

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 1654

(SENATE AUTHORS: LATZ)

DATE	D-PG	OFFICIAL STATUS
03/01/2017	930	Introduction and first reading Referred to Judiciary and Public Safety Finance and Policy
03/08/2017	1174	Comm report: To pass
	1180	Second reading
05/01/2017	3362	Special Order
	3362	Third reading Passed
05/10/2017	4295	Returned from House
		Presentment date 05/09/17
05/15/2017	4516	Governor's action Approval 05/11/17
	4525	Secretary of State Chapter 40 05/11/17 Effective date Art. 1, Sec. 106 05/12/17; Art. 1-2 08/01/17

1.1 A bill for an act

1.2 relating to legislative enactments; making miscellaneous technical corrections to

1.3 laws and statutes; correcting erroneous, obsolete, and omitted text and references;

1.4 removing redundant, conflicting, and superseded provisions; amending Minnesota

1.5 Statutes 2016, sections 10A.01, subdivision 3; 10A.20, subdivision 1b; 13.321,

1.6 by adding a subdivision; 13.381, by adding a subdivision; 13.383, by adding a

1.7 subdivision; 13.461, by adding a subdivision; 13.598, by adding a subdivision;

1.8 13.7191, by adding a subdivision; 15A.0825, subdivision 8; 16A.152, subdivision

1.9 1b; 43A.23, subdivision 1; 43A.316, subdivision 9; 62A.46, subdivision 7; 69.021,

1.10 subdivision 10; 97A.075, subdivision 5; 97A.133, subdivision 2; 103F.601,

1.11 subdivision 2; 116R.02, subdivision 4; 119B.06, subdivision 1; 124D.19,

1.12 subdivision 3; 126C.05, subdivision 14; 127A.41, subdivision 8; 144.0571;

1.13 144.0722, subdivision 1; 144.0724, subdivisions 1, 2, 9; 144A.071, subdivisions

1.14 3, 4a, 4c, 4d; 144A.073, subdivision 3c; 144A.10, subdivision 4; 144A.15,

1.15 subdivision 2; 144A.154; 144A.161, subdivision 10; 144A.1888; 144A.611,

1.16 subdivision 1; 144D.01, subdivision 6; 146B.03, subdivision 7; 148.512, subdivision

1.17 16; 148.725, subdivision 5; 148E.280; 150A.02; 151.06, subdivision 1; 151.32;

1.18 152.25, subdivision 4; 153B.30, subdivision 2; 179A.10, subdivision 1; 204B.13,

1.19 subdivisions 1, 2; 237.59, subdivision 2; 237.761, subdivision 4; 245.4835,

1.20 subdivision 2; 245.493, subdivision 1; 245.62, subdivision 4; 245A.11, subdivision

1.21 2a; 245F.09, subdivision 1; 252.292, subdivision 4; 256.045, subdivisions 3b, 4;

1.22 256.0451, subdivisions 1, 3, 11, 19; 256.481; 256.9741, subdivision 7; 256.9742,

1.23 subdivision 6; 256.991; 256B.02, subdivision 9; 256B.059, subdivisions 5, 6;

1.24 256B.0622, subdivisions 7b, 7d; 256B.0911, subdivisions 4d, 6; 256B.25,

1.25 subdivision 3; 256B.35, subdivision 4; 256B.421, subdivision 1; 256B.50,

1.26 subdivisions 1, 1c; 256B.501, subdivisions 3i, 4b; 256B.692, subdivision 6;

1.27 256B.76, subdivision 1; 256B.78; 256D.03, subdivision 2a; 256D.04; 256D.05,

1.28 subdivision 1; 256D.44, subdivision 5; 256J.01, subdivision 3; 256J.21, subdivision

1.29 2; 256J.515; 260.55; 260.56; 260.57; 260C.451, subdivision 8; 270.074, subdivision

1.30 3; 273.1392; 275.71, subdivision 4; 275.72, subdivision 2; 276.04, subdivision 3;

1.31 276A.06, subdivision 10; 289A.121, subdivisions 5, 6; 290.091, subdivision 2;

1.32 290A.03, subdivision 8; 295.53, subdivision 1; 297F.10, subdivision 1; 297I.06,

1.33 subdivision 3; 297I.15, subdivision 4; 298.001, by adding a subdivision; 298.24,

1.34 subdivision 1; 298.28, subdivision 6; 317A.061, subdivision 2; 340A.409,

1.35 subdivision 1; 354A.37, subdivision 1; 354C.11, subdivision 2; 356.215, subdivision

1.36 8; 383B.32, subdivisions 3, 4; 462C.05, subdivision 7; 473.39, subdivision 1;

1.37 518A.53, subdivision 11; 617.85; Laws 2017, chapter 3, section 1; repealing

1.38 Minnesota Statutes 2016, sections 120B.365; 122A.245, subdivision 10; 124D.095,

1.39 subdivision 10; 128D.055, subdivision 4; 129C.30, subdivision 5; 144A.10,

2.1 subdivision 8a; 216H.077; 290A.28; Laws 2014, chapter 207, section 1; Laws
 2.2 2014, chapter 227, article 2, section 1; Laws 2015, chapter 68, article 3, section
 2.3 12; Laws 2016, chapter 135, article 4, section 9; Laws 2016, chapter 189, article
 2.4 26, section 4.

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

2.6 **ARTICLE 1**

2.7 **MISCELLANEOUS**

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

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

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

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

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

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

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

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

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

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

3.2 Subdivision 1. **General.** (a) The commissioner is authorized to request proposals or to
3.3 negotiate and to enter into contracts with parties which in the judgment of the commissioner
3.4 are best qualified to provide service to the benefit plans. Contracts entered into are not
3.5 subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate
3.6 premium rates and coverage. The commissioner shall consider the cost of the plans,
3.7 conversion options relating to the contracts, service capabilities, character, financial position,
3.8 and reputation of the carriers, and any other factors which the commissioner deems
3.9 appropriate. Each benefit contract must be for a uniform term of at least one year, but may
3.10 be made automatically renewable from term to term in the absence of notice of termination
3.11 by either party. A carrier licensed under chapter 62A is exempt from the taxes imposed by
3.12 chapter 297I on premiums paid to it by the state.

3.13 (b) All self-insured hospital and medical service products must comply with coverage
3.14 mandates, data reporting, and consumer protection requirements applicable to the licensed
3.15 carrier administering the product, had the product been insured, including chapters 62J,
3.16 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or
3.17 provide different levels of coverage between network and nonnetwork providers shall comply
3.18 with section 62D.123 and geographic access standards for health maintenance organizations
3.19 adopted by the commissioner of health in rule under chapter 62D.

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

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

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

3.33 Subd. 9. **Insurance trust fund.** The insurance trust fund in the state treasury consists
3.34 of deposits of the premiums received from employers participating in the program and

4.1 transfers before July 1, 1994, from the excess contributions holding account established by
4.2 Minnesota Statutes 1995 Supplement, section 353.65, subdivision 7. All money in the fund
4.3 is appropriated to the commissioner to pay insurance premiums, approved claims, refunds,
4.4 administrative costs, and other related service costs. Premiums paid by employers to the
4.5 fund are exempt from the taxes imposed by chapter 297I. The commissioner shall reserve
4.6 an amount of money to cover the estimated costs of claims incurred but unpaid. The State
4.7 Board of Investment shall invest the money according to section 11A.24. Investment income
4.8 and losses attributable to the fund must be credited to the fund.

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

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

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

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

4.17 (b) "Excess police state aid" is:

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

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

4.26 (3) for the Department of Natural Resources and for the Department of Public Safety,
4.27 the amount in excess of the employer's total prior calendar year obligation under section
4.28 352B.02, subdivision 1c, for plan members who are peace officers under section 69.011,
4.29 subdivision 1, paragraph (g), as certified by the executive director of the Minnesota State
4.30 Retirement System.

4.31 (c) The employer's total prior calendar year obligation with respect to the public
4.32 employees police and fire plan under paragraph (b), clause (1), is the total prior calendar

5.1 year obligation under section 353.65, subdivision 3, for police officers as defined in section
 5.2 353.64, ~~subdivision~~ subdivisions 1, 1a, and 2, and the actual total prior calendar year
 5.3 obligation under section 353.65, subdivision 3, for firefighters, as defined in section 353.64,
 5.4 ~~subdivision 3~~ subdivisions 1, 1a, and 2, but not to exceed for those firefighters the applicable
 5.5 following employer calendar year amount:

5.6	Municipality	Maximum Amount
5.7	Albert Lea	\$54,157.01
5.8	Anoka	10,399.31
5.9	Apple Valley	5,442.44
5.10	Austin	49,864.73
5.11	Bemidji	27,671.38
5.12	Brooklyn Center	6,605.92
5.13	Brooklyn Park	24,002.26
5.14	Burnsville	15,956.00
5.15	Cloquet	4,260.49
5.16	Coon Rapids	39,920.00
5.17	Cottage Grove	8,588.48
5.18	Crystal	5,855.00
5.19	East Grand Forks	51,009.88
5.20	Edina	32,251.00
5.21	Elk River	5,216.55
5.22	Ely	13,584.16
5.23	Eveleth	16,288.27
5.24	Fergus Falls	6,742.00
5.25	Fridley	33,420.64
5.26	Golden Valley	11,744.61
5.27	Hastings	16,561.00
5.28	Hopkins	4,324.23
5.29	International Falls	14,400.69
5.30	Lakeville	782.35
5.31	Lino Lakes	5,324.00
5.32	Little Falls	7,889.41
5.33	Maple Grove	6,707.54
5.34	Maplewood	8,476.69
5.35	Minnnetonka	10,403.00
5.36	Montevideo	1,307.66
5.37	Moorhead	68,069.26

6.1	New Hope	6,739.72
6.2	North St. Paul	4,241.14
6.3	Northfield	770.63
6.4	Owatonna	37,292.67
6.5	Plymouth	6,754.71
6.6	Red Wing	3,504.01
6.7	Richfield	53,757.96
6.8	Rosemount	1,712.55
6.9	Roseville	9,854.51
6.10	St. Anthony	33,055.00
6.11	St. Louis Park	53,643.11
6.12	Thief River Falls	28,365.04
6.13	Virginia	31,164.46
6.14	Waseca	11,135.17
6.15	West St. Paul	15,707.20
6.16	White Bear Lake	6,521.04
6.17	Woodbury	3,613.00
6.18	any other municipality	0.00

6.19 (d) The total amount of excess police state aid must be deposited in the excess police
6.20 state-aid account in the general fund, administered and distributed as provided in subdivision
6.21 11.

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

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

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

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

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

6.33 (4) trapping and transplantation of wild turkeys; and

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

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

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

7.7 (2) any permanent personnel costs.

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

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

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

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

7.17 (b) The conservation easements must be:

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

7.20 (2) permanent in duration.

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

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

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

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

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

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

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

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

8.27 (c) The commissioner may request the city of Duluth to pay or secure payment of
8.28 principal and interest due on up to \$47,600,000 principal amount of revenue bonds for the
8.29 facility described in subdivision 5. At the request of the commissioner, the city of Duluth
8.30 shall pledge specified revenues of the city, as provided in Laws 1991, chapter 350, article
8.31 1, section 24, to pay principal and interest due on the principal amount requested by the
8.32 commissioner.

9.1 ~~(d) Bonds and deficiency bonds issued under sections 116R.01 to 116R.15 and any~~
 9.2 ~~indenture entered into in connection with the issuance of the bonds are not subject to section~~
 9.3 ~~16B.06.~~

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

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

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

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

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

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

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

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

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

10.2 Subd. 8. **Appropriation transfers.** (a) If a direct appropriation from the general fund
 10.3 to the department for any education aid or grant authorized in this chapter and chapters
 10.4 122A, 123A, 123B, 124D, 124E, 125A, 126C, and 134, excluding appropriations under
 10.5 sections 124D.135, 124D.16, 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and 124D.56,
 10.6 exceeds the amount required, the commissioner may transfer the excess to any education
 10.7 aid or grant appropriation that is insufficient. However, section 126C.20 applies to a
 10.8 deficiency in the direct appropriation for general education aid. Excess appropriations must
 10.9 be allocated proportionately among aids or grants that have insufficient appropriations. The
 10.10 commissioner of management and budget shall make the necessary transfers among
 10.11 appropriations according to the determinations of the commissioner. If the amount of the
 10.12 direct appropriation for the aid or grant plus the amount transferred according to this
 10.13 subdivision is insufficient, the commissioner shall prorate the available amount among
 10.14 eligible districts. The state is not obligated for any additional amounts.

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

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

10.20 **144.0571 INCLUSION OF OTHER HEALTH-RELATED OCCUPATIONS TO**
 10.21 **CRIMINAL BACKGROUND CHECKS.**

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

10.28 (b) Any statutory changes necessary to include the commissioner of health to section
 10.29 214.075 shall be included in the plan required in section 214.075, subdivision 8.

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

10.31 Subdivision 1. **Resident reimbursement classifications.** The commissioner of health
 10.32 shall establish resident reimbursement classifications based upon the assessments of residents

11.1 of nursing homes and boarding care homes conducted under section 144.0721, or under
11.2 rules established by the commissioner of human services under sections ~~256B.41~~ 256B.421
11.3 to 256B.48. The reimbursement classifications established by the commissioner must
11.4 conform to the rules established by the commissioner of human services.

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

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

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

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

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

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

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

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

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

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

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

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

12.5 (1) nursing facility services under section 256B.434 or ~~256B.441~~ chapter 256R;

12.6 (2) elderly waiver services under section 256B.0915;

12.7 (3) CADI and BI waiver services under section 256B.49; and

12.8 (4) state payment of alternative care services under section 256B.0913.

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

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

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

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

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

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

12.24 (1) Each facility shall be audited annually. If a facility has two successive audits in which
12.25 the percentage of change is five percent or less and the facility has not been the subject of
12.26 a special audit in the past 36 months, the facility may be audited biannually. A stratified
12.27 sample of 15 percent, with a minimum of ten assessments, of the most current assessments
12.28 shall be selected for audit. If more than 20 percent of the RUG-IV classifications are changed
12.29 as a result of the audit, the audit shall be expanded to a second 15 percent sample, with a
12.30 minimum of ten assessments. If the total change between the first and second samples is
12.31 35 percent or greater, the commissioner may expand the audit to all of the remaining
12.32 assessments.

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

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

13.7 (i) frequent changes in the administration or management of the facility;

13.8 (ii) an unusually high percentage of residents in a specific case mix classification;

13.9 (iii) a high frequency in the number of reconsideration requests received from a facility;

13.10 (iv) frequent adjustments of case mix classifications as the result of reconsiderations or
 13.11 audits;

13.12 (v) a criminal indictment alleging provider fraud;

13.13 (vi) other similar factors that relate to a facility's ability to conduct accurate assessments;

13.14 (vii) an atypical pattern of scoring minimum data set items;

13.15 (viii) nonsubmission of assessments;

13.16 (ix) late submission of assessments; or

13.17 (x) a previous history of audit changes of 35 percent or greater.

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

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

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

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

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

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

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

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

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

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

14.31 (d) For each designated hardship area determined in paragraph (c), the commissioner
14.32 shall publish a request for proposals in accordance with section 144A.073 and Minnesota
14.33 Rules, parts 4655.1070 to 4655.1098. The request for proposals must be published in the
14.34 State Register by March 15 following receipt of responses to the request for information.

15.1 The request for proposals must specify the number of new beds which may be added in the
15.2 designated hardship area, which must not exceed the number which, if added to the existing
15.3 number of beds in the area, including beds in layaway status, would have prevented it from
15.4 being determined to be a hardship area under paragraph (b), clause (1). Beginning July 1,
15.5 2011, the number of new beds approved must not exceed 200 beds statewide per biennium.
15.6 After June 30, 2019, the number of new beds that may be approved in a biennium must not
15.7 exceed 300 statewide. For a proposal to be considered, the commissioner must receive it
15.8 within six months of the publication of the request for proposals. The commissioner shall
15.9 review responses to the request for proposals and shall approve or disapprove each proposal
15.10 by the following July 15, in accordance with section 144A.073 and Minnesota Rules, parts
15.11 4655.1070 to 4655.1098. The commissioner shall base approvals or disapprovals on a
15.12 comparison and ranking of proposals using only the criteria in subdivision 4a. Approval of
15.13 a proposal expires after 18 months unless the facility has added the new beds using existing
15.14 space, subject to approval by the commissioner, or has commenced construction as defined
15.15 in section 144A.071, subdivision 1a, paragraph (d). If, after the approved beds have been
15.16 added, fewer than 50 percent of the beds in a facility are newly licensed, the operating
15.17 payment rates previously in effect shall remain. If, after the approved beds have been added,
15.18 50 percent or more of the beds in a facility are newly licensed, operating payment rates shall
15.19 be determined according to Minnesota Rules, part 9549.0057, using the limits under ~~section~~
15.20 ~~256B.441~~ chapter 256R. External fixed payment rates must be determined according to
15.21 ~~section 256B.441, subdivision 53~~ chapter 256R. Property payment rates for facilities with
15.22 beds added under this subdivision must be determined in the same manner as rate
15.23 determinations resulting from projects approved and completed under section 144A.073.

15.24 (e) The commissioner may:

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

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

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

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

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

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

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

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

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

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

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

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

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

16.29 (c) to license or certify beds in a project recommended for approval under section
16.30 144A.073;

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

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

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

17.22 (g) to license and certify nursing home beds to replace currently licensed and certified
17.23 boarding care beds which may be located either in a remodeled or renovated boarding care
17.24 or nursing home facility or in a remodeled, renovated, newly constructed, or replacement
17.25 nursing home facility within the identifiable complex of health care facilities in which the
17.26 currently licensed boarding care beds are presently located, provided that the number of
17.27 boarding care beds in the facility or complex are decreased by the number to be licensed as
17.28 nursing home beds and further provided that, if the total costs of new construction,
17.29 replacement, remodeling, or renovation exceed ten percent of the appraised value of the
17.30 facility or \$200,000, whichever is less, the facility makes a written commitment to the
17.31 commissioner of human services that it will not seek to receive an increase in its
17.32 property-related payment rate by reason of the new construction, replacement, remodeling,
17.33 or renovation. The provisions contained in section 144A.073 regarding the upgrading of
17.34 facilities do not apply to facilities that satisfy these requirements;

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

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

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

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

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

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

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

18.33 (o) to allow a project which will be completed in conjunction with an approved
18.34 moratorium exception project for a nursing home in southern Cass County and which is

19.1 directly related to that portion of the facility that must be repaired, renovated, or replaced,
19.2 to correct an emergency plumbing problem for which a state correction order has been
19.3 issued and which must be corrected by August 31, 1993;

19.4 (p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing
19.5 facility located in Minneapolis to layaway, upon 30 days prior written notice to the
19.6 commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed
19.7 wards to single or double occupancy. Beds on layaway status shall have the same status as
19.8 voluntarily delicensed and decertified beds except that beds on layaway status remain subject
19.9 to the surcharge in section 256.9657, remain subject to the license application and renewal
19.10 fees under section 144A.07 and shall be subject to a \$100 per bed reactivation fee. In
19.11 addition, at any time within three years of the effective date of the layaway, the beds on
19.12 layaway status may be:

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

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

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

19.32 (q) to license and certify beds in a renovation and remodeling project to convert 12
19.33 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing
19.34 home that, as of January 1, 1994, met the following conditions: the nursing home was located

20.1 in Ramsey County; had a licensed capacity of 154 beds; and had been ranked among the
20.2 top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total
20.3 project construction cost estimate for this project must not exceed the cost estimate submitted
20.4 in connection with the 1993 moratorium exception process;

20.5 (r) to license and certify up to 117 beds that are relocated from a licensed and certified
20.6 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds
20.7 located in South St. Paul, provided that the nursing facility and hospital are owned by the
20.8 same or a related organization and that prior to the date the relocation is completed the
20.9 hospital ceases operation of its inpatient hospital services at that hospital. After relocation,
20.10 the nursing facility's status shall be the same as it was prior to relocation. The nursing
20.11 facility's property-related payment rate resulting from the project authorized in this paragraph
20.12 shall become effective no earlier than April 1, 1996. For purposes of calculating the
20.13 incremental change in the facility's rental per diem resulting from this project, the allowable
20.14 appraised value of the nursing facility portion of the existing health care facility physical
20.15 plant prior to the renovation and relocation may not exceed \$2,490,000;

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

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

20.31 The property-related payment rate of the facility placing beds on layaway status must
20.32 be adjusted by the incremental change in its rental per diem after recalculating the rental
20.33 per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related
20.34 payment rate for the facility relicensing and recertifying beds from layaway status must be
20.35 adjusted by the incremental change in its rental per diem after recalculating its rental per

21.1 diem using the number of beds after the relicensing to establish the facility's capacity day
21.2 divisor, which shall be effective the first day of the month following the month in which
21.3 the relicensing and recertification became effective. Any beds remaining on layaway status
21.4 more than five years after the date the layaway status became effective must be removed
21.5 from layaway status and immediately delicensed and decertified;

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

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

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

21.21 (x) to license and certify to the licensee of a nursing home in Polk County that was
21.22 destroyed by flood in 1997 replacement projects with a total of up to 129 beds, with at least
21.23 25 beds to be located in Polk County and up to 104 beds distributed among up to three other
21.24 counties. These beds may only be distributed to counties with fewer than the median number
21.25 of age intensity adjusted beds per thousand, as most recently published by the commissioner
21.26 of human services. If the licensee chooses to distribute beds outside of Polk County under
21.27 this paragraph, prior to distributing the beds, the commissioner of health must approve the
21.28 location in which the licensee plans to distribute the beds. The commissioner of health shall
21.29 consult with the commissioner of human services prior to approving the location of the
21.30 proposed beds. The licensee may combine these beds with beds relocated from other nursing
21.31 facilities as provided in section 144A.073, subdivision 3c. The operating payment rates for
21.32 the new nursing facilities shall be determined based on the interim and settle-up payment
21.33 provisions of section 256B.431, or 256B.434, ~~or 256B.441~~ chapter 256R, or Minnesota
21.34 Rules, parts 9549.0010 to 9549.0080. Property-related reimbursement rates shall be
21.35 determined under section 256B.431, or 256B.434, ~~or 256B.441~~ chapter 256R. If the

22.1 replacement beds permitted under this paragraph are combined with beds from other nursing
22.2 facilities, the rates shall be calculated as the weighted average of rates determined as provided
22.3 in this paragraph and ~~section 256B.441, subdivision 60~~ chapter 256R;

22.4 (y) to license and certify beds in a renovation and remodeling project to convert 13
22.5 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add
22.6 improvements in a nursing home that, as of January 1, 1994, met the following conditions:
22.7 the nursing home was located in Ramsey County, was not owned by a hospital corporation,
22.8 had a licensed capacity of 64 beds, and had been ranked among the top 15 applicants by
22.9 the 1993 moratorium exceptions advisory review panel. The total project construction cost
22.10 estimate for this project must not exceed the cost estimate submitted in connection with the
22.11 1993 moratorium exception process;

22.12 (z) to license and certify up to 150 nursing home beds to replace an existing 285 bed
22.13 nursing facility located in St. Paul. The replacement project shall include both the renovation
22.14 of existing buildings and the construction of new facilities at the existing site. The reduction
22.15 in the licensed capacity of the existing facility shall occur during the construction project
22.16 as beds are taken out of service due to the construction process. Prior to the start of the
22.17 construction process, the facility shall provide written information to the commissioner of
22.18 health describing the process for bed reduction, plans for the relocation of residents, and
22.19 the estimated construction schedule. The relocation of residents shall be in accordance with
22.20 the provisions of law and rule;

22.21 (aa) to allow the commissioner of human services to license an additional 36 beds to
22.22 provide residential services for the physically disabled under Minnesota Rules, parts
22.23 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that
22.24 the total number of licensed and certified beds at the facility does not increase;

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

22.30 (cc) to license and certify four beds in a 16-bed certified boarding care home in
22.31 Minneapolis to replace beds that were voluntarily delicensed and decertified on or before
22.32 March 31, 1992. The licensure and certification is conditional upon the facility periodically
22.33 assessing and adjusting its resident mix and other factors which may contribute to a potential
22.34 institution for mental disease declaration. The commissioner of human services shall retain

23.1 the authority to audit the facility at any time and shall require the facility to comply with
23.2 any requirements necessary to prevent an institution for mental disease declaration, including
23.3 delicensure and decertification of beds, if necessary;

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

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

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

23.19 (gg) to allow the commissioner of human services to license an additional nine beds to
23.20 provide residential services for the physically disabled under Minnesota Rules, parts
23.21 9570.2000 to 9570.3400, in a 240-bed nursing home located in Duluth, provided that the
23.22 total number of licensed and certified beds at the facility does not increase;

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

23.28 (ii) to transfer up to 98 beds of a 129-licensed bed facility located in Anoka County that,
23.29 as of March 25, 2001, is in the active process of closing, to a 122-licensed bed nonprofit
23.30 nursing facility located in the city of Columbia Heights or its affiliate. The transfer is effective
23.31 when the receiving facility notifies the commissioner in writing of the number of beds
23.32 accepted. The commissioner shall place all transferred beds on layaway status held in the
23.33 name of the receiving facility. The layaway adjustment provisions of section 256B.431,
23.34 subdivision 30, do not apply to this layaway. The receiving facility may only remove the

24.1 beds from layaway for recertification and relicensure at the receiving facility's current site,
24.2 or at a newly constructed facility located in Anoka County. The receiving facility must
24.3 receive statutory authorization before removing these beds from layaway status, or may
24.4 remove these beds from layaway status if removal from layaway status is part of a
24.5 moratorium exception project approved by the commissioner under section 144A.073.

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

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

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

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

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

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

25.1 (4) to license and certify up to 80 beds transferred from an existing state-owned nursing
25.2 facility in Cass County to a new facility located on the grounds of the Ah-Gwah-Ching
25.3 campus. The operating cost payment rates for the new facility shall be determined based
25.4 on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and
25.5 the reimbursement provisions of section 256B.431. The property payment rate for the first
25.6 three years of operation shall be \$35 per day. For subsequent years, the property payment
25.7 rate of \$35 per day shall be adjusted for inflation as provided in section 256B.434, subdivision
25.8 4, paragraph (c), as long as the facility has a contract under section 256B.434;

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

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

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

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

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

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

25.29 (6) to consolidate and relocate nursing facility beds to a new site in Goodhue County
25.30 and to integrate these services with other community-based programs and services under a
25.31 communities for a lifetime pilot program and comprehensive plan to create innovative
25.32 responses to the aging of its population. Two nursing facilities, one for 84 beds and one for
25.33 65 beds, in the city of Red Wing licensed on July 1, 2015, shall be consolidated into a newly
25.34 renovated 64-bed nursing facility resulting in the delicensure of 85 beds. Notwithstanding

26.1 the carryforward of the approval authority in section 144A.073, subdivision 11, the funding
 26.2 approved in April 2009 by the commissioner of health for a project in Goodhue County
 26.3 shall not carry forward. The closure of the 85 beds shall not be eligible for a planned closure
 26.4 rate adjustment under section ~~256B.437~~ 256R.40. The construction project permitted in this
 26.5 clause shall not be eligible for a threshold project rate adjustment under section 256B.434,
 26.6 subdivision 4f. The payment rate for external fixed costs for the new facility shall be
 26.7 increased by an amount as calculated according to items (i) to (vi):

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

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

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

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

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

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

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

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

26.29 Subd. 4d. **Consolidation of nursing facilities.** (a) The commissioner of health, in
 26.30 consultation with the commissioner of human services, may approve a request for
 26.31 consolidation of nursing facilities which includes the closure of one or more facilities and
 26.32 the upgrading of the physical plant of the remaining nursing facility or facilities, the costs
 26.33 of which exceed the threshold project limit under subdivision 2, clause (a). The

27.1 commissioners shall consider the criteria in this section, section 144A.073, and section
27.2 ~~256B.437~~ 256R.40, in approving or rejecting a consolidation proposal. In the event the
27.3 commissioners approve the request, the commissioner of human services shall calculate an
27.4 external fixed costs rate adjustment according to clauses (1) to (3):

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

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

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

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

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

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

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

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

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

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

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

28.4 (c) For purposes of the calculation in paragraph (a), clause (3), the estimated medical
 28.5 assistance resident days of the remaining facility or facilities shall be computed assuming
 28.6 95 percent occupancy multiplied by the historical percentage of medical assistance resident
 28.7 days of the remaining facility or facilities, as reported on the facility's or facilities' most
 28.8 recent nursing facility statistical and cost report filed before the plan of closure is submitted,
 28.9 multiplied by 365.

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

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

28.17 (1) submit an application for closure according to section ~~256B.437, subdivision 3~~
 28.18 256R.40, subdivision 2; and

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

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

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

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

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

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

29.4 Subd. 4. **Correction orders.** Whenever a duly authorized representative of the
29.5 commissioner of health finds upon inspection of a nursing home, that the facility or a
29.6 controlling person or an employee of the facility is not in compliance with sections 144.411
29.7 to 144.417, 144.651, 144.6503, 144A.01 to 144A.155, or 626.557 or the rules promulgated
29.8 thereunder, a correction order shall be issued to the facility. The correction order shall state
29.9 the deficiency, cite the specific rule or statute violated, state the suggested method of
29.10 correction, and specify the time allowed for correction. If the commissioner finds that the
29.11 nursing home had uncorrected or repeated violations which create a risk to resident care,
29.12 safety, or rights, the commissioner shall notify the commissioner of human services who
29.13 shall require the facility to use any ~~efficiency~~ incentive payments received under section
29.14 ~~256B.431, subdivision 2b, paragraph (d)~~ 256R.38, to correct the violations and shall require
29.15 the facility to forfeit incentive payments for failure to correct the violations ~~as provided in~~
29.16 ~~section 256B.431, subdivision 2a~~. The forfeiture shall not apply to correction orders issued
29.17 for physical plant deficiencies.

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

29.19 Subd. 2. **Appointment of receiver, rental.** If, after hearing, the court finds that
29.20 receivership is necessary as a means of protecting the health, safety, or welfare of a resident
29.21 of the facility, the court shall appoint the commissioner of health as a receiver to take charge
29.22 of the facility. The commissioner may enter into an agreement for a managing agent to work
29.23 on the commissioner's behalf in operating the facility during the receivership. The court
29.24 shall determine a fair monthly rental for the facility, taking into account all relevant factors
29.25 including the condition of the facility. This rental fee shall be paid by the receiver to the
29.26 appropriate controlling person for each month that the receivership remains in effect but
29.27 shall be reduced by the amount that the costs of the receivership provided under section
29.28 ~~256B.495~~ 256R.52 are in excess of the facility rate. The controlling person may agree to
29.29 waive the fair monthly rent by affidavit to the court. Notwithstanding any other law to the
29.30 contrary, no payment made to a controlling person by any state agency during a period of
29.31 receivership shall include any allowance for profit or be based on any formula which includes
29.32 an allowance for profit.

30.1 Notwithstanding state contracting requirements in chapter 16C, the commissioner shall
 30.2 establish and maintain a list of qualified licensed nursing home administrators, or other
 30.3 qualified persons or organizations with experience in delivering skilled health care services
 30.4 and the operation of long-term care facilities for those interested in being a managing agent
 30.5 on the commissioner's behalf during a state receivership of a facility. This list will be a
 30.6 resource for choosing a managing agent and the commissioner may update the list at any
 30.7 time. A managing agent cannot be someone who: (1) is the owner, licensee, or administrator
 30.8 of the facility; (2) has a financial interest in the facility at the time of the receivership or is
 30.9 a related party to the owner, licensee, or administrator; or (3) has owned or operated any
 30.10 nursing facility or boarding care home that has been ordered into receivership.

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

30.12 **144A.154 RATE RECOMMENDATION.**

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

30.19 (1) a copy of the order or determination that cites the deficiency or need; and

30.20 (2) the commissioner's recommendation for additional staff and additional annual hours
 30.21 by type of employee and additional consultants, services, supplies, equipment, or repairs
 30.22 necessary to satisfy the need or deficiency.

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

30.24 Subd. 10. **Facility closure rate adjustment.** Upon the request of a closing facility, the
 30.25 commissioner of human services must allow the facility a closure rate adjustment equal to
 30.26 a 50 percent payment rate increase to reimburse relocation costs or other costs related to
 30.27 facility closure. This rate increase is effective on the date the facility's occupancy decreases
 30.28 to 90 percent of capacity days after the written notice of closure is distributed under
 30.29 subdivision 5 and shall remain in effect for a period of up to 60 days. The commissioner
 30.30 shall delay the implementation of rate adjustments under section ~~256B.437, subdivisions~~
 30.31 ~~3, paragraph (b), and 6, paragraph (a)~~ 256R.40, subdivisions 5 and 6, to offset the cost of
 30.32 this rate adjustment.

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

31.2 **144A.1888 REUSE OF FACILITIES.**

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

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

31.11 Subdivision 1. **Nursing homes and certified boarding care homes.** The actual costs
 31.12 of tuition and textbooks and reasonable expenses for the competency evaluation or the
 31.13 nursing assistant training program and competency evaluation approved under section
 31.14 144A.61, which are paid to nursing assistants or adult training programs pursuant to
 31.15 subdivisions 2 and 4, are a reimbursable expense for nursing homes and certified boarding
 31.16 care homes under section ~~256B.431, subdivision 36~~ 256R.37.

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

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

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

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

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

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

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

31.29 (b) Upon completion of the required supervised experience, the temporary licensee shall
 31.30 submit documentation of satisfactorily completing the requirements under subdivision 4,

32.1 and the applicable fee under section 146B.10. The commissioner shall issue a new license
32.2 in accordance with subdivision 4.

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

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

32.6 Subd. 16. **Licensure.** "Licensure" is the system of regulation defined in section 214.001,
32.7 subdivision 3, ~~paragraph (e)~~ clause (3), and is the process specified in sections 148.511 to
32.8 148.5198.

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

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

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

32.13 **148E.280 USE OF TITLES.**

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

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

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

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

32.23 **150A.02 BOARD OF DENTISTRY.**

32.24 Subdivision 1. **Generally.** There is hereby created a Board of Dentistry whose duty it
32.25 shall be to carry out the purposes and enforce the provisions of sections 150A.01 to 150A.12.
32.26 The board shall consist of two public members as defined by section 214.02, five qualified
32.27 resident dentists, one qualified resident licensed dental assistant, and one qualified resident
32.28 dental hygienist appointed by the governor. Membership terms, compensation of members,
32.29 removal of members, the filling of membership vacancies, and fiscal year and reporting
32.30 requirements shall be as provided in sections 214.07 to 214.09. The provision of staff,

33.1 administrative services and office space; the review and processing of board complaints;
 33.2 the setting of board fees; and other provisions relating to board operations shall be as provided
 33.3 in chapter 214. Each board member who is a dentist, licensed dental assistant, or dental
 33.4 hygienist shall have been lawfully in active practice in this state for five years immediately
 33.5 preceding appointment; and no board member shall be eligible for appointment to more
 33.6 than two consecutive four-year terms, and members serving on the board at the time of the
 33.7 enactment hereof shall be eligible to reappointment provided they shall not have served
 33.8 more than nine consecutive years at the expiration of the term to which they are to be
 33.9 appointed. At least 90 days prior to the expiration of the terms of dentists, licensed dental
 33.10 assistants, or dental hygienists, the Minnesota Dental Association, Minnesota Dental
 33.11 Assistants Association, or the Minnesota State Dental Hygiene Hygienists' Association shall
 33.12 recommend to the governor for each term expiring not less than two dentists, two licensed
 33.13 dental assistants, or two dental hygienists, respectively, who are qualified to serve on the
 33.14 board, and from the list so recommended the governor may appoint members to the board
 33.15 for the term of four years, the appointments to be made within 30 days after the expiration
 33.16 of the terms. Within 60 days after the occurrence of a dentist, licensed dental assistant, or
 33.17 dental hygienist vacancy, prior to the expiration of the term, in the board, the Minnesota
 33.18 Dental Association, the Minnesota Dental Assistants Association, or the Minnesota State
 33.19 Dental Hygiene Hygienists' Association shall recommend to the governor not less than two
 33.20 dentists, two licensed dental assistants, or two dental hygienists, who are qualified to serve
 33.21 on the board and from the list so recommended the governor, within 30 days after receiving
 33.22 such list of dentists, may appoint one member to the board for the unexpired term occasioned
 33.23 by such vacancy. Any appointment to fill a vacancy shall be made within 90 days after the
 33.24 occurrence of such vacancy. The first four-year term of the dental hygienist and of the
 33.25 licensed dental assistant shall commence on the first Monday in January, 1977.

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

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

33.29 (1) to regulate the practice of pharmacy;

33.30 (2) to regulate the manufacture, wholesale, and retail sale of drugs within this state;

33.31 (3) to regulate the identity, labeling, purity, and quality of all drugs and medicines
 33.32 dispensed in this state, using the United States Pharmacopeia and the National Formulary,
 33.33 or any revisions thereof, or standards adopted under the federal act as the standard;

34.1 (4) to enter and inspect by its authorized representative any and all places where drugs,
34.2 medicines, medical gases, or veterinary drugs or devices are sold, vended, given away,
34.3 compounded, dispensed, manufactured, wholesaled, or held; it may secure samples or
34.4 specimens of any drugs, medicines, medical gases, or veterinary drugs or devices after
34.5 paying or offering to pay for such sample; it shall be entitled to inspect and make copies of
34.6 any and all records of shipment, purchase, manufacture, quality control, and sale of these
34.7 items provided, however, that such inspection shall not extend to financial data, sales data,
34.8 or pricing data;

34.9 (5) to examine and license as pharmacists all applicants whom it shall deem qualified
34.10 to be such;

34.11 (6) to license wholesale drug distributors;

34.12 (7) to take disciplinary action against any registration or license required under this
34.13 chapter upon any of the grounds listed in section 151.071, and in accordance with the
34.14 provisions of section 151.071;

34.15 (8) to employ necessary assistants and adopt rules for the conduct of its business;

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

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

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

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

34.28 (c) ~~Substitution; rules.~~ If the United States Food and Drug Administration (FDA)
34.29 determines that the substitution of drugs used for the treatment of epilepsy or seizures poses
34.30 a health risk to patients, the board shall adopt rules in accordance with accompanying FDA
34.31 interchangeability standards regarding the use of substitution for these drugs. If the board
34.32 adopts a rule regarding the substitution of drugs used for the treatment of epilepsy or seizures
34.33 that conflicts with the substitution requirements of section 151.21, subdivision 3, the rule

35.1 shall supersede the conflicting statute. If the rule proposed by the board would increase
35.2 state costs for state public health care programs, the board shall report to the chairs and
35.3 ranking minority members of the senate Health and Human Services Budget Division and
35.4 the house of representatives Health Care and Human Services Finance Division the proposed
35.5 rule and the increased cost associated with the proposed rule before the board may adopt
35.6 the rule.

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

35.8 **151.32 CITATION.**

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

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

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

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

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

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

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

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

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

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

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

36.16 (1) the positions and classes of positions in the classified and unclassified services defined
 36.17 as managerial by the commissioner of management and budget in accordance with section
 36.18 43A.18, subdivision 3, and so designated in the official state compensation schedules;

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

36.21 ~~(3) positions of physician employees compensated under section 43A.17, subdivision~~
 36.22 ~~4;~~

36.23 ~~(4)~~ (3) positions of all unclassified employees appointed by a constitutional officer;

36.24 ~~(5)~~ (4) positions in the Bureau of Mediation Services and the Public Employment
 36.25 Relations Board;

36.26 ~~(6)~~ (5) positions of employees whose classification is pilot or chief pilot;

36.27 ~~(7)~~ (6) administrative law judge and compensation judge positions in the Office of
 36.28 Administrative Hearings; and

36.29 ~~(8)~~ (7) positions of all confidential employees.

36.30 The governor may upon the unanimous written request of exclusive representatives of
 36.31 units and the commissioner direct that negotiations be conducted for one or more units in

37.1 a common proceeding or that supplemental negotiations be conducted for portions of a unit
37.2 or units defined on the basis of appointing authority or geography.

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

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

37.8 (1) dies;

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

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

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

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

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

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

38.1 the party and that the individuals signing the certificate and making the affidavit are the
38.2 chair and secretary of the party.

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

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

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

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

38.29 (1) a list of the known alternative providers of the service available to the company's
38.30 customers; and

38.31 (2) a description of affiliate relationships with any other provider of the service in the
38.32 company's market.

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

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

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

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

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

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

39.23 (2) rate increases may be effective 20 days after filing and upon notice to affected
 39.24 customers and are considered approved if no objection is filed or raised by an interested
 39.25 party or the commission within 20 days after the filing. If an interested party files an
 39.26 objection, the commission shall make its determination on the proposed rate increase within
 39.27 90 days of the filing of the objection.

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

39.29 Subd. 2. **Failure to maintain expenditures.** (a) If a county does not comply with
 39.30 subdivision 1, the commissioner shall require the county to develop a corrective action plan
 39.31 according to a format and timeline established by the commissioner. If the commissioner
 39.32 determines that a county has not developed an acceptable corrective action plan within the

40.1 required timeline, or that the county is not in compliance with an approved corrective action
40.2 plan, the protections provided to that county under section 245.485 do not apply.

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

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

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

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

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

40.16 (iii) the services must be supervised by a mental health professional and provided by
40.17 staff who meet the staff qualifications defined in sections 256B.0943, subdivision 7, and
40.18 ~~256B.0622~~ 256B.0623, subdivision 5.

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

40.21 Sec. 49. Minnesota Statutes 2016, section 245.493, subdivision 1, is amended to read:

40.22 Subdivision 1. **Qualification requirements.** In order to qualify as a local children's
40.23 mental health collaborative and be eligible to receive start-up funds, the representatives of
40.24 the local system of care and nongovernmental entities such as parents of children in the
40.25 target population; parent and consumer organizations; community, civic, and religious
40.26 organizations; private and nonprofit mental and physical health care providers; culturally
40.27 specific organizations; local foundations; and businesses, or at a minimum one county, one
40.28 school district or special education cooperative, one mental health entity, and, by July 1,
40.29 1998, one juvenile justice or corrections entity, must agree to the following:

40.30 (1) to establish a local children's mental health collaborative and develop an integrated
40.31 service system;

41.1 (2) to commit resources to providing services through the local children's mental health
41.2 collaborative; and

41.3 (3) to develop a plan to contribute funds to the children's mental health collaborative.

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

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

41.8 ~~(a)~~ (1) provision of mental health services in the prevention, identification, treatment
41.9 and aftercare of emotional disorders, chronic and acute mental illness, developmental
41.10 disabilities, and alcohol and drug abuse and dependency, including the services listed in
41.11 section 245.61 except detoxification services;

41.12 ~~(b)~~ (2) establishment of a community mental health center board pursuant to section
41.13 245.66; and

41.14 ~~(c)~~ (3) approval pursuant to section 245.69, subdivision 2.

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

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

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

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

41.28 (d) The commissioner may grant variances to paragraph ~~(b)~~ (a) to allow the use of an
41.29 additional bed, up to five, for emergency crisis services for a person with serious and
41.30 persistent mental illness or a developmental disability, regardless of age, if the variance

42.1 complies with section 245A.04, subdivision 9, and approval of the variance is recommended
42.2 by the county in which the licensed facility is located.

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

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

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

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

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

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

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

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

42.33 (i) individualized plan of care;

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

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

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

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

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

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

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

43.22 (b) Protective procedures may not be used:

43.23 (1) for disciplinary purposes;

43.24 (2) to enforce program rules;

43.25 (3) for the convenience of staff;

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

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

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

44.2 Subd. 4. **Facility rates.** For purposes of this section, the commissioner shall establish
44.3 payment rates under section 256B.501 and Minnesota Rules, parts 9553.0010 to 9553.0080,
44.4 except that, in order to facilitate an orderly transition of residents from community
44.5 intermediate care facilities for persons with developmental disabilities to services provided
44.6 under the home and community-based services program, the commissioner may, in a contract
44.7 with the provider, modify the effect of provisions in Minnesota Rules, parts 9553.0010 to
44.8 9553.0080, as stated in clauses ~~(a)~~ (1) to ~~(i)~~ (9):

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

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

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

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

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

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

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

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

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

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

44.29 Subd. 3b. **Standard of evidence for maltreatment and disqualification hearings.** (a)
44.30 The state human services judge shall determine that maltreatment has occurred if a
44.31 preponderance of evidence exists to support the final disposition under sections 626.556
44.32 and 626.557. For purposes of hearings regarding disqualification, the state human services

45.1 judge shall affirm the proposed disqualification in an appeal under subdivision 3, paragraph
45.2 (a), clause ~~(9)~~ (10), if a preponderance of the evidence shows the individual has:

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

45.5 (2) committed an act or acts meeting the definition of any of the crimes listed in section
45.6 245C.15, subdivisions 1 to 4; or

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

45.10 (b) If the disqualification is affirmed, the state human services judge shall determine
45.11 whether the individual poses a risk of harm in accordance with the requirements of section
45.12 245C.22, and whether the disqualification should be set aside or not set aside. In determining
45.13 whether the disqualification should be set aside, the human services judge shall consider
45.14 all of the characteristics that cause the individual to be disqualified, including those
45.15 characteristics that were not subject to review under paragraph (a), in order to determine
45.16 whether the individual poses a risk of harm. A decision to set aside a disqualification that
45.17 is the subject of the hearing constitutes a determination that the individual does not pose a
45.18 risk of harm and that the individual may provide direct contact services in the individual
45.19 program specified in the set aside.

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

45.23 (d) The state human services judge shall recommend an order to the commissioner of
45.24 health, education, or human services, as applicable, who shall issue a final order. The
45.25 commissioner shall affirm, reverse, or modify the final disposition. Any order of the
45.26 commissioner issued in accordance with this subdivision is conclusive upon the parties
45.27 unless appeal is taken in the manner provided in subdivision 7. In any licensing appeal under
45.28 chapters 245A and 245C and sections 144.50 to 144.58 and 144A.02 to 144A.482, the
45.29 commissioner's determination as to maltreatment is conclusive, as provided under section
45.30 245C.29.

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

45.32 Subd. 4. **Conduct of hearings.** (a) All hearings held pursuant to subdivision 3, 3a, 3b,
45.33 or 4a shall be conducted according to the provisions of the federal Social Security Act and

46.1 the regulations implemented in accordance with that act to enable this state to qualify for
46.2 federal grants-in-aid, and according to the rules and written policies of the commissioner
46.3 of human services. County agencies shall install equipment necessary to conduct telephone
46.4 hearings. A state human services judge may schedule a telephone conference hearing when
46.5 the distance or time required to travel to the county agency offices will cause a delay in the
46.6 issuance of an order, or to promote efficiency, or at the mutual request of the parties. Hearings
46.7 may be conducted by telephone conferences unless the applicant, recipient, former recipient,
46.8 person, or facility contesting maltreatment objects. A human services judge may grant a
46.9 request for a hearing in person by holding the hearing by interactive video technology or
46.10 in person. The human services judge must hear the case in person if the person asserts that
46.11 either the person or a witness has a physical or mental disability that would impair the
46.12 person's or witness's ability to fully participate in a hearing held by interactive video
46.13 technology. The hearing shall not be held earlier than five days after filing of the required
46.14 notice with the county or state agency. The state human services judge shall notify all
46.15 interested persons of the time, date, and location of the hearing at least five days before the
46.16 date of the hearing. Interested persons may be represented by legal counsel or other
46.17 representative of their choice, including a provider of therapy services, at the hearing and
46.18 may appear personally, testify and offer evidence, and examine and cross-examine witnesses.
46.19 The applicant, recipient, former recipient, person, or facility contesting maltreatment shall
46.20 have the opportunity to examine the contents of the case file and all documents and records
46.21 to be used by the county or state agency at the hearing at a reasonable time before the date
46.22 of the hearing and during the hearing. In hearings under subdivision 3, paragraph (a), clauses
46.23 (4), ~~(8), and (9), and (10)~~, either party may subpoena the private data relating to the
46.24 investigation prepared by the agency under section 626.556 or 626.557 that is not otherwise
46.25 accessible under section 13.04, provided the identity of the reporter may not be disclosed.

46.26 (b) The private data obtained by subpoena in a hearing under subdivision 3, paragraph
46.27 (a), clause (4), ~~(8), or (9), or (10)~~, must be subject to a protective order which prohibits its
46.28 disclosure for any other purpose outside the hearing provided for in this section without
46.29 prior order of the district court. Disclosure without court order is punishable by a sentence
46.30 of not more than 90 days imprisonment or a fine of not more than \$1,000, or both. These
46.31 restrictions on the use of private data do not prohibit access to the data under section 13.03,
46.32 subdivision 6. Except for appeals under subdivision 3, paragraph (a), clauses (4), (5), ~~(8),~~
46.33 ~~and (9), and (10)~~, upon request, the county agency shall provide reimbursement for
46.34 transportation, child care, photocopying, medical assessment, witness fee, and other necessary
46.35 and reasonable costs incurred by the applicant, recipient, or former recipient in connection
46.36 with the appeal. All evidence, except that privileged by law, commonly accepted by

47.1 reasonable people in the conduct of their affairs as having probative value with respect to
47.2 the issues shall be submitted at the hearing and such hearing shall not be "a contested case"
47.3 within the meaning of section 14.02, subdivision 3. The agency must present its evidence
47.4 prior to or at the hearing, and may not submit evidence after the hearing except by agreement
47.5 of the parties at the hearing, provided the petitioner has the opportunity to respond.

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

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

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

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

48.7 The term "person" is used in this section to mean an individual who, on behalf of
48.8 themselves or their household, is appealing or disputing or challenging an action, a decision,
48.9 or a failure to act, by an agency in the human services system. When a person involved in
48.10 a proceeding under this section is represented by an attorney or by an authorized
48.11 representative, the term "person" also refers to the person's attorney or authorized
48.12 representative. Any notice sent to the person involved in the hearing must also be sent to
48.13 the person's attorney or authorized representative.

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

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

48.19 Subd. 3. **Agency appeal summary.** (a) Except in fair hearings and appeals under section
48.20 256.045, subdivision 3, paragraph (a), clauses (4), ~~(8)~~ (9), and ~~(9)~~ (10), the agency involved
48.21 in an appeal must prepare a state agency appeal summary for each fair hearing appeal. The
48.22 state agency appeal summary shall be mailed or otherwise delivered to the person who is
48.23 involved in the appeal at least three working days before the date of the hearing. The state
48.24 agency appeal summary must also be mailed or otherwise delivered to the department's
48.25 Appeals Office at least three working days before the date of the fair hearing appeal.

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

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

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

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

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

49.22 Subd. 19. **Developing the record.** The human services judge shall accept all evidence,
49.23 except evidence privileged by law, that is commonly accepted by reasonable people in the
49.24 conduct of their affairs as having probative value on the issues to be addressed at the hearing.
49.25 Except in fair hearings and appeals under section 256.045, subdivision 3, paragraph (a),
49.26 clauses (4), ~~(8)~~, ~~and (9)~~, (10), and (12), in cases involving medical issues such as a diagnosis,
49.27 a physician's report, or a review team's decision, the human services judge shall consider
49.28 whether it is necessary to have a medical assessment other than that of the individual making
49.29 the original decision. When necessary, the human services judge shall require an additional
49.30 assessment be obtained at agency expense and made part of the hearing record. The human
49.31 services judge shall ensure for all cases that the record is sufficiently complete to make a
49.32 fair and accurate decision.

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

50.2 **256.481 DISABLED PERSON; DEFINITION.**

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

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

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

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

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

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

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

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

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

50.26 (1) discharge or transfer from a facility;

50.27 (2) termination of service;

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

50.29 (4) discharge from or termination of employment;

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

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

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

51.3 **256.991 RULES.**

51.4 The commissioner of human services may promulgate rules as necessary to implement
51.5 sections 256.01, subdivision 2; 256.82, subdivision 3; ~~256.966, subdivision 1~~; and 261.23.
51.6 The commissioner shall promulgate rules to establish standards and criteria for deciding
51.7 which medical assistance services require prior authorization and for deciding whether a
51.8 second medical opinion is required for an elective surgery. The commissioner shall
51.9 promulgate rules as necessary to establish the methods and standards for determining
51.10 inappropriate utilization of medical assistance services.

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

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

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

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

51.24 The value of assets transferred for the sole benefit of the community spouse under section
51.25 256B.0595, subdivision 4, in combination with other assets available to the community
51.26 spouse under this section, cannot exceed the limit for the community spouse asset allowance
51.27 determined under subdivision 3 or 4. Assets that exceed this allowance shall be considered
51.28 available to the institutionalized spouse. If the community spouse asset allowance has been
51.29 increased under subdivision 4, then the assets considered available to the institutionalized
51.30 spouse under this subdivision shall be further reduced by the value of additional amounts
51.31 allowed under subdivision 4.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

53.19 (1) a small ACT team must:

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

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

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

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

53.27 (v) provide crisis services during business hours if the small ACT team does not have
53.28 sufficient staff numbers to operate an after-hours on-call system. During all other hours,
53.29 the ACT team may arrange for coverage for crisis assessment and intervention services
53.30 through a reliable crisis-intervention provider as long as there is a mechanism by which the
53.31 ACT team communicates routinely with the crisis-intervention provider and the on-call

54.1 ACT team staff are available to see clients face-to-face when necessary or if requested by
54.2 the crisis-intervention services provider;

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

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

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

54.16 (2) a midsize ACT team shall:

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

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

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

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

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

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

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

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

55.10 (3) a large ACT team must:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

56.31 (f) The client's psychiatric care provider, primary team member, and individual treatment
56.32 team members shall assume responsibility for preparing the written narrative of the results

57.1 from the psychiatric and social functioning history timeline and the comprehensive
57.2 assessment.

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

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

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

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

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

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

57.33 (5) The primary team member shall prepare a summary that thoroughly describes in
57.34 writing the client's and the individual treatment team's evaluation of the client's progress

58.1 and goal attainment, the effectiveness of the interventions, and the satisfaction with services
58.2 since the last individual treatment plan. The client's most recent diagnostic assessment must
58.3 be included with the treatment plan summary.

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

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

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

58.13 (b) Individuals under 65 years of age who are admitted to a Medicaid-certified nursing
58.14 facility must be screened prior to admission according to the requirements outlined in section
58.15 256.975, subdivisions 7a to 7c. This shall be provided by the Senior LinkAge Line as
58.16 required under section 256.975, subdivision 7.

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

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

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

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

58.30 (g) At the face-to-face assessment, the long-term care consultation team member or the
58.31 case manager must present information about home and community-based options, including
58.32 consumer-directed options, so the individual can make informed choices. If the individual
58.33 chooses home and community-based services, the long-term care consultation team member

59.1 or case manager must complete a written relocation plan within 20 working days of the
 59.2 visit. The plan shall describe the services needed to move out of the facility and a time line
 59.3 for the move which is designed to ensure a smooth transition to the individual's home and
 59.4 community.

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

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

59.13 (j) Funding for preadmission screening follow-up shall be provided to the Disability
 59.14 Linkage Line for the under-60 population by the Department of Human Services to cover
 59.15 options counseling salaries and expenses to provide the services described in subdivisions
 59.16 7a to 7c. The Disability Linkage Line shall employ, or contract with other agencies to
 59.17 employ, within the limits of available funding, sufficient personnel to provide preadmission
 59.18 screening follow-up services and shall seek to maximize federal funding for the service as
 59.19 provided under section 256.01, subdivision 2, paragraph ~~(dd)~~ (aa).

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

59.21 Subd. 6. **Payment for long-term care consultation services.** (a) Until September 30,
 59.22 2013, payment for long-term care consultation face-to-face assessment shall be made as
 59.23 described in this subdivision.

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

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

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

60.7 (e) Payments for long-term care consultation services are available to the county or
60.8 counties to cover staff salaries and expenses to provide the services described in subdivision
60.9 1a. The county shall employ, or contract with other agencies to employ, within the limits
60.10 of available funding, sufficient personnel to provide long-term care consultation services
60.11 while meeting the state's long-term care outcomes and objectives as defined in subdivision
60.12 1. The county shall be accountable for meeting local objectives as approved by the
60.13 commissioner in the biennial home and community-based services quality assurance plan
60.14 on a form provided by the commissioner.

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

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

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

60.24 (i) The commissioner shall develop an alternative payment methodology, effective on
60.25 October 1, 2013, for long-term care consultation services that includes the funding available
60.26 under this subdivision, and for assessments authorized under sections 256B.092 and
60.27 256B.0659. In developing the new payment methodology, the commissioner shall consider
60.28 the maximization of other funding sources, including federal administrative reimbursement
60.29 through federal financial participation funding, for all long-term care consultation activity.
60.30 The alternative payment methodology shall include the use of the appropriate time studies
60.31 and the state financing of nonfederal share as part of the state's medical assistance program.

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

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

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

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

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

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

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

61.12 Subd. 4. **Field audits required.** The commissioner of human services shall conduct
 61.13 field audits at the same time as cost report audits required under section ~~256B.27, subdivision~~
 61.14 ~~2a~~ 256R.13, and at any other time but at least once every four years, without notice, to
 61.15 determine whether this section was complied with and that the funds provided residents for
 61.16 their personal needs were actually expended for that purpose.

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

61.18 Subdivision 1. **Scope.** For the purposes of this section and sections 256B.431, 256B.434,
 61.19 256B.48, 256B.50, and 256B.502, the following ~~terms and phrases~~ term shall have the
 61.20 meaning given to ~~them~~ it.

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

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

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

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

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

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

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

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

62.31 (f) To challenge the validity of rules established by the commissioner pursuant to this
62.32 section and sections ~~256B.41~~, 256B.421, 256B.431, ~~256B.47~~, 256B.48, 256B.501, ~~and~~
62.33 256B.502, 256R.01, 256R.06, 256R.11, and 256R.12, a provider shall comply with section
62.34 14.44.

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

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

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

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

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

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

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

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

63.24 (1) reject any preliminary or final proposal that:

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

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

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

64.1 ~~(d)~~ (iv) would substantially impair the implementation and operation of the Minnesota
64.2 senior health options demonstration project authorized under section 256B.69, subdivision
64.3 23; and

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

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

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

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

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

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

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

64.28 (c) Effective for services rendered on or after July 1, 2009, payment rates for physician
64.29 and professional services shall be reduced by five percent, except that for the period July
64.30 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical
64.31 assistance and general assistance medical care programs, over the rates in effect on June
64.32 30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other
64.33 outpatient visits, preventive medicine visits and family planning visits billed by physicians,

65.1 advanced practice nurses, or physician assistants in a family planning agency or in one of
65.2 the following primary care practices: general practice, general internal medicine, general
65.3 pediatrics, general geriatrics, and family medicine. This reduction and the reductions in
65.4 paragraph (d) do not apply to federally qualified health centers, rural health centers, and
65.5 Indian health services. Effective October 1, 2009, payments made to managed care plans
65.6 and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall
65.7 reflect the payment reduction described in this paragraph.

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

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

65.21 (f) Effective for services rendered on or after September 1, 2014, payment rates for
65.22 physician and professional services, including physical therapy, occupational therapy, speech
65.23 pathology, and mental health services shall be increased by five percent from the rates in
65.24 effect on August 31, 2014. In calculating this rate increase, the commissioner shall not
65.25 include in the base rate for August 31, 2014, the rate increase provided under section
65.26 256B.76, subdivision 7. This increase does not apply to federally qualified health centers,
65.27 rural health centers, and Indian health services. Payments made to managed care plans and
65.28 county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

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

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

66.2 **256B.78 DEMONSTRATION PROJECT FOR FAMILY PLANNING SERVICES.**

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

66.6 (b) ~~This section is effective upon federal approval of the demonstration project.~~ To be
66.7 eligible for the medical assistance demonstration project, an individual must have family
66.8 income at or below 200 percent of the federal poverty guidelines, except that for an individual
66.9 under age 21, only the income of the individual must be considered in determining eligibility.
66.10 Services under this program must be available on a presumptive eligibility basis.

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

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

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

66.22 **256D.04 DUTIES OF THE COMMISSIONER.**

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

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

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

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

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

67.5 (5) cooperate with other agencies including any agency of the United States or of another
67.6 state in all matters concerning the powers and duties of the commissioner under sections
67.7 256D.01 to 256D.21;

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

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

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

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

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

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

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

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

67.29 (3) a person who has been placed in, and is residing in, a licensed or certified facility
67.30 for purposes of physical or mental health or rehabilitation, or in an approved chemical
67.31 dependency domiciliary facility, if the placement is based on illness or incapacity and is

68.1 according to a plan developed or approved by the county agency through its director or
68.2 designated representative;

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

68.4 ~~(5)~~ (4) a person not described in clause (1) or (3) who is diagnosed by a licensed
68.5 physician, psychological practitioner, or other qualified professional, as developmentally
68.6 disabled or mentally ill, and that condition prevents the person from obtaining or retaining
68.7 employment;

68.8 ~~(6)~~ (5) a person who has an application pending for, or is appealing termination of
68.9 benefits from, the Social Security disability program or the program of Supplemental Security
68.10 Income for the aged, blind, and disabled, provided the person has a professionally certified
68.11 permanent or temporary illness, injury, or incapacity which is expected to continue for more
68.12 than 30 days and which prevents the person from obtaining or retaining employment;

68.13 ~~(7)~~ (6) a person who is unable to obtain or retain employment because advanced age
68.14 significantly affects the person's ability to seek or engage in substantial work;

68.15 ~~(8)~~ (7) a person who has been assessed by a vocational specialist and, in consultation
68.16 with the county agency, has been determined to be unemployable for purposes of this clause;
68.17 a person is considered employable if there exist positions of employment in the local labor
68.18 market, regardless of the current availability of openings for those positions, that the person
68.19 is capable of performing. The person's eligibility under this category must be reassessed at
68.20 least annually. The county agency must provide notice to the person not later than 30 days
68.21 before annual eligibility under this item ends, informing the person of the date annual
68.22 eligibility will end and the need for vocational assessment if the person wishes to continue
68.23 eligibility under this clause. For purposes of establishing eligibility under this clause, it is
68.24 the applicant's or recipient's duty to obtain any needed vocational assessment;

68.25 ~~(9)~~ (8) a person who is determined by the county agency, according to permanent rules
68.26 adopted by the commissioner, to have a condition that qualifies under Minnesota's special
68.27 education rules as a specific learning disability, provided that a rehabilitation plan for the
68.28 person is developed or approved by the county agency, and the person is following the plan;

68.29 ~~(10)~~ (9) a child under the age of 18 who is not living with a parent, stepparent, or legal
68.30 custodian, and only if: the child is legally emancipated or living with an adult with the
68.31 consent of an agency acting as a legal custodian; the child is at least 16 years of age and the
68.32 general assistance grant is approved by the director of the county agency or a designated
68.33 representative as a component of a social services case plan for the child; or the child is
68.34 living with an adult with the consent of the child's legal custodian and the county agency.

69.1 For purposes of this clause, "legally emancipated" means a person under the age of 18 years
 69.2 who: (i) has been married; (ii) is on active duty in the uniformed services of the United
 69.3 States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise
 69.4 considered emancipated under Minnesota law, and for whom county social services has not
 69.5 determined that a social services case plan is necessary, for reasons other than the child has
 69.6 failed or refuses to cooperate with the county agency in developing the plan;

69.7 ~~(11)~~ (10) a person who is eligible for displaced homemaker services, programs, or
 69.8 assistance under section 116L.96, but only if that person is enrolled as a full-time student;

69.9 ~~(12)~~ (11) a person who is involved with protective or court-ordered services that prevent
 69.10 the applicant or recipient from working at least four hours per day;

69.11 ~~(13)~~ (12) a person over age 18 whose primary language is not English and who is
 69.12 attending high school at least half time; or

69.13 ~~(14)~~ (13) a person whose alcohol and drug addiction is a material factor that contributes
 69.14 to the person's disability; applicants who assert this clause as a basis for eligibility must be
 69.15 assessed by the county agency to determine if they are amenable to treatment; if the applicant
 69.16 is determined to be not amenable to treatment, but is otherwise eligible for benefits, then
 69.17 general assistance must be paid in vendor form, for the individual's shelter costs up to the
 69.18 limit of the grant amount, with the residual, if any, paid according to section 256D.09,
 69.19 subdivision 2a; if the applicant is determined to be amenable to treatment, then in order to
 69.20 receive benefits, the applicant must be in a treatment program or on a waiting list and the
 69.21 benefits must be paid in vendor form, for the individual's shelter costs, up to the limit of
 69.22 the grant amount, with the residual, if any, paid according to section 256D.09, subdivision
 69.23 2a.

69.24 (b) As a condition of eligibility under paragraph (a), clauses (1), (3), ~~(5)~~ (4), ~~(8)~~ (7), and
 69.25 ~~(9)~~ (8), the recipient must complete an interim assistance agreement and must apply for
 69.26 other maintenance benefits as specified in section 256D.06, subdivision 5, and must comply
 69.27 with efforts to determine the recipient's eligibility for those other maintenance benefits.

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

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

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

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

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

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

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

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

70.19 (5) high residue diet, 20 percent of thrifty food plan;

70.20 (6) pregnancy and lactation diet, 35 percent of thrifty food plan;

70.21 (7) gluten-free diet, 25 percent of thrifty food plan;

70.22 (8) lactose-free diet, 25 percent of thrifty food plan;

70.23 (9) antidumping diet, 15 percent of thrifty food plan;

70.24 (10) hypoglycemic diet, 15 percent of thrifty food plan; or

70.25 (11) ketogenic diet, 25 percent of thrifty food plan.

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

70.30 (c) A fee for guardian or conservator service is allowed at a reasonable rate negotiated
70.31 by the county or approved by the court. This rate shall not exceed five percent of the

71.1 assistance unit's gross monthly income up to a maximum of \$100 per month. If the guardian
71.2 or conservator is a member of the county agency staff, no fee is allowed.

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

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

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

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

71.27 (3) "Shelter needy" means that the assistance unit incurs monthly shelter costs that exceed
71.28 40 percent of the assistance unit's gross income before the application of this special needs
71.29 standard. "Gross income" for the purposes of this section is the applicant's or recipient's
71.30 income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision
71.31 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy,
71.32 that limits shelter costs to a percentage of gross income, shall not be considered shelter
71.33 needy for purposes of this paragraph.

72.1 ~~(g) Notwithstanding this subdivision, to access housing and services as provided in~~
 72.2 ~~paragraph (f), the recipient may choose housing that may be owned, operated, or controlled~~
 72.3 ~~by the recipient's service provider. When housing is controlled by the service provider, the~~
 72.4 ~~individual may choose the individual's own service provider as provided in section 256B.49,~~
 72.5 ~~subdivision 23, clause (3). When the housing is controlled by the service provider, the~~
 72.6 ~~service provider shall implement a plan with the recipient to transition the lease to the~~
 72.7 ~~recipient's name. Within two years of signing the initial lease, the service provider shall~~
 72.8 ~~transfer the lease entered into under this subdivision to the recipient. In the event the landlord~~
 72.9 ~~denies this transfer, the commissioner may approve an exception within sufficient time to~~
 72.10 ~~ensure the continued occupancy by the recipient. This paragraph expires June 30, 2016.~~

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

72.12 Subd. 3. **Relationship to other statutes and rules.** MFIP-S replaces eligibility for
 72.13 families with children and pregnant women under the general assistance program, governed
 72.14 by sections 256D.01 to 256D.21 and Minnesota Rules, parts 9500.1200 to ~~9500.1270~~
 72.15 9500.1261.

72.16 Sec. 86. Minnesota Statutes 2016, section 256J.21, subdivision 2, is amended to read:

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

72.19 (1) payments for basic care, difficulty of care, and clothing allowances received for
 72.20 providing family foster care to children or adults under Minnesota Rules, parts 9555.5050
 72.21 to 9555.6265, 9560.0521, and 9560.0650 to ~~9560.0655~~ 9560.0654, payments for family
 72.22 foster care for children under section 260C.4411 or chapter 256N, and payments received
 72.23 and used for care and maintenance of a third-party beneficiary who is not a household
 72.24 member;

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

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

72.30 (4) all educational assistance, except the county agency must count graduate student
 72.31 teaching assistantships, fellowships, and other similar paid work as earned income and,
 72.32 after allowing deductions for any unmet and necessary educational expenses, shall count

- 73.1 scholarships or grants awarded to graduate students that do not require teaching or research
73.2 as unearned income;
- 73.3 (5) loans, regardless of purpose, from public or private lending institutions, governmental
73.4 lending institutions, or governmental agencies;
- 73.5 (6) loans from private individuals, regardless of purpose, provided an applicant or
73.6 participant documents that the lender expects repayment;
- 73.7 (7)(i) state income tax refunds; and
73.8 (ii) federal income tax refunds;
- 73.9 (8)(i) federal earned income credits;
73.10 (ii) Minnesota working family credits;
73.11 (iii) state homeowners and renters credits under chapter 290A; and
73.12 (iv) federal or state tax rebates;
- 73.13 (9) funds received for reimbursement, replacement, or rebate of personal or real property
73.14 when these payments are made by public agencies, awarded by a court, solicited through
73.15 public appeal, or made as a grant by a federal agency, state or local government, or disaster
73.16 assistance organizations, subsequent to a presidential declaration of disaster;
- 73.17 (10) the portion of an insurance settlement that is used to pay medical, funeral, and burial
73.18 expenses, or to repair or replace insured property;
- 73.19 (11) reimbursements for medical expenses that cannot be paid by medical assistance;
- 73.20 (12) payments by a vocational rehabilitation program administered by the state under
73.21 chapter 268A, except those payments that are for current living expenses;
- 73.22 (13) in-kind income, including any payments directly made by a third party to a provider
73.23 of goods and services;
- 73.24 (14) assistance payments to correct underpayments, but only for the month in which the
73.25 payment is received;
- 73.26 (15) payments for short-term emergency needs under section 256J.626, subdivision 2;
73.27 (16) funeral and cemetery payments as provided by section 256.935;
- 73.28 (17) nonrecurring cash gifts of \$30 or less, not exceeding \$30 per participant in a calendar
73.29 month;

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

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

74.7 (20) Minnesota supplemental aid, including retroactive payments;

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

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

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

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

74.17 (25) rent rebates;

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

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

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

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

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

74.26 (31) reverse mortgages;

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

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

75.1 (34) benefits from the National School Lunch Act, United States Code, title 42, chapter
75.2 13, sections 1751 to 1769e;

75.3 (35) relocation assistance for displaced persons under the Uniform Relocation Assistance
75.4 and Real Property Acquisition Policies Act of 1970, United States Code, title 42, chapter
75.5 61, subchapter II, section 4636, or the National Housing Act, United States Code, title 12,
75.6 chapter 13, sections 1701 to 1750jj;

75.7 (36) benefits from the Trade Act of 1974, United States Code, title 19, chapter 12, part
75.8 2, sections 2271 to 2322;

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

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

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

75.16 (40) security and utility deposit refunds;

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

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

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

75.29 (44) payments made to children eligible for relative custody assistance under section
75.30 257.85;

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

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

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

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

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

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

76.9 **256J.515 OVERVIEW OF EMPLOYMENT AND TRAINING SERVICES.**

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

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

76.13 (2) outlines the job search resources offered;

76.14 (3) outlines education or training opportunities available;

76.15 (4) describes the range of work activities, including activities under section ~~256J.49,~~
76.16 ~~subdivision 13, clause (18)~~ 256J.49, subdivision 13, paragraph (a), that are allowable under
76.17 MFIP to meet the individual needs of participants;

76.18 (5) explains the requirements to comply with an employment plan;

76.19 (6) explains the consequences for failing to comply;

76.20 (7) explains the services that are available to support job search and work and education;

76.21 (8) provides referral information about shelters and programs for victims of family
76.22 violence and the time limit exemption for family violence victims; and

76.23 (9) explains the probationary employment periods new employees may serve after being
76.24 hired and any assistance with job retention services that may be available.

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

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

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

77.2 **260.55 EXPENSE OF RETURNING JUVENILES TO STATE, PAYMENT.**

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

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

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

77.22 (3) In the case of a voluntary return of a runaway without requisition, the person entitled
77.23 to the juvenile's legal custody shall pay the expense of transportation and the actual and
77.24 necessary expenses of the person, if any, who returns such juvenile; but if financially unable
77.25 to pay all the expenses the person may petition the juvenile court of the county of the
77.26 petitioner's residence for an order arranging for the transportation as provided in paragraph
77.27 (1). The court shall inquire summarily into the financial ability of the petitioner and, if it
77.28 finds the petitioner is unable to bear any or all of the expense, the court shall arrange for
77.29 such transportation at the expense of the county and shall order the county to reimburse the
77.30 person, if any, who returns the juvenile, for actual and necessary expenses. The court may
77.31 order that the petitioner reimburse the county for so much of said expense as the court finds
77.32 the petitioner is able to pay. A petitioner who fails, without good cause, or refuses to pay
77.33 such sum may be proceeded against for contempt.

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

78.2 **260.56 COUNSEL OR GUARDIAN AD LITEM FOR JUVENILE, FEES.**

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

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

78.8 **260.57 ENFORCEMENT.**

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

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

78.13 Subd. 8. **Notice of termination of foster care.** When a child in foster care between the
78.14 ages of 18 and 21 ceases to meet one of the eligibility criteria of subdivision 3a, the
78.15 responsible social services agency shall give the child written notice that foster care will
78.16 terminate 30 days from the date the notice is sent. The child or the child's guardian ad litem
78.17 may file a motion asking the court to review the agency's determination within 15 days of
78.18 receiving the notice. The child shall not be discharged from foster care until the motion is
78.19 heard. The agency shall work with the child to transition out of foster care as required under
78.20 section 260C.203, paragraph ~~(e)~~ (d), clause (2). The written notice of termination of benefits
78.21 shall be on a form prescribed by the commissioner and shall also give notice of the right to
78.22 have the agency's determination reviewed by the court in the proceeding where the court
78.23 conducts the reviews required under section 260C.203, 260C.317, or 260C.515, subdivision
78.24 5 or 6. A copy of the termination notice shall be sent to the child and the child's attorney,
78.25 if any, the foster care provider, the child's guardian ad litem, and the court. The agency is
78.26 not responsible for paying foster care benefits for any period of time after the child actually
78.27 leaves foster care.

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

78.29 Subd. 3. **Net tax capacity.** (a) The net tax capacity of the flight property of every airline
78.30 company is 70 percent of the value thereof apportioned to this state under subdivision 1,
78.31 except that the net tax capacity of quiet aircraft is 40 percent of the value determined under
78.32 subdivision 1. "Quiet aircraft" means turboprops and aircraft defined as stage III or IV by

79.1 the Federal ~~Aeronautics~~ Aviation Administration. If, in the opinion of the commissioner,
 79.2 other aircraft may be qualified as quiet aircraft, the commissioner may adopt rules providing
 79.3 additional qualifications.

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

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

79.10 **273.1392 PAYMENT; SCHOOL DISTRICTS.**

79.11 The amounts of bovine tuberculosis credit reimbursements under section 273.113;
 79.12 conservation tax credits under section 273.119; disaster or emergency reimbursement under
 79.13 sections 273.1231 to 273.1235; ~~homestead~~ and agricultural credits under section 273.1384;
 79.14 aids and credits under section 273.1398; enterprise zone property credit payments under
 79.15 section 469.171; and metropolitan agricultural preserve reduction under section 473H.10
 79.16 for school districts, shall be certified to the Department of Education by the Department of
 79.17 Revenue. The amounts so certified shall be paid according to section 127A.45, subdivisions
 79.18 9 and 13.

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

79.20 Subd. 4. **Adjusted levy limit base.** For taxes levied in 2008 through 2010, the adjusted
 79.21 levy limit base is equal to the levy limit base computed under subdivision 2 or section
 79.22 275.72, multiplied by:

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

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

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

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

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

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

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

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

80.20 Subd. 10. **Adjustment of values.** For the purpose of computing fiscal capacity under
80.21 section 276A.01, subdivision 12, a municipality's taxable market value must be adjusted to
80.22 reflect the reductions to net tax capacity effected by subdivision 2, clause (1), provided that
80.23 in determining the taxable market value of commercial-industrial property or any class
80.24 thereof within a municipality, the reduction required by this subdivision is that amount
80.25 which bears the same proportion to the amount subtracted from the municipality's net tax
80.26 capacity pursuant to subdivision 2, clause (1), as the taxable market value of
80.27 commercial-industrial property, or such class thereof, located within the municipality bears
80.28 to the net tax capacity of commercial-industrial property, or such class thereof, located
80.29 within the municipality. No adjustment shall be made to taxable market value for the increase
80.30 in net tax capacity under subdivision 2, clause ~~(b)~~ (2).

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

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

81.7 (b) Any taxpayer that is a member of a unitary business group that includes any person
81.8 that must make a disclosure statement under Code of Federal Regulations, title 26, section
81.9 1.6011-4, must file a disclosure under this subdivision.

81.10 (c) Disclosure under this subdivision is required for any transaction entered into after
81.11 December 31, 2001, that the Internal Revenue Service determines is a listed transaction at
81.12 any time, and must be made in the manner prescribed by the commissioner. ~~For transactions~~
81.13 ~~in which the taxpayer participated for taxable years ending before December 31, 2005,~~
81.14 ~~disclosure must be made by the extended due date of the first return required under chapter~~
81.15 ~~290 that occurs 60 days or more after July 14, 2005.~~ With respect to transactions in which
81.16 the taxpayer participated for taxable years ending on and after December 31, 2005, disclosure
81.17 must be made in the time and manner prescribed in Code of Federal Regulations, title 26,
81.18 section 1.6011-4(e).

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

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

81.26 Subd. 6. **Lists of investors.** (a) Any person required to maintain a list under section
81.27 6112 of the Internal Revenue Code with respect to any reportable transaction must furnish
81.28 the list to the commissioner no later than when required under federal law. The list required
81.29 under this subdivision must include the same information required with respect to a reportable
81.30 transaction under section 6112 of the Internal Revenue Code, and any other information
81.31 the commissioner requires.

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

82.1 (1) 60 days after entering into the transaction; or

82.2 (2) 60 days after the transaction becomes a listed transaction; ~~or~~

82.3 ~~(3) October 15, 2005.~~

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

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

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

82.9 (1) the taxpayer's federal alternative minimum taxable income as defined in section
82.10 55(b)(2) of the Internal Revenue Code;

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

82.13 (i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

82.14 (ii) the medical expense deduction;

82.15 (iii) the casualty, theft, and disaster loss deduction; and

82.16 (iv) the impairment-related work expenses of a disabled person;

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

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

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

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

82.29 less the sum of the amounts determined under the following:

82.30 ~~(i)~~ (i) interest income as defined in section 290.0132, subdivision 2;

83.1 ~~(2)~~ (ii) an overpayment of state income tax as provided by section 290.0132, subdivision
83.2 3, to the extent included in federal alternative minimum taxable income;

83.3 ~~(3)~~ (iii) the amount of investment interest paid or accrued within the taxable year on
83.4 indebtedness to the extent that the amount does not exceed net investment income, as defined
83.5 in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted
83.6 in computing federal adjusted gross income;

83.7 ~~(4)~~ (iv) amounts subtracted from federal taxable income as provided by section 290.0132,
83.8 subdivisions 7, 9 to 15, 17, and 21; and

83.9 ~~(5)~~ (v) the amount of the net operating loss allowed under section 290.095, subdivision
83.10 11, paragraph (c).

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

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

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

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

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

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

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

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

83.31 (c) "Claimant" shall not include a resident of a nursing home, intermediate care facility,
83.32 long-term residential facility, or a facility that accepts group residential housing payments

84.1 whose rent constituting property taxes is paid pursuant to the Supplemental Security Income
84.2 program under title XVI of the Social Security Act, the Minnesota supplemental aid program
84.3 under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX
84.4 of the Social Security Act, ~~the general assistance medical care program pursuant to section~~
84.5 ~~256D.03, subdivision 3,~~ or the group residential housing program under chapter 256I.

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

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

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

84.33 (f) If a homestead is occupied by two or more renters, who are not husband and wife,
84.34 the rent shall be deemed to be paid equally by each, and separate claims shall be filed by

85.1 each. The income of each shall be each renter's household income for purposes of computing
85.2 the amount of credit to be allowed.

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

85.4 Subdivision 1. **Exemptions.** (a) The following payments are excluded from the gross
85.5 revenues subject to the hospital, surgical center, or health care provider taxes under sections
85.6 295.50 to 295.59:

85.7 (1) payments received for services provided under the Medicare program, including
85.8 payments received from the government, and organizations governed by sections 1833 and
85.9 1876 of title XVIII of the federal Social Security Act, United States Code, title 42, section
85.10 1395, and enrollee deductibles, coinsurance, and co-payments, whether paid by the Medicare
85.11 enrollee or by a Medicare supplemental coverage as defined in section 62A.011, subdivision
85.12 3, clause (10), or by Medicaid payments under title XIX of the federal Social Security Act.
85.13 Payments for services not covered by Medicare are taxable;

85.14 (2) payments received for home health care services;

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

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

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

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

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

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

85.30 (9) payments received for providing patient services incurred through a formal program
85.31 of health care research conducted in conformity with federal regulations governing research

86.1 on human subjects. Payments received from patients or from other persons paying on behalf
86.2 of the patients are subject to tax;

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

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

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

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

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

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

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

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

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

86.30 (1) ~~\$22,220,000 for fiscal year 2006 and \$22,250,000 for fiscal year 2007 and each year~~
86.31 ~~thereafter~~ must be credited to the Academic Health Center special revenue fund hereby

87.1 created and is annually appropriated to the Board of Regents at the University of Minnesota
87.2 for Academic Health Center funding at the University of Minnesota; and

87.3 (2) ~~\$8,550,000 for fiscal years 2007 through fiscal year 2011 and \$3,937,000 each year~~
87.4 ~~thereafter~~ must be credited to the medical education and research costs account hereby
87.5 created in the special revenue fund and is annually appropriated to the commissioner of
87.6 health for distribution under section 62J.692, subdivision 4; and

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

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

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

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

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

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

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

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

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

87.28 Subdivision 1. **Imposed; calculation.** (a) For concentrate produced in 2013, there is
87.29 imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and
87.30 upon the production of iron ore concentrate therefrom, and upon the concentrate so produced,

88.1 a tax of \$2.56 per gross ton of merchantable iron ore concentrate produced therefrom. The
88.2 tax is also imposed upon other iron-bearing material.

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

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

88.12 (d) The tax on taconite and iron sulphides shall be imposed on the average of the
88.13 production for the current year and the previous two years. The rate of the tax imposed will
88.14 be the current year's tax rate. This clause shall not apply in the case of the closing of a
88.15 taconite facility if the property taxes on the facility would be higher if this clause and section
88.16 298.25 were not applicable. The tax on other iron-bearing material shall be imposed on the
88.17 current year production.

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

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

88.30 (g)(1) Notwithstanding any other provision of this subdivision, for the first two years
88.31 of a plant's commercial production of direct reduced ore from ore mined in this state, no
88.32 tax is imposed under this section. ~~As used in this paragraph, "commercial production" is~~
88.33 ~~production of more than 50,000 tons of direct reduced ore in the current year or in any prior~~
88.34 ~~year, "noncommercial production" is production of 50,000 tons or less of direct reduced~~

89.1 ~~ore in any year, and "direct reduced ore" is ore that results in a product that has an iron~~
 89.2 ~~content of at least 75 percent.~~ For the third year of a plant's commercial production of direct
 89.3 reduced ore, the rate to be applied to direct reduced ore is 25 percent of the rate otherwise
 89.4 determined under this subdivision. For the fourth commercial production year, the rate is
 89.5 50 percent of the rate otherwise determined under this subdivision; for the fifth commercial
 89.6 production year, the rate is 75 percent of the rate otherwise determined under this subdivision;
 89.7 and for all subsequent commercial production years, the full rate is imposed.

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

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

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

89.23 (5) As used in this paragraph, "commercial production" means production of more than
 89.24 50,000 tons of direct reduced ore in the current year or in any prior year, and "noncommercial
 89.25 production" means production of 50,000 tons or less of direct reduced ore in any year.

89.26 ~~(4)~~ (6) This paragraph applies only to plants for which all environmental permits have
 89.27 been obtained and construction has begun before July 1, 2008.

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

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

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

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

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

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

90.14 (b) Sections 303.02, subdivision 2; 303.07; 303.14; 303.16² subdivision 2, ~~clauses~~ clause
 90.15 (6) ~~and (7)~~; and 303.22 do not apply to foreign nonprofit corporations.

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

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

90.24 (1) a certificate that there is in effect for the license period an insurance policy issued
 90.25 by an insurer required to be licensed under section 60A.07, subdivision 4, or by an insurer
 90.26 recognized as an eligible surplus lines carrier pursuant to section 60A.206 or pool providing
 90.27 at least \$50,000 of coverage because of bodily injury to any one person in any one occurrence,
 90.28 \$100,000 because of bodily injury to two or more persons in any one occurrence, \$10,000
 90.29 because of injury to or destruction of property of others in any one occurrence, \$50,000 for
 90.30 loss of means of support of any one person in any one occurrence, \$100,000 for loss of
 90.31 means of support of two or more persons in any one occurrence, \$50,000 for other pecuniary
 90.32 loss of any one person in any one occurrence, and \$100,000 for other pecuniary loss of two
 90.33 or more persons in any one occurrence;

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

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

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

91.8 (c) An annual aggregate policy limit for dram shop insurance of not less than ~~\$300,000~~
 91.9 \$310,000 per policy year may be included in the policy provisions.

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

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

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

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

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

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

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

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

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

92.7 (b) Eligible positions or employment classifications are:

92.8 (1) an unclassified administrative position as defined in section 354B.20, subdivision
92.9 6;

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

92.12 (i) the state university instructional unit;

92.13 (ii) the state college instructional unit; and

92.14 (iii) the state university administrative unit; or

92.15 (3) an unclassified employee of the board:

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

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

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

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

92.23 (1) select and ultimate interest rate assumption

92.24		ultimate interest rate
92.25	plan	assumption
92.26	teachers retirement plan	8.5%

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

92.29 (2) single rate interest rate assumption

92.30		interest rate
92.31	plan	assumption

93.1	general state employees retirement plan	8%
93.2	correctional state employees retirement plan	8
93.3	State Patrol retirement plan	8
93.4	legislators retirement plan, and for the	0
93.5	constitutional officers calculation of total plan	
93.6	liabilities	
93.7	judges retirement plan	8
93.8	general public employees retirement plan	8
93.9	public employees police and fire retirement plan	8
93.10	local government correctional service retirement	8
93.11	plan	
93.12	St. Paul teachers retirement plan	8
93.13	Bloomington Fire Department Relief Association	6
93.14	local monthly benefit volunteer firefighter relief	5
93.15	associations	
93.16	monthly benefit retirement plans in the statewide	6
93.17	volunteer firefighter retirement plan	

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

93.22 (2) If funding stability has not been attained, the valuation must use a select postretirement
 93.23 adjustment rate actuarial assumption equal to the postretirement adjustment rate specified
 93.24 in section ~~354A.27, subdivision 6a~~; 354A.29, subdivision 8 $\frac{1}{2}$ or 356.415, subdivision 1a,
 93.25 1b, 1c, 1d, 1e, or 1f, whichever applies, for a period ending when the approved actuary
 93.26 estimates that the plan will attain the defined funding stability measure, and thereafter an
 93.27 ultimate postretirement adjustment rate actuarial assumption equal to the postretirement
 93.28 adjustment rate under section ~~354A.27, subdivision 7~~; 354A.29, subdivision 9 $\frac{1}{2}$ or 356.415,
 93.29 subdivision 1, for the applicable period or periods beginning when funding stability is
 93.30 projected to be attained.

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

93.34	(1) single rate future salary increase assumption	
93.35	plan	future salary increase assumption
93.36	legislators retirement plan	5%
93.37	judges retirement plan	2.75

94.1 Bloomington Fire Department Relief Association 4

94.2 (2) age-related future salary increase age-related select and ultimate future salary increase

94.3 assumption or graded rate future salary increase assumption

94.4 plan future salary increase assumption

94.5 local government correctional service retirement plan assumption B

94.6 St. Paul teachers retirement plan assumption A

94.7 For plans other than the St. Paul teachers

94.8 retirement plan and the local government

94.9 correctional service retirement plan, the select

94.10 calculation is: during the designated select

94.11 period, a designated percentage rate is

94.12 multiplied by the result of the designated

94.13 integer minus T, where T is the number of

94.14 completed years of service, and is added to

94.15 the applicable future salary increase

94.16 assumption. The designated select period is

94.17 ten years and the designated integer is ten for

94.18 the local government correctional service

94.19 retirement plan and 15 for the St. Paul

94.20 Teachers Retirement Fund Association. The

94.21 designated percentage rate is 0.2 percent for

94.22 the St. Paul Teachers Retirement Fund

94.23 Association.

94.24 The ultimate future salary increase assumption is:

94.25	age	A	B
94.26	16	5.9%	8.75%
94.27	17	5.9	8.75
94.28	18	5.9	8.75
94.29	19	5.9	8.75
94.30	20	5.9	8.75
94.31	21	5.9	8.5
94.32	22	5.9	8.25
94.33	23	5.85	8
94.34	24	5.8	7.75
94.35	25	5.75	7.5

95.1	26	5.7	7.25
95.2	27	5.65	7
95.3	28	5.6	6.75
95.4	29	5.55	6.5
95.5	30	5.5	6.5
95.6	31	5.45	6.25
95.7	32	5.4	6.25
95.8	33	5.35	6.25
95.9	34	5.3	6
95.10	35	5.25	6
95.11	36	5.2	5.75
95.12	37	5.15	5.75
95.13	38	5.1	5.75
95.14	39	5.05	5.5
95.15	40	5	5.5
95.16	41	4.95	5.5
95.17	42	4.9	5.25
95.18	43	4.85	5
95.19	44	4.8	5
95.20	45	4.75	4.75
95.21	46	4.7	4.75
95.22	47	4.65	4.75
95.23	48	4.6	4.75
95.24	49	4.55	4.75
95.25	50	4.5	4.75
95.26	51	4.45	4.75
95.27	52	4.4	4.75
95.28	53	4.35	4.75
95.29	54	4.3	4.75
95.30	55	4.25	4.5
95.31	56	4.2	4.5
95.32	57	4.15	4.25
95.33	58	4.1	4
95.34	59	4.05	4
95.35	60	4	4
95.36	61	4	4
95.37	62	4	4
95.38	63	4	4

96.1	64	4	4				
96.2	65	4	3.75				
96.3	66	4	3.75				
96.4	67	4	3.75				
96.5	68	4	3.75				
96.6	69	4	3.75				
96.7	70	4	3.75				
96.8	(3) service-related ultimate future salary increase assumption						
96.9	general state employees retirement plan of the Minnesota					assumption A	
96.10	State Retirement System						
96.11	general employees retirement plan of the Public					assumption B	
96.12	Employees Retirement Association						
96.13	Teachers Retirement Association					assumption C	
96.14	public employees police and fire retirement plan					assumption D	
96.15	State Patrol retirement plan					assumption E	
96.16	correctional state employees retirement plan of the					assumption F	
96.17	Minnesota State Retirement System						
96.18	service						
96.19	length	A	B	C	D	E	F
96.20	1	10.25%	11.78%	12%	12.75%	7.75%	5.75%
96.21	2	7.85	8.65	9	10.75	7.25	5.6
96.22	3	6.65	7.21	8	8.75	6.75	5.45
96.23	4	5.95	6.33	7.5	7.75	6.5	5.3
96.24	5	5.45	5.72	7.25	6.25	6.25	5.15
96.25	6	5.05	5.27	7	5.85	6	5
96.26	7	4.75	4.91	6.85	5.55	5.75	4.85
96.27	8	4.45	4.62	6.7	5.35	5.6	4.7
96.28	9	4.25	4.38	6.55	5.15	5.45	4.55
96.29	10	4.15	4.17	6.4	5.05	5.3	4.4
96.30	11	3.95	3.99	6.25	4.95	5.15	4.3
96.31	12	3.85	3.83	6	4.85	5	4.2
96.32	13	3.75	3.69	5.75	4.75	4.85	4.1
96.33	14	3.55	3.57	5.5	4.65	4.7	4
96.34	15	3.45	3.45	5.25	4.55	4.55	3.9
96.35	16	3.35	3.35	5	4.55	4.4	3.8
96.36	17	3.25	3.26	4.75	4.55	4.25	3.7
96.37	18	3.25	3.25	4.5	4.55	4.1	3.6
96.38	19	3.25	3.25	4.25	4.55	3.95	3.5

97.1	20	3.25	3.25	4	4.55	3.8	3.5
97.2	21	3.25	3.25	3.9	4.45	3.75	3.5
97.3	22	3.25	3.25	3.8	4.35	3.75	3.5
97.4	23	3.25	3.25	3.7	4.25	3.75	3.5
97.5	24	3.25	3.25	3.6	4.25	3.75	3.5
97.6	25	3.25	3.25	3.5	4.25	3.75	3.5
97.7	26	3.25	3.25	3.5	4.25	3.75	3.5
97.8	27	3.25	3.25	3.5	4.25	3.75	3.5
97.9	28	3.25	3.25	3.5	4.25	3.75	3.5
97.10	29	3.25	3.25	3.5	4.25	3.75	3.5
97.11	30 or more	3.25	3.25	3.5	4.25	3.75	3.5

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

97.15	plan	payroll growth assumption
97.16	general state employees retirement plan of the Minnesota	3.5%
97.17	State Retirement System	
97.18	correctional state employees retirement plan	3.5
97.19	State Patrol retirement plan	3.5
97.20	judges retirement plan	2.75
97.21	general employees retirement plan of the Public	3.5
97.22	Employees Retirement Association	
97.23	public employees police and fire retirement plan	3.5
97.24	local government correctional service retirement plan	3.5
97.25	teachers retirement plan	3.75
97.26	St. Paul teachers retirement plan	4

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

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

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

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

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

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

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

98.7 Subd. 4. **Unclassified service, tenure, benefits.** The positions in the unclassified service
98.8 enumerated in subdivision 2, paragraph (a), clauses (3), (4), (8), (9), (10), (11), (13), and
98.9 (14)₂ shall not have permanent tenure but shall have all other benefits provided for in sections
98.10 383B.26 to 383B.42. The term of office of any position established by another statute shall
98.11 be as provided in it.

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

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

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

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

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

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

98.25 ~~The Minnesota Housing Finance Agency shall provide, in the annual report required by~~
98.26 ~~section 462C.04, subdivision 2, information on the costs incurred for the issuance of bonds~~
98.27 ~~for projects defined in this subdivision. The report shall also include the Minnesota Housing~~
98.28 ~~Finance Agency's recommendations for the regulation of costs of issuance for future issues.~~

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

98.30 Subdivision 1. **General authority.** The council may issue general obligation bonds
98.31 subject to the volume limitations in this section to provide funds to implement the council's

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

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

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

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

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

99.29 (ii) hold the lump-sum payment for 30 days after the date on which the lump-sum payment
 99.30 would otherwise have been paid to the obligor, notwithstanding sections 176.221, 176.225,
 99.31 176.521, 181.08, 181.101, 181.11, 181.13, and 181.145, ~~and Minnesota Rules, part~~
 99.32 ~~1415.2000, subpart 10;~~ and

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

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

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

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

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

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

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

100.14 **617.85 NUISANCE; MOTION TO CANCEL LEASE.**

100.15 Where notice is provided under section 617.81, subdivision 4, that an abatement of a
 100.16 nuisance is sought and the circumstances that are the basis for the requested abatement
 100.17 involved the acts of a commercial or residential tenant or lessee of part or all of a building,
 100.18 the owner of the building that is subject to the abatement proceeding may file before the
 100.19 court that has jurisdiction over the abatement proceeding a motion to cancel the lease or
 100.20 otherwise secure restitution of the premises from the tenant or lessee who has maintained
 100.21 or conducted the nuisance. The owner may assign to the prosecuting attorney the right to
 100.22 file this motion. In addition to the grounds provided in ~~chapter 566~~ sections 504B.281 to
 100.23 504B.371, the maintaining or conducting of a nuisance as defined in section 617.81,
 100.24 subdivision 2, by a tenant or lessee, is an additional ground authorized by law for seeking
 100.25 the cancellation of a lease or the restitution of the premises. Service of motion brought under
 100.26 this section must be served in a manner that is sufficient under the Rules of Civil Procedure
 100.27 and ~~chapter 566~~ sections 504B.281 to 504B.371.

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

100.31 Upon a finding by the court that the tenant or lessee has maintained or conducted a
 100.32 nuisance in any portion of the building, the court shall order cancellation of the lease or

101.1 tenancy and grant restitution of the premises to the owner. The court must not order abatement
101.2 of the premises if the court:

101.3 (1) cancels a lease or tenancy and grants restitution of that portion of the premises to
101.4 the owner; and

101.5 (2) further finds that the act or acts constituting the nuisance as defined in section 617.81,
101.6 subdivision 2, were committed by the tenant or lessee whose lease or tenancy has been
101.7 canceled pursuant to this section and the tenant or lessee was not committing the act or acts
101.8 in conjunction with or under the control of the owner.

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

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

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

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

101.30 Subdivision 1. Terminology. In Minnesota Statutes, sections 274.01, subdivision 2;
101.31 274.13, subdivision 2; and 327C.096, the revisor of statutes shall replace the term "realtor"
101.32 with "real estate broker."

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

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

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

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

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

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
102.23 <u>246.56, subdivision 2</u>	<u>disabled workers</u>	<u>workers with a disability</u>
102.24 <u>246.57, subdivision 6</u>	<u>disabled persons</u>	<u>persons with a disability</u>
102.25 <u>248.07, subdivisions 1 and 2</u>	<u>blind and visually disabled</u>	<u>persons with a visual</u>
102.26	<u>persons</u>	<u>disability or persons who are</u>
102.27		<u>blind</u>
102.28 <u>248.07, subdivision 3</u>	<u>disabled youth</u>	<u>youth with a disability</u>
102.29 <u>248.07, subdivision 3</u>	<u>disabled children</u>	<u>children with a disability</u>
102.30 <u>248.07, subdivisions 4, 14a,</u>	<u>blind and visually disabled</u>	<u>persons with a visual</u>
102.31 <u>and 16</u>	<u>persons</u>	<u>disability or who are blind</u>
102.32 <u>248.07, subdivision 5</u>	<u>blind or visually disabled</u>	<u>persons who are blind or</u>
102.33	<u>persons</u>	<u>persons with a visual</u>
102.34		<u>disability</u>
102.35 <u>252.32, subdivision 3</u>	<u>the disabled child</u>	<u>a child with a disability</u>
102.36 <u>252A.01, subdivision 1</u>	<u>developmentally disabled</u>	<u>citizens with a developmental</u>
102.37	<u>citizens</u>	<u>disability</u>

103.1	<u>252A.01, subdivision 1</u>	<u>adult developmentally</u>	<u>adults with a developmental</u>
103.2		<u>disabled persons</u>	<u>disability</u>
103.3	<u>252A.02, subdivisions 2, 9,</u>	<u>developmentally disabled</u>	<u>person with a developmental</u>
103.4	<u>and 10</u>	<u>person</u>	<u>disability</u>
103.5	<u>252A.02, subdivision 11</u>	<u>an allegedly developmentally</u>	<u>a person alleged to have a</u>
103.6		<u>disabled person</u>	<u>developmental disability</u>
103.7	<u>252A.03, subdivision 1</u>	<u>developmentally disabled</u>	<u>person with a developmental</u>
103.8		<u>person</u>	<u>disability</u>
103.9	<u>252A.05</u>	<u>developmentally disabled</u>	<u>person with a developmental</u>
103.10		<u>person</u>	<u>disability</u>
103.11	<u>252A.06, subdivision 1</u>	<u>developmentally disabled</u>	<u>person with a developmental</u>
103.12		<u>person</u>	<u>disability</u>
103.13	<u>252A.101, subdivision 5</u>	<u>developmentally disabled</u>	<u>person with a developmental</u>
103.14		<u>person</u>	<u>disability</u>
103.15	<u>252A.12</u>	<u>developmentally disabled</u>	<u>person with a developmental</u>
103.16		<u>person</u>	<u>disability</u>
103.17	<u>252A.14</u>	<u>developmentally disabled</u>	<u>persons with a developmental</u>
103.18		<u>persons</u>	<u>disability</u>
103.19	<u>253B.02, subdivision 14</u>	<u>developmentally disabled</u>	<u>person with a developmental</u>
103.20		<u>person</u>	<u>disability</u>
103.21	<u>256.01, subdivision 2</u>	<u>disabled, dependent,</u>	<u>children with a disability and</u>
103.22		<u>neglected, and delinquent</u>	<u>children who are dependent,</u>
103.23		<u>children</u>	<u>neglected, or delinquent</u>
103.24	<u>256.481</u>	<u>disabled person</u>	<u>person with a disability</u>
103.25	<u>256.88</u>	<u>disabled, dependent,</u>	<u>children with a disability and</u>
103.26		<u>neglected, and delinquent</u>	<u>children who are dependent,</u>
103.27		<u>children</u>	<u>neglected, or delinquent</u>
103.28	<u>256.91</u>	<u>disabled, dependent,</u>	<u>children with a disability and</u>
103.29		<u>neglected, and delinquent</u>	<u>children who are dependent,</u>
103.30		<u>children</u>	<u>neglected, and delinquent</u>
103.31	<u>256.93, subdivision 1</u>	<u>developmentally disabled</u>	<u>child with a developmental</u>
103.32			<u>disability or who is</u>
103.33	<u>256.975, subdivision 5</u>	<u>disabled persons</u>	<u>persons with a disability</u>
103.34	<u>256.9754, subdivision 3</u>	<u>disabled individuals</u>	<u>individuals with a disability</u>
103.35	<u>256.977, subdivisions 2 and</u>	<u>disabled adults</u>	<u>adults with a disability</u>
103.36	<u>4</u>		
103.37	<u>256B.04, subdivision 12</u>	<u>disabled population</u>	<u>population with a disability</u>
103.38	<u>256B.0915, subdivision 1</u>	<u>disabled</u>	<u>persons with a disability</u>
103.39	<u>256B.51, subdivision 1</u>	<u>who are physically disabled</u>	<u>with a physical disability or</u>
103.40			<u>persons</u>
103.41	<u>256B.69, subdivision 23</u>	<u>disabled persons</u>	<u>persons with a disability</u>
103.42	<u>256B.77, subdivision 1</u>	<u>disabled persons</u>	<u>persons with a disability</u>
103.43	<u>256B.77, subdivision 7a</u>	<u>developmentally disabled</u>	<u>person with a developmental</u>
103.44		<u>person</u>	<u>disability</u>

104.1	<u>256C.01</u>	<u>the blind, the visually</u>	<u>people who are blind, or</u>
104.2		<u>disabled, and the otherwise</u>	<u>people with a visual or</u>
104.3		<u>physically disabled</u>	<u>physical disability</u>
104.4	<u>256C.02</u>	<u>blind, the visually disabled,</u>	<u>people who are blind or</u>
104.5		<u>and the otherwise physically</u>	<u>people with a visual or</u>
104.6		<u>disabled</u>	<u>physical disability</u>
104.7	<u>256C.02</u>	<u>totally or partially blind,</u>	<u>person who is totally or</u>
104.8		<u>physically disabled, or deaf</u>	<u>partially blind, or person who</u>
104.9		<u>person</u>	<u>is deaf, or person with a</u>
104.10			<u>physical disability</u>
104.11	<u>256C.025, subdivision 1</u>	<u>blind persons, visually</u>	<u>people who are blind or</u>
104.12		<u>disabled persons, and other</u>	<u>people with a visual or</u>
104.13		<u>physically disabled persons</u>	<u>physical disability</u>
104.14	<u>256C.025, subdivision 3</u>	<u>blind person, visually disabled</u>	<u>person who is blind or a</u>
104.15		<u>person, or other physically</u>	<u>person with a visual or other</u>
104.16		<u>disabled person than for a</u>	<u>physical disability than for a</u>
104.17		<u>person who is not physically</u>	<u>person without a physical</u>
104.18		<u>disabled.</u>	<u>disability.</u>
104.19	<u>256C.025, subdivision 4</u>	<u>totally or partially blind,</u>	<u>person who is totally or</u>
104.20		<u>physically disabled, or deaf</u>	<u>partially blind, or person who</u>
104.21		<u>person</u>	<u>is deaf, or person with a</u>
104.22			<u>physical disability</u>
104.23	<u>256C.04</u>	<u>the disabled</u>	<u>people with a disability</u>
104.24	<u>256C.04</u>	<u>disabled persons</u>	<u>people with a disability</u>
104.25	<u>256D.051, subdivision 18</u>	<u>or disabled citizens</u>	<u>citizens or citizens with a</u>
104.26			<u>disability</u>
104.27	<u>256D.06, subdivision 5</u>	<u>the disabled</u>	<u>people with a disability</u>
104.28	<u>256D.35, subdivision 9</u>	<u>or disabled child</u>	<u>child or child with a disability</u>
104.29	<u>256D.395, subdivision 2</u>	<u>the disabled</u>	<u>people with a disability</u>
104.30	<u>256D.425, subdivision 2</u>	<u>disabled individuals</u>	<u>individuals with a disability</u>
104.31	<u>256I.04, subdivision 1</u>	<u>and disabled</u>	<u>with a disability</u>
104.32	<u>256I.06, subdivision 3</u>	<u>the disabled</u>	<u>people with a disability</u>
104.33	<u>256J.67, subdivision 3</u>	<u>or disabled citizens</u>	<u>citizens or citizens with a</u>
104.34			<u>disability</u>
104.35	<u>260B.050</u>	<u>physically disabled</u>	<u>persons with a physical</u>
104.36			<u>disability</u>
104.37	<u>260C.007, subdivision 6</u>	<u>disabled infant</u>	<u>an infant with a disability</u>
104.38	<u>260C.050</u>	<u>be physically disabled,</u>	<u>have a physical disability,</u>
104.39		<u>mentally ill, or</u>	<u>mental illness, or</u>
104.40		<u>developmentally disabled</u>	<u>developmental disability</u>
104.41	<u>Subd. 6. Renumbering. In each section of Minnesota Statutes referred to in column A,</u>		
104.42	<u>the revisor of statutes shall delete the reference in column B and insert the reference in</u>		
104.43	<u>column C.</u>		
104.44	<u>Column A</u>	<u>Column B</u>	<u>Column C</u>

105.1	<u>256D.02, subdivision 6</u>	<u>256D.05, subdivision 1,</u>	<u>256D.05, subdivision 1,</u>
105.2		<u>paragraph (a), clause (10)</u>	<u>paragraph (a), clause (9)</u>
105.3	<u>256D.09, subdivision 2a</u>	<u>256D.05, subdivision 1,</u>	<u>256D.05, subdivision 1,</u>
105.4		<u>paragraph (a), clauses (1) and</u>	<u>paragraph (a), clauses (1) and</u>
105.5		<u>(6)</u>	<u>(5)</u>
105.6	<u>256I.04, subdivision 1</u>	<u>256D.05, subdivision 1,</u>	<u>256D.05, subdivision 1,</u>
105.7		<u>paragraph (a), clauses (1), (3),</u>	<u>paragraph (a), clauses (1), (3),</u>
105.8		<u>(5) to (9), and (14)</u>	<u>(4) to (8), and (13)</u>

105.9 **Sec. 122. REPEALER.**

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

105.11 Subd. 2. **Obsolete subdivision.** Minnesota Statutes 2016, section 122A.245, subdivision
105.12 10, is repealed.

105.13 Subd. 3. **Obsolete subdivision.** Minnesota Statutes 2016, section 124D.095, subdivision
105.14 10, is repealed.

105.15 Subd. 4. **Obsolete subdivision.** Minnesota Statutes 2016, section 128D.055, subdivision
105.16 4, is repealed.

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

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

105.19 Subd. 7. **Obsolete subdivision.** Minnesota Statutes 2016, section 129C.30, subdivision
105.20 5, is repealed.

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

105.22 Subd. 9. **Obsolete subdivision.** Minnesota Statutes 2016, section 144A.10, subdivision
105.23 8a, is repealed.

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

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

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

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

105.28 **Sec. 123. SUPERSEDING ACTS.**

105.29 Any amendments or repeals enacted in the 2017 session of the legislature to sections
105.30 also amended or repealed in this act supersede the amendments or repeals in this act,
105.31 regardless of order of enactment.

106.1

ARTICLE 2

106.2

DATA PRACTICES CROSS-REFERENCES

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

106.5 Subd. 11. **Student progress and world's best workforce data.** Data practices governing
106.6 the world's best workforce under section 120B.11 and student progress data under section
106.7 120B.35 are governed by section 120B.36, subdivision 2.

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

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

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

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

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

106.19 Subd. 16a. **Child fatality and near fatality review team.** Data practices of the
106.20 commissioner of human services as part of the child fatality and near fatality review team
106.21 are governed by section 256.01, subdivision 12a.

106.22 Sec. 5. Minnesota Statutes 2016, section 13.598, is amended by adding a subdivision to
106.23 read:

106.24 Subd. 13. **Office of Broadband Development; deployment data.** Disclosure of
106.25 deployment data provided by a broadband provider to the Office of Broadband Development
106.26 is governed by section 116J.397.

- 107.1 Sec. 6. Minnesota Statutes 2016, section 13.7191, is amended by adding a subdivision to
- 107.2 read:
- 107.3 Subd. 23. **Standard valuation law data.** Access to data related to the standard valuation
- 107.4 law is governed by section 61A.25, subdivision 13.

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Article locations in 17-0206

ARTICLE 1	MISCELLANEOUS	Page.Ln 2.6
ARTICLE 2	DATA PRACTICES CROSS-REFERENCES	Page.Ln 106.1

120B.365 ASSESSMENT ADVISORY COMMITTEE.

Subdivision 1. **Establishment.** An Assessment Advisory Committee of up to 11 members selected by the commissioner is established. The commissioner must select members as follows:

- (1) two superintendents;
- (2) two teachers;
- (3) two higher education faculty; and
- (4) up to five members of the public, consisting of parents and members of the business community.

The committee must review all statewide assessments. The committee must submit its recommendations to the commissioner and to the committees of the legislature having jurisdiction over kindergarten through grade 12 education policy and budget issues. The commissioner must consider the committees' recommendations before finalizing a statewide assessment.

Subd. 2. **Expiration.** The committee expires on June 30, 2016.

122A.245 ALTERNATIVE TEACHER PREPARATION PROGRAM AND PRELIMINARY TEACHER LICENSE.

Subd. 10. **Reports.** The Board of Teaching must submit an interim report on the efficacy of this program to the policy and finance committees of the legislature with jurisdiction over kindergarten through grade 12 education by February 15, 2013, and a final report by February 15, 2015.

124D.095 ONLINE LEARNING OPTION.

Subd. 10. **Online and Digital Learning Advisory Council.** (a) An Online and Digital Learning Advisory Council is established. The term for each council member shall be three years. The advisory council is composed of 14 members from throughout the state who have demonstrated experience with or interest in online learning. Two members of the council must represent technology business. The remaining membership must represent the following interests:

- (1) superintendents;
- (2) special education specialists;
- (3) technology directors;
- (4) teachers;
- (5) rural, urban, and suburban school districts;
- (6) supplemental programs;
- (7) full-time programs;
- (8) consortia;
- (9) charter schools;
- (10) Board of Teaching-approved teacher preparation programs; and
- (11) parents.

The members of the council shall be appointed by the commissioner.

(b) The advisory council shall bring to the attention of the commissioner and the legislature any matters related to online and digital learning. The advisory council shall provide input to the department and the legislature in online learning matters related, but not restricted, to:

- (1) quality assurance;
- (2) teacher qualifications;
- (3) program approval;
- (4) special education;
- (5) attendance;
- (6) program design and requirements; and
- (7) fair and equal access to programs.

(c) The advisory council with the support of the Minnesota Department of Education and the Minnesota Learning Commons shall:

- (1) oversee the development and maintenance of a catalog of publicly available digital learning content currently aligned to Minnesota academic standards to include:
 - (i) indexing of Minnesota academic standards with which curriculum is aligned;
 - (ii) a method for student and teacher users to provide evaluative feedback; and
 - (iii) a plan for ongoing maintenance; and
- (2) recommend methods for including student performance data on the digital learning content within the catalog.

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(d) The advisory council shall also consider and provide input to the department and legislature on digital learning matters including, but not limited to:

(1) a review and approval process to ensure the quality of online learning providers based on teacher qualifications, support for special education services, definitions of student attendance, program design, and equal access;

(2) effective use of technology and related instructional strategies to improve student outcomes and advance students' 21st century skills and knowledge;

(3) measures to determine the impact of various forms of online and digital learning in and outside of the classroom;

(4) resources to help parents, students, and schools choose among enrollment options in a transparent education system;

(5) how to personalize or differentiate learning to meet the needs, abilities, and learning styles of each student and support students' ownership of their learning so that all students are digital learners and have access to high-quality digital curriculum in every class and grade level;

(6) professional development in best practices to prepare current and future teachers, other education leaders, and other school staff to use and evaluate the effectiveness of digital tools and instructional strategies, provide personalized or differentiated instruction, and focus on competency-based learning and advancement so that all educators have a digital presence and use high-quality digital curriculum;

(7) support for collaborative efforts to leverage resources for digital instructional content and curriculum; and

(8) barriers to improving the use of classroom technology and methods to ensure that each student has access to a digital device and high-speed Internet at school and at home.

(e) The advisory council shall make policy recommendations to the commissioner and committees of the legislature having jurisdiction over kindergarten through grade 12 education annually by December 15 of each year, including implementation plans based on recommendations from previous councils and task forces related to online and digital learning.

(f) The Online and Digital Learning Advisory Council under this subdivision expires June 30, 2016.

128D.055 BOARD ELECTION DISTRICTS AND AT-LARGE MEMBERS.

Subd. 4. **Transition.** (a) A board member elected at the 2006 election shall complete the term to which the member was elected. At the 2008 election, districts with odd numbers must elect members of the board and districts with even numbers must not elect a member. Two at-large members must be elected, bringing the board to a total of nine members. At the 2010 election, districts with even numbers must elect members of the board and one at-large member must be elected.

(b) Notwithstanding subdivision 2, for the 2008 and 2010 elections, the territory in each school election district shall consist of the territory included in a corresponding Minneapolis Park Board election district.

129C.30 CROSSWINDS INTEGRATION MAGNET SCHOOL.

Subd. 5. **Pupil transportation.** (a) For fiscal year 2015 only, a member district of Joint Powers District No. 6067, East Metro Integration District, must transport pupils enrolled at the Crosswinds school in the same manner as they were transported in fiscal year 2014.

(b) Pupil transportation expenses under this section are reimbursable under section 124D.87.

144A.10 INSPECTION; COMMISSIONER OF HEALTH; FINES.

Subd. 8a. **Fine for misallocation of nursing staff.** Upon issuing a correction order to a nursing home under subdivision 4 for a violation of Minnesota Rules, part 4655.5600, because of nursing staff performing duties such as washing wheelchairs or beds of discharged residents, or other housekeeping or laundry duties not related to the direct nursing care of residents, the commissioner shall impose a civil fine of \$500 per day. A fine under this subdivision accrues in accordance with subdivision 6 and is subject to subdivision 8 for purposes of recovery and hearings.

216H.077 LEGISLATIVE REVIEW.

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By March 15, 2016, the commissioners of commerce and the Pollution Control Agency shall jointly submit to the senate and house committees with primary jurisdiction over energy and environmental policy for review and comment the draft plan the state is required to submit to the federal Environmental Protection Agency to comply with the proposed rule for the federal Clean Power Plan for Existing Power Plants, as published in the Federal Register on June 18, 2014, Docket No. EPA-HQ-OAR-2013-0602, or any final rule issued in that docket or federal order pertaining thereto.

290A.28 NOTIFICATION OF POTENTIAL ELIGIBILITY.

Subdivision 1. **Notification of eligibility.** (a) By September 1, 2014, the commissioner shall notify, in writing or electronically, individual homeowners whom the commissioner determines may be eligible for a homestead credit refund under this chapter for that property taxes payable year as provided in this section. In determining whether to notify a homeowner, the commissioner shall consider the property tax information available to the commissioner under paragraph (b) for the homeowner and must estimate the homeowner's household income using the most recent income information available to the commissioner from filing under this chapter for the prior year, under chapter 290 for the current or prior year, and any other income information available to the commissioner. For each homeowner, the commissioner must estimate the homestead credit refund amount under the schedule in section 290A.04, subdivision 2, using the homeowner's property tax amount and estimated household income. If the estimated homestead credit refund is at least \$1,000, the commissioner must notify the homeowner of potential eligibility for the homestead credit refund. The notification must include information on how to file for the homestead credit refund. The notification requirement under this section does not apply to a homeowner who has already filed for the homestead credit refund for the current or prior year.

(b) By May 15, 2014, each county auditor shall transmit to the commissioner of revenue the following information for each property classified as a residential or agricultural homestead under section 273.13, subdivision 22 or 23:

- (1) the property taxes payable;
- (2) the name and address of the owner;
- (3) the Social Security number or numbers of the owners; and
- (4) any other information the commissioner deems necessary or useful to carry out the provisions of this section.

The information must be provided in the form and manner prescribed by the commissioner.

Subd. 2. **Reports.** (a) By March 15, 2015, the commissioner must provide a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes, in compliance with sections 3.195 and 3.197. The report must provide information on the number and dollar amount of homeowner property tax refund claims based on taxes payable in 2014, including:

- (1) the number and dollar amount of claims projected for homestead credit refunds based on taxes payable in 2014 prior to enactment of the notification requirement in this section;
- (2) the number of notifications issued as provided in this section, including the number issued by county;
- (3) preliminary information on the number and dollar amount of claims for homestead credit refunds based on taxes payable in 2014; and
- (4) a description of any outreach efforts undertaken by the commissioner for homestead credit refunds based on taxes payable in 2014, in addition to the notification required in this section.

(b) By February 1, 2016, the commissioner must provide a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes, in compliance with sections 3.195 and 3.197. The report must include the information required in paragraph (a) and must also include final information on the number and dollar amount of claims for homestead credit refunds based on taxes payable in 2014.

Laws 2014, chapter 207, section 1 by Laws 2017, chapter 40, article 1, section

122\$\$\$\$\$\$\$\$1\$.01\$\$\$\$\$\$\$\$.\$\$\$\$\$\$\$1\$\$\$\$\$\$\$\$1\$.01\$\$\$\$\$\$\$\$.\$\$\$\$\$\$\$2\$\$\$\$\$\$\$\$1\$.01\$\$\$\$\$\$\$\$.\$\$\$\$

Laws 2014, chapter 227, article 2, section 1 by Laws 2017, chapter 40, article 1, section

122\$\$\$\$\$\$\$\$1\$.01\$\$\$\$\$\$\$\$.\$\$\$\$\$\$\$1\$\$\$\$\$\$\$\$1\$.01\$\$\$\$\$\$\$\$.\$\$\$\$\$\$\$2\$\$\$\$\$\$\$\$1\$.01\$\$\$\$\$\$\$\$.\$\$\$\$

Laws 2015, chapter 68, article 3, section 12 by Laws 2017, chapter 40, article 1, section 122

Sec. 12. Minnesota Statutes 2014, section 354A.108, is amended to read:

354A.108 PAYMENT BY TEACHERS COLLECTING WORKERS' COMPENSATION.

(a) A member of the Duluth Teachers Retirement Fund Association who is receiving temporary workers' compensation payments related to the member's teaching service and who either is receiving a reduced salary from the employer or is receiving no salary from the employer is entitled to receive allowable service credit for the period of time that the member is receiving the workers' compensation payments upon making the required payment amount.

(b) The required amount payable by the member must be calculated first by determining the differential salary amount, which is the difference between the salary received, if any, during the period of time that the member is collecting workers' compensation payments, and the salary that the member received for an identical length period immediately before collecting the workers' compensation payments. The member shall pay an amount equal to the employee contribution rate under section 354A.12, subdivision 1, multiplied by the differential salary amount.

(c) If the member makes the employee payment under this section, the employing unit shall make an employer payment to the Duluth Teachers Retirement Fund Association equal to the employer contribution rate under section 354A.12, subdivision 2a, multiplied by the differential salary amount.

(d) Payments made under this subdivision are payable without interest if paid by June 30 of the year during which the workers' compensation payments are received by the member. If paid after June 30, payments made under this subdivision must include interest at the rate of 8.5 percent until June 30, 2015, and eight percent thereafter per year. Payment under this section must be completed within one year of the termination of the workers' compensation payments to the member.

Laws 2016, chapter 135, article 4, section 9 by Laws 2017, chapter 40, article 1, section

122\$\$\$\$\$\$\$\$1\$.01\$\$\$\$\$\$\$\$.\$\$\$\$\$\$\$1\$\$\$\$\$\$\$\$1\$.01\$\$\$\$\$\$\$\$.\$\$\$\$\$\$\$2\$\$\$\$\$\$\$\$1\$.01\$\$\$\$\$\$\$\$.\$\$\$\$

Laws 2016, chapter 189, article 26, section 4 by Laws 2017, chapter 40, article 1, section

122\$\$\$\$\$\$\$\$1\$.01\$\$\$\$\$\$\$\$.\$\$\$\$\$\$\$1\$\$\$\$\$\$\$\$1\$.01\$\$\$\$\$\$\$\$.\$\$\$\$\$\$\$2\$\$\$\$\$\$\$\$1\$.01\$\$\$\$\$\$\$\$.\$\$\$\$