), (11), and (13)~~. Except as provided in subdivisions 3 and 19, the requirements under this section apply to fair hearings and appeals under section 256.045, subdivision 3, paragraph (a), clauses (4), ~~(8), and (9)~~, (10), and (12).

The term "person" is used in this section to mean an individual who, on behalf of themselves or their household, is appealing or disputing or challenging an action, a decision, or a failure to act, by an agency



in the human services system. When a person involved in a proceeding under this section is represented by an attorney or by an authorized representative, the term "person" also refers to the person's attorney or authorized representative. Any notice sent to the person involved in the hearing must also be sent to the person's attorney or authorized representative.

The term "agency" includes the county human services agency, the state human services agency, and, where applicable, any entity involved under a contract, subcontract, grant, or subgrant with the state agency or with a county agency, that provides or operates programs or services in which appeals are governed by section 256.045.

Sec. 57. Minnesota Statutes 2016, section 256.0451, subdivision 3, is amended to read:

Subd. 3. **Agency appeal summary.** (a) Except in fair hearings and appeals under section 256.045, subdivision 3, paragraph (a), clauses (4), ~~(8)~~ (9), and ~~(9)~~ (10), the agency involved in an appeal must prepare a state agency appeal summary for each fair hearing appeal. The state agency appeal summary shall be mailed or otherwise delivered to the person who is involved in the appeal at least three working days before the date of the hearing. The state agency appeal summary must also be mailed or otherwise delivered to the department's Appeals Office at least three working days before the date of the fair hearing appeal.

(b) In addition, the human services judge shall confirm that the state agency appeal summary is mailed or otherwise delivered to the person involved in the appeal as required under paragraph (a). The person involved in the fair hearing should be provided, through the state agency appeal summary or other reasonable methods, appropriate information about the procedures for the fair hearing and an adequate opportunity to prepare. These requirements apply equally to the state agency or an entity under contract when involved in the appeal.

(c) The contents of the state agency appeal summary must be adequate to inform the person involved in the appeal of the evidence on which the agency relies and the legal basis for the agency's action or determination.

Sec. 58. Minnesota Statutes 2016, section 256.0451, subdivision 11, is amended to read:

Subd. 11. **Hearing facilities and equipment.** The human services judge shall conduct the hearing in the county where the person involved resides, unless an alternate location is mutually agreed upon before the hearing, or unless the person has agreed to a hearing by telephone. Hearings under section 256.045, subdivision 3, paragraph (a), clauses (4), ~~(8)~~, ~~and~~ (9), and (10), must be conducted in the county where the determination was made, unless an alternate location is mutually agreed upon before the hearing. The hearing room shall be of sufficient size and layout to adequately accommodate both the number of individuals participating in the hearing and any identified special needs of any individual participating in the hearing. The human services judge shall ensure that all communication and recording equipment that is necessary to conduct the hearing and to create an adequate record is present and functioning properly. If any necessary communication or recording equipment fails or ceases to operate effectively, the human services judge shall take any steps necessary, including stopping or adjourning the hearing, until the necessary equipment is present and functioning properly. All reasonable efforts shall be undertaken to prevent and avoid any delay in the hearing process caused by defective communication or recording equipment.

Sec. 59. Minnesota Statutes 2016, section 256.0451, subdivision 19, is amended to read:

Subd. 19. **Developing the record.** The human services judge shall accept all evidence, except evidence privileged by law, that is commonly accepted by reasonable people in the conduct of their affairs as having probative value on the issues to be addressed at the hearing. Except in fair hearings and appeals under section 256.045, subdivision 3, paragraph (a), clauses (4), ~~(8)~~, ~~and~~ (9), (10), and (12), in cases involving medical issues such as a diagnosis, a physician's report, or a review team's decision, the human services judge shall

consider whether it is necessary to have a medical assessment other than that of the individual making the original decision. When necessary, the human services judge shall require an additional assessment be obtained at agency expense and made part of the hearing record. The human services judge shall ensure for all cases that the record is sufficiently complete to make a fair and accurate decision.

Sec. 60. Minnesota Statutes 2016, section 256.481, is amended to read:

**256.481 DISABLED PERSON; DEFINITION.**

For the purposes of sections 256.481 to 256.482 "disabled person" means any person who:

(a) (1) has a physical, mental, or emotional impairment which substantially limits one or more major life activities;

(b) (2) has a record of such an impairment; or

(c) (3) is regarded as having such an impairment.

Sec. 61. Minnesota Statutes 2016, section 256.9741, subdivision 7, is amended to read:

Subd. 7. **Representatives of the office.** "Representatives of the office" means employees of the office, as well as employees designated as regional ~~ombudsman~~ ombudsmen and volunteers designated as certified ombudsman volunteers by the state long-term care ombudsman.

Sec. 62. Minnesota Statutes 2016, section 256.9742, subdivision 6, is amended to read:

Subd. 6. **Prohibition against discrimination or retaliation.** (a) No entity shall take discriminatory, disciplinary, or retaliatory action against the ombudsman, representative of the office, or a client, or guardian or family member of a client, for filing in good faith a complaint with or providing information to the ombudsman or representative of the office. A person who violates this subdivision or who aids, abets, invites, compels, or coerces another to do so is guilty of a misdemeanor.

(b) There shall be a rebuttable presumption that any adverse action, as defined below, within 90 days of report, is discriminatory, disciplinary, or retaliatory. For the purpose of this ~~clause~~ paragraph, the term "adverse action" refers to action taken by the entity involved in a report against the person making the report or the person with respect to whom the report was made because of the report, and includes, but is not limited to:

(1) discharge or transfer from a facility;

(2) termination of service;

(3) restriction or prohibition of access to the facility or its residents;

(4) discharge from or termination of employment;

(5) demotion or reduction in remuneration for services; and

(6) any restriction of rights set forth in section 144.651, 144A.44, or 144A.751.

Sec. 63. Minnesota Statutes 2016, section 256.991, is amended to read:

**256.991 RULES.**

The commissioner of human services may promulgate rules as necessary to implement sections 256.01, subdivision 2; 256.82, subdivision 3; ~~256.966, subdivision 1;~~ and 261.23. The commissioner shall promulgate

rules to establish standards and criteria for deciding which medical assistance services require prior authorization and for deciding whether a second medical opinion is required for an elective surgery. The commissioner shall promulgate rules as necessary to establish the methods and standards for determining inappropriate utilization of medical assistance services.

Sec. 64. Minnesota Statutes 2016, section 256B.02, subdivision 9, is amended to read:

Subd. 9. **Private health care coverage.** "Private health care coverage" means any plan regulated by chapter 62A, 62C or 64B. Private health care coverage also includes any self-insured plan providing health care benefits, pharmacy benefit manager, service benefit plan, managed care organization, and other parties that are by contract legally responsible for payment of a claim for a health care item or service for an individual receiving medical benefits under this chapter 256B or chapter 256L.

Sec. 65. Minnesota Statutes 2016, section 256B.059, subdivision 5, is amended to read:

Subd. 5. **Asset availability.** (a) At the time of initial determination of eligibility for medical assistance benefits for an institutionalized spouse, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the amount available to the community spouse under subdivision 3.

The value of assets transferred for the sole benefit of the community spouse under section 256B.0595, subdivision 4, in combination with other assets available to the community spouse under this section, cannot exceed the limit for the community spouse asset allowance determined under subdivision 3 or 4. Assets that exceed this allowance shall be considered available to the institutionalized spouse. If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.

(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if:

(i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section 256B.14, subdivision 3;

(ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or

(iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being; or

~~(iv) the assets in excess of the amount under paragraph (a) are assets owned by the community spouse, and the denial of eligibility would cause an undue hardship to the family due to the loss of retirement funds for the community spouse or funds protected for the postsecondary education of a child under 25 years of age. For purposes of this clause, only retirement assets held by the community spouse in a tax-deferred retirement account, including a defined benefit plan, defined contribution plan, an employer-sponsored individual retirement arrangement, or individually purchased individual retirement arrangement are protected, and are only protected until the community spouse is eligible to withdraw retirement funds from any or all accounts without penalty. For purposes of this clause, only funds in a plan designated under section 529 of the Internal Revenue Code on behalf of a child of either or both spouses who is under 25 years of age are protected. There shall not be an assignment of spousal support to the commissioner or a cause of action against the individual's spouse under section 256B.14, subdivision 3, for the funds in the protected retirement and college savings accounts.~~

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, and during the continuous period of enrollment, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under paragraph (b).

(d) Assets determined to be available to the institutionalized spouse under this section must be used for the health care or personal needs of the institutionalized spouse.

(e) For purposes of this section, assets do not include assets excluded under the Supplemental Security Income program.

Sec. 66. Minnesota Statutes 2016, section 256B.059, subdivision 6, is amended to read:

Subd. 6. **Temporary application.** (a) During the period in which rules against spousal impoverishment are temporarily applied according to section 2404 of the Patient Protection Affordable Care Act, Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152, this section applies to an institutionalized spouse:

(1) applying for home and community-based waivers under sections 256B.092, 256B.093, and 256B.49 on or after June 1, 2016;

(2) enrolled in home and community-based waivers under sections 256B.092, 256B.093, and 256B.49 before June 1, 2016; or

(3) applying for services under section 256B.85 upon the effective date of that section.

(b) During the applicable period of paragraph (a), the definition of "institutionalized spouse" in subdivision 1, paragraph ~~(f)~~ (e), also includes an institutionalized spouse referenced in paragraph (a).

Sec. 67. Minnesota Statutes 2016, section 256B.0622, subdivision 7b, is amended to read:

Subd. 7b. **Assertive community treatment program size and opportunities.** (a) Each ACT team shall maintain an annual average caseload that does not exceed 100 clients. Staff-to-client ratios shall be based on team size as follows:

(1) a small ACT team must:

(i) employ at least six but no more than seven full-time treatment team staff, excluding the program assistant and the psychiatric care provider;

(ii) serve an annual average maximum of no more than 50 clients;

(iii) ensure at least one full-time equivalent position for every eight clients served;

(iv) schedule ACT team staff for at least eight-hour shift coverage on weekdays and on-call duty to provide crisis services and deliver services after hours when staff are not working;

(v) provide crisis services during business hours if the small ACT team does not have sufficient staff numbers to operate an after-hours on-call system. During all other hours, the ACT team may arrange for coverage for crisis assessment and intervention services through a reliable crisis-intervention provider as long as there is a mechanism by which the ACT team communicates routinely with the crisis-intervention provider and the on-call ACT team staff are available to see clients face-to-face when necessary or if requested by the crisis-intervention services provider;

(vi) adjust schedules and provide staff to carry out the needed service activities in the evenings or on weekend days or holidays, when necessary;

(vii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the ACT team's psychiatric care provider during all hours is not feasible, alternative psychiatric prescriber backup must be arranged and a mechanism of timely communication and coordination established in writing; and

(viii) be composed of, at minimum, one full-time team leader, at least 16 hours each week per 50 clients of psychiatric provider time, or equivalent if fewer clients, one full-time equivalent nursing, one full-time substance abuse specialist, one full-time equivalent mental health certified peer specialist, one full-time vocational specialist, one full-time program assistant, and at least one additional full-time ACT team member who has mental health professional or practitioner status; and

(2) a midsize ACT team shall:

(i) be composed of, at minimum, one full-time team leader, at least 16 hours of psychiatry time for 51 clients, with an additional two hours for every six clients added to the team, 1.5 to two full-time equivalent nursing staff, one full-time substance abuse specialist, one full-time equivalent mental health certified peer specialist, one full-time vocational specialist, one full-time program assistant, and at least 1.5 to two additional full-time equivalent ACT members, with at least one dedicated full-time staff member with mental health professional status. Remaining team members may have mental health professional or practitioner status;

(ii) employ seven or more treatment team full-time equivalents, excluding the program assistant and the psychiatric care provider;

(iii) serve an annual average maximum caseload of 51 to 74 clients;

(iv) ensure at least one full-time equivalent position for every nine clients served;

(v) schedule ACT team staff for a minimum of ten-hour shift coverage on weekdays and six- to eight-hour shift coverage on weekends and holidays. In addition to these minimum specifications, staff are regularly scheduled to provide the necessary services on a client-by-client basis in the evenings and on weekends and holidays;

(vi) schedule ACT team staff on-call duty to provide crisis services and deliver services when staff are not working;

(vii) have the authority to arrange for coverage for crisis assessment and intervention services through a reliable crisis-intervention provider as long as there is a mechanism by which the ACT team communicates routinely with the crisis-intervention provider and the on-call ACT team staff are available to see clients face-to-face when necessary or if requested by the crisis-intervention services provider; and

(viii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the psychiatric care provider during all hours is not feasible, alternative psychiatric prescriber backup must be arranged and a mechanism of timely communication and coordination established in writing;

(3) a large ACT team must:

(i) be composed of, at minimum, one full-time team leader, at least 32 hours each week per 100 clients, or equivalent of psychiatry time, three full-time equivalent nursing staff, one full-time substance abuse specialist, one full-time equivalent mental health certified peer specialist, one full-time vocational specialist, one full-time program assistant, and at least two additional full-time equivalent ACT team members, with at least one dedicated full-time staff member with mental health professional status. Remaining team members may have mental health professional or mental health practitioner status;

(ii) employ nine or more treatment team full-time equivalents, excluding the program assistant and psychiatric care provider;

(iii) serve an annual average maximum caseload of 75 to 100 clients;

(iv) ensure at least one full-time equivalent position for every nine individuals served;

(v) schedule staff to work two eight-hour shifts, with a minimum of two staff on the second shift providing services at least 12 hours per day weekdays. For weekends and holidays, the team must operate and schedule ACT team staff to work one eight-hour shift, with a minimum of two staff each weekend day and every holiday;

(vi) schedule ACT team staff on-call duty to provide crisis services and deliver services when staff are not working; and

(vii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the ACT team psychiatric care provider during all hours is not feasible, alternative psychiatric backup must be arranged and a mechanism of timely communication and coordination established in writing.

(b) An ACT team of any size may have a staff-to-client ratio that is lower than the requirements described in paragraph (a) upon approval by the commissioner, but may not exceed a one-to-ten staff-to-client ratio.

Sec. 68. Minnesota Statutes 2016, section 256B.0622, subdivision 7d, is amended to read:

**Subd. 7d. Assertive community treatment assessment and individual treatment plan.** (a) An initial assessment, including a diagnostic assessment that meets the requirements of Minnesota Rules, part 9505.0372, subpart 1, and a 30-day treatment plan shall be completed the day of the client's admission to assertive community treatment by the ACT team leader or the psychiatric care provider, with participation by designated ACT team members and the client. The team leader, psychiatric care provider, or other mental health professional designated by the team leader or psychiatric care provider, must update the client's diagnostic assessment at least annually.

(b) An initial functional assessment must be completed within ten days of intake and updated every six months for assertive community treatment, or prior to discharge from the service, whichever comes first.

(c) Within 30 days of the client's assertive community treatment admission, the ACT team shall complete an in-depth assessment of the domains listed under section 245.462, subdivision 11a.

(d) Each part of the in-depth assessment areas shall be completed by each respective team specialist or an ACT team member with skill and knowledge in the area being assessed. The assessments are based upon all available information, including that from client interview family and identified natural supports, and written summaries from other agencies, including police, courts, county social service agencies, outpatient facilities, and inpatient facilities, where applicable.

(e) Between 30 and 45 days after the client's admission to assertive community treatment, the entire ACT team must hold a comprehensive case conference, where all team members, including the psychiatric provider, present information discovered from the completed in-depth assessments and provide treatment recommendations. The conference must serve as the basis for the first six-month treatment plan, which must be written by the primary team member.

(f) The client's psychiatric care provider, primary team member, and individual treatment team members shall assume responsibility for preparing the written narrative of the results from the psychiatric and social functioning history timeline and the comprehensive assessment.

(g) The primary team member and individual treatment team members shall be assigned by the team leader in collaboration with the psychiatric care provider by the time of the first treatment planning meeting or 30 days after admission, whichever occurs first.

(h) Individual treatment plans must be developed through the following treatment planning process:

(1) The individual treatment plan shall be developed in collaboration with the client and the client's preferred natural supports, and guardian, if applicable and appropriate. The ACT team shall evaluate, together with each client, the client's needs, strengths, and preferences and develop the individual treatment plan collaboratively. The ACT team shall make every effort to ensure that the client and the client's family and natural supports, with the client's consent, are in attendance at the treatment planning meeting, are involved in ongoing meetings related to treatment, and have the necessary supports to fully participate. The client's participation in the development of the individual treatment plan shall be documented.

(2) The client and the ACT team shall work together to formulate and prioritize the issues, set goals, research approaches and interventions, and establish the plan. The plan is individually tailored so that the treatment, rehabilitation, and support approaches and interventions achieve optimum symptom reduction, help fulfill the personal needs and aspirations of the client, take into account the cultural beliefs and realities of the individual, and improve all the aspects of psychosocial functioning that are important to the client. The process supports strengths, rehabilitation, and recovery.

(3) Each client's individual treatment plan shall identify service needs, strengths and capacities, and barriers, and set specific and measurable short- and long-term goals for each service need. The individual treatment plan must clearly specify the approaches and interventions necessary for the client to achieve the individual goals, when the interventions shall happen, and identify which ACT team member shall carry out the approaches and interventions.

(4) The primary team member and the individual treatment team, together with the client and the client's family and natural supports with the client's consent, are responsible for reviewing and rewriting the treatment goals and individual treatment plan whenever there is a major decision point in the client's course of treatment or at least every six months.

(5) The primary team member shall prepare a summary that thoroughly describes in writing the client's and the individual treatment team's evaluation of the client's progress and goal attainment, the effectiveness of the interventions, and the satisfaction with services since the last individual treatment plan. The client's most recent diagnostic assessment must be included with the treatment plan summary.

(6) The individual treatment plan and review must be signed or acknowledged by the client, the primary team member, ~~individual treatment team members~~, the team leader, the psychiatric care provider, and all individual treatment team members. A copy of the signed individual treatment plan is made available to the client.

Sec. 69. Minnesota Statutes 2016, section 256B.0911, subdivision 4d, is amended to read:

Subd. 4d. **Preadmission screening of individuals under 65 years of age.** (a) It is the policy of the state of Minnesota to ensure that individuals with disabilities or chronic illness are served in the most integrated setting appropriate to their needs and have the necessary information to make informed choices about home and community-based service options.

(b) Individuals under 65 years of age who are admitted to a Medicaid-certified nursing facility must be screened prior to admission according to the requirements outlined in section 256.975, subdivisions 7a to 7c. This shall be provided by the Senior LinkAge Line as required under section 256.975, subdivision 7.

(c) Individuals under 65 years of age who are admitted to nursing facilities with only a telephone screening must receive a face-to-face assessment from the long-term care consultation team member of the county in which the facility is located or from the recipient's county case manager within 40 calendar days of admission.

(d) At the face-to-face assessment, the long-term care consultation team member or county case manager must perform the activities required under subdivision 3b.

(e) For individuals under 21 years of age, a screening interview which recommends nursing facility admission must be face-to-face and approved by the commissioner before the individual is admitted to the nursing facility.

(f) In the event that an individual under 65 years of age is admitted to a nursing facility on an emergency basis, the Senior LinkAge Line must be notified of the admission on the next working day, and a face-to-face assessment as described in paragraph (c) must be conducted within 40 calendar days of admission.

(g) At the face-to-face assessment, the long-term care consultation team member or the case manager must present information about home and community-based options, including consumer-directed options, so the individual can make informed choices. If the individual chooses home and community-based services, the long-term care consultation team member or case manager must complete a written relocation plan within 20 working days of the visit. The plan shall describe the services needed to move out of the facility and a time line for the move which is designed to ensure a smooth transition to the individual's home and community.

(h) An individual under 65 years of age residing in a nursing facility shall receive a face-to-face assessment at least every 12 months to review the person's service choices and available alternatives unless the individual indicates, in writing, that annual visits are not desired. In this case, the individual must receive a face-to-face assessment at least once every 36 months for the same purposes.

(i) Notwithstanding the provisions of subdivision 6, the commissioner may pay county agencies directly for face-to-face assessments for individuals under 65 years of age who are being considered for placement or residing in a nursing facility.

(j) Funding for preadmission screening follow-up shall be provided to the Disability Linkage Line for the under-60 population by the Department of Human Services to cover options counseling salaries and expenses to provide the services described in subdivisions 7a to 7c. The Disability Linkage Line shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide preadmission screening follow-up services and shall seek to maximize federal funding for the service as provided under section 256.01, subdivision 2, paragraph ~~(dd)~~ (aa).

Sec. 70. Minnesota Statutes 2016, section 256B.0911, subdivision 6, is amended to read:

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

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

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

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

(e) Payments for long-term care consultation services are available to the county or counties to cover staff salaries and expenses to provide the services described in subdivision 1a. The county shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide long-term care consultation services while meeting the state's long-term care outcomes and objectives as



defined in subdivision 1. The county shall be accountable for meeting local objectives as approved by the commissioner in the biennial home and community-based services quality assurance plan on a form provided by the commissioner.

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

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

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

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

Sec. 71. Minnesota Statutes 2016, section 256B.25, subdivision 3, is amended to read:

Subd. 3. **Payment exceptions.** The limitation in subdivision 2 shall not apply to:

~~(a)~~ (1) payment of Minnesota supplemental assistance funds to recipients who reside in facilities which are involved in litigation contesting their designation as an institution for treatment of mental disease;

~~(b)~~ (2) payment or grants to a boarding care home or supervised living facility licensed by the Department of Human Services under Minnesota Rules, parts 2960.0130 to 2960.0220 or 2960.0580 to 2960.0700, 9520.0500 to 9520.0670, or 9530.6405 to 9530.6505, or payment to recipients who reside in these facilities;

~~(c)~~ (3) payments or grants to a boarding care home or supervised living facility which are ineligible for certification under United States Code, title 42, sections 1396-1396p;

~~(d)~~ (4) payments or grants otherwise specifically authorized by statute or rule.

Sec. 72. Minnesota Statutes 2016, section 256B.35, subdivision 4, is amended to read:

Subd. 4. **Field audits required.** The commissioner of human services shall conduct field audits at the same time as cost report audits required under section ~~256B.27, subdivision 2a~~ 256R.13, and at any other time but at least once every four years, without notice, to determine whether this section was complied with and that the funds provided residents for their personal needs were actually expended for that purpose.

Sec. 73. Minnesota Statutes 2016, section 256B.421, subdivision 1, is amended to read:

Subdivision 1. **Scope.** For the purposes of this section and sections 256B.431, 256B.434, 256B.48, 256B.50, and 256B.502, the following ~~terms and phrases~~ term shall have the meaning given to ~~them~~ it.

Sec. 74. Minnesota Statutes 2016, section 256B.50, subdivision 1, is amended to read:

Subdivision 1. **Scope.** A provider may appeal from a determination of a payment rate established pursuant to this chapter or allowed costs under ~~section 256B.441~~ chapter 256R if the appeal, if successful, would result in a change to the provider's payment rate or to the calculation of maximum charges to therapy vendors as provided by section ~~256B.433, subdivision 3~~ 256R.54. Appeals must be filed in accordance with procedures in this section. This section does not apply to a request from a resident or long-term care facility for reconsideration of the classification of a resident under section 144.0722.

Sec. 75. Minnesota Statutes 2016, section 256B.50, subdivision 1c, is amended to read:

Subd. 1c. **Contested case procedures appeals review process.** (a) Effective for desk audit appeals for rate years beginning on or after July 1, 1997, and for field audit appeals filed on or after that date, the commissioner shall review appeals and issue a written appeal determination on each appealed item within one year of the due date of the appeal. Upon mutual agreement, the commissioner and the provider may extend the time for issuing a determination for a specified period. The commissioner shall notify the provider by first class mail of the appeal determination. The appeal determination takes effect 30 days following the date of issuance specified in the determination.

(b) In reviewing the appeal, the commissioner may request additional written or oral information from the provider. The provider has the right to present information by telephone, in writing, or in person concerning the appeal to the commissioner prior to the issuance of the appeal determination within six months of the date the appeal was received by the commissioner. Written requests for conferences must be submitted separately from the appeal letter. Statements made during the review process are not admissible in a contested case hearing absent an express stipulation by the parties to the contested case.

(c) For an appeal item on which the provider disagrees with the appeal determination, the provider may file with the commissioner a written demand for a contested case hearing to determine the proper resolution of specified appeal items. The demand must be postmarked or received by the commissioner within 30 days of the date of issuance specified in the determination. A contested case demand for an appeal item nullifies the written appeal determination issued by the commissioner for that appeal item. The commissioner shall refer any contested case demand to the Office of the Attorney General.

(d) A contested case hearing must be heard by an administrative law judge according to sections 14.48 to 14.56. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the determination of a payment rate is incorrect.

(e) Regardless of any rate appeal, the rate established must be the rate paid and must remain in effect until final resolution of the appeal or subsequent desk or field audit adjustment.

(f) To challenge the validity of rules established by the commissioner pursuant to this section and sections ~~256B.41, 256B.421, 256B.431, 256B.47, 256B.48, 256B.501, and 256B.502,~~ 256R.01, 256R.06, 256R.11, and 256R.12, a provider shall comply with section 14.44.

(g) The commissioner has discretion to issue to the provider a proposed resolution for specified appeal items upon a request from the provider filed separately from the notice of appeal. The proposed resolution is final upon written acceptance by the provider within 30 days of the date the proposed resolution was mailed to or personally received by the provider, whichever is earlier.

(h) The commissioner may use the procedures described in this subdivision to resolve appeals filed prior to July 1, 1997.

Sec. 76. Minnesota Statutes 2016, section 256B.501, subdivision 3i, is amended to read:

Subd. 3i. **Scope.** ~~Subdivisions 3a to 3e and 3h do~~ Subdivision 3c does not apply to facilities whose payment rates are governed by Minnesota Rules, part 9553.0075.

Sec. 77. Minnesota Statutes 2016, section 256B.501, subdivision 4b, is amended to read:

Subd. 4b. **Waiver rates and group residential housing rates.** The average daily reimbursement rates established by the commissioner for waived services shall be adjusted to include the additional costs of services eligible for waiver funding under title XIX of the Social Security Act and for which there is no group residential housing payment available ~~as a result of the payment limitations set forth in section 256I.05, subdivision 10.~~ The adjustment to the waiver rates shall be based on county reports of service costs that are no longer eligible for group residential housing payments. No adjustment shall be made for any amount of reported payments that prior to July 1, 1992, exceeded the group residential housing rate limits established in section 256I.05 and were reimbursed through county funds.

Sec. 78. Minnesota Statutes 2016, section 256B.692, subdivision 6, is amended to read:

Subd. 6. **Commissioner's authority.** The commissioner may:

(1) reject any preliminary or final proposal that:

~~(a)~~ (i) substantially fails to meet the requirements of this section, or

~~(b)~~ (ii) that the commissioner determines would substantially impair the state's ability to purchase health care services in other areas of the state, or

~~(c)~~ (iii) would substantially impair an enrollee's choice of care systems when reasonable choice is possible, or

~~(d)~~ (iv) would substantially impair the implementation and operation of the Minnesota senior health options demonstration project authorized under section 256B.69, subdivision 23; and

(2) assume operation of a county's purchasing of health care for enrollees in medical assistance in the event that the contract with the county is terminated.

Sec. 79. Minnesota Statutes 2016, section 256B.76, subdivision 1, is amended to read:

Subdivision 1. **Physician reimbursement.** (a) Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for physician services as follows:

(1) payment for level one Centers for Medicare and Medicaid Services' common procedural coding system codes titled "office and other outpatient services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," cesarean delivery and pharmacologic management provided to psychiatric patients, and level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992. ~~If the rate on any procedure code within these categories is different than the rate that would have been paid under the methodology in section 256B.74, subdivision 2, then the larger rate shall be paid;~~

(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases except that payment rates for home health agency services shall be the rates in effect on September 30, 1992.

(b) Effective for services rendered on or after January 1, 2000, payment rates for physician and professional services shall be increased by three percent over the rates in effect on December 31, 1999, except for home health agency and family planning agency services. The increases in this paragraph shall be implemented January 1, 2000, for managed care.

(c) Effective for services rendered on or after July 1, 2009, payment rates for physician and professional services shall be reduced by five percent, except that for the period July 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical assistance and general assistance medical care programs, over the rates in effect on June 30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other outpatient visits, preventive medicine visits and family planning visits billed by physicians, advanced practice nurses, or physician assistants in a family planning agency or in one of the following primary care practices: general practice, general internal medicine, general pediatrics, general geriatrics, and family medicine. This reduction and the reductions in paragraph (d) do not apply to federally qualified health centers, rural health centers, and Indian health services. Effective October 1, 2009, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

(d) Effective for services rendered on or after July 1, 2010, payment rates for physician and professional services shall be reduced an additional seven percent over the five percent reduction in rates described in paragraph (c). This additional reduction does not apply to physical therapy services, occupational therapy services, and speech pathology and related services provided on or after July 1, 2010. This additional reduction does not apply to physician services billed by a psychiatrist or an advanced practice nurse with a specialty in mental health. Effective October 1, 2010, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

(e) Effective for services rendered on or after September 1, 2011, through June 30, 2013, payment rates for physician and professional services shall be reduced three percent from the rates in effect on August 31, 2011. This reduction does not apply to physical therapy services, occupational therapy services, and speech pathology and related services.

(f) Effective for services rendered on or after September 1, 2014, payment rates for physician and professional services, including physical therapy, occupational therapy, speech pathology, and mental health services shall be increased by five percent from the rates in effect on August 31, 2014. In calculating this rate increase, the commissioner shall not include in the base rate for August 31, 2014, the rate increase provided under section 256B.76, subdivision 7. This increase does not apply to federally qualified health centers, rural health centers, and Indian health services. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(g) Effective for services rendered on or after July 1, 2015, payment rates for physical therapy, occupational therapy, and speech pathology and related services provided by a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

Sec. 80. Minnesota Statutes 2016, section 256B.78, is amended to read:

**256B.78 DEMONSTRATION PROJECT FOR FAMILY PLANNING SERVICES.**

(a) The commissioner of human services shall establish a medical assistance demonstration project to determine whether improved access to coverage of pre-pregnancy family planning services reduces medical assistance and MFIP costs.

(b) ~~This section is effective upon federal approval of the demonstration project.~~ To be eligible for the medical assistance demonstration project, an individual must have family income at or below 200 percent

of the federal poverty guidelines, except that for an individual under age 21, only the income of the individual must be considered in determining eligibility. Services under this program must be available on a presumptive eligibility basis.

Sec. 81. Minnesota Statutes 2016, section 256D.03, subdivision 2a, is amended to read:

Subd. 2a. **County agency options.** Any county agency may, from its own resources, make payments of general assistance: ~~(a) (1)~~ at a standard higher than that established by the commissioner without reference to the standards of section 256D.01, subdivision 1; or ~~(b) (2)~~ to persons not meeting the eligibility standards set forth in section 256D.05, subdivision 1, but for whom the aid would further the purposes established in the general assistance program according to rules adopted by the commissioner according to the Administrative Procedure Act. The Minnesota Department of Human Services may maintain client records and issue these payments, providing the cost of benefits is paid by the counties to the Department of Human Services according to section 256.01.

Sec. 82. Minnesota Statutes 2016, section 256D.04, is amended to read:

#### **256D.04 DUTIES OF THE COMMISSIONER.**

In addition to any other duties imposed by law, the commissioner shall:

(1) supervise according to section 256.01 the administration of general assistance by county agencies as provided in sections 256D.01 to 256D.21;

(2) promulgate uniform rules consistent with law for carrying out and enforcing the provisions of sections 256D.01 to 256D.21, ~~including section 256.01, subdivision 2, paragraph (p)~~, to the end that general assistance may be administered as uniformly as possible throughout the state; rules shall be furnished immediately to all county agencies and other interested persons; in promulgating rules, the provisions of sections 14.001 to 14.69, shall apply;

(3) allocate money appropriated for general assistance to county agencies as provided in section 256D.03, subdivision 2;

(4) accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for general assistance;

(5) cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under sections 256D.01 to 256D.21;

(6) cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services;

(7) gather and study current information and report at least annually to the governor on the nature and need for general assistance, the amounts expended under the supervision of each county agency, and the activities of each county agency and publish such reports for the information of the public;

(8) specify requirements for general assistance reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph (p); and

(9) ensure that every notice of eligibility for general assistance includes a notice that women who are pregnant may be eligible for medical assistance benefits.

Sec. 83. Minnesota Statutes 2016, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) Each assistance unit with income and resources less than the standard of assistance established by the commissioner and with a member who is a resident of the state shall be eligible for and entitled to general assistance if the assistance unit is:

(1) a person who is suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 45 days and which prevents the person from obtaining or retaining employment;

(2) a person whose presence in the home on a substantially continuous basis is required because of the professionally certified illness, injury, incapacity, or the age of another member of the household;

(3) a person who has been placed in, and is residing in, a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is according to a plan developed or approved by the county agency through its director or designated representative;

~~(4) a person who resides in a shelter facility described in subdivision 3;~~

~~(5)~~ (4) a person not described in clause (1) or (3) who is diagnosed by a licensed physician, psychological practitioner, or other qualified professional, as developmentally disabled or mentally ill, and that condition prevents the person from obtaining or retaining employment;

~~(6)~~ (5) a person who has an application pending for, or is appealing termination of benefits from, the Social Security disability program or the program of Supplemental Security Income for the aged, blind, and disabled, provided the person has a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

~~(7)~~ (6) a person who is unable to obtain or retain employment because advanced age significantly affects the person's ability to seek or engage in substantial work;

~~(8)~~ (7) a person who has been assessed by a vocational specialist and, in consultation with the county agency, has been determined to be unemployable for purposes of this clause; a person is considered employable if there exist positions of employment in the local labor market, regardless of the current availability of openings for those positions, that the person is capable of performing. The person's eligibility under this category must be reassessed at least annually. The county agency must provide notice to the person not later than 30 days before annual eligibility under this item ends, informing the person of the date annual eligibility will end and the need for vocational assessment if the person wishes to continue eligibility under this clause. For purposes of establishing eligibility under this clause, it is the applicant's or recipient's duty to obtain any needed vocational assessment;

~~(9)~~ (8) a person who is determined by the county agency, according to permanent rules adopted by the commissioner, to have a condition that qualifies under Minnesota's special education rules as a specific learning disability, provided that a rehabilitation plan for the person is developed or approved by the county agency, and the person is following the plan;

~~(10)~~ (9) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, and only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the county agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the county agency. For purposes of this clause, "legally emancipated" means a person under the age of 18 years who: (i) has been married; (ii) is on active duty in the uniformed services of the United States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise considered emancipated under Minnesota

law, and for whom county social services has not determined that a social services case plan is necessary, for reasons other than the child has failed or refuses to cooperate with the county agency in developing the plan;

~~(1)~~ (10) a person who is eligible for displaced homemaker services, programs, or assistance under section 116L.96, but only if that person is enrolled as a full-time student;

~~(2)~~ (11) a person who is involved with protective or court-ordered services that prevent the applicant or recipient from working at least four hours per day;

~~(3)~~ (12) a person over age 18 whose primary language is not English and who is attending high school at least half time; or

~~(4)~~ (13) a person whose alcohol and drug addiction is a material factor that contributes to the person's disability; applicants who assert this clause as a basis for eligibility must be assessed by the county agency to determine if they are amenable to treatment; if the applicant is determined to be not amenable to treatment, but is otherwise eligible for benefits, then general assistance must be paid in vendor form, for the individual's shelter costs up to the limit of the grant amount, with the residual, if any, paid according to section 256D.09, subdivision 2a; if the applicant is determined to be amenable to treatment, then in order to receive benefits, the applicant must be in a treatment program or on a waiting list and the benefits must be paid in vendor form, for the individual's shelter costs, up to the limit of the grant amount, with the residual, if any, paid according to section 256D.09, subdivision 2a.

(b) As a condition of eligibility under paragraph (a), clauses (1), (3), ~~(5)~~ (4), ~~(8)~~ (7), and ~~(9)~~ (8), the recipient must complete an interim assistance agreement and must apply for other maintenance benefits as specified in section 256D.06, subdivision 5, and must comply with efforts to determine the recipient's eligibility for those other maintenance benefits.

(c) The burden of providing documentation for a county agency to use to verify eligibility for general assistance or for exemption from the food stamp employment and training program is upon the applicant or recipient. The county agency shall use documents already in its possession to verify eligibility, and shall help the applicant or recipient obtain other existing verification necessary to determine eligibility which the applicant or recipient does not have and is unable to obtain.

Sec. 84. Minnesota Statutes 2016, section 256D.44, subdivision 5, is amended to read:

Subd. 5. **Special needs.** In addition to the state standards of assistance established in subdivisions 1 to 4, payments are allowed for the following special needs of recipients of Minnesota supplemental aid who are not residents of a nursing home, a regional treatment center, or a group residential housing facility.

(a) The county agency shall pay a monthly allowance for medically prescribed diets if the cost of those additional dietary needs cannot be met through some other maintenance benefit. The need for special diets or dietary items must be prescribed by a licensed physician. Costs for special diets shall be determined as percentages of the allotment for a one-person household under the thrifty food plan as defined by the United States Department of Agriculture. The types of diets and the percentages of the thrifty food plan that are covered are as follows:

(1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;

(2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent of thrifty food plan;

(3) controlled protein diet, less than 40 grams and requires special products, 125 percent of thrifty food plan;

(4) low cholesterol diet, 25 percent of thrifty food plan;

- (5) high residue diet, 20 percent of thrifty food plan;
- (6) pregnancy and lactation diet, 35 percent of thrifty food plan;
- (7) gluten-free diet, 25 percent of thrifty food plan;
- (8) lactose-free diet, 25 percent of thrifty food plan;
- (9) antidumping diet, 15 percent of thrifty food plan;
- (10) hypoglycemic diet, 15 percent of thrifty food plan; or
- (11) ketogenic diet, 25 percent of thrifty food plan.

(b) Payment for nonrecurring special needs must be allowed for necessary home repairs or necessary repairs or replacement of household furniture and appliances using the payment standard of the AFDC program in effect on July 16, 1996, for these expenses, as long as other funding sources are not available.

(c) A fee for guardian or conservator service is allowed at a reasonable rate negotiated by the county or approved by the court. This rate shall not exceed five percent of the assistance unit's gross monthly income up to a maximum of \$100 per month. If the guardian or conservator is a member of the county agency staff, no fee is allowed.

(d) The county agency shall continue to pay a monthly allowance of \$68 for restaurant meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and who eats two or more meals in a restaurant daily. The allowance must continue until the person has not received Minnesota supplemental aid for one full calendar month or until the person's living arrangement changes and the person no longer meets the criteria for the restaurant meal allowance, whichever occurs first.

(e) A fee of ten percent of the recipient's gross income or \$25, whichever is less, is allowed for representative payee services provided by an agency that meets the requirements under SSI regulations to charge a fee for representative payee services. This special need is available to all recipients of Minnesota supplemental aid regardless of their living arrangement.

(f)(1) Notwithstanding the language in this subdivision, an amount equal to the maximum allotment authorized by the federal Food Stamp Program for a single individual which is in effect on the first day of July of each year will be added to the standards of assistance established in subdivisions 1 to 4 for adults under the age of 65 who qualify as shelter needy and are: (i) relocating from an institution, or an adult mental health residential treatment program under section 256B.0622; or (ii) home and community-based waiver recipients living in their own home or rented or leased apartment ~~which is not owned, operated, or controlled by a provider of service not related by blood or marriage, unless allowed under paragraph (g).~~

(2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter needy benefit under this paragraph is considered a household of one. An eligible individual who receives this benefit prior to age 65 may continue to receive the benefit after the age of 65.

(3) "Shelter needy" means that the assistance unit incurs monthly shelter costs that exceed 40 percent of the assistance unit's gross income before the application of this special needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be considered shelter needy for purposes of this paragraph.

~~(g) Notwithstanding this subdivision, to access housing and services as provided in paragraph (f), the recipient may choose housing that may be owned, operated, or controlled by the recipient's service provider. When housing is controlled by the service provider, the individual may choose the individual's own service provider as provided in section 256B.49, subdivision 23, clause (3). When the housing is controlled by the service provider, the service provider shall implement a plan with the recipient to transition the lease to the~~



~~recipient's name. Within two years of signing the initial lease, the service provider shall transfer the lease entered into under this subdivision to the recipient. In the event the landlord denies this transfer, the commissioner may approve an exception within sufficient time to ensure the continued occupancy by the recipient. This paragraph expires June 30, 2016.~~

Sec. 85. Minnesota Statutes 2016, section 256J.01, subdivision 3, is amended to read:

Subd. 3. **Relationship to other statutes and rules.** MFIP-S replaces eligibility for families with children and pregnant women under the general assistance program, governed by sections 256D.01 to 256D.21 and Minnesota Rules, parts 9500.1200 to ~~9500.1270~~ 9500.1261.

Sec. 86. Minnesota Statutes 2016, 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~~ 9560.0654, 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;

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

(49) child support payments of up to \$100 for an assistance unit with one child and up to \$200 for an assistance unit with two or more children.

Sec. 87. Minnesota Statutes 2016, section 256J.515, is amended to read:

#### **256J.515 OVERVIEW OF EMPLOYMENT AND TRAINING SERVICES.**

During the first meeting with participants, job counselors must ensure that an overview of employment and training services is provided that:

(1) stresses the necessity and opportunity of immediate employment;

- (2) outlines the job search resources offered;
- (3) outlines education or training opportunities available;
- (4) describes the range of work activities, including activities under section ~~256J.49, subdivision 13, clause (18)~~ 256J.49, subdivision 13, paragraph (a), that are allowable under MFIP to meet the individual needs of participants;
- (5) explains the requirements to comply with an employment plan;
- (6) explains the consequences for failing to comply;
- (7) explains the services that are available to support job search and work and education;
- (8) provides referral information about shelters and programs for victims of family violence and the time limit exemption for family violence victims; and
- (9) explains the probationary employment periods new employees may serve after being hired and any assistance with job retention services that may be available.

Failure to attend the overview of employment and training services without good cause results in the imposition of a sanction under section 256J.46.

An applicant who requests and qualifies for a family violence waiver is exempt from attending a group overview. Information usually presented in an overview must be covered during the development of an employment plan under section 256J.521, subdivision 3.

Sec. 88. Minnesota Statutes 2016, section 260.55, is amended to read:

**260.55 EXPENSE OF RETURNING JUVENILES TO STATE, PAYMENT.**

The expense of returning juveniles to this state pursuant to the Interstate Compact ~~on~~ for Juveniles shall be paid as follows:

(1) In the case of a runaway, the court making the requisition shall inquire summarily regarding the financial ability of the petitioner to bear the expense and if it finds the petitioner is able to do so, shall order that the petitioner pay all such expenses; otherwise the court shall arrange for the transportation at the expense of the county and order that the county reimburse the person, if any, who returns the juvenile, for actual and necessary expenses; and the court may order that the petitioner reimburse the county for so much of said expense as the court finds the petitioner is able to pay. If the petitioner fails, without good cause, or refuses to pay such sum, the petitioner may be proceeded against for contempt.

(2) In the case of an escapee or absconder, if the juvenile is in the legal custody of the commissioner of corrections the commissioner shall bear the expense of the juvenile's return; otherwise the appropriate court shall, on petition of the person or agency entitled to the juvenile's custody or charged with the juvenile's supervision, arrange for the transportation at the expense of the county and order that the county reimburse the person, if any, who returns the juvenile, for actual and necessary expenses. In this subsection "appropriate court" means the juvenile court which adjudged the juvenile to be delinquent or, if the juvenile is under supervision for another state under Article VII of the compact, then the juvenile court of the county of the juvenile's residence during such supervision.

(3) In the case of a voluntary return of a runaway without requisition, the person entitled to the juvenile's legal custody shall pay the expense of transportation and the actual and necessary expenses of the person, if any, who returns such juvenile; but if financially unable to pay all the expenses the person may petition the juvenile court of the county of the petitioner's residence for an order arranging for the transportation as provided in paragraph (1). The court shall inquire summarily into the financial ability of the petitioner and, if it finds the petitioner is unable to bear any or all of the expense, the court shall arrange for such

transportation at the expense of the county and shall order the county to reimburse the person, if any, who returns the juvenile, for actual and necessary expenses. The court may order that the petitioner reimburse the county for so much of said expense as the court finds the petitioner is able to pay. A petitioner who fails, without good cause, or refuses to pay such sum may be proceeded against for contempt.

Sec. 89. Minnesota Statutes 2016, section 260.56, is amended to read:

**260.56 COUNSEL OR GUARDIAN AD LITEM FOR JUVENILE, FEES.**

Any judge of this state who appoints counsel or a guardian ad litem pursuant to the provisions of the Interstate Compact ~~on~~ for Juveniles may allow a reasonable fee on order of the court. The costs of the counsel must be paid by the county and the cost of the guardian ad litem, if any, must be paid by the state courts.

Sec. 90. Minnesota Statutes 2016, section 260.57, is amended to read:

**260.57 ENFORCEMENT.**

The courts, departments, agencies, and officers of this state and its political subdivisions shall enforce the Interstate Compact ~~on~~ for Juveniles and shall do all things appropriate to the effectuation of its purposes which may be within their respective jurisdictions.

Sec. 91. Minnesota Statutes 2016, section 260C.451, subdivision 8, is amended to read:

Subd. 8. **Notice of termination of foster care.** When a child in foster care between the ages of 18 and 21 ceases to meet one of the eligibility criteria of subdivision 3a, the responsible social services agency shall give the child written notice that foster care will terminate 30 days from the date the notice is sent. The child or the child's guardian ad litem may file a motion asking the court to review the agency's determination within 15 days of receiving the notice. The child shall not be discharged from foster care until the motion is heard. The agency shall work with the child to transition out of foster care as required under section 260C.203, paragraph ~~(e)~~ (d), clause (2). The written notice of termination of benefits shall be on a form prescribed by the commissioner and shall also give notice of the right to have the agency's determination reviewed by the court in the proceeding where the court conducts the reviews required under section 260C.203, 260C.317, or 260C.515, subdivision 5 or 6. A copy of the termination notice shall be sent to the child and the child's attorney, if any, the foster care provider, the child's guardian ad litem, and the court. The agency is not responsible for paying foster care benefits for any period of time after the child actually leaves foster care.

Sec. 92. Minnesota Statutes 2016, section 270.074, subdivision 3, is amended to read:

Subd. 3. **Net tax capacity.** (a) The net tax capacity of the flight property of every airline company is 70 percent of the value thereof apportioned to this state under subdivision 1, except that the net tax capacity of quiet aircraft is 40 percent of the value determined under subdivision 1. "Quiet aircraft" means turboprops and aircraft defined as stage III or IV by the Federal ~~Aeronautics~~ Aviation Administration. If, in the opinion of the commissioner, other aircraft may be qualified as quiet aircraft, the commissioner may adopt rules providing additional qualifications.

(b) The flight property of an airline company that owns or leases aircraft the majority of which are turboprops, and which provides, during six months or more of the year that taxes are levied, scheduled passenger service to three or more airports inside or outside of this state that serve small or medium sized communities, shall be assessed at 50 percent of the assessment percentage otherwise set by paragraph (a).

Sec. 93. Minnesota Statutes 2016, section 273.1392, is amended to read:

**273.1392 PAYMENT; SCHOOL DISTRICTS.**

The amounts of bovine tuberculosis credit reimbursements under section 273.113; conservation tax credits under section 273.119; disaster or emergency reimbursement under sections 273.1231 to 273.1235; ~~homestead and~~ agricultural credits under section 273.1384; aids and credits under section 273.1398; enterprise zone property credit payments under section 469.171; and metropolitan agricultural preserve reduction under section 473H.10 for school districts, shall be certified to the Department of Education by the Department of Revenue. The amounts so certified shall be paid according to section 127A.45, subdivisions 9 and 13.

Sec. 94. Minnesota Statutes 2016, section 275.71, subdivision 4, is amended to read:

Subd. 4. **Adjusted levy limit base.** For taxes levied in 2008 through 2010, the adjusted levy limit base is equal to the levy limit base computed under subdivision 2 or section 275.72, multiplied by:

(1) one plus the percentage growth in the implicit price deflator, but the percentage shall not be less than zero or exceed 3.9 percent;

(2) one plus a percentage equal to 50 percent of the percentage increase in the number of households, if any, for the most recent 12-month period for which data is available; and

(3) one plus a percentage equal to 50 percent of the percentage increase in the estimated market value of the jurisdiction due to new construction of class 3 property, as defined in section 273.13, subdivision 4 24, except for state-assessed utility and railroad property, for the most recent year for which data is available.

Sec. 95. Minnesota Statutes 2016, section 275.72, subdivision 2, is amended to read:

Subd. 2. **Adjustments for annexation.** If a local governmental unit increases its tax base through annexation of an area which is not the area of an entire local governmental unit and the area of annexation contains a population of 50 or more, the levy limit base of the local governmental unit in the first year in which the annexation is effective shall be equal to its levy limit base ~~established before the adjustment under section 275.71, subdivision 3,~~ for the current levy year multiplied by the ratio of the net tax capacity in the local governmental unit after the annexation compared to its net tax capacity before the annexation.

Sec. 96. Minnesota Statutes 2016, section 276.04, subdivision 3, is amended to read:

Subd. 3. **Mailing of tax statements.** The county treasurer shall mail to taxpayers statements of their personal property taxes due not later than ~~April 15 for property taxes payable in 1990 and~~ March 31 thereafter, except in the case of manufactured homes and sectional structures taxed as personal property. Statements of the real property taxes due shall be mailed not later than ~~April 15 for property taxes payable in 1990 and~~ March 31 thereafter. The validity of the tax shall not be affected by failure of the treasurer to mail the statement. The taxpayer is defined as the owner who is responsible for the payment of the tax.

Sec. 97. Minnesota Statutes 2016, section 276A.06, subdivision 10, is amended to read:

Subd. 10. **Adjustment of values.** For the purpose of computing fiscal capacity under section 276A.01, subdivision 12, a municipality's taxable market value must be adjusted to reflect the reductions to net tax capacity effected by subdivision 2, clause (1), provided that in determining the taxable market value of commercial-industrial property or any class thereof within a municipality, the reduction required by this subdivision is that amount which bears the same proportion to the amount subtracted from the municipality's net tax capacity pursuant to subdivision 2, clause (1), as the taxable market value of commercial-industrial property, or such class thereof, located within the municipality bears to the net tax capacity of

commercial-industrial property, or such class thereof, located within the municipality. No adjustment shall be made to taxable market value for the increase in net tax capacity under subdivision 2, clause ~~(b)~~ (2).

Sec. 98. Minnesota Statutes 2016, section 289A.121, subdivision 5, is amended to read:

Subd. 5. **Reportable transactions.** (a) For each taxable year in which a taxpayer must make a return or a statement under Code of Federal Regulations, title 26, section 1.6011-4, for a reportable transaction, including a listed transaction, in which the taxpayer participated in a taxable year for which a return is required under chapter 290, the taxpayer must file a copy of the disclosure with the commissioner.

(b) Any taxpayer that is a member of a unitary business group that includes any person that must make a disclosure statement under Code of Federal Regulations, title 26, section 1.6011-4, must file a disclosure under this subdivision.

(c) Disclosure under this subdivision is required for any transaction entered into after December 31, 2001, that the Internal Revenue Service determines is a listed transaction at any time, and must be made in the manner prescribed by the commissioner. ~~For transactions in which the taxpayer participated for taxable years ending before December 31, 2005, disclosure must be made by the extended due date of the first return required under chapter 290 that occurs 60 days or more after July 14, 2005.~~ With respect to transactions in which the taxpayer participated for taxable years ending on and after December 31, 2005, disclosure must be made in the time and manner prescribed in Code of Federal Regulations, title 26, section 1.6011-4(e).

~~(d) Notwithstanding paragraphs (a) to (c), no disclosure is required for transactions entered into after December 31, 2001, and before January 1, 2006, if (1) the taxpayer has filed an amended income tax return which reverses the tax benefits of the tax shelter transaction, or (2) as a result of a federal audit the Internal Revenue Service has determined the tax treatment of the transaction and an amended return has been filed to reflect the federal treatment.~~

Sec. 99. Minnesota Statutes 2016, section 289A.121, subdivision 6, is amended to read:

Subd. 6. **Lists of investors.** (a) Any person required to maintain a list under section 6112 of the Internal Revenue Code with respect to any reportable transaction must furnish the list to the commissioner no later than when required under federal law. The list required under this subdivision must include the same information required with respect to a reportable transaction under section 6112 of the Internal Revenue Code, and any other information the commissioner requires.

(b) For transactions entered into on or after December 31, 2001, that become listed transactions at any time, the list must be furnished to the commissioner by the latest of:

- (1) 60 days after entering into the transaction; or
- (2) 60 days after the transaction becomes a listed transaction; ~~or~~ or
- ~~(3) October 15, 2005.~~

Sec. 100. Minnesota Statutes 2016, section 290.091, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

- (i) the charitable contribution deduction under section 170 of the Internal Revenue Code;
- (ii) the medical expense deduction;
- (iii) the casualty, theft, and disaster loss deduction; and
- (iv) the impairment-related work expenses of a disabled person;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.0131, subdivision 2; and

(6) the amount of addition required by section 290.0131, subdivisions 9 to 11;

less the sum of the amounts determined under the following:

- ~~(1)~~ (i) interest income as defined in section 290.0132, subdivision 2;
- ~~(2)~~ (ii) an overpayment of state income tax as provided by section 290.0132, subdivision 3, to the extent included in federal alternative minimum taxable income;
- ~~(3)~~ (iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income;
- ~~(4)~~ (iv) amounts subtracted from federal taxable income as provided by section 290.0132, subdivisions 7, 9 to 15, 17, and 21; and
- ~~(5)~~ (v) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c).

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Net minimum tax" means the minimum tax imposed by this section.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.



Sec. 101. Minnesota Statutes 2016, section 290A.03, subdivision 8, is amended to read:

Subd. 8. **Claimant.** (a) "Claimant" means a person, other than a dependent, as defined under sections 151 and 152 of the Internal Revenue Code disregarding section 152(b)(3) of the Internal Revenue Code, who filed a claim authorized by this chapter and who was a resident of this state as provided in chapter 290 during the calendar year for which the claim for relief was filed.

(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.

(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility, long-term residential facility, or a facility that accepts group residential housing payments whose rent constituting property taxes is paid pursuant to the Supplemental Security Income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX of the Social Security Act, ~~the general assistance medical care program pursuant to section 256D.03, subdivision 3,~~ or the group residential housing program under chapter 256I.

If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3, paragraphs (a) and (b), reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program ~~or the general assistance medical care program~~ and the denominator of which is income as defined in subdivision 3, paragraphs (a) and (b), plus vendor payments under the medical assistance program ~~or the general assistance medical care program~~, to determine the allowable refund pursuant to this chapter.

(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility, long-term residential facility, or facility for which the rent was paid for the claimant by the group residential housing program for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home or facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant was not in the facility. The claimant's household income is the income for the entire calendar year covered by the claim.

(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. If a homestead property owner was a part-year Minnesota resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

(f) If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be each renter's household income for purposes of computing the amount of credit to be allowed.

Sec. 102. Minnesota Statutes 2016, section 295.53, subdivision 1, is amended to read:

Subdivision 1. **Exemptions.** (a) The following payments are excluded from the gross revenues subject to the hospital, surgical center, or health care provider taxes under sections 295.50 to 295.59:

(1) payments received for services provided under the Medicare program, including payments received from the government, and organizations governed by sections 1833 and 1876 of title XVIII of the federal Social Security Act, United States Code, title 42, section 1395, and enrollee deductibles, coinsurance, and co-payments, whether paid by the Medicare enrollee or by a Medicare supplemental coverage as defined in section 62A.011, subdivision 3, clause (10), or by Medicaid payments under title XIX of the federal Social Security Act. Payments for services not covered by Medicare are taxable;

(2) payments received for home health care services;

(3) payments received from hospitals or surgical centers for goods and services on which liability for tax is imposed under section 295.52 or the source of funds for the payment is exempt under clause (1), (7), (10), or (14);

(4) payments received from health care providers for goods and services on which liability for tax is imposed under this chapter or the source of funds for the payment is exempt under clause (1), (7), (10), or (14);

(5) amounts paid for legend drugs, other than nutritional products and blood and blood components, to a wholesale drug distributor who is subject to tax under section 295.52, subdivision 3, reduced by reimbursements received for legend drugs otherwise exempt under this chapter;

(6) payments received by a health care provider or the wholly owned subsidiary of a health care provider for care provided outside Minnesota;

(7) payments received from the chemical dependency fund under chapter 254B;

(8) payments received in the nature of charitable donations that are not designated for providing patient services to a specific individual or group;

(9) payments received for providing patient services incurred through a formal program of health care research conducted in conformity with federal regulations governing research on human subjects. Payments received from patients or from other persons paying on behalf of the patients are subject to tax;

(10) payments received from any governmental agency for services benefiting the public, not including payments made by the government in its capacity as an employer or insurer or payments made by the government for services provided under ~~general assistance medical care~~, the MinnesotaCare program; or the medical assistance program governed by title XIX of the federal Social Security Act, United States Code, title 42, sections 1396 to 1396v;

(11) government payments received by the commissioner of human services for state-operated services;

(12) payments received by a health care provider for hearing aids and related equipment or prescription eyewear delivered outside of Minnesota;

(13) payments received by an educational institution from student tuition, student activity fees, health care service fees, government appropriations, donations, or grants, and for services identified in and provided under an individualized education program as defined in section 256B.0625 or Code of Federal Regulations, chapter 34, section 300.340(a). Fee for service payments and payments for extended coverage are taxable;

(14) payments received under the federal Employees Health Benefits Act, United States Code, title 5, section 8909(f), as amended by the Omnibus Reconciliation Act of 1990. Enrollee deductibles, coinsurance, and co-payments are subject to tax; and

(15) payments received under the federal Tricare program, Code of Federal Regulations, title 32, section 199.17(a)(7). Enrollee deductibles, coinsurance, and co-payments are subject to tax.

(b) Payments received by wholesale drug distributors for legend drugs sold directly to veterinarians or veterinary bulk purchasing organizations are excluded from the gross revenues subject to the wholesale drug distributor tax under sections 295.50 to 295.59.

Sec. 103. Minnesota Statutes 2016, section 297F.10, subdivision 1, is amended to read:

Subdivision 1. **Tax and use tax on cigarettes.** Revenue received from cigarette taxes, as well as related penalties, interest, license fees, and miscellaneous sources of revenue shall be deposited by the commissioner in the state treasury and credited as follows:

(1) ~~\$22,220,000 for fiscal year 2006 and \$22,250,000 for fiscal year 2007 and each year thereafter~~ must be credited to the Academic Health Center special revenue fund hereby created and is annually appropriated to the Board of Regents at the University of Minnesota for Academic Health Center funding at the University of Minnesota; and

(2) ~~\$8,550,000 for fiscal years 2007 through fiscal year 2011 and \$3,937,000 each year thereafter~~ must be credited to the medical education and research costs account hereby created in the special revenue fund and is annually appropriated to the commissioner of health for distribution under section 62J.692, subdivision 4; and

(3) the balance of the revenues derived from taxes, penalties, and interest (under this chapter) and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

Sec. 104. Minnesota Statutes 2016, section 297I.06, subdivision 3, is amended to read:

Subd. 3. **Fire safety account, annual transfers, allocation.** A special account, to be known as the fire safety account, is created in the state treasury. The account consists of the proceeds under subdivisions 1 and 2. ~~\$4,227,000 in fiscal year 2012, \$4,228,000 in fiscal year 2013, and \$2,368,000 in fiscal years 2014 and 2015 are transferred from the fire safety account in the special revenue fund to the general fund to offset the loss of revenue caused by the repeal of the one-half of one percent tax on fire insurance premiums.~~

Sec. 105. Minnesota Statutes 2016, section 297I.15, subdivision 4, is amended to read:

Subd. 4. **Premiums paid to health carriers by state.** A health carrier as defined in section 62A.011 is exempt from the taxes imposed under this chapter on premiums paid to it by the state. Premiums paid by the state under medical assistance, ~~general assistance medical care,~~ and the MinnesotaCare program are not exempt under this subdivision.

Sec. 106. Minnesota Statutes 2016, section 298.001, is amended by adding a subdivision to read:

Subd. 11. **Direct reduced ore.** "Direct reduced ore" means ore that results in a product that has an iron content of at least 75 percent.

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

Sec. 107. Minnesota Statutes 2016, section 298.24, subdivision 1, is amended to read:

Subdivision 1. **Imposed; calculation.** (a) For concentrate produced in 2013, there is imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of \$2.56 per gross ton of merchantable iron ore concentrate produced therefrom. The tax is also imposed upon other iron-bearing material.

(b) For concentrates produced in 2014 and subsequent years, the tax rate shall be equal to the preceding year's tax rate plus an amount equal to the preceding year's tax rate multiplied by the percentage increase in the implicit price deflator from the fourth quarter of the second preceding year to the fourth quarter of the preceding year. "Implicit price deflator" means the implicit price deflator for the gross domestic product prepared by the Bureau of Economic Analysis of the United States Department of Commerce.

(c) An additional tax is imposed equal to three cents per gross ton of merchantable iron ore concentrate for each one percent that the iron content of the product exceeds 72 percent, when dried at 212 degrees Fahrenheit.

(d) The tax on taconite and iron sulphides shall be imposed on the average of the production for the current year and the previous two years. The rate of the tax imposed will be the current year's tax rate. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable. The tax on other iron-bearing material shall be imposed on the current year production.

(e) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of \$2.56 per gross ton of merchantable iron ore concentrate produced shall be imposed.

(f) Consistent with the intent of this subdivision to impose a tax based upon the weight of merchantable iron ore concentrate, the commissioner of revenue may indirectly determine the weight of merchantable iron ore concentrate included in fluxed pellets by subtracting the weight of the limestone, dolomite, or olivine derivatives or other basic flux additives included in the pellets from the weight of the pellets. For purposes of this paragraph, "fluxed pellets" are pellets produced in a process in which limestone, dolomite, olivine, or other basic flux additives are combined with merchantable iron ore concentrate. No subtraction from the weight of the pellets shall be allowed for binders, mineral and chemical additives other than basic flux additives, or moisture.

(g)(1) Notwithstanding any other provision of this subdivision, for the first two years of a plant's commercial production of direct reduced ore from ore mined in this state, no tax is imposed under this section. ~~As used in this paragraph, "commercial production" is production of more than 50,000 tons of direct reduced ore in the current year or in any prior year, "noncommercial production" is production of 50,000 tons or less of direct reduced ore in any year, and "direct reduced ore" is ore that results in a product that has an iron content of at least 75 percent.~~ For the third year of a plant's commercial production of direct reduced ore, the rate to be applied to direct reduced ore is 25 percent of the rate otherwise determined under this subdivision. For the fourth commercial production year, the rate is 50 percent of the rate otherwise determined under this subdivision; for the fifth commercial production year, the rate is 75 percent of the rate otherwise determined under this subdivision; and for all subsequent commercial production years, the full rate is imposed.

(2) Subject to clause (1), production of direct reduced ore in this state is subject to the tax imposed by this section, but if that production is not produced by a producer of taconite, iron sulfides, or other iron-bearing material, the production of taconite, iron sulfides, or other iron-bearing material, that is consumed in the production of direct reduced iron in this state is not subject to the tax imposed by this section on taconite, iron sulfides, or other iron-bearing material.

(3) Notwithstanding any other provision of this subdivision, no tax is imposed on direct reduced ore under this section during the facility's noncommercial production of direct reduced ore. The taconite or iron sulphides consumed in the noncommercial production of direct reduced ore is subject to the tax imposed by this section on taconite and iron sulphides. Three-year average production of direct reduced ore does not include production of direct reduced ore in any noncommercial year.

(4) Three-year average production for a direct reduced ore facility that has noncommercial production is the average of the commercial production of direct reduced ore for the current year and the previous two commercial years.

(5) As used in this paragraph, "commercial production" means production of more than 50,000 tons of direct reduced ore in the current year or in any prior year, and "noncommercial production" means production of 50,000 tons or less of direct reduced ore in any year.

~~(4)~~ (6) This paragraph applies only to plants for which all environmental permits have been obtained and construction has begun before July 1, 2008.

Sec. 108. Minnesota Statutes 2016, section 298.28, subdivision 6, is amended to read:

Subd. 6. **Property tax relief.** (a) In 2014 and thereafter, 34.8 cents per taxable ton, less any amount required to be distributed under paragraphs (b) and (c), ~~or section 298.2961, subdivision 5,~~ must be allocated to St. Louis County acting as the counties' fiscal agent, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .1875 cent per taxable ton of the tax imposed and collected from such taxpayer shall be paid to the county.

(c) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a school district other than a school district in which the mining and concentrating processes are conducted, .4541 cent per taxable ton of the tax imposed and collected from the taxpayer shall be paid to the school district.

Sec. 109. Minnesota Statutes 2016, section 317A.061, subdivision 2, is amended to read:

Subd. 2. **Sections applicable.** (a) Except as provided in paragraph (b), a foreign nonprofit corporation is subject to chapter 303. Unless it complies with chapter 303, a foreign corporation may not transact business in this state.

(b) Sections 303.02, subdivision 2; 303.07; 303.14; 303.16<sup>2</sup>, subdivision 2, ~~clauses clause (6) and (7);~~ and 303.22 do not apply to foreign nonprofit corporations.

Sec. 110. Minnesota Statutes 2016, section 340A.409, subdivision 1, is amended to read:

Subdivision 1. **Insurance required.** (a) No retail license may be issued, maintained or renewed unless the applicant demonstrates proof of financial responsibility with regard to liability imposed by section 340A.801. The issuing authority must submit to the commissioner the applicant's proof of financial responsibility. This subdivision does not prohibit a local unit of government from requiring higher insurance or bond coverages, or a larger deposit of cash or securities. The minimum requirement for proof of financial responsibility may be given by filing:

(1) a certificate that there is in effect for the license period an insurance policy issued by an insurer required to be licensed under section 60A.07, subdivision 4, or by an insurer recognized as an eligible surplus lines carrier pursuant to section 60A.206 or pool providing at least \$50,000 of coverage because of bodily injury to any one person in any one occurrence, \$100,000 because of bodily injury to two or more persons in any one occurrence, \$10,000 because of injury to or destruction of property of others in any one occurrence, \$50,000 for loss of means of support of any one person in any one occurrence, \$100,000 for loss of means of support of two or more persons in any one occurrence, \$50,000 for other pecuniary loss of any one person in any one occurrence, and \$100,000 for other pecuniary loss of two or more persons in any one occurrence;

(2) a bond of a surety company with minimum coverages as provided in clause (1); or

(3) a certificate of the commissioner of management and budget that the licensee has deposited with the commissioner of management and budget \$100,000 in cash or securities which may legally be purchased by savings banks or for trust funds having a market value of \$100,000.

(b) This subdivision does not prohibit an insurer from providing the coverage required by this subdivision in combination with other insurance coverage.

(c) An annual aggregate policy limit for dram shop insurance of not less than ~~\$300,000~~ \$310,000 per policy year may be included in the policy provisions.

(d) A liability insurance policy required by this section must provide that it may not be canceled for:

(1) any cause, except for nonpayment of premium, by either the insured or the insurer unless the canceling party has first given 60 days' notice in writing to the insured of intent to cancel the policy; and

(2) nonpayment of premium unless the canceling party has first given ten days' notice in writing to the insured of intent to cancel the policy.

(e) In the event of a policy cancellation, the insurer will send notice to the issuing authority at the same time that a cancellation request is received from or a notice is sent to the insured.

(f) All insurance policies which provide coverage with regard to any liability imposed by section 340A.801 must contain at least the minimum coverage required by this section.

Sec. 111. Minnesota Statutes 2016, section 354A.37, subdivision 1, is amended to read:

Subdivision 1. **Eligibility for refund.** Any coordinated member who ceases to render teaching service for the school district in which the teachers retirement fund association is located shall be entitled to a refund in lieu of any other annuity or benefit from the teachers retirement fund association, ~~other than an annuity from a tax shelter annuity program and fund as authorized under section 354A.021, subdivision 5.~~ The amount of the refund must be calculated under subdivision 3. The application for the refund must not be made prior to 30 days after the cessation of teaching services if the coordinated member has not resumed active teaching services for the district. Payment of the refund must be made within 90 days after receipt of the refund application by the board.

Sec. 112. Minnesota Statutes 2016, section 354C.11, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) An individual must participate in the supplemental retirement plan if the individual is employed by the Board of Trustees in the unclassified service of the state and has completed at least two years with a full-time contract of applicable unclassified employment with the board or an applicable predecessor board in any of the positions specified in paragraph (b).

(b) Eligible positions or employment classifications are:

(1) an unclassified administrative position as defined in section 354B.20, subdivision 6;

(2) an employment classification included in one of the following collective bargaining units under section 179A.10, subdivision 2:

(i) the state university instructional unit;

(ii) the state college instructional unit; and

(iii) the state university administrative unit; or

(3) an unclassified employee of the board:

(i) included in the general professional unit or the supervisory employees unit under section 179A.10, subdivision 2; or

(ii) an employee who is excluded from one of those units due to the employee's confidential status under section 179A.10, subdivision 1, clause ~~(8)~~ (7).

Sec. 113. Minnesota Statutes 2016, section 356.215, subdivision 8, is amended to read:

Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must use the applicable following interest assumption:

(1) select and ultimate interest rate assumption

plan	ultimate interest rate assumption
teachers retirement plan	8.5%

The select preretirement interest rate assumption for the period through June 30, 2017, is eight percent.

(2) single rate interest rate assumption

plan	interest rate assumption
general state employees retirement plan	8%
correctional state employees retirement plan	8
State Patrol retirement plan	8
legislators retirement plan, and for the constitutional officers calculation of total plan liabilities	0
judges retirement plan	8
general public employees retirement plan	8
public employees police and fire retirement plan	8
local government correctional service retirement plan	8
St. Paul teachers retirement plan	8
Bloomington Fire Department Relief Association	6
local monthly benefit volunteer firefighter relief associations	5
monthly benefit retirement plans in the statewide volunteer firefighter retirement plan	6

(b)(1) If funding stability has been attained, the valuation must use a postretirement adjustment rate actuarial assumption equal to the postretirement adjustment rate specified in section ~~354A.27, subdivision 7~~; 354A.29, subdivision 9 $\frac{1}{2}$  or 356.415, subdivision 1, whichever applies.

(2) If funding stability has not been attained, the valuation must use a select postretirement adjustment rate actuarial assumption equal to the postretirement adjustment rate specified in section ~~354A.27, subdivision 6a~~; 354A.29, subdivision 8 $\frac{1}{2}$  or 356.415, subdivision 1a, 1b, 1c, 1d, 1e, or 1f, whichever applies, for a period ending when the approved actuary estimates that the plan will attain the defined funding stability measure, and thereafter an ultimate postretirement adjustment rate actuarial assumption equal to the postretirement

adjustment rate under section ~~354A.27, subdivision 7~~; 354A.29, subdivision 9<sub>2</sub> or 356.415, subdivision 1, for the applicable period or periods beginning when funding stability is projected to be attained.

(c) The actuarial valuation must use the applicable following single rate future salary increase assumption, the applicable following modified single rate future salary increase assumption, or the applicable following graded rate future salary increase assumption:

(1) single rate future salary increase assumption

plan	future salary increase assumption
legislators retirement plan	5%
judges retirement plan	2.75
Bloomington Fire Department Relief Association	4

(2) age-related future salary increase age-related select and ultimate future salary increase assumption or graded rate future salary increase assumption

plan	future salary increase assumption
local government correctional service retirement plan	assumption B
St. Paul teachers retirement plan	assumption A

For plans other than the St. Paul teachers retirement plan and the local government correctional service retirement plan, the select calculation is: during the designated select period, a designated percentage rate is multiplied by the result of the designated integer minus T, where T is the number of completed years of service, and is added to the applicable future salary increase assumption. The designated select period is ten years and the designated integer is ten for the local government correctional service retirement plan and 15 for the St. Paul Teachers Retirement Fund Association. The designated percentage rate is 0.2 percent for the St. Paul Teachers Retirement Fund Association.

The ultimate future salary increase assumption is:

age	A	B
16	5.9%	8.75%
17	5.9	8.75
18	5.9	8.75
19	5.9	8.75
20	5.9	8.75
21	5.9	8.5
22	5.9	8.25



23	5.85	8
24	5.8	7.75
25	5.75	7.5
26	5.7	7.25
27	5.65	7
28	5.6	6.75
29	5.55	6.5
30	5.5	6.5
31	5.45	6.25
32	5.4	6.25
33	5.35	6.25
34	5.3	6
35	5.25	6
36	5.2	5.75
37	5.15	5.75
38	5.1	5.75
39	5.05	5.5
40	5	5.5
41	4.95	5.5
42	4.9	5.25
43	4.85	5
44	4.8	5
45	4.75	4.75
46	4.7	4.75
47	4.65	4.75
48	4.6	4.75
49	4.55	4.75
50	4.5	4.75
51	4.45	4.75
52	4.4	4.75
53	4.35	4.75
54	4.3	4.75

55	4.25	4.5
56	4.2	4.5
57	4.15	4.25
58	4.1	4
59	4.05	4
60	4	4
61	4	4
62	4	4
63	4	4
64	4	4
65	4	3.75
66	4	3.75
67	4	3.75
68	4	3.75
69	4	3.75
70	4	3.75

## (3) service-related ultimate future salary increase assumption

general state employees retirement plan of the Minnesota State Retirement System	assumption A
general employees retirement plan of the Public Employees Retirement Association	assumption B
Teachers Retirement Association	assumption C
public employees police and fire retirement plan	assumption D
State Patrol retirement plan	assumption E
correctional state employees retirement plan of the Minnesota State Retirement System	assumption F

service length	A	B	C	D	E	F
1	10.25%	11.78%	12%	12.75%	7.75%	5.75%
2	7.85	8.65	9	10.75	7.25	5.6
3	6.65	7.21	8	8.75	6.75	5.45
4	5.95	6.33	7.5	7.75	6.5	5.3
5	5.45	5.72	7.25	6.25	6.25	5.15
6	5.05	5.27	7	5.85	6	5

7	4.75	4.91	6.85	5.55	5.75	4.85
8	4.45	4.62	6.7	5.35	5.6	4.7
9	4.25	4.38	6.55	5.15	5.45	4.55
10	4.15	4.17	6.4	5.05	5.3	4.4
11	3.95	3.99	6.25	4.95	5.15	4.3
12	3.85	3.83	6	4.85	5	4.2
13	3.75	3.69	5.75	4.75	4.85	4.1
14	3.55	3.57	5.5	4.65	4.7	4
15	3.45	3.45	5.25	4.55	4.55	3.9
16	3.35	3.35	5	4.55	4.4	3.8
17	3.25	3.26	4.75	4.55	4.25	3.7
18	3.25	3.25	4.5	4.55	4.1	3.6
19	3.25	3.25	4.25	4.55	3.95	3.5
20	3.25	3.25	4	4.55	3.8	3.5
21	3.25	3.25	3.9	4.45	3.75	3.5
22	3.25	3.25	3.8	4.35	3.75	3.5
23	3.25	3.25	3.7	4.25	3.75	3.5
24	3.25	3.25	3.6	4.25	3.75	3.5
25	3.25	3.25	3.5	4.25	3.75	3.5
26	3.25	3.25	3.5	4.25	3.75	3.5
27	3.25	3.25	3.5	4.25	3.75	3.5
28	3.25	3.25	3.5	4.25	3.75	3.5
29	3.25	3.25	3.5	4.25	3.75	3.5
30 or more	3.25	3.25	3.5	4.25	3.75	3.5

(d) The actuarial valuation must use the applicable following payroll growth assumption for calculating the amortization requirement for the unfunded actuarial accrued liability where the amortization retirement is calculated as a level percentage of an increasing payroll:

plan	payroll growth assumption
general state employees retirement plan of the Minnesota State Retirement System	3.5%
correctional state employees retirement plan	3.5
State Patrol retirement plan	3.5
judges retirement plan	2.75

general employees retirement plan of the Public Employees Retirement Association	3.5
public employees police and fire retirement plan	3.5
local government correctional service retirement plan	3.5
teachers retirement plan	3.75
St. Paul teachers retirement plan	4

(e) The assumptions set forth in paragraphs (c) and (d) continue to apply, unless a different salary assumption or a different payroll increase assumption:

(1) has been proposed by the governing board of the applicable retirement plan;

(2) is accompanied by the concurring recommendation of the actuary retained under section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most recent actuarial valuation report if section 356.214 does not apply; and

(3) has been approved or deemed approved under subdivision 18.

Sec. 114. Minnesota Statutes 2016, section 383B.32, subdivision 3, is amended to read:

Subd. 3. **Unclassified service, compensation.** The human resources director shall establish a compensation plan in accordance with section 383B.31, paragraph (c), clause (2), for those employees in the unclassified service identified in subdivision 2, paragraph (a), clauses (3), (4), (6), (8), (9), (10), (11), (13), and (14).

Sec. 115. Minnesota Statutes 2016, section 383B.32, subdivision 4, is amended to read:

Subd. 4. **Unclassified service, tenure, benefits.** The positions in the unclassified service enumerated in subdivision 2, paragraph (a), clauses (3), (4), (8), (9), (10), (11), (13), and (14), shall not have permanent tenure but shall have all other benefits provided for in sections 383B.26 to 383B.42. The term of office of any position established by another statute shall be as provided in it.

Sec. 116. Minnesota Statutes 2016, section 462C.05, subdivision 7, is amended to read:

Subd. 7. **Combined facility conditions, report.** A development may consist of a combination of a multifamily housing development and a new or existing health care facility, as defined by section 469.153, if the following conditions are satisfied:

(a) the multifamily housing development is designed and intended to be used for rental occupancy;

(b) the multifamily housing development is designed and intended to be used primarily by elderly or physically disabled persons; and

(c) nursing, medical, personal care, and other health-related assisted living services are available on a 24-hour basis in the development to the residents.

~~The limitations of section 462C.04, subdivision 2, clause (e), shall not apply to projects defined in this subdivision and approved by the Minnesota Housing Finance Agency before October 1, 1983.~~

~~The Minnesota Housing Finance Agency shall provide, in the annual report required by section 462C.04, subdivision 2, information on the costs incurred for the issuance of bonds for projects defined in this~~

~~subdivision. The report shall also include the Minnesota Housing Finance Agency's recommendations for the regulation of costs of issuance for future issues.~~

Sec. 117. Minnesota Statutes 2016, section 473.39, subdivision 1, is amended to read:

Subdivision 1. **General authority.** The council may issue general obligation bonds subject to the volume limitations in this section to provide funds to implement the council's transit capital improvement program and may issue general obligation bonds not subject to the limitations for the refunding of outstanding bonds or certificates of indebtedness of the council, the former regional transit board or the former metropolitan transit commission, and judgments against the former regional transit board or the former metropolitan transit commission or the council. The council may not issue obligations pursuant to this subdivision, other than refunding bonds, in excess of the amount specifically authorized by law. Except as otherwise provided in sections 473.371 to 473.449, the council shall provide for the issuance, sale, and security of the bonds in the manner provided in chapter 475, and has the same powers and duties as a municipality issuing bonds under that law, except that no election is required and the net debt limitations in chapter 475 do not apply to the bonds. The obligations are not a debt of the state or any municipality or political subdivision within the meaning of any debt limitation or requirement pertaining to those entities. Neither the state, nor any municipality or political subdivision except the council, nor any member or officer or employee of the council, is liable on the obligations. The obligations may be secured by taxes levied without limitation of rate or amount upon all taxable property in the transit taxing district and transit area as provided in section 473.446, subdivision 1, ~~clause paragraph~~ (a). As part of its levy made under section 473.446, subdivision 1, ~~clause paragraph~~ (a), the council shall levy the amounts necessary to provide full and timely payment of the obligations and transfer the proceeds to the appropriate council account for payment of the obligations. The taxes must be levied, certified, and collected in accordance with the terms and conditions of the indebtedness.

Sec. 118. Minnesota Statutes 2016, section 518A.53, subdivision 11, is amended to read:

Subd. 11. **Lump-sum payments.** Before transmittal to the obligor of a lump-sum payment of \$500 or more including, but not limited to, severance pay, accumulated sick pay, vacation pay, bonuses, commissions, or other pay or benefits, a payor of funds:

(1) who has been served with an order for or notice of income withholding under this section shall:

(i) notify the public authority of the lump-sum payment that is to be paid to the obligor;

(ii) hold the lump-sum payment for 30 days after the date on which the lump-sum payment would otherwise have been paid to the obligor, notwithstanding sections 176.221, 176.225, 176.521, 181.08, 181.101, 181.11, 181.13, and 181.145, ~~and Minnesota Rules, part 1415.2000, subpart 10;~~ and

(iii) upon order of the court, and after a showing of past willful nonpayment of support, pay any specified amount of the lump-sum payment to the public authority for future support; or

(2) shall pay the lessor of the amount of the lump-sum payment or the total amount of the judgment and arrearages upon service by United States mail of a sworn affidavit from the public authority or a court order that includes the following information:

(i) that a judgment entered pursuant to section 548.091, subdivision 1a, exists against the obligor, or that other support arrearages exist;

(ii) the current balance of the judgment or arrearage; and

(iii) that a portion of the judgment or arrearage remains unpaid.

The Consumer Credit Protection Act, title 15 of the United States Code, section 1673(b), does not apply to lump-sum payments.

Sec. 119. Minnesota Statutes 2016, section 617.85, is amended to read:

**617.85 NUISANCE; MOTION TO CANCEL LEASE.**

Where notice is provided under section 617.81, subdivision 4, that an abatement of a nuisance is sought and the circumstances that are the basis for the requested abatement involved the acts of a commercial or residential tenant or lessee of part or all of a building, the owner of the building that is subject to the abatement proceeding may file before the court that has jurisdiction over the abatement proceeding a motion to cancel the lease or otherwise secure restitution of the premises from the tenant or lessee who has maintained or conducted the nuisance. The owner may assign to the prosecuting attorney the right to file this motion. In addition to the grounds provided in ~~chapter 566~~ sections 504B.281 to 504B.371, the maintaining or conducting of a nuisance as defined in section 617.81, subdivision 2, by a tenant or lessee, is an additional ground authorized by law for seeking the cancellation of a lease or the restitution of the premises. Service of motion brought under this section must be served in a manner that is sufficient under the Rules of Civil Procedure and ~~chapter 566~~ sections 504B.281 to 504B.371.

It is no defense to a motion under this section by the owner or the prosecuting attorney that the lease or other agreement controlling the tenancy or leasehold does not provide for eviction or cancellation of the lease upon the ground provided in this section.

Upon a finding by the court that the tenant or lessee has maintained or conducted a nuisance in any portion of the building, the court shall order cancellation of the lease or tenancy and grant restitution of the premises to the owner. The court must not order abatement of the premises if the court:

- (1) cancels a lease or tenancy and grants restitution of that portion of the premises to the owner; and
- (2) further finds that the act or acts constituting the nuisance as defined in section 617.81, subdivision 2, were committed by the tenant or lessee whose lease or tenancy has been canceled pursuant to this section and the tenant or lessee was not committing the act or acts in conjunction with or under the control of the owner.

Sec. 120. Laws 2017, chapter 3, section 1, is amended to read:

**Section 1. 2016 TOWNSHIP BOARD APPEALS AND EQUALIZATION COURSE WAIVER.**

If a city or town that conducts local board of appeal and equalization meetings certified by February 1, 2016, that it was in compliance with the requirements of Minnesota Statutes, section 274.014, subdivision 2, but no member of the local board who has attended an appeal and equalization course training within the preceding four years attended the local board's meeting for 2016, that local board shall have its powers reinstated for the 2017 assessment by resolution of the governing body of the city or town, and by certifying it is in compliance with Minnesota Statutes, section 274.014, subdivision 2. Notwithstanding Minnesota Statutes, section 274.014, subdivision 3, paragraph (a), the resolution and certification must be provided to the county assessor by February 10, 2017, and no town's board of appeal and equalization shall be deemed to have transferred its powers to a county if the town provides the required resolution and certification under this section to the county assessor by that date. For qualifying towns, a determination, made prior to enactment of this law, that the town's local board has transferred its power for assessment year 2017 is not effective. The county assessor must provide the required notice under Minnesota Statutes, section 274.01, subdivision 1, paragraph (a), to the town clerk of a qualifying town by February 25, 2017. For purposes of this section, "qualifying town" is a town whose board is eligible to have its powers reinstated under this section.

Sec. 121. **REVISOR'S INSTRUCTION.**

**Subdivision 1. Terminology.** In Minnesota Statutes, sections 274.01, subdivision 2; 274.13, subdivision 2; and 327C.096, the revisor of statutes shall replace the term "realtor" with "real estate broker."

**Subd. 2. Terminology.** The revisor of statutes shall change the term "American Board of Osteopathy" to "American Osteopathic Association" in Minnesota Statutes and Minnesota Rules.

**Subd. 3. Renumbering.** The revisor of statutes shall renumber Minnesota Statutes, section 176.011, so that the subdivisions are alphabetical. The revisor shall correct any cross-references that arise as a result of the renumbering.

**Subd. 4. Erroneous reference.** In each of the Minnesota Statutes sections listed in column A, the revisor of statutes shall replace the Minnesota Rules citation referenced in column B with the citation referenced in column C.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>18B.07</u>	<u>parts 4715.2000 to 4715.2280</u>	<u>chapter 4714</u>
<u>18C.201</u>	<u>parts 4715.2000 to 4715.2280</u>	<u>chapter 4714</u>
<u>144.3855</u>	<u>4715.1920</u>	<u>4714.0602</u>
<u>326B.42</u>	<u>4715</u>	<u>4714</u>
<u>327.23</u>	<u>4715.0310</u>	<u>4714.0311</u>

**Subd. 5. Terminology.** In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall change the phrase in column B to the phrase in column C. The revisor may make technical and other necessary changes to sentence structure to preserve the meaning of the text. The revisor shall make other changes in chapter titles; section, subdivision, part, and subpart headnotes; and in other terminology necessary as a result of the enactment of this section.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>246.56, subdivision 2</u>	<u>disabled workers</u>	<u>workers with a disability</u>
<u>246.57, subdivision 6</u>	<u>disabled persons</u>	<u>persons with a disability</u>
<u>248.07, subdivisions 1 and 2</u>	<u>blind and visually disabled persons</u>	<u>persons with a visual disability or persons who are blind</u>
<u>248.07, subdivision 3</u>	<u>disabled youth</u>	<u>youth with a disability</u>
<u>248.07, subdivision 3</u>	<u>disabled children</u>	<u>children with a disability</u>
<u>248.07, subdivisions 4, 14a, and 16</u>	<u>blind and visually disabled persons</u>	<u>persons with a visual disability or who are blind</u>
<u>248.07, subdivision 5</u>	<u>blind or visually disabled persons</u>	<u>persons who are blind or persons with a visual disability</u>
<u>252.32, subdivision 3</u>	<u>the disabled child</u>	<u>a child with a disability</u>
<u>252A.01, subdivision 1</u>	<u>developmentally disabled citizens</u>	<u>citizens with a developmental disability</u>
<u>252A.01, subdivision 1</u>	<u>adult developmentally disabled persons</u>	<u>adults with a developmental disability</u>

<u>252A.02, subdivisions 2, 9, and 10</u>	<u>developmentally disabled person</u>	<u>person with a developmental disability</u>
<u>252A.02, subdivision 11</u>	<u>an allegedly developmentally disabled person</u>	<u>a person alleged to have a developmental disability</u>
<u>252A.03, subdivision 1</u>	<u>developmentally disabled person</u>	<u>person with a developmental disability</u>
<u>252A.05</u>	<u>developmentally disabled person</u>	<u>person with a developmental disability</u>
<u>252A.06, subdivision 1</u>	<u>developmentally disabled person</u>	<u>person with a developmental disability</u>
<u>252A.101, subdivision 5</u>	<u>developmentally disabled person</u>	<u>person with a developmental disability</u>
<u>252A.12</u>	<u>developmentally disabled person</u>	<u>person with a developmental disability</u>
<u>252A.14</u>	<u>developmentally disabled persons</u>	<u>persons with a developmental disability</u>
<u>253B.02, subdivision 14</u>	<u>developmentally disabled person</u>	<u>person with a developmental disability</u>
<u>256.01, subdivision 2</u>	<u>disabled, dependent, neglected, and delinquent children</u>	<u>children with a disability and children who are dependent, neglected, or delinquent</u>
<u>256.481</u>	<u>disabled person</u>	<u>person with a disability</u>
<u>256.88</u>	<u>disabled, dependent, neglected, and delinquent children</u>	<u>children with a disability and children who are dependent, neglected, or delinquent</u>
<u>256.91</u>	<u>disabled, dependent, neglected, and delinquent children</u>	<u>children with a disability and children who are dependent, neglected, and delinquent</u>
<u>256.93, subdivision 1</u>	<u>developmentally disabled</u>	<u>child with a developmental disability or who is</u>
<u>256.975, subdivision 5</u>	<u>disabled persons</u>	<u>persons with a disability</u>
<u>256.9754, subdivision 3</u>	<u>disabled individuals</u>	<u>individuals with a disability</u>
<u>256.977, subdivisions 2 and 4</u>	<u>disabled adults</u>	<u>adults with a disability</u>
<u>256B.04, subdivision 12</u>	<u>disabled population</u>	<u>population with a disability</u>
<u>256B.0915, subdivision 1</u>	<u>disabled</u>	<u>persons with a disability</u>
<u>256B.51, subdivision 1</u>	<u>who are physically disabled</u>	<u>with a physical disability or persons</u>
<u>256B.69, subdivision 23</u>	<u>disabled persons</u>	<u>persons with a disability</u>
<u>256B.77, subdivision 1</u>	<u>disabled persons</u>	<u>persons with a disability</u>



<u>256B.77, subdivision 7a</u>	<u>developmentally disabled person</u>	<u>person with a developmental disability</u>
<u>256C.01</u>	<u>the blind, the visually disabled, and the otherwise physically disabled</u>	<u>people who are blind, or people with a visual or physical disability</u>
<u>256C.02</u>	<u>blind, the visually disabled, and the otherwise physically disabled</u>	<u>people who are blind or people with a visual or physical disability</u>
<u>256C.02</u>	<u>totally or partially blind, physically disabled, or deaf person</u>	<u>person who is totally or partially blind, or person who is deaf, or person with a physical disability</u>
<u>256C.025, subdivision 1</u>	<u>blind persons, visually disabled persons, and other physically disabled persons</u>	<u>people who are blind or people with a visual or physical disability</u>
<u>256C.025, subdivision 3</u>	<u>blind person, visually disabled person, or other physically disabled person than for a person who is not physically disabled.</u>	<u>person who is blind or a person with a visual or other physical disability than for a person without a physical disability.</u>
<u>256C.025, subdivision 4</u>	<u>totally or partially blind, physically disabled, or deaf person</u>	<u>person who is totally or partially blind, or person who is deaf, or person with a physical disability</u>
<u>256C.04</u>	<u>the disabled</u>	<u>people with a disability</u>
<u>256C.04</u>	<u>disabled persons</u>	<u>people with a disability</u>
<u>256D.051, subdivision 18</u>	<u>or disabled citizens</u>	<u>citizens or citizens with a disability</u>
<u>256D.06, subdivision 5</u>	<u>the disabled</u>	<u>people with a disability</u>
<u>256D.35, subdivision 9</u>	<u>or disabled child</u>	<u>child or child with a disability</u>
<u>256D.395, subdivision 2</u>	<u>the disabled</u>	<u>people with a disability</u>
<u>256D.425, subdivision 2</u>	<u>disabled individuals</u>	<u>individuals with a disability</u>
<u>256I.04, subdivision 1</u>	<u>and disabled</u>	<u>with a disability</u>
<u>256I.06, subdivision 3</u>	<u>the disabled</u>	<u>people with a disability</u>
<u>256J.67, subdivision 3</u>	<u>or disabled citizens</u>	<u>citizens or citizens with a disability</u>
<u>260B.050</u>	<u>physically disabled</u>	<u>persons with a physical disability</u>
<u>260C.007, subdivision 6</u>	<u>disabled infant</u>	<u>an infant with a disability</u>
<u>260C.050</u>	<u>be physically disabled, mentally ill, or developmentally disabled</u>	<u>have a physical disability, mental illness, or developmental disability</u>

Subd. 6. **Renumbering.** 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>256D.02, subdivision 6</u>	<u>256D.05, subdivision 1, paragraph (a), clause (10)</u>	<u>256D.05, subdivision 1, paragraph (a), clause (9)</u>

<u>256D.09, subdivision 2a</u>	<u>256D.05, subdivision 1, paragraph (a), clauses (1) and (6)</u>	<u>256D.05, subdivision 1, paragraph (a), clauses (1) and (5)</u>
<u>256I.04, subdivision 1</u>	<u>256D.05, subdivision 1, paragraph (a), clauses (1), (3), (5) to (9), and (14)</u>	<u>256D.05, subdivision 1, paragraph (a), clauses (1), (3), (4) to (8), and (13)</u>

Sec. 122. **REPEALER.**

Subdivision 1. **Obsolete section.** Minnesota Statutes 2016, section 120B.365, is repealed.

Subd. 2. **Obsolete subdivision.** Minnesota Statutes 2016, section 122A.245, subdivision 10, is repealed.

Subd. 3. **Obsolete subdivision.** Minnesota Statutes 2016, section 124D.095, subdivision 10, is repealed.

Subd. 4. **Obsolete subdivision.** Minnesota Statutes 2016, section 128D.055, subdivision 4, is repealed.

Subd. 5. **Conflict resolution.** Laws 2016, chapter 189, article 26, section 4, is repealed.

Subd. 6. **Conflict resolution.** Laws 2015, chapter 68, article 3, section 12, is repealed.

Subd. 7. **Obsolete subdivision.** Minnesota Statutes 2016, section 129C.30, subdivision 5, is repealed.

Subd. 8. **Obsolete section.** Minnesota Statutes 2016, section 290A.28, is repealed.

Subd. 9. **Obsolete subdivision.** Minnesota Statutes 2016, section 144A.10, subdivision 8a, is repealed.

Subd. 10. **Obsolete section.** Minnesota Statutes 2016, section 216H.077, is repealed.

Subd. 11. **Conflict resolution.** Laws 2014, chapter 207, section 1, is repealed.

Subd. 12. **Conflict resolution.** Laws 2014, chapter 227, article 2, section 1, is repealed.

Subd. 13. **Conflict resolution.** Laws 2016, chapter 135, article 4, section 9, is repealed.

Sec. 123. **SUPERSEDING ACTS.**

Any amendments or repeals enacted in the 2017 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

### DATA PRACTICES CROSS-REFERENCES

Section 1. Minnesota Statutes 2016, section 13.321, is amended by adding a subdivision to read:

Subd. 11. **Student progress and world's best workforce data.** Data practices governing the world's best workforce under section 120B.11 and student progress data under section 120B.35 are governed by section 120B.36, subdivision 2.

Sec. 2. Minnesota Statutes 2016, section 13.381, is amended by adding a subdivision to read:

Subd. 19. **Quality of care complaints.** Quality of care complaint information gathered under section 62D.115 is classified by section 62D.115, subdivision 4.

Sec. 3. Minnesota Statutes 2016, section 13.383, is amended by adding a subdivision to read:

Subd. 17. **Orthotist, prosthetist, or pedorthist.** Certain medical data collected by the Board of Podiatric Medicine related to the licensure of an orthotist, prosthetist, or pedorthist are classified by section 153B.70.

Sec. 4. Minnesota Statutes 2016, section 13.461, is amended by adding a subdivision to read:

Subd. 16a. **Child fatality and near fatality review team.** Data practices of the commissioner of human services as part of the child fatality and near fatality review team are governed by section 256.01, subdivision 12a.

Sec. 5. Minnesota Statutes 2016, section 13.598, is amended by adding a subdivision to read:

Subd. 13. **Office of Broadband Development; deployment data.** Disclosure of deployment data provided by a broadband provider to the Office of Broadband Development is governed by section 116J.397.

Sec. 6. Minnesota Statutes 2016, section 13.7191, is amended by adding a subdivision to read:

Subd. 23. **Standard valuation law data.** Access to data related to the standard valuation law is governed by section 61A.25, subdivision 13.

Presented to the governor May 9, 2017

Signed by the governor May 11, 2017, 10:50 a.m.