

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1.4 removing redundant, conflicting, and superseded provisions; amending Minnesota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 5.36, subdivision 5; 6.80, subdivision 1; 13.46, subdivision

1.6 10; 13.4967, subdivision 2b; 13.6905, by adding subdivisions; 13.712, by adding

1.7 a subdivision; 13.7191, by adding a subdivision; 13.851, by adding a subdivision;

1.8 13.871, subdivision 13; 28A.151, subdivision 5; 62N.40; 97A.475, subdivisions

1.9 3a, 4; 103E.011, subdivision 2; 116D.04, subdivision 5a; 116P.09, subdivision 4;

1.10 120B.232, subdivision 1a; 122A.14, subdivision 10; 122A.60, subdivision 2;

1.11 123A.36, subdivision 9; 123A.46, subdivisions 8, 10; 123A.48, subdivisions 2, 5;

1.12 124D.095, subdivision 8; 124D.52, subdivision 4; 125A.0942, subdivision 1;

1.13 125A.76, subdivision 1; 126C.10, subdivision 17; 128B.03, subdivision 3a; 144.651,

1.14 subdivision 2; 144D.01, subdivision 4; 148.911; 152.01, subdivision 22; 152.021,

1.15 subdivision 2a; 239.791, subdivision 12; 241.021, subdivision 4a; 244.05,

1.16 subdivision 4; 245.462, subdivision 4; 245.735, subdivision 3; 245A.02,

1.17 subdivisions 20, 21, 22; 245A.095, subdivision 2; 245A.10, subdivision 4;

1.18 245A.1443, subdivision 1; 245A.1444; 245F.02, subdivisions 3, 7; 245F.06,

1.19 subdivision 2; 245F.15, subdivision 4; 252.021; 256B.0622, subdivision 7a;

1.20 256B.0625, subdivision 16; 256B.69, subdivision 5a; 256C.23, subdivision 1;

1.21 256I.03, subdivision 14; 256P.07, subdivision 7; 256R.04, subdivision 7; 268.069,

1.22 subdivision 1; 268.085, subdivision 2; 268.101, subdivision 1; 268.186, subdivision

1.23 1; 290.068; 290.0921, subdivision 4; 290.92, subdivision 19; 290.923, subdivision

1.24 8; 290C.12; 290C.13, subdivision 7; 291.03, subdivision 8; 296A.24, subdivision

1.25 2; 297A.91, subdivision 2; 297E.16, subdivision 2; 297F.06, subdivision 1; 297F.21,

1.26 subdivision 3; 297G.20, subdivision 4; 299A.706; 326B.988; 327.665, subdivision

1.27 2; 336.9-513; 398.19; 471.16, subdivision 1; 477A.013, subdivision 13; 508A.17,

1.28 subdivision 1; 518A.39, subdivision 2; 609.11, subdivision 9; 609A.02, subdivision

1.29 3; Minnesota Statutes 2017 Supplement, sections 62I.02, subdivision 5; 84D.03,

1.30 subdivision 3; 97C.355, subdivision 2; 120B.12, subdivision 2; 120B.234,

1.31 subdivision 2; 122A.09, subdivisions 7, 9; 122A.14, subdivision 1; 122A.40,

1.32 subdivision 8; 122A.41, subdivision 5; 124D.68, subdivision 2; 124D.99,

1.33 subdivision 4; 124E.11; 136A.653, subdivision 1; 181A.04, subdivision 6; 245G.15,

1.34 subdivision 1; 254A.03, subdivision 1; 254B.05, subdivisions 1a, 5; 256B.051,

1.35 subdivision 2; 256B.0915, subdivision 1; 256B.0949, subdivision 13; 256B.25,

1.36 subdivision 3; 256B.76, subdivision 1; 256B.761; 256C.261; 256D.44, subdivision

1.37 2; 256E.30, subdivision 2; 256I.04, subdivision 3; 256N.261, subdivision 1;

1.38 260B.050; 270.071, subdivision 7a; 270.074, subdivision 1; 272.02, subdivision

1.39 10; 273.372, subdivision 2; 290.01, subdivision 31; 290.067, subdivision 1;

2.1 290.081; 291.03, subdivision 11; 297A.71, subdivision 44; 341.25; 477A.011,
 2.2 subdivision 34; 477A.013, subdivision 1; Laws 2017, chapter 94, article 3, section
 2.3 11; article 6, section 27; Laws 2017, First Special Session chapter 5, article 11,
 2.4 sections 8, subdivision 1; 10, subdivision 2; repealing Minnesota Statutes 2016,
 2.5 sections 124D.8957, subdivision 24; 256.9657, subdivision 1c; 256.9692; 290.067,
 2.6 subdivision 2a; 298.402; Laws 2009, chapter 37, article 3, section 4; Laws 2013,
 2.7 chapter 84, article 1, sections 25; 30; Laws 2014, chapter 199, sections 18; 19; 20;
 2.8 Laws 2014, chapter 222, article 2, sections 3; 8; 9; Laws 2014, chapter 286, article
 2.9 8, section 19.

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

2.11 **ARTICLE 1**

2.12 **MISCELLANEOUS**

2.13 Section 1. Minnesota Statutes 2016, section 5.36, subdivision 5, is amended to read:

2.14 Subd. 5. **Change of business address or name of agent.** If the business address or
 2.15 name of a registered agent changes, the agent shall change the address of the registered
 2.16 office or the name of the registered agent, as the case may be, of each business entity
 2.17 represented by that agent by filing with the secretary of state a statement as required in
 2.18 subdivision 1, except that it need be signed only by the registered agent, need not be
 2.19 responsive to subdivision 3, clause ~~(f)~~ (6), and must state that a copy of the statement has
 2.20 been mailed to each of those business entities or to the legal representative of each of those
 2.21 business entities.

2.22 Sec. 2. Minnesota Statutes 2016, section 6.80, subdivision 1, is amended to read:

2.23 Subdivision 1. **Generally.** ~~(a) Except as provided in paragraph (b),~~ A local government
 2.24 unit may request the state auditor to grant a waiver from one or more administrative rules
 2.25 or a temporary, limited exemption from enforcement of state procedural laws governing
 2.26 delivery of services by the local government unit. Two or more local government units may
 2.27 submit a joint application for a waiver or exemption under this section if they propose to
 2.28 cooperate in providing a service or program that is subject to the rule or law. Before
 2.29 submitting an application to the state auditor, the governing body of the local government
 2.30 unit must approve, in concept, the proposed waiver or exemption at a meeting required to
 2.31 be public under chapter 13D. A local government unit or two or more units acting jointly
 2.32 may apply for a waiver or exemption on behalf of a nonprofit organization providing services
 2.33 to clients whose costs are paid by the unit or units. A waiver or exemption granted to a
 2.34 nonprofit organization under this section applies to services provided to all the organization's
 2.35 clients.

3.1 ~~(b) A school district that is granted a variance from rules of the commissioner of education~~
 3.2 ~~under section 122A.163, need not apply for a waiver of those rules under this section. A~~
 3.3 ~~school district may not seek a waiver of rules under this section if the commissioner of~~
 3.4 ~~education has authority to grant a variance to the rules under section 122A.163. This~~
 3.5 ~~paragraph does not preclude a school district from being included in a cooperative effort~~
 3.6 ~~with another local government unit under this section.~~

3.7 ~~(e)~~ (b) Before petitioning the state auditor's office for an exemption from an administrative
 3.8 rule, the petitioner must have requested and been denied such an exemption from the
 3.9 appropriate agency pursuant to sections 14.055 and 14.056.

3.10 Sec. 3. Minnesota Statutes 2016, section 13.4967, subdivision 2b, is amended to read:

3.11 Subd. 2b. **Sustainable forest incentive.** Data collected under section 290C.04 are
 3.12 classified and may be shared as provided in paragraph ~~(d)~~ (e) of that section.

3.13 **EFFECTIVE DATE.** This section is effective for certifications and applications due
 3.14 in 2018 and thereafter.

3.15 Sec. 4. Minnesota Statutes 2016, section 28A.151, subdivision 5, is amended to read:

3.16 Subd. 5. **Food safety and equipment standards.** Any person conducting food product
 3.17 sampling or food product demonstrations shall meet the same food safety and equipment
 3.18 standards that are required of a special event food stand in Minnesota Rules 2015, ~~parts part~~
 3.19 4626.1855, items B to O, Q, and R; and Minnesota Rules 2015, part 4626.0330.

3.20 Sec. 5. Minnesota Statutes 2017 Supplement, section 62I.02, subdivision 5, is amended
 3.21 to read:

3.22 Subd. 5. **Accounts.** ~~(a)~~ For the purposes of administration and assessment, ~~and except~~
 3.23 ~~as otherwise authorized under paragraph (b)~~, the association shall be divided into three
 3.24 separate accounts:

- 3.25 (1) the property and casualty insurance account;
- 3.26 (2) the personal injury liability insurance account-liquor; and
- 3.27 (3) the personal injury liability insurance account-medical malpractice.

4.1 Sec. 6. Minnesota Statutes 2017 Supplement, section 84D.03, subdivision 3, is amended
4.2 to read:

4.3 Subd. 3. **Bait harvest from infested waters.** (a) Taking wild animals from infested
4.4 waters for bait or aquatic farm purposes is prohibited except as provided in paragraph (b);
4.5 or (c), ~~or (d)~~ and section 97C.341.

4.6 (b) In waters that are listed as infested waters, except those listed as infested with
4.7 prohibited invasive species of fish or certifiable diseases of fish, as defined under section
4.8 17.4982, subdivision 6, taking wild animals may be permitted for:

4.9 (1) commercial taking of wild animals for bait and aquatic farm purposes as provided
4.10 in a permit issued under section 84D.11, subject to rules adopted by the commissioner; and

4.11 (2) bait purposes for noncommercial personal use in waters that contain Eurasian
4.12 watermilfoil, when the infested waters are listed solely because they contain Eurasian
4.13 watermilfoil and if the equipment for taking is limited to cylindrical minnow traps not
4.14 exceeding 16 inches in diameter and 32 inches in length.

4.15 (c) In streams or rivers that are listed as infested waters, except those listed as infested
4.16 with certifiable diseases of fish, as defined under section 17.4982, subdivision 6, the harvest
4.17 of bullheads, goldeyes, mooneyes, sheepshead (freshwater drum), and suckers for bait by
4.18 hook and line for noncommercial personal use is allowed as follows:

4.19 (1) fish taken under this paragraph must be used on the same body of water where caught
4.20 and while still on that water body. Where the river or stream is divided by barriers such as
4.21 dams, the fish must be caught and used on the same section of the river or stream;

4.22 (2) fish taken under this paragraph may not be transported live from or off the water
4.23 body;

4.24 (3) fish harvested under this paragraph may only be used in accordance with this section;

4.25 (4) any other use of wild animals used for bait from infested waters is prohibited;

4.26 (5) fish taken under this paragraph must meet all other size restrictions and requirements
4.27 as established in rules; and

4.28 (6) all species listed under this paragraph shall be included in the person's daily limit as
4.29 established in rules, if applicable.

4.30 ~~(d) In the Mississippi River downstream of St. Anthony Falls and the St. Croix River~~
4.31 ~~downstream of the dam at Taylors Falls, including portions described as~~
4.32 ~~Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items~~

5.1 ~~A and B, the harvest of gizzard shad by cast net for noncommercial personal use as bait for~~
 5.2 ~~angling, as provided in a permit issued under section 84D.11, is allowed as follows:~~

5.3 ~~(1) nontarget species must immediately be returned to the water;~~

5.4 ~~(2) gizzard shad taken under this paragraph must be used on the same body of water~~
 5.5 ~~where caught and while still on that water body. Where the river is divided by barriers such~~
 5.6 ~~as dams, the gizzard shad must be caught and used on the same section of the river;~~

5.7 ~~(3) gizzard shad taken under this paragraph may not be transported off the water body;~~
 5.8 ~~and~~

5.9 ~~(4) gizzard shad harvested under this paragraph may only be used in accordance with~~
 5.10 ~~this section.~~

5.11 ~~This paragraph expires December 1, 2017.~~

5.12 ~~(e)~~ (d) Equipment authorized for minnow harvest in a listed infested water by permit
 5.13 issued under paragraph (b) may not be transported to, or used in, any waters other than
 5.14 waters specified in the permit.

5.15 ~~(f)~~ (e) Bait intended for sale may not be held in infested water after taking and before
 5.16 sale, unless authorized under a license or permit according to Minnesota Rules, part
 5.17 6216.0500.

5.18 Sec. 7. Minnesota Statutes 2016, section 97A.475, subdivision 3a, is amended to read:

5.19 Subd. 3a. **Deer license donation and surcharge.** (a) A person may agree to add a
 5.20 donation of \$1, \$3, or \$5 to the fees for annual resident and nonresident licenses to take
 5.21 deer by firearms or archery established under subdivisions 2, clauses (5), (6), (7), ~~(11)~~, and
 5.22 ~~(13), (14), and (15)~~, and 3, paragraph (a), clauses (2), (3), (4), and ~~(9)~~ (10), (11), and (12).

5.23 (b) Beginning March 1, 2008, fees for bonus licenses to take deer by firearms or archery
 5.24 established under section 97B.301, subdivision 4, must be increased by a surcharge of \$1.

5.25 (c) An additional commission may not be assessed on the donation or surcharge.

5.26 Sec. 8. Minnesota Statutes 2016, section 97A.475, subdivision 4, is amended to read:

5.27 Subd. 4. **Small-game surcharge and donation.** (a) Fees for annual licenses to take
 5.28 small game must be increased by a surcharge of \$6.50, except licenses under subdivisions
 5.29 2, clauses ~~(16)~~ (18) and ~~(17)~~ (19); and 3, paragraph (a), clause ~~(13)~~ (14). An additional
 5.30 commission may not be assessed on the surcharge and the following statement must be

6.1 included in the annual small-game-hunting regulations: "This \$6.50 surcharge is being paid
6.2 by hunters for the acquisition and development of wildlife lands."

6.3 (b) A person may agree to add a donation of \$1, \$3, or \$5 to the fees for annual resident
6.4 and nonresident licenses to take small game. An additional commission may not be assessed
6.5 on the donation. The following statement must be included in the annual small-game-hunting
6.6 regulations: "The small-game license donations are being paid by hunters for administration
6.7 of the walk-in access program."

6.8 Sec. 9. Minnesota Statutes 2017 Supplement, section 97C.355, subdivision 2, is amended
6.9 to read:

6.10 Subd. 2. **License required.** (a) A person may not place a dark house, fish house, or
6.11 shelter, except a portable shelter, on the ice unless the house or shelter:

6.12 (1) ~~the house or shelter~~ is licensed; and

6.13 (2) has the license tag attached to the exterior in a readily visible location, except as
6.14 provided in this subdivision.

6.15 (b) The commissioner must issue a tag with a dark house, fish house, or shelter license,
6.16 marked with a number to correspond with the license and the year of issue. A dark house,
6.17 fish house, or shelter license is not required of a resident on boundary waters where the
6.18 adjacent state does not charge a fee for the same activity.

6.19 Sec. 10. Minnesota Statutes 2016, section 103E.011, subdivision 2, is amended to read:

6.20 Subd. 2. **Draining water basins and watercourses.** A drainage authority may not drain
6.21 a water body or begin work or activity regulated by the public-waters-work permit
6.22 requirement under section 103G.245 in a watercourse until the commissioner determines
6.23 that the water body or watercourse is not public waters. If a water body or watercourse is
6.24 determined to be public waters, the drainage proceedings are subject to section ~~103G.215~~
6.25 103G.211 relating to replacing public waters and the water bank program.

6.26 Sec. 11. Minnesota Statutes 2016, section 116D.04, subdivision 5a, is amended to read:

6.27 Subd. 5a. **Rules.** The board shall, by January 1, 1981, promulgate rules in conformity
6.28 with this chapter and the provisions of chapter 15, establishing:

6.29 (1) the governmental unit which shall be responsible for environmental review of a
6.30 proposed action;

6.31 (2) the form and content of environmental assessment worksheets;

- 7.1 (3) a scoping process in conformance with subdivision 2a, ~~clause (e)~~ paragraph (g);
- 7.2 (4) a procedure for identifying during the scoping process the permits necessary for a
7.3 proposed action and a process for coordinating review of appropriate permits with the
7.4 preparation of the environmental impact statement;
- 7.5 (5) a standard format for environmental impact statements;
- 7.6 (6) standards for determining the alternatives to be discussed in an environmental impact
7.7 statement;
- 7.8 (7) alternative forms of environmental review which are acceptable pursuant to
7.9 subdivision 4a;
- 7.10 (8) a model ordinance which may be adopted and implemented by local governmental
7.11 units in lieu of the environmental impact statement process required by this section, providing
7.12 for an alternative form of environmental review where an action does not require a state
7.13 agency permit and is consistent with an applicable comprehensive plan. The model ordinance
7.14 shall provide for adequate consideration of appropriate alternatives, and shall ensure that
7.15 decisions are made in accordance with the policies and purposes of Laws 1980, chapter
7.16 447;
- 7.17 (9) procedures to reduce paperwork and delay through intergovernmental cooperation
7.18 and the elimination of unnecessary duplication of environmental reviews;
- 7.19 (10) procedures for expediting the selection of consultants by the governmental unit
7.20 responsible for the preparation of an environmental impact statement; and
- 7.21 (11) any additional rules which are reasonably necessary to carry out the requirements
7.22 of this section.

7.23 Sec. 12. Minnesota Statutes 2016, section 116P.09, subdivision 4, is amended to read:

7.24 Subd. 4. **Personnel.** Persons who are employed by a state agency to work on a project
7.25 and are paid by an appropriation from the trust fund are in the unclassified civil service,
7.26 and their continued employment is contingent upon the availability of money from the
7.27 appropriation. When the appropriation has been spent, their positions must be canceled and
7.28 the approved complement of the agency reduced accordingly. Part-time employment of
7.29 persons for a project is authorized. The use of classified employees is authorized when
7.30 approved as part of the work program required by section 116P.05, subdivision 2, paragraph
7.31 ~~(e)~~ (b).

8.1 Sec. 13. Minnesota Statutes 2017 Supplement, section 120B.12, subdivision 2, is amended
8.2 to read:

8.3 Subd. 2. **Identification; report.** (a) Each school district shall identify before the end of
8.4 kindergarten, grade 1, and grade 2 students who are not reading at grade level before the
8.5 end of the current school year and shall identify students in grade 3 or higher who
8.6 demonstrate a reading difficulty to a classroom teacher. Reading assessments in English,
8.7 and in the predominant languages of district students where practicable, must identify and
8.8 evaluate students' areas of academic need related to literacy. The district also must monitor
8.9 the progress and provide reading instruction appropriate to the specific needs of English
8.10 learners. The district must use a locally adopted, developmentally appropriate, and culturally
8.11 responsive assessment and annually report summary assessment results to the commissioner
8.12 by July 1. The district also must annually report to the commissioner by July 1 a summary
8.13 of the district's efforts to screen and identify students with:

8.14 (1) dyslexia, using screening tools such as those recommended by the department's
8.15 dyslexia ~~and literacy~~ specialist; or

8.16 (2) convergence insufficiency disorder.

8.17 (b) A student identified under this subdivision must be provided with alternate instruction
8.18 under section 125A.56, subdivision 1.

8.19 Sec. 14. Minnesota Statutes 2016, section 120B.232, subdivision 1a, is amended to read:

8.20 Subd. 1a. **Staff development; continuing education.** (a) Staff development opportunities
8.21 under section 122A.60 may include training in character development education that
8.22 incorporates the history and values of Congressional Medal of Honor recipients under
8.23 subdivision 1, paragraph (b), and is provided without cost to the interested school or district.

8.24 (b) Local continuing education and relicensure committees or other local relicensure
8.25 committees under section ~~122A.18, subdivision 4~~ 122A.187, subdivision 3, are encouraged
8.26 to approve up to six clock hours of continuing education for licensed teachers who complete
8.27 the training in character development education under paragraph (a).

8.28 Sec. 15. Minnesota Statutes 2017 Supplement, section 120B.234, subdivision 2, is amended
8.29 to read:

8.30 Subd. 2. **Curriculum.** School districts may consult with other federal, state, or local
8.31 agencies and community-based organizations, including the Child Welfare Information
8.32 Gateway Web site maintained by the United States Department of Health and Human

9.1 Services, to identify research-based tools, curricula, and programs to prevent child sexual
 9.2 abuse for use under section 120B.021, subdivision 1, paragraph (d).

9.3 Sec. 16. Minnesota Statutes 2017 Supplement, section 122A.09, subdivision 7, is amended
 9.4 to read:

9.5 Subd. 7. **Professional Educator Licensing and Standards Board money.** All money
 9.6 received by the Professional Educator Licensing and Standards Board shall be paid into the
 9.7 state treasury as provided by law. The expenses of administering sections 120B.363, 122A.01,
 9.8 122A.05 to 122A.09, 122A.15, 122A.16, 122A.17, 122A.18, 122A.181, 122A.182, 122A.183,
 9.9 122A.184, 122A.185, ~~122A.186~~, 122A.187, 122A.188, 122A.20, 122A.21, 122A.22,
 9.10 122A.23, 122A.2451, 122A.26, 122A.30, 122A.40, 122A.41, 122A.42, 122A.45, 122A.49,
 9.11 122A.54, 122A.55, 122A.56, 122A.57, and 122A.58 ~~which~~ that are incurred by the
 9.12 Professional Educator Licensing and Standards Board shall be paid for from appropriations
 9.13 made to the Professional Educator Licensing and Standards Board.

9.14 Sec. 17. Minnesota Statutes 2017 Supplement, section 122A.09, subdivision 9, is amended
 9.15 to read:

9.16 Subd. 9. **Professional Educator Licensing and Standards Board must adopt rules.**

9.17 (a) The Professional Educator Licensing and Standards Board must adopt rules subject to
 9.18 the provisions of chapter 14 to implement sections 120B.363, 122A.05 to 122A.09, 122A.092,
 9.19 122A.16, 122A.17, 122A.18, 122A.181, 122A.182, 122A.183, 122A.184, 122A.185,
 9.20 ~~122A.186~~, 122A.187, 122A.188, 122A.20, 122A.21, 122A.23, 122A.26, 122A.28, and
 9.21 122A.29.

9.22 (b) The board must adopt rules relating to fields of licensure, including a process for
 9.23 granting permission to a licensed teacher to teach in a field that is different from the teacher's
 9.24 field of licensure without change to the teacher's license tier level.

9.25 (c) The board must adopt rules relating to the grade levels that a licensed teacher may
 9.26 teach.

9.27 (d) If a rule adopted by the board is in conflict with a session law or statute, the law or
 9.28 statute prevails. Terms adopted in rule must be clearly defined and must not be construed
 9.29 to conflict with terms adopted in statute or session law.

9.30 (e) The board must include a description of a proposed rule's probable effect on teacher
 9.31 supply and demand in the board's statement of need and reasonableness under section 14.131.

9.32 (f) The board must adopt rules only under the specific statutory authority.

10.1 Sec. 18. Minnesota Statutes 2017 Supplement, section 122A.14, subdivision 1, is amended
10.2 to read:

10.3 Subdivision 1. **Licensing.** The board shall license school administrators. The board shall
10.4 adopt rules to license school administrators under chapter 14. Other than the rules transferred
10.5 to the board under section ~~122A.18, subdivision 4~~ 122A.187, subdivision 1, the board may
10.6 not adopt or amend rules under this section until the rules are approved by law. The rules
10.7 shall include the licensing of persons who have successfully completed alternative preparation
10.8 programs under section 122A.27 or other alternative competency-based preparation programs.
10.9 The board may enter into agreements with the Professional Educator Licensing and Standards
10.10 Board regarding multiple license matters.

10.11 Sec. 19. Minnesota Statutes 2016, section 122A.14, subdivision 10, is amended to read:

10.12 Subd. 10. **Principal preparation program reporting.** By December 31, 2018, and
10.13 annually thereafter, the Board of School Administrators shall report and publish on its Web
10.14 site the cumulative summary results of three years of data reported to the board under section
10.15 ~~122A.09, subdivision 4a, paragraph (e)~~ 122A.091, subdivision 1, for each principal
10.16 preparation program.

10.17 Sec. 20. Minnesota Statutes 2017 Supplement, section 122A.40, subdivision 8, is amended
10.18 to read:

10.19 Subd. 8. **Development, evaluation, and peer coaching for continuing contract**
10.20 **teachers.** (a) To improve student learning and success, a school board and an exclusive
10.21 representative of the teachers in the district, consistent with paragraph (b), may develop a
10.22 teacher evaluation and peer review process for probationary and continuing contract teachers
10.23 through joint agreement. If a school board and the exclusive representative of the teachers
10.24 do not agree to an annual teacher evaluation and peer review process, then the school board
10.25 and the exclusive representative of the teachers must implement the state teacher evaluation
10.26 plan under paragraph (c). The process must include having trained observers serve as peer
10.27 coaches or having teachers participate in professional learning communities, consistent with
10.28 paragraph (b).

10.29 (b) To develop, improve, and support qualified teachers and effective teaching practices,
10.30 improve student learning and success, and provide all enrolled students in a district or school
10.31 with improved and equitable access to more effective and diverse teachers, the annual
10.32 evaluation process for teachers:

11.1 (1) must, for probationary teachers, provide for all evaluations required under subdivision
11.2 5;

11.3 (2) must establish a three-year professional review cycle for each teacher that includes
11.4 an individual growth and development plan, a peer review process, and at least one
11.5 summative evaluation performed by a qualified and trained evaluator such as a school
11.6 administrator. For the years when a tenured teacher is not evaluated by a qualified and
11.7 trained evaluator, the teacher must be evaluated by a peer review;

11.8 (3) must be based on professional teaching standards established in rule;

11.9 (4) must coordinate staff development activities under sections 122A.60 and 122A.61
11.10 with this evaluation process and teachers' evaluation outcomes;

11.11 (5) may provide time during the school day and school year for peer coaching and teacher
11.12 collaboration;

11.13 (6) may include job-embedded learning opportunities such as professional learning
11.14 communities;

11.15 (7) may include mentoring and induction programs for teachers, including teachers who
11.16 are members of populations underrepresented among the licensed teachers in the district or
11.17 school and who reflect the diversity of students under section 120B.35, subdivision 3,
11.18 paragraph (b), clause (2), who are enrolled in the district or school;

11.19 (8) must include an option for teachers to develop and present a portfolio demonstrating
11.20 evidence of reflection and professional growth, consistent with section ~~122A.18, subdivision~~
11.21 ~~4, paragraph (b)~~ 122A.187, subdivision 3, and include teachers' own performance assessment
11.22 based on student work samples and examples of teachers' work, which may include video
11.23 among other activities for the summative evaluation;

11.24 (9) must use data from valid and reliable assessments aligned to state and local academic
11.25 standards and must use state and local measures of student growth and literacy that may
11.26 include value-added models or student learning goals to determine 35 percent of teacher
11.27 evaluation results;

11.28 (10) must use longitudinal data on student engagement and connection, and other student
11.29 outcome measures explicitly aligned with the elements of curriculum for which teachers
11.30 are responsible, including academic literacy, oral academic language, and achievement of
11.31 content areas of English learners;

12.1 (11) must require qualified and trained evaluators such as school administrators to
12.2 perform summative evaluations and ensure school districts and charter schools provide for
12.3 effective evaluator training specific to teacher development and evaluation;

12.4 (12) must give teachers not meeting professional teaching standards under clauses (3)
12.5 through (11) support to improve through a teacher improvement process that includes
12.6 established goals and timelines; and

12.7 (13) must discipline a teacher for not making adequate progress in the teacher
12.8 improvement process under clause (12) that may include a last chance warning, termination,
12.9 discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline
12.10 a school administrator determines is appropriate.

12.11 Data on individual teachers generated under this subdivision are personnel data under
12.12 section 13.43. The observation and interview notes of peer coaches may only be disclosed
12.13 to other school officials with the consent of the teacher being coached.

12.14 (c) The department, in consultation with parents who may represent parent organizations
12.15 and teacher and administrator representatives appointed by their respective organizations,
12.16 representing the Professional Educator Licensing and Standards Board, the Minnesota
12.17 Association of School Administrators, the Minnesota School Boards Association, the
12.18 Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and
12.19 representatives of the Minnesota Assessment Group, the Minnesota Business Partnership,
12.20 the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with
12.21 research expertise in teacher evaluation, must create and publish a teacher evaluation process
12.22 that complies with the requirements in paragraph (b) and applies to all teachers under this
12.23 section and section 122A.41 for whom no agreement exists under paragraph (a) for an annual
12.24 teacher evaluation and peer review process. The teacher evaluation process created under
12.25 this subdivision does not create additional due process rights for probationary teachers under
12.26 subdivision 5.

12.27 (d) Consistent with the measures of teacher effectiveness under this subdivision:

12.28 (1) for students in kindergarten through grade 4, a school administrator must not place
12.29 or approve the placement of a student in the classroom of a teacher who is in the improvement
12.30 process referenced in paragraph (b), clause (12), or has not had a summative evaluation if,
12.31 in the prior year, that student was in the classroom of a teacher who received discipline
12.32 pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that
12.33 grade; and

13.1 (2) for students in grades 5 through 12, a school administrator must not place or approve
 13.2 the placement of a student in the classroom of a teacher who is in the improvement process
 13.3 referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the
 13.4 prior year, that student was in the classroom of a teacher who received discipline pursuant
 13.5 to paragraph (b), clause (13), unless no other teacher at the school teaches that subject area
 13.6 and grade.

13.7 All data created and used under this paragraph retains its classification under chapter 13.

13.8 Sec. 21. Minnesota Statutes 2017 Supplement, section 122A.41, subdivision 5, is amended
 13.9 to read:

13.10 **Subd. 5. Development, evaluation, and peer coaching for continuing contract**
 13.11 **teachers.** (a) To improve student learning and success, a school board and an exclusive
 13.12 representative of the teachers in the district, consistent with paragraph (b), may develop an
 13.13 annual teacher evaluation and peer review process for probationary and nonprobationary
 13.14 teachers through joint agreement. If a school board and the exclusive representative of the
 13.15 teachers in the district do not agree to an annual teacher evaluation and peer review process,
 13.16 then the school board and the exclusive representative of the teachers must implement the
 13.17 state teacher evaluation plan developed under paragraph (c). The process must include
 13.18 having trained observers serve as peer coaches or having teachers participate in professional
 13.19 learning communities, consistent with paragraph (b).

13.20 (b) To develop, improve, and support qualified teachers and effective teaching practices
 13.21 and improve student learning and success, and provide all enrolled students in a district or
 13.22 school with improved and equitable access to more effective and diverse teachers, the annual
 13.23 evaluation process for teachers:

13.24 (1) must, for probationary teachers, provide for all evaluations required under subdivision
 13.25 2;

13.26 (2) must establish a three-year professional review cycle for each teacher that includes
 13.27 an individual growth and development plan, a peer review process, and at least one
 13.28 summative evaluation performed by a qualified and trained evaluator such as a school
 13.29 administrator;

13.30 (3) must be based on professional teaching standards established in rule;

13.31 (4) must coordinate staff development activities under sections 122A.60 and 122A.61
 13.32 with this evaluation process and teachers' evaluation outcomes;

14.1 (5) may provide time during the school day and school year for peer coaching and teacher
14.2 collaboration;

14.3 (6) may include job-embedded learning opportunities such as professional learning
14.4 communities;

14.5 (7) may include mentoring and induction programs for teachers, including teachers who
14.6 are members of populations underrepresented among the licensed teachers in the district or
14.7 school and who reflect the diversity of students under section 120B.35, subdivision 3,
14.8 paragraph (b), clause (2), who are enrolled in the district or school;

14.9 (8) must include an option for teachers to develop and present a portfolio demonstrating
14.10 evidence of reflection and professional growth, consistent with section ~~122A.18, subdivision~~
14.11 ~~4, paragraph (b)~~ 122A.187, subdivision 3, and include teachers' own performance assessment
14.12 based on student work samples and examples of teachers' work, which may include video
14.13 among other activities for the summative evaluation;

14.14 (9) must use data from valid and reliable assessments aligned to state and local academic
14.15 standards and must use state and local measures of student growth and literacy that may
14.16 include value-added models or student learning goals to determine 35 percent of teacher
14.17 evaluation results;

14.18 (10) must use longitudinal data on student engagement and connection and other student
14.19 outcome measures explicitly aligned with the elements of curriculum for which teachers
14.20 are responsible, including academic literacy, oral academic language, and achievement of
14.21 English learners;

14.22 (11) must require qualified and trained evaluators such as school administrators to
14.23 perform summative evaluations and ensure school districts and charter schools provide for
14.24 effective evaluator training specific to teacher development and evaluation;

14.25 (12) must give teachers not meeting professional teaching standards under clauses (3)
14.26 through (11) support to improve through a teacher improvement process that includes
14.27 established goals and timelines; and

14.28 (13) must discipline a teacher for not making adequate progress in the teacher
14.29 improvement process under clause (12) that may include a last chance warning, termination,
14.30 discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline
14.31 a school administrator determines is appropriate.

15.1 Data on individual teachers generated under this subdivision are personnel data under
15.2 section 13.43. The observation and interview notes of peer coaches may only be disclosed
15.3 to other school officials with the consent of the teacher being coached.

15.4 (c) The department, in consultation with parents who may represent parent organizations
15.5 and teacher and administrator representatives appointed by their respective organizations,
15.6 representing the Professional Educator Licensing and Standards Board, the Minnesota
15.7 Association of School Administrators, the Minnesota School Boards Association, the
15.8 Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and
15.9 representatives of the Minnesota Assessment Group, the Minnesota Business Partnership,
15.10 the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with
15.11 research expertise in teacher evaluation, must create and publish a teacher evaluation process
15.12 that complies with the requirements in paragraph (b) and applies to all teachers under this
15.13 section and section 122A.40 for whom no agreement exists under paragraph (a) for an annual
15.14 teacher evaluation and peer review process. The teacher evaluation process created under
15.15 this subdivision does not create additional due process rights for probationary teachers under
15.16 subdivision 2.

15.17 (d) Consistent with the measures of teacher effectiveness under this subdivision:

15.18 (1) for students in kindergarten through grade 4, a school administrator must not place
15.19 or approve the placement of a student in the classroom of a teacher who is in the improvement
15.20 process referenced in paragraph (b), clause (12), or has not had a summative evaluation if,
15.21 in the prior year, that student was in the classroom of a teacher who received discipline
15.22 pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that
15.23 grade; and

15.24 (2) for students in grades 5 through 12, a school administrator must not place or approve
15.25 the placement of a student in the classroom of a teacher who is in the improvement process
15.26 referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the
15.27 prior year, that student was in the classroom of a teacher who received discipline pursuant
15.28 to paragraph (b), clause (13), unless no other teacher at the school teaches that subject area
15.29 and grade.

15.30 All data created and used under this paragraph retains its classification under chapter 13.

15.31 Sec. 22. Minnesota Statutes 2016, section 122A.60, subdivision 2, is amended to read:

15.32 Subd. 2. **Contents of plan.** The plan must include the staff development outcomes under
15.33 section 122A.40, subdivision 8, or 122A.41, subdivision 5, and section 123B.147, subdivision

16.1 3, the means to achieve the outcomes, and procedures for evaluating progress at each school
 16.2 site toward meeting education and staff development outcomes, consistent with relicensure
 16.3 requirements under section ~~122A.18, subdivision 4~~ 122A.187. The plan also must:

16.4 (1) support stable and productive professional communities achieved through ongoing
 16.5 and schoolwide progress and growth in teaching practice;

16.6 (2) emphasize coaching, professional learning communities, classroom action research,
 16.7 and other job-embedded models;

16.8 (3) maintain a strong subject matter focus premised on students' learning goals, consistent
 16.9 with section 120B.125;

16.10 (4) ensure specialized preparation and learning about issues related to teaching English
 16.11 learners and students with special needs by focusing on long-term systemic efforts to improve
 16.12 educational services and opportunities and raise student achievement; and

16.13 (5) reinforce national and state standards of effective teaching practice.

16.14 Sec. 23. Minnesota Statutes 2016, section 123A.36, subdivision 9, is amended to read:

16.15 Subd. 9. **Finances.** The plan must state:

16.16 (1) whether debt service for the bonds outstanding at the time of combination remains
 16.17 solely with the district that issued the bonds or whether all or a portion of the debt service
 16.18 for the bonds will be assumed by the combined district and paid by the combined district
 16.19 on behalf of the district that issued the bonds;

16.20 (2) whether obligations for a capital loan or energy loan made according to section
 16.21 216C.37 or sections 298.292 to ~~298.298~~ 298.297 outstanding at the time of combination
 16.22 remain solely with the district that obtained the loan, or whether all or a portion of all the
 16.23 loan obligations will be assumed by the combined district and paid by the combined district
 16.24 on behalf of the district that obtained the loan;

16.25 (3) the treatment of debt service levies, down payment levies under section 123B.63,
 16.26 and referendum levies;

16.27 (4) whether the cooperating or combined district will levy for reorganization operating
 16.28 debt according to section 123B.82, clause (1); and

16.29 (5) two- and five-year projections, prepared by the department upon the request of any
 16.30 district, of revenues, expenditures, and property taxes for each district if it cooperated and
 16.31 combined and if it did not.

17.1 Sec. 24. Minnesota Statutes 2016, section 123A.46, subdivision 8, is amended to read:

17.2 Subd. 8. **Information to county auditor.** (a) Before the day of a hearing ordered pursuant
17.3 to this section, each district adjoining the district proposed for dissolution must provide the
17.4 following information and resolution to the county auditor of the county containing the
17.5 greatest land area of the district proposed for dissolution:

17.6 (1) The outstanding bonded debt, outstanding energy loans made according to section
17.7 216C.37 or sections 298.292 to ~~298.298~~ 298.297, and the capital loan obligation of the
17.8 district;

17.9 (2) The net tax capacity of the district;

17.10 (3) The most current school tax rates for the district, including any referendum,
17.11 discretionary, or other optional levies being assessed currently and the expected duration
17.12 of the levies;

17.13 (4) A resolution passed by the school board of the district stating that if taxable property
17.14 of the dissolved district is attached to it, one of the following requirements is imposed:

17.15 (i) the taxable property of the dissolving district which is attached to its district shall not
17.16 be liable for the bonded debt, outstanding energy loans made according to section 216C.37
17.17 or sections 298.292 to ~~298.298~~ 298.297, or the capital loan obligation of the district which
17.18 existed as of the time of the attachment;

17.19 (ii) the taxable property of the dissolving district which is attached to its district shall
17.20 be liable for the payment of the bonded debt, outstanding energy loans made according to
17.21 section 216C.37 or sections 298.292 to ~~298.298~~ 298.297, or the capital loan obligation of
17.22 the district which existed as of the time of the attachment in the proportion which the net
17.23 tax capacity of that part of the dissolving district which is included in the newly enlarged
17.24 district bears to the net tax capacity of the entire district as of the time of attachment; or

17.25 (iii) the taxable property of the dissolving district which is attached to its district shall
17.26 be liable for some specified portion of the amount that could be requested pursuant to item
17.27 (ii).

17.28 (b) An apportionment pursuant to paragraph (a), clause (4), item (ii) or (iii), shall be
17.29 made by the county auditor of the county containing the greatest land area of the district
17.30 proposed for transfer.

17.31 (c) An apportionment of bonded indebtedness, outstanding energy loans made according
17.32 to section 216C.37 or sections 298.292 to ~~298.298~~ 298.297, or capital loan obligation
17.33 pursuant to paragraph (a), clause (4), item (ii) or (iii), shall not relieve any property from

18.1 any tax liability for payment of any bonded or capital obligation, but taxable property in a
18.2 district enlarged pursuant to this section becomes primarily liable for the payment of the
18.3 bonded debt, outstanding energy loans made according to section 216C.37 or sections
18.4 298.292 to ~~298.298~~ 298.297, or capital loan obligation to the extent of the proportion stated.

18.5 Sec. 25. Minnesota Statutes 2016, section 123A.46, subdivision 10, is amended to read:

18.6 Subd. 10. **Order for dissolution.** (a) An order issued under subdivision 9, clause (2),
18.7 must contain the following:

18.8 (1) A statement that the district is dissolved unless the results of an election held pursuant
18.9 to subdivision 11 provide otherwise;

18.10 (2) A description by words or plat or both showing the disposition of territory in the
18.11 district to be dissolved;

18.12 (3) The outstanding bonded debt, outstanding energy loans made according to section
18.13 216C.37 or sections 298.292 to ~~298.298~~ 298.297, and the capital loan obligation of the
18.14 district to be dissolved;

18.15 (4) A statement requiring the fulfillment of the requirements imposed by each adjoining
18.16 district to which territory in the dissolving district is to be attached regarding the assumption
18.17 of its outstanding preexisting bonded indebtedness by any territory from the dissolving
18.18 district which is attached to it;

18.19 (5) An effective date for the order. The effective date shall be July 1 of an odd-numbered
18.20 year unless the school board and the exclusive representative of the teachers in each affected
18.21 district agree to an effective date of July 1 of an even-numbered year. The agreement must
18.22 be in writing and submitted to the commissioner; and

18.23 (6) Other information the county board may desire to include.

18.24 (b) The auditor shall within ten days from its issuance serve a copy of the order by mail
18.25 upon the clerk of the district to be dissolved and upon the clerk of each district to which the
18.26 order attaches any territory of the district to be dissolved and upon the auditor of each other
18.27 county in which any part of the district to be dissolved or any district to which the order
18.28 attaches territory lies, and upon the commissioner.

18.29 Sec. 26. Minnesota Statutes 2016, section 123A.48, subdivision 2, is amended to read:

18.30 Subd. 2. **Resolution.** (a) Upon a resolution of a board in the area proposed for
18.31 consolidation or upon receipt of a petition therefor executed by 25 percent of the voters

19.1 resident in the area proposed for consolidation or by 50 such voters, whichever is less, the
19.2 county auditor of the county which contains the greatest land area of the proposed new
19.3 district shall prepare a plat. The resolution or petition must show the approximate area
19.4 proposed for consolidation.

19.5 (b) The resolution or petition may propose the following:

19.6 (1) that the bonded debt of the component districts will be paid according to the levies
19.7 previously made for that debt under chapter 475, or that the taxable property in the newly
19.8 created district will be taxable for the payment of all or a portion of the bonded debt
19.9 previously incurred by any component district as provided in subdivision 18;

19.10 (2) that obligations for a capital loan or an energy loan made according to section 216C.37
19.11 or sections 298.292 to ~~298.298~~ 298.297 outstanding in a preexisting district as of the effective
19.12 date of consolidation remain solely with the preexisting district that obtained the loan, or
19.13 that all or a portion of the loan obligations will be assumed by the newly created or enlarged
19.14 district and paid by the newly created or enlarged district on behalf of the preexisting district
19.15 that obtained the loan;

19.16 (3) that referendum levies previously approved by voters of the component districts
19.17 pursuant to section 126C.17, subdivision 9, or its predecessor provision, be combined as
19.18 provided in section 123A.73, subdivision 4 or 5, or that the referendum levies be
19.19 discontinued;

19.20 (4) that the board of the newly created district consist of the number of members
19.21 determined by the component districts, which may be six or seven members elected according
19.22 to subdivision 20, or any number of existing school board members of the component
19.23 districts, and a method to gradually reduce the membership to six or seven; or

19.24 (5) that separate election districts from which board members will be elected, the
19.25 boundaries of these election districts, and the initial term of the member elected from each
19.26 of these election districts be established.

19.27 The resolution must provide for election of board members from one of the following
19.28 options: single-member districts; multimember districts; at large; or a combination of these
19.29 options. The resolution must include a plan for the orderly transition to the option chosen.

19.30 A group of districts that operates a cooperative secondary facility funded under section
19.31 123A.443 may also propose a temporary board structure as specified in section 123A.443,
19.32 subdivision 9.

20.1 If a county auditor receives more than one request for a plat and the requests involve
20.2 parts of identical districts, the auditor shall prepare a plat which in the auditor's opinion best
20.3 serves the educational interests of the inhabitants of the districts or areas affected.

20.4 (c) The plat must show:

20.5 (1) Boundaries of the proposed district, as determined by the county auditor, and present
20.6 district boundaries,

20.7 (2) The location of school buildings in the area proposed as a new district and the location
20.8 of school buildings in adjoining districts,

20.9 (3) The boundaries of any proposed separate election districts, and

20.10 (4) Other pertinent information as determined by the county auditor.

20.11 Sec. 27. Minnesota Statutes 2016, section 123A.48, subdivision 5, is amended to read:

20.12 Subd. 5. **Supporting statement.** The county auditor shall prepare a supporting statement
20.13 to accompany the plat. The statement must contain:

20.14 (a) The adjusted net tax capacity of property in the proposed district,

20.15 (b) If a part of any district is included in the proposed new district, the adjusted net tax
20.16 capacity of the property and the approximate number of pupils residing in the part of the
20.17 district included shall be shown separately and the adjusted net tax capacity of the property
20.18 and the approximate number of pupils residing in the part of the district not included shall
20.19 also be shown,

20.20 (c) The reasons for the proposed consolidation, including a statement that at the time
20.21 the plat is submitted to the commissioner of education, no proceedings are pending to
20.22 dissolve any district involved in the plat unless all of the district to be dissolved and all of
20.23 each district to which attachment is proposed is included in the plat,

20.24 (d) A statement showing that the jurisdictional fact requirements of subdivision 1 are
20.25 met by the proposal,

20.26 (e) Any proposal contained in the resolution or petition regarding the disposition of the
20.27 bonded debt, outstanding energy loans made according to section 216C.37 or sections
20.28 298.292 to ~~298.298~~ 298.297, capital loan obligations, or referendum levies of component
20.29 districts,

20.30 (f) Any other information the county auditor desires to include, and

20.31 (g) The signature of the county auditor.

21.1 Sec. 28. Minnesota Statutes 2016, section 124D.095, subdivision 8, is amended to read:

21.2 Subd. 8. **Financial arrangements.** (a) For a student enrolled in an online learning course,
21.3 the department must calculate average daily membership and make payments according to
21.4 this subdivision.

21.5 (b) The initial online learning average daily membership equals 1/12 for each semester
21.6 course or a proportionate amount for courses of different lengths. The adjusted online
21.7 learning average daily membership equals the initial online learning average daily
21.8 membership times .88.

21.9 (c) No online learning average daily membership shall be generated if: (1) the student
21.10 does not complete the online learning course, or (2) the student is enrolled in online learning
21.11 provided by the enrolling district.

21.12 (d) Online learning average daily membership under this subdivision for a student
21.13 currently enrolled in a Minnesota public school shall be used only for computing average
21.14 daily membership according to section 126C.05, subdivision 19, paragraph (a), clause ~~(ii)~~
21.15 (2), and for computing online learning aid according to section 124D.096.

21.16 Sec. 29. Minnesota Statutes 2016, section 124D.52, subdivision 4, is amended to read:

21.17 Subd. 4. **English as a second language programs.** Persons may teach English as a
21.18 second language classes at a worksite, if they meet the requirements of section 122A.19,
21.19 subdivision 1, clause ~~(a)~~ (1), regardless of whether they are licensed teachers. Persons
21.20 teaching English as a second language for an approved adult basic education program must
21.21 possess a bachelor's or master's degree in English as a second language, applied linguistics,
21.22 or bilingual education, or a related degree approved by the commissioner.

21.23 Sec. 30. Minnesota Statutes 2017 Supplement, section 124D.68, subdivision 2, is amended
21.24 to read:

21.25 Subd. 2. **Eligible pupils.** (a) A pupil under the age of 21 or who meets the requirements
21.26 of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation
21.27 incentives program, if the pupil:

21.28 (1) performs substantially below the performance level for pupils of the same age in a
21.29 locally determined achievement test;

21.30 (2) is behind in satisfactorily completing coursework or obtaining credits for graduation;

21.31 (3) is pregnant or is a parent;

- 22.1 (4) has been assessed as chemically dependent;
- 22.2 (5) has been excluded or expelled according to sections 121A.40 to 121A.56;
- 22.3 (6) has been referred by a school district for enrollment in an eligible program or a
22.4 program pursuant to section 124D.69;
- 22.5 (7) is a victim of physical or sexual abuse;
- 22.6 (8) has experienced mental health problems;
- 22.7 (9) has experienced homelessness sometime within six months before requesting a
22.8 transfer to an eligible program;
- 22.9 (10) speaks English as a second language or is an English learner; ~~or~~
- 22.10 (11) has withdrawn from school or has been chronically truant; or
- 22.11 (12) is being treated in a hospital in the seven-county metropolitan area for cancer or
22.12 other life threatening illness or is the sibling of an eligible pupil who is being currently
22.13 treated, and resides with the pupil's family at least 60 miles beyond the outside boundary
22.14 of the seven-county metropolitan area.

22.15 (b) For fiscal years 2017 and 2018 only, a pupil otherwise qualifying under paragraph
22.16 (a) who is at least 21 years of age and not yet 22 years of age, is an English learner with an
22.17 interrupted formal education according to section 124D.59, subdivision 2a, and was in an
22.18 early middle college program during the previous school year is eligible to participate in
22.19 the graduation incentives program under section 124D.68 and in concurrent enrollment
22.20 courses offered under section 124D.09, subdivision 10, and is funded in the same manner
22.21 as other pupils under this section.

22.22 Sec. 31. Minnesota Statutes 2017 Supplement, section 124D.99, subdivision 4, is amended
22.23 to read:

22.24 Subd. 4. **Requirements.** A grant recipient's program in the planning, development, or
22.25 implementation phase must include:

- 22.26 (1) integrated supportive services programming, as specified in subdivision 3, paragraph
22.27 ~~(b)~~ (c), within a specific community or geographic area for all ages of children and youth
22.28 and their families within that area, provided that services may be phased in to all ages over
22.29 time; and
- 22.30 (2) a system for evaluating goals and outcomes as provided under subdivision 3,
22.31 paragraph ~~(e)~~ (d).

23.1 Sec. 32. Minnesota Statutes 2017 Supplement, section 124E.11, is amended to read:

23.2 **124E.11 ADMISSION REQUIREMENTS AND ENROLLMENT.**

23.3 (a) A charter school, including its preschool or prekindergarten program established
23.4 under section 124E.06, subdivision 3, paragraph (b), may limit admission to:

23.5 (1) pupils within an age group or grade level;

23.6 (2) pupils who are eligible to participate in the graduation incentives program under
23.7 section 124D.68; or

23.8 (3) residents of a specific geographic area in which the school is located when the
23.9 majority of students served by the school are members of underserved populations.

23.10 (b) A charter school, including its preschool or prekindergarten program established
23.11 under section 124E.06, subdivision 3, paragraph (b), shall enroll an eligible pupil who
23.12 submits a timely application, unless the number of applications exceeds the capacity of a
23.13 program, class, grade level, or building. In this case, pupils must be accepted by lot. The
23.14 charter school must develop and publish, including on its Web site, a lottery policy and
23.15 process that it must use when accepting pupils by lot.

23.16 (c) A charter school shall give enrollment preference to a sibling of an enrolled pupil
23.17 and to a foster child of that pupil's parents and may give preference for enrolling children
23.18 of the school's staff before accepting other pupils by lot. A charter school that is located in
23.19 Duluth township in St. Louis County and admits students in kindergarten through grade 6
23.20 must give enrollment preference to students residing within a five-mile radius of the school
23.21 and to the siblings of enrolled children. A charter school may give enrollment preference
23.22 to children currently enrolled in the school's free preschool or prekindergarten program
23.23 under section 124E.06, subdivision 3, paragraph ~~(a)~~ (b), who are eligible to enroll in
23.24 kindergarten in the next school year.

23.25 (d) A person shall not be admitted to a charter school (1) as a kindergarten pupil, unless
23.26 the pupil is at least five years of age on September 1 of the calendar year in which the school
23.27 year for which the pupil seeks admission commences; or (2) as a first grade student, unless
23.28 the pupil is at least six years of age on September 1 of the calendar year in which the school
23.29 year for which the pupil seeks admission commences or has completed kindergarten; except
23.30 that a charter school may establish and publish on its Web site a policy for admission of
23.31 selected pupils at an earlier age, consistent with the enrollment process in paragraphs (b)
23.32 and (c).

24.1 (e) Except as permitted in paragraph (d), a charter school, including its preschool or
 24.2 prekindergarten program established under section 124E.06, subdivision 3, paragraph (b),
 24.3 may not limit admission to pupils on the basis of intellectual ability, measures of achievement
 24.4 or aptitude, or athletic ability and may not establish any criteria or requirements for admission
 24.5 that are inconsistent with this section.

24.6 (f) The charter school shall not distribute any services or goods of value to students,
 24.7 parents, or guardians as an inducement, term, or condition of enrolling a student in a charter
 24.8 school.

24.9 (g) Once a student is enrolled in the school, the student is considered enrolled in the
 24.10 school until the student formally withdraws or is expelled under the Pupil Fair Dismissal
 24.11 Act in sections 121A.40 to 121A.56.

24.12 (h) A charter school with at least 90 percent of enrolled students who are eligible for
 24.13 special education services and have a primary disability of deaf or hard-of-hearing may
 24.14 enroll prekindergarten pupils with a disability under section 126C.05, subdivision 1,
 24.15 paragraph (a), and must comply with the federal Individuals with Disabilities Education
 24.16 Act under Code of Federal Regulations, title 34, section 300.324, subsection (2), clause
 24.17 (iv).

24.18 Sec. 33. Minnesota Statutes 2016, section 125A.0942, subdivision 1, is amended to read:

24.19 Subdivision 1. **Restrictive procedures plan.** (a) Schools that intend to use restrictive
 24.20 procedures shall maintain and make publicly accessible in an electronic format on a school
 24.21 or district Web site or make a paper copy available upon request describing a restrictive
 24.22 procedures plan for children with disabilities that at least:

24.23 (1) lists the restrictive procedures the school intends to use;

24.24 (2) describes how the school will implement a range of positive behavior strategies and
 24.25 provide links to mental health services;

24.26 (3) describes how the school will provide training on de-escalation techniques, consistent
 24.27 with section ~~122A.09, subdivision 4, paragraph (k)~~ 122A.187, subdivision 4;

24.28 (4) describes how the school will monitor and review the use of restrictive procedures,
 24.29 including:

24.30 (i) conducting post-use debriefings, consistent with subdivision 3, paragraph (a), clause
 24.31 (5); and

25.1 (ii) convening an oversight committee to undertake a quarterly review of the use of
 25.2 restrictive procedures based on patterns or problems indicated by similarities in the time of
 25.3 day, day of the week, duration of the use of a procedure, the individuals involved, or other
 25.4 factors associated with the use of restrictive procedures; the number of times a restrictive
 25.5 procedure is used schoolwide and for individual children; the number and types of injuries,
 25.6 if any, resulting from the use of restrictive procedures; whether restrictive procedures are
 25.7 used in nonemergency situations; the need for additional staff training; and proposed actions
 25.8 to minimize the use of restrictive procedures; and

25.9 (5) includes a written description and documentation of the training staff completed
 25.10 under subdivision 5.

25.11 (b) Schools annually must publicly identify oversight committee members who must at
 25.12 least include:

25.13 (1) a mental health professional, school psychologist, or school social worker;

25.14 (2) an expert in positive behavior strategies;

25.15 (3) a special education administrator; and

25.16 (4) a general education administrator.

25.17 Sec. 34. Minnesota Statutes 2016, section 125A.76, subdivision 1, is amended to read:

25.18 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79,
 25.19 the definitions in this subdivision apply.

25.20 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the
 25.21 purposes of computing basic revenue pursuant to this section, each child with a disability
 25.22 shall be counted as prescribed in section 126C.05, subdivision 1.

25.23 (c) "Essential personnel" means teachers, cultural liaisons, related services, and support
 25.24 services staff providing services to students. Essential personnel may also include special
 25.25 education paraprofessionals or clericals providing support to teachers and students by
 25.26 preparing paperwork and making arrangements related to special education compliance
 25.27 requirements, including parent meetings and individualized education programs. Essential
 25.28 personnel does not include administrators and supervisors.

25.29 (d) "Average daily membership" has the meaning given it in section 126C.05.

25.30 (e) "Program growth factor" means 1.046 for fiscal years 2012 through 2015, 1.0 for
 25.31 fiscal year 2016, 1.046 for fiscal year 2017, and the product of 1.046 and the program growth
 25.32 factor for the previous year for fiscal year 2018 and later.

26.1 (f) "Nonfederal special education expenditure" means all direct expenditures that are
 26.2 necessary and essential to meet the district's obligation to provide special instruction and
 26.3 services to children with a disability according to sections 124D.454, 125A.03 to 125A.24,
 26.4 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by the
 26.5 department under section 125A.75, subdivision 4, excluding expenditures:

26.6 (1) reimbursed with federal funds;

26.7 (2) reimbursed with other state aids under this chapter;

26.8 (3) for general education costs of serving students with a disability;

26.9 (4) for facilities;

26.10 (5) for pupil transportation; and

26.11 (6) for postemployment benefits.

26.12 (g) "Old formula special education expenditures" means expenditures eligible for revenue
 26.13 under Minnesota Statutes 2012, section 125A.76, subdivision 2.

26.14 (h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy
 26.15 for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and fringe
 26.16 benefits of one-to-one instructional and behavior management aides and one-to-one licensed,
 26.17 certified professionals assigned to a child attending the academy, if the aides or professionals
 26.18 are required by the child's individualized education program.

26.19 ~~(i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year 2014 and~~
 26.20 ~~2.27 percent for fiscal year 2015.~~

26.21 ~~(j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48 for fiscal~~
 26.22 ~~year 2015.~~

26.23 ~~(k)~~ (i) "Special education aid increase limit" means \$80 for fiscal year 2016, \$100 for
 26.24 fiscal year 2017, and, for fiscal year 2018 and later, the sum of the special education aid
 26.25 increase limit for the previous fiscal year and \$40.

26.26 ~~(h)~~ (j) "District" means a school district, a charter school, or a cooperative unit as defined
 26.27 in section 123A.24, subdivision 2. Notwithstanding section 123A.26, cooperative units as
 26.28 defined in section 123A.24, subdivision 2, are eligible to receive special education aid under
 26.29 this section and section 125A.79.

27.1 Sec. 35. Minnesota Statutes 2016, section 126C.10, subdivision 17, is amended to read:

27.2 Subd. 17. **Transportation sparsity definitions.** The definitions in this subdivision apply
27.3 to ~~subdivisions~~ subdivision 18 and 19.

27.4 (a) "Sparsity index" for a district means the greater of .2 or the ratio of the square mile
27.5 area of the district to the resident pupil units of the district.

27.6 (b) "Density index" for a district means the ratio of the square mile area of the district
27.7 to the resident pupil units of the district. However, the density index for a district cannot be
27.8 greater than .2 or less than .005.

27.9 Sec. 36. Minnesota Statutes 2016, section 128B.03, subdivision 3a, is amended to read:

27.10 Subd. 3a. **State revenues.** The state shall pay to the council for the support of the school
27.11 all aids, revenues, and grants available to a school district as though the school were a school
27.12 district. The aids, revenues, and grants include, but are not limited to, the following:

27.13 (1) general education revenue, as defined in section 126C.10, subdivision 1, including
27.14 at least compensatory revenue;

27.15 (2) transportation revenue;

27.16 (3) capital expenditure facilities revenue;

27.17 (4) capital expenditure equipment revenue;

27.18 (5) special education revenue;

27.19 (6) English learner aid;

27.20 (7) family connections aid;

27.21 (8) assurance of mastery revenue;

27.22 (9) school lunch revenue;

27.23 (10) school milk revenue;

27.24 (11) ~~health and safety~~ long-term facilities maintenance revenue;

27.25 (12) Indian language and culture grants;

27.26 (13) arts planning grants; and

27.27 (14) all other aids, revenues, or grants available to a school district.

27.28 If there are eligibility requirements for an aid, revenue, or grant, the requirements shall
27.29 be met in order to obtain the aid, revenue, or grant, except that a requirement to levy shall

28.1 be waived. To compute the amount of aid, revenue, or grant requiring a levy, the amount
28.2 of the levy shall be zero.

28.3 If a school district obtains revenue from the proceeds of a levy, the council shall be
28.4 deemed to have levied and the state shall pay aid equal to the amount that would have been
28.5 levied. The amount shall be approved by the commissioner of education.

28.6 The proceeds of any aid, grant, or revenue shall be used only as provided in the applicable
28.7 statute.

28.8 Sec. 37. Minnesota Statutes 2017 Supplement, section 136A.653, subdivision 1, is amended
28.9 to read:

28.10 Subdivision 1. **Application.** A school that seeks an exemption under this section from
28.11 the provisions of sections 136A.61 to 136A.71 must apply to the office to establish that the
28.12 school meets the requirements of an exemption. An exemption expires two years from the
28.13 date of approval or ~~until~~ when a school adds a new program or makes a modification equal
28.14 to or greater than 25 percent to an existing educational program. If a school is reapplying
28.15 for an exemption, the application must be submitted to the office 90 days before the current
28.16 exemption expires.

28.17 Sec. 38. Minnesota Statutes 2016, section 148.911, is amended to read:

28.18 **148.911 CONTINUING EDUCATION.**

28.19 Upon application for license renewal, a licensee shall provide the board with satisfactory
28.20 evidence that the licensee has completed continuing education requirements established by
28.21 the board. Continuing education programs shall be approved under section 148.905,
28.22 subdivision 1, clause ~~(9)~~ (10). The board shall establish by rule the number of continuing
28.23 education training hours required each year and may specify subject or skills areas that the
28.24 licensee shall address.

28.25 Sec. 39. Minnesota Statutes 2016, section 152.021, subdivision 2a, is amended to read:

28.26 Subd. 2a. **Methamphetamine manufacture crime.** ~~(a)~~ Notwithstanding subdivision 1,
28.27 sections 152.022, subdivision 1, 152.023, subdivision 1, and 152.024, subdivision 1, a
28.28 person is guilty of controlled substance crime in the first degree if the person manufactures
28.29 any amount of methamphetamine.

28.30 ~~(b) [Renumbered 152.0262, subdivision 1]~~

29.1 Sec. 40. Minnesota Statutes 2017 Supplement, section 181A.04, subdivision 6, is amended
29.2 to read:

29.3 Subd. 6. **Time of day, high school students.** A high school student must not be permitted
29.4 to work after 11:00 p.m. on an evening before a school day or before 5:00 a.m. on a school
29.5 day, except:

29.6 (1) as permitted by section 181A.07, subdivisions 1, 2, 3, and 4;

29.7 (2) this subdivision does not apply to a high school student age 18 or older, unless the
29.8 student provides a written request for the hours restrictions to the employer at least two
29.9 weeks before any restricted hours begin; or

29.10 (3) if a high school student under the age of 18 has supplied the employer with a note
29.11 signed by the parent or guardian of the student, the student may be permitted to work until
29.12 11:30 p.m. on the evening before a school day and beginning at 4:30 a.m. on a school day.

29.13 For the purpose of this subdivision, a high school student does not include a student
29.14 enrolled in an alternative education program approved by the commissioner of education
29.15 or an area learning center, including area learning centers under sections 123A.05 to 123A.08
29.16 ~~or according to section 122A.163.~~

29.17 Sec. 41. Minnesota Statutes 2016, section 239.791, subdivision 12, is amended to read:

29.18 Subd. 12. **Exemption for collector vehicle and off-road use.** (a) A person responsible
29.19 for the product may offer for sale, sell, or dispense at a retail gasoline station for use in
29.20 collector vehicles or vehicles eligible to be licensed as collector vehicles, off-road vehicles,
29.21 motorcycles, boats, snowmobiles, or small engines, gasoline that is not oxygenated in
29.22 accordance with subdivision 1 if the person meets the conditions in paragraphs (b) to ~~(e)~~
29.23 (d). If the nonoxygenated gasoline is for use in a small engine, it must be dispensed into a
29.24 can with a capacity of six or fewer gallons.

29.25 (b) The nonoxygenated gasoline must be unleaded premium grade as defined in section
29.26 239.751, subdivision 4.

29.27 (c) No more than one storage tank on the premises of the retail gasoline station may be
29.28 used for storage of the nonoxygenated gasoline offered for sale, sold, or dispensed by the
29.29 station.

29.30 (d) The pump stands must be posted with a permanent notice stating:

29.31 "NONOXYGENATED GASOLINE. FOR USE IN COLLECTOR VEHICLES OR
29.32 VEHICLES ELIGIBLE TO BE LICENSED AS COLLECTOR VEHICLES, OFF-ROAD

30.1 VEHICLES, MOTORCYCLES, BOATS, SNOWMOBILES, OR SMALL ENGINES
 30.2 ONLY."

30.3 This notice must be posted at least two feet above the ground. A retail gasoline station that
 30.4 sells nonoxygenated premium gasoline as defined in section 239.791, subdivision 15, must
 30.5 register every two years with the director, or an entity appointed by the director, on forms
 30.6 approved by the director, the total amount of nonoxygenated premium gasoline sold annually.

30.7 Sec. 42. Minnesota Statutes 2016, section 244.05, subdivision 4, is amended to read:

30.8 Subd. 4. **Minimum imprisonment, life sentence.** (a) An inmate serving a mandatory
 30.9 life sentence under section 609.106 or 609.3455, subdivision 2, must not be given supervised
 30.10 release under this section.

30.11 (b) An inmate serving a mandatory life sentence under section 609.185, paragraph (a),
 30.12 clause (3), (5), or (6); or Minnesota Statutes 2004, section 609.109, subdivision 3, must not
 30.13 be given supervised release under this section without having served a minimum term of
 30.14 30 years.

30.15 (c) An inmate serving a mandatory life sentence under section 609.385 must not be given
 30.16 supervised release under this section without having served a minimum term of imprisonment
 30.17 of 17 years.

30.18 (d) An inmate serving a mandatory life sentence under section 609.3455, subdivision 3
 30.19 or 4, must not be given supervised release under this section without having served the
 30.20 minimum term of imprisonment specified by the court in its sentence.

30.21 Sec. 43. Minnesota Statutes 2016, section 245.462, subdivision 4, is amended to read:

30.22 Subd. 4. **Case management service provider.** (a) "Case management service provider"
 30.23 means a case manager or case manager associate employed by the county or other entity
 30.24 authorized by the county board to provide case management services specified in section
 30.25 245.4711.

30.26 (b) A case manager must:

30.27 (1) be skilled in the process of identifying and assessing a wide range of client needs;

30.28 (2) be knowledgeable about local community resources and how to use those resources
 30.29 for the benefit of the client;

31.1 (3) have a bachelor's degree in one of the behavioral sciences or related fields including,
31.2 but not limited to, social work, psychology, or nursing from an accredited college or
31.3 university or meet the requirements of paragraph (c); and

31.4 (4) meet the supervision and continuing education requirements described in paragraphs
31.5 (d), (e), and (f), as applicable.

31.6 (c) Case managers without a bachelor's degree must meet one of the requirements in
31.7 clauses (1) to (3):

31.8 (1) have three or four years of experience as a case manager associate as defined in this
31.9 section;

31.10 (2) be a registered nurse without a bachelor's degree and have a combination of
31.11 specialized training in psychiatry and work experience consisting of community interaction
31.12 and involvement or community discharge planning in a mental health setting totaling three
31.13 years; or

31.14 (3) be a person who qualified as a case manager under the 1998 Department of Human
31.15 Service waiver provision and meet the continuing education and mentoring requirements
31.16 in this section.

31.17 (d) A case manager with at least 2,000 hours of supervised experience in the delivery
31.18 of services to adults with mental illness must receive regular ongoing supervision and clinical
31.19 supervision totaling 38 hours per year of which at least one hour per month must be clinical
31.20 supervision regarding individual service delivery with a case management supervisor. The
31.21 remaining 26 hours of supervision may be provided by a case manager with two years of
31.22 experience. Group supervision may not constitute more than one-half of the required
31.23 supervision hours. Clinical supervision must be documented in the client record.

31.24 (e) A case manager without 2,000 hours of supervised experience in the delivery of
31.25 services to adults with mental illness must:

31.26 (1) receive clinical supervision regarding individual service delivery from a mental
31.27 health professional at least one hour per week until the requirement of 2,000 hours of
31.28 experience is met; and

31.29 (2) complete 40 hours of training approved by the commissioner in case management
31.30 skills and the characteristics and needs of adults with serious and persistent mental illness.

31.31 (f) A case manager who is not licensed, registered, or certified by a health-related
31.32 licensing board must receive 30 hours of continuing education and training in mental illness
31.33 and mental health services every two years.

32.1 (g) A case manager associate (CMA) must:

32.2 (1) work under the direction of a case manager or case management supervisor;

32.3 (2) be at least 21 years of age;

32.4 (3) have at least a high school diploma or its equivalent; and

32.5 (4) meet one of the following criteria:

32.6 (i) have an associate of arts degree in one of the behavioral sciences or human services;

32.7 (ii) be a certified peer specialist under section 256B.0615;

32.8 (iii) be a registered nurse without a bachelor's degree;

32.9 (iv) within the previous ten years, have three years of life experience with serious and

32.10 persistent mental illness as defined in ~~section 245.462~~, subdivision 20; or as a child had

32.11 severe emotional disturbance as defined in section 245.4871, subdivision 6; or have three

32.12 years life experience as a primary caregiver to an adult with serious and persistent mental

32.13 illness within the previous ten years;

32.14 (v) have 6,000 hours work experience as a nondegreed state hospital technician; or

32.15 (vi) be a mental health practitioner as defined in ~~section 245.462~~, subdivision 17, clause

32.16 (2).

32.17 Individuals meeting one of the criteria in items (i) to (v) may qualify as a case manager

32.18 after four years of supervised work experience as a case manager associate. Individuals

32.19 meeting the criteria in item (vi) may qualify as a case manager after three years of supervised

32.20 experience as a case manager associate.

32.21 (h) A case management associate must meet the following supervision, mentoring, and

32.22 continuing education requirements:

32.23 (1) have 40 hours of preservice training described under paragraph (e), clause (2);

32.24 (2) receive at least 40 hours of continuing education in mental illness and mental health

32.25 services annually; and

32.26 (3) receive at least five hours of mentoring per week from a case management mentor.

32.27 A "case management mentor" means a qualified, practicing case manager or case management

32.28 supervisor who teaches or advises and provides intensive training and clinical supervision

32.29 to one or more case manager associates. Mentoring may occur while providing direct services

32.30 to consumers in the office or in the field and may be provided to individuals or groups of

33.1 case manager associates. At least two mentoring hours per week must be individual and
33.2 face-to-face.

33.3 (i) A case management supervisor must meet the criteria for mental health professionals,
33.4 as specified in ~~section 245.462~~, subdivision 18.

33.5 (j) An immigrant who does not have the qualifications specified in this subdivision may
33.6 provide case management services to adult immigrants with serious and persistent mental
33.7 illness who are members of the same ethnic group as the case manager if the person:

33.8 (1) is currently enrolled in and is actively pursuing credits toward the completion of a
33.9 bachelor's degree in one of the behavioral sciences or a related field including, but not
33.10 limited to, social work, psychology, or nursing from an accredited college or university;

33.11 (2) completes 40 hours of training as specified in this subdivision; and

33.12 (3) receives clinical supervision at least once a week until the requirements of this
33.13 subdivision are met.

33.14 Sec. 44. Minnesota Statutes 2016, section 245A.095, subdivision 2, is amended to read:

33.15 Subd. 2. **Specific review of rules.** The commissioner shall:

33.16 (1) provide in rule for additional types of programs and services, including but not limited
33.17 to supportive small group residential care, semi-independent and apartment living services,
33.18 and crisis and respite services, to address the residential treatment and support needs of
33.19 persons with mental illness;

33.20 (2) review category I and II programs established in Minnesota Rules, parts 9520.0500
33.21 to 9520.0670 to ensure that the categories of programs provide a continuum of residential
33.22 service programs for persons with mental illness, including but not limited to programs
33.23 meeting needs for intensive treatment, crisis and respite care, and rehabilitation and training;

33.24 (3) provide in rule for a definition of the term "treatment" as used in relation to persons
33.25 with mental illness;

33.26 (4) adjust funding mechanisms by rule as needed to reflect the requirements established
33.27 by rule for services being provided;

33.28 (5) review and recommend staff educational requirements and staff training as needed;
33.29 and

33.30 (6) review and make changes in rules relating to residential care and service programs
33.31 for persons with mental illness as the commissioner may determine necessary; ~~and~~.

34.1 ~~(7) the commissioner shall report to the legislature by February 15, 1990, on the status~~
 34.2 ~~of rulemaking with respect to clauses (1) to (6).~~

34.3 Sec. 45. Minnesota Statutes 2017 Supplement, section 245G.15, subdivision 1, is amended
 34.4 to read:

34.5 Subdivision 1. **Explanation.** A client has the rights identified in sections 144.651,
 34.6 148F.165, and 253B.03, ~~and 254B.02~~, subdivision 2, as applicable. The license holder must
 34.7 give each client at service initiation a written statement of the client's rights and
 34.8 responsibilities. A staff member must review the statement with a client at that time.

34.9 Sec. 46. Minnesota Statutes 2016, section 252.021, is amended to read:

34.10 **252.021 DEFINITION.**

34.11 For the purposes of this chapter, the ~~words~~ term "related condition" ~~have~~ has the meaning
 34.12 given ~~them~~ in section 252.27, subdivision 1a.

34.13 Sec. 47. Minnesota Statutes 2017 Supplement, section 254A.03, subdivision 1, is amended
 34.14 to read:

34.15 Subdivision 1. **Alcohol and Other Drug Abuse Section.** There is hereby created an
 34.16 Alcohol and Other Drug Abuse Section in the Department of Human Services. This section
 34.17 shall be headed by a director. The commissioner may place the director's position in the
 34.18 unclassified service if the position meets the criteria established in section 43A.08,
 34.19 subdivision 1a. The section shall:

34.20 (1) conduct and foster basic research relating to the cause, prevention and methods of
 34.21 diagnosis, treatment and ~~rehabilitation~~ recovery of persons with substance misuse and
 34.22 substance use disorder;

34.23 (2) coordinate and review all activities and programs of all the various state departments
 34.24 as they relate to problems associated with substance misuse and substance use disorder;

34.25 (3) develop, demonstrate, and disseminate new methods and techniques for prevention,
 34.26 early intervention, treatment and recovery support for substance misuse and substance use
 34.27 disorder;

34.28 (4) gather facts and information about substance misuse and substance use disorder, and
 34.29 about the efficiency and effectiveness of prevention, treatment, and recovery support services
 34.30 from all comprehensive programs, including programs approved or licensed by the
 34.31 commissioner of human services or the commissioner of health or accredited by the Joint

35.1 Commission on Accreditation of Hospitals. The state authority is authorized to require
35.2 information from comprehensive programs which is reasonable and necessary to fulfill
35.3 these duties. When required information has been previously furnished to a state or local
35.4 governmental agency, the state authority shall collect the information from the governmental
35.5 agency. The state authority shall disseminate facts and summary information about problems
35.6 associated with substance misuse and substance use disorder to public and private agencies,
35.7 local governments, local and regional planning agencies, and the courts for guidance to and
35.8 assistance in prevention, treatment and recovery support;

35.9 (5) inform and educate the general public on substance misuse and substance use disorder;

35.10 (6) serve as the state authority concerning substance misuse and substance use disorder
35.11 by monitoring the conduct of diagnosis and referral services, research and comprehensive
35.12 programs. The state authority shall submit a biennial report to the governor and the legislature
35.13 containing a description of public services delivery and recommendations concerning
35.14 increase of coordination and quality of services, and decrease of service duplication and
35.15 cost;

35.16 (7) establish a state plan which shall set forth goals and priorities for a comprehensive
35.17 continuum of care for substance misuse and substance use disorder for Minnesota. All state
35.18 agencies operating substance misuse or substance use disorder programs or administering
35.19 state or federal funds for such programs shall annually set their program goals and priorities
35.20 in accordance with the state plan. Each state agency shall annually submit its plans and
35.21 budgets to the state authority for review. The state authority shall certify whether proposed
35.22 services comply with the comprehensive state plan and advise each state agency of review
35.23 findings;

35.24 (8) make contracts with and grants to public and private agencies and organizations,
35.25 both profit and nonprofit, and individuals, using federal funds, and state funds as authorized
35.26 to pay for costs of state administration, including evaluation, statewide programs and services,
35.27 research and demonstration projects, and American Indian programs;

35.28 (9) receive and administer money available for substance misuse and substance use
35.29 disorder programs under the alcohol, drug abuse, and mental health services block grant,
35.30 United States Code, title 42, sections 300X to 300X-9;

35.31 (10) solicit and accept any gift of money or property for purposes of Laws 1973, chapter
35.32 572, and any grant of money, services, or property from the federal government, the state,
35.33 any political subdivision thereof, or any private source;

36.1 (11) with respect to substance misuse and substance use disorder programs serving the
 36.2 American Indian community, establish guidelines for the employment of personnel with
 36.3 considerable practical experience in substance misuse and substance use disorder, and
 36.4 understanding of social and cultural problems related to substance misuse and substance
 36.5 use disorder, in the American Indian community.

36.6 Sec. 48. Minnesota Statutes 2017 Supplement, section 256B.051, subdivision 2, is amended
 36.7 to read:

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

36.10 (b) "At-risk of homelessness" means (1) an individual that is faced with a set of
 36.11 circumstances likely to cause the individual to become homeless, or (2) an individual
 36.12 previously homeless, who will be discharged from a correctional, medical, mental health,
 36.13 or treatment center, who lacks sufficient resources to pay for housing and does not have a
 36.14 permanent place to live.

36.15 (c) "Commissioner" means the commissioner of human services.

36.16 (d) "Homeless" means an individual or family lacking a fixed, adequate nighttime
 36.17 residence.

36.18 (e) "Individual with a disability" means:

36.19 (1) an individual who is aged, blind, or disabled as determined by the criteria used by
 36.20 the title 11 program of the Social Security Act, United States Code, title 42, section 416,
 36.21 paragraph (i), item (1); or

36.22 (2) an individual who meets a category of eligibility under section 256D.05, subdivision
 36.23 1, paragraph (a), clause (1), ~~(3)~~ (4), (5) to ~~(9)~~ (8), or ~~(14)~~ (13).

36.24 (f) "Institution" means a setting as defined in section 256B.0621, subdivision 2, clause
 36.25 (3), and the Minnesota Security Hospital as defined in section 253.20.

36.26 Sec. 49. Minnesota Statutes 2016, section 256B.0625, subdivision 16, is amended to read:

36.27 Subd. 16. **Abortion services.** Medical assistance covers abortion services, but only if
 36.28 one of the following conditions is met:

36.29 (a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written
 36.30 statement of two physicians indicating the abortion is medically necessary to prevent the
 36.31 death of the mother, and (2) the patient has given her consent to the abortion in writing

37.1 unless the patient is physically or legally incapable of providing informed consent to the
37.2 procedure, in which case consent will be given as otherwise provided by law;

37.3 (b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342,
37.4 subdivision 1, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours
37.5 after the incident occurs to a valid law enforcement agency for investigation, unless the
37.6 victim is physically unable to report the criminal sexual conduct, in which case the report
37.7 shall be made within 48 hours after the victim becomes physically able to report the criminal
37.8 sexual conduct; or

37.9 (c) The pregnancy is the result of incest, but only if the incident and relative are reported
37.10 to a valid law enforcement agency for investigation prior to the abortion.

37.11 Sec. 50. Minnesota Statutes 2017 Supplement, section 256B.0915, subdivision 1, is
37.12 amended to read:

37.13 Subdivision 1. **Authority.** (a) The commissioner is authorized to apply for a home and
37.14 community-based services waiver for the elderly, authorized under section 1915(c) of the
37.15 Social Security Act, in order to obtain federal financial participation to expand the availability
37.16 of services for persons who are eligible for medical assistance. The commissioner may
37.17 apply for additional waivers or pursue other federal financial participation which is
37.18 advantageous to the state for funding home care services for the frail elderly who are eligible
37.19 for medical assistance. The provision of waived services to ~~elderly and disabled~~ medical
37.20 assistance recipients who are elderly or have a disability must comply with the criteria for
37.21 service definitions and provider standards approved in the waiver.

37.22 (b) The commissioner shall comply with the requirements in the federally approved
37.23 transition plan for the home and community-based services waivers authorized under this
37.24 section.

37.25 Sec. 51. Minnesota Statutes 2017 Supplement, section 256B.0949, subdivision 13, is
37.26 amended to read:

37.27 Subd. 13. **Covered services.** (a) The services described in paragraphs (b) to (i) are
37.28 eligible for reimbursement by medical assistance under this section. Services must be
37.29 provided by a qualified EIDBI provider and supervised by a QSP. An EIDBI service must
37.30 address the person's medically necessary treatment goals and must be targeted to develop,
37.31 enhance, or maintain the individual developmental skills of a person with ASD or a related
37.32 condition to improve functional communication, social or interpersonal interaction, behavioral
37.33 challenges and self-regulation, cognition, learning and play, self-care₂ and safety.

38.1 (b) EIDBI modalities include, but are not limited to:

38.2 (1) applied behavior analysis (ABA);

38.3 (2) developmental individual-difference relationship-based model (DIR/Floortime);

38.4 (3) early start Denver model (ESDM);

38.5 (4) PLAY project; or

38.6 (5) relationship development intervention (RDI).

38.7 (c) An EIDBI provider may use one or more of the EIDBI modalities in paragraph (b),
38.8 clauses (1) to (5), as the primary modality for treatment as a covered service, or several
38.9 EIDBI modalities in combination as the primary modality of treatment, as approved by the
38.10 commissioner. An EIDBI provider that identifies and provides assurance of qualifications
38.11 for a single specific treatment modality must document the required qualifications to meet
38.12 fidelity to the specific model. Additional EIDBI modalities not listed in paragraph (b) may
38.13 be covered upon approval by the commissioner.

38.14 (d) CMDE is a comprehensive evaluation of the person's developmental status to
38.15 determine medical necessity for EIDBI services and meets the requirements of subdivision
38.16 5. The services must be provided by a qualified CMDE provider.

38.17 (e) EIDBI intervention observation and direction is the clinical direction and oversight
38.18 of EIDBI services by the QSP, level I treatment provider, or level II treatment provider,
38.19 including developmental and behavioral techniques, progress measurement, data collection,
38.20 function of behaviors, and generalization of acquired skills for the direct benefit of a person.
38.21 EIDBI intervention observation and direction informs any modification of the methods to
38.22 support the outcomes in the ITP. EIDBI intervention observation and direction provides a
38.23 real-time response to EIDBI interventions to maximize the benefit to the person.

38.24 (f) ITP development and ITP progress monitoring is development of the initial, annual,
38.25 and progress monitoring of an ITP. ITP development and ITP progress monitoring
38.26 documents, provides oversight and ongoing evaluation of a person's treatment and progress
38.27 on targeted goals and objectives, and integrates and coordinates the person's and the person's
38.28 legal representative's information from the CMDE and ITP progress monitoring. This service
38.29 must be reviewed and completed by the QSP, and may include input from a level I treatment
38.30 provider or a level II treatment provider.

38.31 (g) Family caregiver training and counseling is specialized training and education for a
38.32 family or primary caregiver to understand the person's developmental status and help with

39.1 the person's needs and development. This service must be provided by the QSP, level I
39.2 treatment provider, or level II treatment provider.

39.3 (h) A coordinated care conference is a voluntary face-to-face meeting with the person
39.4 and the person's family to review the CMDE or ITP progress monitoring and to integrate
39.5 and coordinate services across providers and service-delivery systems to develop the ITP.
39.6 This service must be provided by the QSP and may include the CMDE provider or a level
39.7 I treatment provider or a level II treatment provider.

39.8 (i) Travel time is allowable billing for traveling to and from the person's home, school,
39.9 a community setting, or place of service outside of an EIDBI center, clinic, or office from
39.10 a specified location to provide face-to-face EIDBI intervention, observation and direction,
39.11 or family caregiver training and counseling. The person's ITP must specify the reasons the
39.12 provider must travel to the person.

39.13 (j) Medical assistance covers medically necessary EIDBI services and consultations
39.14 delivered by a licensed health care provider via telemedicine, as defined under section
39.15 256B.0625, subdivision 3b, in the same manner as if the service or consultation was delivered
39.16 in person. Medical assistance coverage is limited to three telemedicine services per person
39.17 per calendar week.

39.18 Sec. 52. Minnesota Statutes 2016, section 256B.69, subdivision 5a, is amended to read:

39.19 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and
39.20 section 256L.12 shall be entered into or renewed on a calendar year basis. The commissioner
39.21 may issue separate contracts with requirements specific to services to medical assistance
39.22 recipients age 65 and older.

39.23 (b) A prepaid health plan providing covered health services for eligible persons pursuant
39.24 to chapters 256B and 256L is responsible for complying with the terms of its contract with
39.25 the commissioner. Requirements applicable to managed care programs under chapters 256B
39.26 and 256L established after the effective date of a contract with the commissioner take effect
39.27 when the contract is next issued or renewed.

39.28 (c) The commissioner shall withhold five percent of managed care plan payments under
39.29 this section and county-based purchasing plan payments under section 256B.692 for the
39.30 prepaid medical assistance program pending completion of performance targets. Each
39.31 performance target must be quantifiable, objective, measurable, and reasonably attainable,
39.32 except in the case of a performance target based on a federal or state law or rule. Criteria
39.33 for assessment of each performance target must be outlined in writing prior to the contract

40.1 effective date. Clinical or utilization performance targets and their related criteria must
40.2 consider evidence-based research and reasonable interventions when available or applicable
40.3 to the populations served, and must be developed with input from external clinical experts
40.4 and stakeholders, including managed care plans, county-based purchasing plans, and
40.5 providers. The managed care or county-based purchasing plan must demonstrate, to the
40.6 commissioner's satisfaction, that the data submitted regarding attainment of the performance
40.7 target is accurate. The commissioner shall periodically change the administrative measures
40.8 used as performance targets in order to improve plan performance across a broader range
40.9 of administrative services. The performance targets must include measurement of plan
40.10 efforts to contain spending on health care services and administrative activities. The
40.11 commissioner may adopt plan-specific performance targets that take into account factors
40.12 affecting only one plan, including characteristics of the plan's enrollee population. The
40.13 withheld funds must be returned no sooner than July of the following year if performance
40.14 targets in the contract are achieved. The commissioner may exclude special demonstration
40.15 projects under subdivision 23.

40.16 (d) The commissioner shall require that managed care plans use the assessment and
40.17 authorization processes, forms, timelines, standards, documentation, and data reporting
40.18 requirements, protocols, billing processes, and policies consistent with medical assistance
40.19 fee-for-service or the Department of Human Services contract requirements ~~consistent with~~
40.20 ~~medical assistance fee-for-service or the Department of Human Services contract~~
40.21 ~~requirements~~ for all personal care assistance services under section 256B.0659.

40.22 (e) Effective for services rendered on or after January 1, 2012, the commissioner shall
40.23 include as part of the performance targets described in paragraph (c) a reduction in the health
40.24 plan's emergency department utilization rate for medical assistance and MinnesotaCare
40.25 enrollees, as determined by the commissioner. For 2012, the reduction shall be based on
40.26 the health plan's utilization in 2009. To earn the return of the withhold each subsequent
40.27 year, the managed care plan or county-based purchasing plan must achieve a qualifying
40.28 reduction of no less than ten percent of the plan's emergency department utilization rate for
40.29 medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described
40.30 in subdivisions 23 and 28, compared to the previous measurement year until the final
40.31 performance target is reached. When measuring performance, the commissioner must
40.32 consider the difference in health risk in a managed care or county-based purchasing plan's
40.33 membership in the baseline year compared to the measurement year, and work with the
40.34 managed care or county-based purchasing plan to account for differences that they agree
40.35 are significant.

41.1 The withheld funds must be returned no sooner than July 1 and no later than July 31 of
41.2 the following calendar year if the managed care plan or county-based purchasing plan
41.3 demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate
41.4 was achieved. The commissioner shall structure the withhold so that the commissioner
41.5 returns a portion of the withheld funds in amounts commensurate with achieved reductions
41.6 in utilization less than the targeted amount.

41.7 The withhold described in this paragraph shall continue for each consecutive contract
41.8 period until the plan's emergency room utilization rate for state health care program enrollees
41.9 is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance
41.10 and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate with the
41.11 health plans in meeting this performance target and shall accept payment withholds that
41.12 may be returned to the hospitals if the performance target is achieved.

41.13 (f) Effective for services rendered on or after January 1, 2012, the commissioner shall
41.14 include as part of the performance targets described in paragraph (c) a reduction in the plan's
41.15 hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as
41.16 determined by the commissioner. To earn the return of the withhold each year, the managed
41.17 care plan or county-based purchasing plan must achieve a qualifying reduction of no less
41.18 than five percent of the plan's hospital admission rate for medical assistance and
41.19 MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and
41.20 28, compared to the previous calendar year until the final performance target is reached.
41.21 When measuring performance, the commissioner must consider the difference in health risk
41.22 in a managed care or county-based purchasing plan's membership in the baseline year
41.23 compared to the measurement year, and work with the managed care or county-based
41.24 purchasing plan to account for differences that they agree are significant.

41.25 The withheld funds must be returned no sooner than July 1 and no later than July 31 of
41.26 the following calendar year if the managed care plan or county-based purchasing plan
41.27 demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization
41.28 rate was achieved. The commissioner shall structure the withhold so that the commissioner
41.29 returns a portion of the withheld funds in amounts commensurate with achieved reductions
41.30 in utilization less than the targeted amount.

41.31 The withhold described in this paragraph shall continue until there is a 25 percent
41.32 reduction in the hospital admission rate compared to the hospital admission rates in calendar
41.33 year 2011, as determined by the commissioner. The hospital admissions in this performance
41.34 target do not include the admissions applicable to the subsequent hospital admission
41.35 performance target under paragraph (g). Hospitals shall cooperate with the plans in meeting

42.1 this performance target and shall accept payment withholds that may be returned to the
42.2 hospitals if the performance target is achieved.

42.3 (g) Effective for services rendered on or after January 1, 2012, the commissioner shall
42.4 include as part of the performance targets described in paragraph (c) a reduction in the plan's
42.5 hospitalization admission rates for subsequent hospitalizations within 30 days of a previous
42.6 hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare
42.7 enrollees, as determined by the commissioner. To earn the return of the withhold each year,
42.8 the managed care plan or county-based purchasing plan must achieve a qualifying reduction
42.9 of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees,
42.10 excluding enrollees in programs described in subdivisions 23 and 28, of no less than five
42.11 percent compared to the previous calendar year until the final performance target is reached.

42.12 The withheld funds must be returned no sooner than July 1 and no later than July 31 of
42.13 the following calendar year if the managed care plan or county-based purchasing plan
42.14 demonstrates to the satisfaction of the commissioner that a qualifying reduction in the
42.15 subsequent hospitalization rate was achieved. The commissioner shall structure the withhold
42.16 so that the commissioner returns a portion of the withheld funds in amounts commensurate
42.17 with achieved reductions in utilization less than the targeted amount.

42.18 The withhold described in this paragraph must continue for each consecutive contract
42.19 period until the plan's subsequent hospitalization rate for medical assistance and
42.20 MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and
42.21 28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year
42.22 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall
42.23 accept payment withholds that must be returned to the hospitals if the performance target
42.24 is achieved.

42.25 (h) Effective for services rendered on or after January 1, 2013, through December 31,
42.26 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under
42.27 this section and county-based purchasing plan payments under section 256B.692 for the
42.28 prepaid medical assistance program. The withheld funds must be returned no sooner than
42.29 July 1 and no later than July 31 of the following year. The commissioner may exclude
42.30 special demonstration projects under subdivision 23.

42.31 (i) Effective for services rendered on or after January 1, 2014, the commissioner shall
42.32 withhold three percent of managed care plan payments under this section and county-based
42.33 purchasing plan payments under section 256B.692 for the prepaid medical assistance
42.34 program. The withheld funds must be returned no sooner than July 1 and no later than July

43.1 31 of the following year. The commissioner may exclude special demonstration projects
43.2 under subdivision 23.

43.3 (j) A managed care plan or a county-based purchasing plan under section 256B.692 may
43.4 include as admitted assets under section 62D.044 any amount withheld under this section
43.5 that is reasonably expected to be returned.

43.6 (k) Contracts between the commissioner and a prepaid health plan are exempt from the
43.7 set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a), and
43.8 7.

43.9 (l) The return of the withhold under paragraphs (h) and (i) is not subject to the
43.10 requirements of paragraph (c).

43.11 (m) Managed care plans and county-based purchasing plans shall maintain current and
43.12 fully executed agreements for all subcontractors, including bargaining groups, for
43.13 administrative services that are expensed to the state's public health care programs.
43.14 Subcontractor agreements determined to be material, as defined by the commissioner after
43.15 taking into account state contracting and relevant statutory requirements, must be in the
43.16 form of a written instrument or electronic document containing the elements of offer,
43.17 acceptance, consideration, payment terms, scope, duration of the contract, and how the
43.18 subcontractor services relate to state public health care programs. Upon request, the
43.19 commissioner shall have access to all subcontractor documentation under this paragraph.
43.20 Nothing in this paragraph shall allow release of information that is nonpublic data pursuant
43.21 to section 13.02.

43.22 Sec. 53. Minnesota Statutes 2017 Supplement, section 256B.76, subdivision 1, is amended
43.23 to read:

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

43.26 (1) payment for level one Centers for Medicare and Medicaid Services' common
43.27 procedural coding system codes titled "office and other outpatient services," "preventive
43.28 medicine new and established patient," "delivery, antepartum, and postpartum care," "critical
43.29 care," cesarean delivery and pharmacologic management provided to psychiatric patients,
43.30 and level three codes for enhanced services for prenatal high risk, shall be paid at the lower
43.31 of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992;

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

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

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

44.9 (c) Effective for services rendered on or after July 1, 2009, payment rates for physician
44.10 and professional services shall be reduced by five percent, except that for the period July
44.11 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical
44.12 assistance and general assistance medical care programs, over the rates in effect on June
44.13 30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other
44.14 outpatient visits, preventive medicine visits and family planning visits billed by physicians,
44.15 advanced practice nurses, or physician assistants in a family planning agency or in one of
44.16 the following primary care practices: general practice, general internal medicine, general
44.17 pediatrics, general geriatrics, and family medicine. This reduction and the reductions in
44.18 paragraph (d) do not apply to federally qualified health centers, rural health centers, and
44.19 Indian health services. Effective October 1, 2009, payments made to managed care plans
44.20 and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall
44.21 reflect the payment reduction described in this paragraph.

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

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

45.1 (f) Effective for services rendered on or after September 1, 2014, payment rates for
 45.2 physician and professional services, including physical therapy, occupational therapy, speech
 45.3 pathology, and mental health services shall be increased by five percent from the rates in
 45.4 effect on August 31, 2014. In calculating this rate increase, the commissioner shall not
 45.5 include in the base rate for August 31, 2014, the rate increase provided under section
 45.6 256B.76, subdivision 7. This increase does not apply to federally qualified health centers,
 45.7 rural health centers, and Indian health services. Payments made to managed care plans and
 45.8 county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

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

45.15 (h) Any rates effective before July 1, 2015, do not apply to ~~autism early intensive~~
 45.16 ~~intervention~~ early intensive developmental and behavioral intervention (EIDBI) benefits
 45.17 described in section 256B.0949.

45.18 Sec. 54. Minnesota Statutes 2017 Supplement, section 256B.761, is amended to read:

45.19 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

45.20 (a) Effective for services rendered on or after July 1, 2001, payment for medication
 45.21 management provided to psychiatric patients, outpatient mental health services, day treatment
 45.22 services, home-based mental health services, and family community support services shall
 45.23 be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of
 45.24 1999 charges.

45.25 (b) Effective July 1, 2001, the medical assistance rates for outpatient mental health
 45.26 services provided by an entity that operates: (1) a Medicare-certified comprehensive
 45.27 outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993,
 45.28 with at least 33 percent of the clients receiving rehabilitation services in the most recent
 45.29 calendar year who are medical assistance recipients, will be increased by 38 percent, when
 45.30 those services are provided within the comprehensive outpatient rehabilitation facility and
 45.31 provided to residents of nursing facilities owned by the entity.

45.32 (c) The commissioner shall establish three levels of payment for mental health diagnostic
 45.33 assessment, based on three levels of complexity. The aggregate payment under the tiered

46.1 rates must not exceed the projected aggregate payments for mental health diagnostic
 46.2 assessment under the previous single rate. The new rate structure is effective January 1,
 46.3 2011, or upon federal approval, whichever is later.

46.4 (d) In addition to rate increases otherwise provided, the commissioner may restructure
 46.5 coverage policy and rates to improve access to adult rehabilitative mental health services
 46.6 under section 256B.0623 and related mental health support services under section 256B.021,
 46.7 subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected
 46.8 state share of increased costs due to this paragraph is transferred from adult mental health
 46.9 grants under sections 245.4661 and 256E.12. The transfer for fiscal year 2016 is a permanent
 46.10 base adjustment for subsequent fiscal years. Payments made to managed care plans and
 46.11 county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect
 46.12 the rate changes described in this paragraph.

46.13 (e) Any rates effective before July 1, 2015, do not apply to ~~autism early intensive~~
 46.14 ~~intervention~~ early intensive developmental and behavioral intervention (EIDBI) benefits
 46.15 described in section 256B.0949.

46.16 Sec. 55. Minnesota Statutes 2016, section 256C.23, subdivision 1, is amended to read:

46.17 Subdivision 1. **Scope.** For the purposes of sections 256C.21 to ~~256C.26~~ 256C.30, the
 46.18 terms defined in this section shall have the meanings given them, unless the context clearly
 46.19 indicates otherwise.

46.20 Sec. 56. Minnesota Statutes 2017 Supplement, section 256C.261, is amended to read:

46.21 **256C.261 SERVICES FOR PERSONS WHO ARE DEAFBLIND.**

46.22 (a) The commissioner of human services shall use at least 35 percent of the deafblind
 46.23 services biennial base level grant funding for services and other supports for a child who is
 46.24 deafblind and the child's family. The commissioner shall use at least 25 percent of the
 46.25 deafblind services biennial base level grant funding for services and other supports for an
 46.26 adult who is deafblind.

46.27 The commissioner shall award grants for the purposes of:

46.28 (1) providing services and supports to persons who are deafblind; and

46.29 (2) developing and providing training to counties and the network of senior citizen
 46.30 service providers. The purpose of the training grants is to teach counties how to use existing
 46.31 programs that capture federal financial participation to meet the needs of eligible persons

47.1 who are deafblind and to build capacity of senior service programs to meet the needs of
47.2 seniors with a dual sensory hearing and vision loss.

47.3 (b) The commissioner may make grants:

47.4 (1) for services and training provided by organizations; and

47.5 (2) to develop and administer consumer-directed services.

47.6 (c) Consumer-directed services shall be provided in whole by grant-funded providers.
47.7 The deaf and hard-of-hearing services division's regional service centers shall not provide
47.8 any aspect of a grant-funded consumer-directed services program.

47.9 (d) Any entity that is able to satisfy the grant criteria is eligible to receive a grant under
47.10 paragraph (a).

47.11 (e) Deafblind service providers may, but are not required to, provide intervenor services
47.12 as part of the service package provided with grant funds under this section.

47.13 Sec. 57. Minnesota Statutes 2017 Supplement, section 256D.44, subdivision 2, is amended
47.14 to read:

47.15 Subd. 2. **Standard of assistance for certain persons.** The state standard of assistance
47.16 for a person who: (1) is eligible for a medical assistance home and community-based services
47.17 waiver; (2) has been determined by the local agency to meet the plan requirements for
47.18 placement in a setting authorized to provide housing support under section 256I.04,
47.19 subdivision 1a; or (3) is eligible for a shelter needy payment under subdivision 5, paragraph
47.20 ~~(f)~~ (g), is the standard established in subdivision 3, paragraph (a) or (b).

47.21 Sec. 58. Minnesota Statutes 2017 Supplement, section 256E.30, subdivision 2, is amended
47.22 to read:

47.23 Subd. 2. **Allocation of money.** (a) State money appropriated and community service
47.24 block grant money allotted to the state and all money transferred to the community service
47.25 block grant from other block grants shall be allocated annually to community action agencies
47.26 and Indian reservation governments under ~~clauses~~ paragraphs (b) and (c), and to migrant
47.27 and seasonal farmworker organizations under ~~clause~~ paragraph (d).

47.28 (b) The available annual money will provide base funding to all community action
47.29 agencies and the Indian reservations. Base funding amounts per agency are as follows: for
47.30 agencies with low income populations up to 1,999, \$25,000; 2,000 to 23,999, \$50,000; and
47.31 24,000 or more, \$100,000.

48.1 (c) All remaining money of the annual money available after the base funding has been
48.2 determined must be allocated to each agency and reservation in proportion to the size of
48.3 the poverty level population in the agency's service area compared to the size of the poverty
48.4 level population in the state.

48.5 (d) Allocation of money to migrant and seasonal farmworker organizations must not
48.6 exceed three percent of the total annual money available. Base funding allocations must be
48.7 made for all community action agencies and Indian reservations that received money under
48.8 this subdivision, in fiscal year 1984, and for community action agencies designated under
48.9 this section with a service area population of 35,000 or greater.

48.10 Sec. 59. Minnesota Statutes 2017 Supplement, section 256I.04, subdivision 3, is amended
48.11 to read:

48.12 Subd. 3. **Moratorium on development of housing support beds.** (a) Agencies shall
48.13 not enter into agreements for new housing support beds with total rates in excess of the
48.14 MSA equivalent rate except:

48.15 (1) for establishments licensed under chapter 245D provided the facility is needed to
48.16 meet the census reduction targets for persons with developmental disabilities at regional
48.17 treatment centers;

48.18 (2) up to 80 beds in a single, specialized facility located in Hennepin County that will
48.19 provide housing for chronic inebriates who are repetitive users of detoxification centers and
48.20 are refused placement in emergency shelters because of their state of intoxication, and
48.21 planning for the specialized facility must have been initiated before July 1, 1991, in
48.22 anticipation of receiving a grant from the Housing Finance Agency under section 462A.05,
48.23 subdivision 20a, paragraph (b);

48.24 (3) notwithstanding the provisions of subdivision 2a, for up to 226 supportive housing
48.25 units in Anoka, Dakota, Hennepin, or Ramsey County for homeless adults with a mental
48.26 illness, a history of substance abuse, or human immunodeficiency virus or acquired
48.27 immunodeficiency syndrome. For purposes of this section, "homeless adult" means a person
48.28 who is living on the street or in a shelter or discharged from a regional treatment center,
48.29 community hospital, or residential treatment program and has no appropriate housing
48.30 available and lacks the resources and support necessary to access appropriate housing. At
48.31 least 70 percent of the supportive housing units must serve homeless adults with mental
48.32 illness, substance abuse problems, or human immunodeficiency virus or acquired
48.33 immunodeficiency syndrome who are about to be or, within the previous six months, ~~has~~
48.34 have been discharged from a regional treatment center, or a state-contracted psychiatric bed

49.1 in a community hospital, or a residential mental health or chemical dependency treatment
49.2 program. If a person meets the requirements of subdivision 1, paragraph (a), and receives
49.3 a federal or state housing subsidy, the housing support rate for that person is limited to the
49.4 supplementary rate under section 256I.05, subdivision 1a, and is determined by subtracting
49.5 the amount of the person's countable income that exceeds the MSA equivalent rate from
49.6 the housing support supplementary service rate. A resident in a demonstration project site
49.7 who no longer participates in the demonstration program shall retain eligibility for a housing
49.8 support payment in an amount determined under section 256I.06, subdivision 8, using the
49.9 MSA equivalent rate. Service funding under section 256I.05, subdivision 1a, will end June
49.10 30, 1997, if federal matching funds are available and the services can be provided through
49.11 a managed care entity. If federal matching funds are not available, then service funding will
49.12 continue under section 256I.05, subdivision 1a;

49.13 (4) for an additional two beds, resulting in a total of 32 beds, for a facility located in
49.14 Hennepin County providing services for recovering and chemically dependent men that has
49.15 had a housing support contract with the county and has been licensed as a board and lodge
49.16 facility with special services since 1980;

49.17 (5) for a housing support provider located in the city of St. Cloud, or a county contiguous
49.18 to the city of St. Cloud, that operates a 40-bed facility, that received financing through the
49.19 Minnesota Housing Finance Agency Ending Long-Term Homelessness Initiative and serves
49.20 chemically dependent clientele, providing 24-hour-a-day supervision;

49.21 (6) for a new 65-bed facility in Crow Wing County that will serve chemically dependent
49.22 persons, operated by a housing support provider that currently operates a 304-bed facility
49.23 in Minneapolis, and a 44-bed facility in Duluth;

49.24 (7) for a housing support provider that operates two ten-bed facilities, one located in
49.25 Hennepin County and one located in Ramsey County, that provide community support and
49.26 24-hour-a-day supervision to serve the mental health needs of individuals who have
49.27 chronically lived unsheltered; and

49.28 (8) for a facility authorized for recipients of housing support in Hennepin County with
49.29 a capacity of up to 48 beds that has been licensed since 1978 as a board and lodging facility
49.30 and that until August 1, 2007, operated as a licensed chemical dependency treatment program.

49.31 (b) An agency may enter into a housing support agreement for beds with rates in excess
49.32 of the MSA equivalent rate in addition to those currently covered under a housing support
49.33 agreement if the additional beds are only a replacement of beds with rates in excess of the
49.34 MSA equivalent rate which have been made available due to closure of a setting, a change

50.1 of licensure or certification which removes the beds from housing support payment, or as
 50.2 a result of the downsizing of a setting authorized for recipients of housing support. The
 50.3 transfer of available beds from one agency to another can only occur by the agreement of
 50.4 both agencies.

50.5 Sec. 60. Minnesota Statutes 2017 Supplement, section 256N.261, subdivision 1, is amended
 50.6 to read:

50.7 Subdivision 1. **Program established.** The commissioner shall design and implement a
 50.8 coordinated program to reduce the need for placement changes or out-of-home placements
 50.9 of children and youth in foster care, adoptive placements, and permanent physical and legal
 50.10 custody kinship placements, and to improve the functioning and stability of these families.
 50.11 To the extent federal funds are available, the commissioner shall provide the following
 50.12 adoption and foster care-competent services and ensure that placements are trauma-informed
 50.13 and child and family-centered:

50.14 (1) a program providing information, referrals, a parent-to-parent support network, peer
 50.15 support for youth, family activities, respite care, crisis services, educational support, and
 50.16 mental health services for children and youth in adoption, foster care, and kinship placements
 50.17 and adoptive, foster, and kinship families in Minnesota;

50.18 (2) training offered statewide in Minnesota for foster, adoptive, and kinship families,
 50.19 ~~and training for foster families,~~ and the professionals who serve the families, on the effects
 50.20 of trauma, common disabilities of adopted children and children in foster care, and kinship
 50.21 placements, and challenges in adoption, foster care, and kinship placements; and

50.22 (3) periodic evaluation of these services to ensure program effectiveness in preserving
 50.23 and improving the success of adoptive, foster, and kinship placements.

50.24 Sec. 61. Minnesota Statutes 2016, section 256P.07, subdivision 7, is amended to read:

50.25 Subd. 7. **Minnesota supplemental aid-specific reporting.** In addition to subdivision
 50.26 3, an assistance unit participating in the Minnesota supplemental aid program under section
 50.27 256D.44, subdivision 5, paragraph ~~(f)~~ (g), within ten days of the change, must report shelter
 50.28 expenses.

50.29 Sec. 62. Minnesota Statutes 2016, section 256R.04, subdivision 7, is amended to read:

50.30 Subd. 7. **Violations and penalties.** For a period not to exceed 180 days, the commissioner
 50.31 may continue to make medical assistance payments to a nursing facility ~~or boarding care~~
 50.32 ~~home~~ which is in violation of this section if extreme hardship to the residents would result.

51.1 In these cases the commissioner shall issue an order requiring the nursing facility to correct
 51.2 the violation. The nursing facility shall have 20 days from its receipt of the order to correct
 51.3 the violation. If the violation is not corrected within the 20-day period the commissioner
 51.4 may reduce the payment rate to the nursing facility by up to 20 percent. The amount of the
 51.5 payment rate reduction shall be related to the severity of the violation and shall remain in
 51.6 effect until the violation is corrected. The nursing facility ~~or boarding care home~~ may appeal
 51.7 the commissioner's action pursuant to the provisions of chapter 14 pertaining to contested
 51.8 cases. An appeal shall be considered timely if written notice of appeal is received by the
 51.9 commissioner within 20 days of notice of the commissioner's proposed action.

51.10 Sec. 63. Minnesota Statutes 2017 Supplement, section 260B.050, is amended to read:

51.11 **260B.050 EXPERT ASSISTANCE.**

51.12 In any county the court may provide for the physical and mental diagnosis of cases of
 51.13 minors who are believed to be persons ~~with a physical disability, mentally ill, or~~
 51.14 ~~developmentally disabled~~, who have a physical disability, mental illness, or developmental
 51.15 disability and for such purpose may appoint professionally qualified persons, whose
 51.16 compensation shall be fixed by the judge with the approval of the county board.

51.17 Sec. 64. Minnesota Statutes 2016, section 268.069, subdivision 1, is amended to read:

51.18 Subdivision 1. **Requirements.** The commissioner must pay unemployment benefits
 51.19 from the trust fund to an applicant who has met each of the following requirements:

51.20 (1) the applicant has filed an application for unemployment benefits and established a
 51.21 benefit account in accordance with section 268.07;

51.22 (2) the applicant has not been held ineligible for unemployment benefits under section
 51.23 268.095 because of a quit or discharge;

51.24 (3) the applicant has met all of the ongoing eligibility requirements under section 268.085;

51.25 (4) the applicant does not have an outstanding overpayment of unemployment benefits,
 51.26 including any penalties or interest; and

51.27 (5) the applicant has not been held ineligible for unemployment benefits under section
 51.28 ~~268.182~~ 268.183 because of a false representation or concealment of facts.

51.29 Sec. 65. Minnesota Statutes 2016, section 268.085, subdivision 2, is amended to read:

51.30 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for any week:

52.1 (1) that occurs before the effective date of a benefit account;

52.2 (2) that the applicant, at any time during the week, has an outstanding ~~fraud~~
52.3 misrepresentation overpayment balance under section 268.18, subdivision 2, including any
52.4 penalties and interest;

52.5 (3) that occurs in a period when the applicant is a student in attendance at, or on vacation
52.6 from a secondary school including the period between academic years or terms;

52.7 (4) that the applicant is incarcerated or performing court-ordered community service.
52.8 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day
52.9 the applicant is incarcerated or performing court-ordered community service;

52.10 (5) that the applicant fails or refuses to provide information on an issue of ineligibility
52.11 required under section 268.101;

52.12 (6) that the applicant is performing services 32 hours or more, in employment, covered
52.13 employment, noncovered employment, volunteer work, or self-employment regardless of
52.14 the amount of any earnings; or

52.15 (7) with respect to which the applicant has filed an application for unemployment benefits
52.16 under any federal law or the law of any other state. If the appropriate agency finally
52.17 determines that the applicant is not entitled to establish a benefit account under federal law
52.18 or the law of any other state, this clause does not apply.

52.19 Sec. 66. Minnesota Statutes 2016, section 268.101, subdivision 1, is amended to read:

52.20 Subdivision 1. **Notification.** (a) In an application for unemployment benefits, each
52.21 applicant must report the name and the reason for no longer working for the applicant's
52.22 most recent employer, as well as the names of all employers and the reasons for no longer
52.23 working for all employers during the six calendar months before the date of the application.
52.24 If the reason reported for no longer working for any of those employers is other than a layoff
52.25 because of lack of work, that raises an issue of ineligibility that the department must
52.26 determine. An applicant must report any offers of employment refused during the eight
52.27 calendar weeks before the date of the application for unemployment benefits and the name
52.28 of the employer that made the offer. An applicant's failure to report the name of an employer,
52.29 or giving an incorrect reason for no longer working for an employer, or failing to disclose
52.30 an offer of employment that was refused, is a violation of section ~~268.182, subdivision 2~~
52.31 268.183.

52.32 In an application, the applicant must also provide all information necessary to determine
52.33 the applicant's eligibility for unemployment benefits under this chapter. If the applicant fails

53.1 or refuses to provide information necessary to determine the applicant's eligibility for
53.2 unemployment benefits, the applicant is ineligible for unemployment benefits under section
53.3 268.085, subdivision 2, until the applicant provides this required information.

53.4 (b) Upon establishment of a benefit account under section 268.07, subdivision 2, the
53.5 commissioner must notify, by mail or electronic transmission, all employers the applicant
53.6 was required to report on the application and all base period employers and determined
53.7 successors to those employers under section 268.051, subdivision 4, in order to provide the
53.8 employer an opportunity to raise, in a manner and format prescribed by the commissioner,
53.9 any issue of ineligibility. An employer must be informed of the effect that failure to raise
53.10 an issue of ineligibility as a result of a quit or discharge of the applicant, as provided for
53.11 under subdivision 2, paragraph (b), may have on the employer under section 268.047.

53.12 (c) Each applicant must report any employment, and loss of employment, and offers of
53.13 employment refused, during those weeks the applicant filed continued requests for
53.14 unemployment benefits under section 268.0865. Each applicant who stops filing continued
53.15 requests during the benefit year and later begins filing continued requests during that same
53.16 benefit year must report the name of any employer the applicant worked for during the
53.17 period between the filing of continued requests and the reason the applicant stopped working
53.18 for the employer. The applicant must report any offers of employment refused during the
53.19 period between the filing of continued requests for unemployment benefits. Those employers
53.20 from which the applicant has reported a loss of employment under this paragraph must be
53.21 notified by mail or electronic transmission and provided an opportunity to raise, in a manner
53.22 prescribed by the commissioner, any issue of ineligibility. An employer must be informed
53.23 of the effect that failure to raise an issue of ineligibility as a result of a quit or a discharge
53.24 of the applicant may have on the employer under section 268.047.

53.25 (d) The purpose for requiring the applicant to report the name of employers and the
53.26 reason for no longer working for those employers, or offers of employment refused, under
53.27 paragraphs (a) and (c) is for the commissioner to obtain information from an applicant
53.28 raising all issues that may result in the applicant being ineligible for unemployment benefits
53.29 under section 268.095, because of a quit or discharge, or the applicant being ineligible for
53.30 unemployment benefits under section 268.085, subdivision 13c. If the reason given by the
53.31 applicant for no longer working for an employer is other than a layoff because of lack of
53.32 work, that raises an issue of ineligibility and the applicant is required, as part of the
53.33 determination process under subdivision 2, paragraph (a), to state all the facts about the
53.34 cause for no longer working for the employer, if known. If the applicant fails or refuses to

54.1 provide any required information, the applicant is ineligible for unemployment benefits
54.2 under section 268.085, subdivision 2, until the applicant provides this required information.

54.3 Sec. 67. Minnesota Statutes 2016, section 268.186, subdivision 1, is amended to read:

54.4 Subdivision 1. **Employer records; audits.** (a) Each employer must keep true and accurate
54.5 records on individuals performing services for the employer, containing the information
54.6 the commissioner may require under Minnesota Rules, part 3315.1010. The records must
54.7 be kept for a period of not less than four years in addition to the current calendar year.

54.8 (b) For the purpose of administering this chapter, the commissioner has the power to
54.9 audit, examine, or cause to be supplied or copied, any books, correspondence, papers,
54.10 records, or memoranda that are the property of, or in the possession of, an employer or any
54.11 other person at any reasonable time and as often as may be necessary. Subpoenas may be
54.12 issued under section 268.188, as necessary, for an audit.

54.13 An employer, or other person, that refuses to allow an audit of its records by the
54.14 department, or that fails to make all necessary records available for audit in Minnesota upon
54.15 request of the commissioner, may be assessed an administrative penalty of \$500. The penalty
54.16 collected is credited to the trust fund.

54.17 (c) An employer, or other person, that fails to provide a weekly breakdown of money
54.18 earned by an applicant upon request of the commissioner, information necessary for the
54.19 detection of applicant ~~fraud~~ misrepresentation under section 268.18, subdivision 2, may be
54.20 assessed an administrative penalty of \$100. Any notice requesting a weekly breakdown
54.21 must clearly state that a \$100 penalty may be assessed for failure to provide the information.
54.22 The penalty collected is credited to the trust fund.

54.23 Sec. 68. Minnesota Statutes 2017 Supplement, section 270.071, subdivision 7a, is amended
54.24 to read:

54.25 Subd. 7a. **Intermittently Intermittent or irregularly timed flights.** "~~Intermittently~~
54.26 Intermittent or irregularly timed flights" means any flight in which the departure time,
54.27 departure location, and arrival location are specifically negotiated with the customer or the
54.28 customer's representative, including but not limited to charter flights.

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

55.1 Sec. 69. Minnesota Statutes 2017 Supplement, section 270.074, subdivision 1, is amended
55.2 to read:

55.3 Subdivision 1. **Valuation.** The commissioner shall determine the market valuation of
55.4 all flight property operated or used by every airline company in air commerce in this state.
55.5 The valuation apportioned to this state of such flight property shall be the proportion of the
55.6 total valuation thereof determined on the basis of the total of the following percentages:

55.7 (1) 50 percent of the percentage which the number of revenue ton miles of passengers,
55.8 mail, express and freight flown by the airline company within this state during the preceding
55.9 calendar year is of the total number of such miles flown by it within and without this state
55.10 during the preceding calendar year.

55.11 (2) 50 percent of the percentage that the total departures performed by the airline company
55.12 within this state during the preceding calendar year is of the total departures performed by
55.13 it within and without this state during the preceding calendar year.

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

55.15 Sec. 70. Minnesota Statutes 2017 Supplement, section 272.02, subdivision 10, is amended
55.16 to read:

55.17 Subd. 10. **Personal property used for pollution control.** Personal property used
55.18 primarily for the abatement and control of air, water, or land pollution is exempt to the
55.19 extent that it is so used, and real property is exempt if it is used primarily for abatement and
55.20 control of air, water, or land pollution as part of an agricultural operation, as a part of a
55.21 centralized treatment and recovery facility operating under a permit issued by the Minnesota
55.22 Pollution Control Agency pursuant to chapters 115 and 116 and Minnesota Rules, parts
55.23 7001.0500 to 7001.0730, and 7045.0020 to 7045.1030, as a wastewater treatment facility
55.24 and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges,
55.25 or inorganic materials from hazardous industrial wastes, or as part of an electric generation
55.26 system. For purposes of this subdivision, personal property includes ponderous machinery
55.27 and equipment used in a business or production activity that at common law is considered
55.28 real property.

55.29 Any taxpayer requesting exemption of all or a portion of any real property or any
55.30 equipment or device, or part thereof, operated primarily for the control or abatement of air,
55.31 water, or land pollution shall file an application with the commissioner of revenue. The
55.32 commissioner shall develop an electronic means to notify interested parties when electric
55.33 power generation facilities have filed an application. The commissioner shall prescribe the

56.1 content, format, and manner of the application pursuant to section 270C.30, except that a
 56.2 "law administered by the commissioner" includes the property tax laws, ~~and~~. If an application
 56.3 is made by electronic means, the taxpayer's signature is defined pursuant to section 270C.304,
 56.4 except that a "law administered by the commissioner" includes the property tax laws. The
 56.5 Minnesota Pollution Control Agency shall upon request of the commissioner furnish
 56.6 information and advice to the commissioner.

56.7 The information and advice furnished by the Minnesota Pollution Control Agency must
 56.8 include statements as to whether the equipment, device, or real property meets a standard,
 56.9 rule, criteria, guideline, policy, or order of the Minnesota Pollution Control Agency, and
 56.10 whether the equipment, device, or real property is installed or operated in accordance with
 56.11 it. On determining that property qualifies for exemption, the commissioner shall issue an
 56.12 order exempting the property from taxation. The commissioner shall develop an electronic
 56.13 means to notify interested parties when the commissioner has issued an order exempting
 56.14 property from taxation under this subdivision. The equipment, device, or real property shall
 56.15 continue to be exempt from taxation as long as the order issued by the commissioner remains
 56.16 in effect.

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

56.18 Sec. 71. Minnesota Statutes 2017 Supplement, section 273.372, subdivision 2, is amended
 56.19 to read:

56.20 Subd. 2. **Contents and filing of petition.** (a) In all appeals to court that are required to
 56.21 be brought against the commissioner under this section, the petition initiating the appeal
 56.22 must be served on the commissioner and must be filed with the Tax Court in Ramsey County,
 56.23 as provided in paragraph (b) or (c).

56.24 (b) If the appeal to court is from an order of the commissioner, it must be brought under
 56.25 chapter 271 and filed within the time period prescribed in section 271.06, subdivision 2,
 56.26 except that when the provisions of this section conflict with chapter 271 or 278, this section
 56.27 prevails. In addition, the petition must include all the parcels encompassed by that order
 56.28 which the petitioner claims have been partially, unfairly, or unequally assessed, assessed
 56.29 at a valuation greater than their real or actual value, misclassified, or are exempt. For this
 56.30 purpose, an order of the commissioner is either (1) a certification or notice of value by the
 56.31 commissioner for property described in subdivision 1, or (2) the final determination by the
 56.32 commissioner of ~~either an administrative appeal conference or informal administrative~~
 56.33 ~~appeal~~ described in subdivision 4.

57.1 (c) If the appeal is from the tax that results from implementation of the commissioner's
 57.2 order, certification, or recommendation, it must be brought under chapter 278, and the
 57.3 provisions in that chapter apply, except that service shall be on the commissioner only and
 57.4 not on the local officials specified in section 278.01, subdivision 1, and if any other provision
 57.5 of this section conflicts with chapter 278, this section prevails. In addition, the petition must
 57.6 include either all the utility parcels or all the railroad parcels in the state in which the
 57.7 petitioner claims an interest and which the petitioner claims have been partially, unfairly,
 57.8 or unequally assessed, assessed at a valuation greater than their real or actual value,
 57.9 misclassified, or are exempt.

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

57.11 Sec. 72. Minnesota Statutes 2017 Supplement, section 290.01, subdivision 31, is amended
 57.12 to read:

57.13 Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal
 57.14 Revenue Code" means the Internal Revenue Code of 1986, as amended through December
 57.15 16, 2016. Internal Revenue Code also includes any uncodified provision in federal law that
 57.16 relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.
 57.17 ~~When used in this chapter, the reference to "subtitle A, chapter 1, subchapter N, part 1, of~~
 57.18 ~~the Internal Revenue Code" is to the Internal Revenue Code as amended through March 18,~~
 57.19 ~~2010.~~

57.20 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 57.21 after December 31, 2012.

57.22 Sec. 73. Minnesota Statutes 2017 Supplement, section 290.067, subdivision 1, is amended
 57.23 to read:

57.24 Subdivision 1. **Amount of credit.** (a) A taxpayer may take as a credit against the tax
 57.25 due from the taxpayer and a spouse, if any, under this chapter an amount equal to the
 57.26 dependent care credit for which the taxpayer is eligible pursuant to the provisions of section
 57.27 21 of the Internal Revenue Code except that in determining whether the child qualified as
 57.28 a dependent, income received as a Minnesota family investment program grant or allowance
 57.29 to or on behalf of the child must not be taken into account in determining whether the child
 57.30 received more than half of the child's support from the taxpayer, ~~and the provisions of~~
 57.31 ~~section 32(b)(1)(D) of the Internal Revenue Code do not apply.~~

57.32 (b) If a child who has not attained the age of six years at the close of the taxable year is
 57.33 cared for at a licensed family day care home operated by the child's parent, the taxpayer is

58.1 deemed to have paid employment-related expenses. If the child is 16 months old or younger
58.2 at the close of the taxable year, the amount of expenses deemed to have been paid equals
58.3 the maximum limit for one qualified individual under section 21(c) and (d) of the Internal
58.4 Revenue Code. If the child is older than 16 months of age but has not attained the age of
58.5 six years at the close of the taxable year, the amount of expenses deemed to have been paid
58.6 equals the amount the licensee would charge for the care of a child of the same age for the
58.7 same number of hours of care.

58.8 (c) If a married couple:

58.9 (1) has a child who has not attained the age of one year at the close of the taxable year;

58.10 (2) files a joint tax return for the taxable year; and

58.11 (3) does not participate in a dependent care assistance program as defined in section 129
58.12 of the Internal Revenue Code, in lieu of the actual employment related expenses paid for
58.13 that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i)
58.14 the combined earned income of the couple or (ii) the amount of the maximum limit for one
58.15 qualified individual under section 21(c) and (d) of the Internal Revenue Code will be deemed
58.16 to be the employment related expense paid for that child. The earned income limitation of
58.17 section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These
58.18 deemed amounts apply regardless of whether any employment-related expenses have been
58.19 paid.

58.20 (d) If the taxpayer is not required and does not file a federal individual income tax return
58.21 for the tax year, no credit is allowed for any amount paid to any person unless:

58.22 (1) the name, address, and taxpayer identification number of the person are included on
58.23 the return claiming the credit; or

58.24 (2) if the person is an organization described in section 501(c)(3) of the Internal Revenue
58.25 Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name
58.26 and address of the person are included on the return claiming the credit.

58.27 In the case of a failure to provide the information required under the preceding sentence,
58.28 the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence
58.29 in attempting to provide the information required.

58.30 (e) In the case of a nonresident, part-year resident, or a person who has earned income
58.31 not subject to tax under this chapter including earned income excluded pursuant to section
58.32 290.0132, subdivision 10, the credit determined under section 21 of the Internal Revenue
58.33 Code must be allocated based on the ratio by which the earned income of the claimant and

59.1 the claimant's spouse from Minnesota sources bears to the total earned income of the claimant
59.2 and the claimant's spouse.

59.3 (f) For residents of Minnesota, the subtractions for military pay under section 290.0132,
59.4 subdivisions 11 and 12, are not considered "earned income not subject to tax under this
59.5 chapter."

59.6 (g) For residents of Minnesota, the exclusion of combat pay under section 112 of the
59.7 Internal Revenue Code is not considered "earned income not subject to tax under this
59.8 chapter."

59.9 (h) For taxpayers with federal adjusted gross income in excess of \$50,000, the credit is
59.10 equal to the lesser of the credit otherwise calculated under this subdivision, or the amount
59.11 equal to \$600 minus five percent of federal adjusted gross income in excess of \$50,000 for
59.12 taxpayers with one qualified individual, or \$1,200 minus five percent of federal adjusted
59.13 gross income in excess of \$50,000 for taxpayers with two or more qualified individuals,
59.14 but in no case is the credit less than zero.

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

59.16 Sec. 74. Minnesota Statutes 2016, section 290.068, as amended by Laws 2017, First Special
59.17 Session chapter 1, article 1, section 23, and Laws 2017, First Special Session chapter 1,
59.18 article 13, section 10, is amended to read:

59.19 **290.068 CREDIT FOR INCREASING RESEARCH ACTIVITIES.**

59.20 Subdivision 1. **Credit allowed.** A corporation, partners in a partnership, or shareholders
59.21 in a corporation treated as an "S" corporation under section 290.9725 are allowed a credit
59.22 against the tax computed under this chapter for the taxable year equal to:

59.23 (a) ten percent of the first \$2,000,000 of the excess (if any) of

59.24 (1) the qualified research expenses for the taxable year, over

59.25 (2) the base amount; and

59.26 (b) four percent on all of such excess expenses over \$2,000,000.

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

59.29 (a) "Qualified research expenses" means (i) qualified research expenses and basic research
59.30 payments as defined in section 41(b) and (e) of the Internal Revenue Code, except it does
59.31 not include expenses incurred for qualified research or basic research conducted outside

60.1 the state of Minnesota pursuant to section 41(d) and (e) of the Internal Revenue Code; and
60.2 (ii) contributions to a nonprofit corporation established and operated pursuant to the
60.3 provisions of chapter 317A for the purpose of promoting the establishment and expansion
60.4 of business in this state, provided the contributions are invested by the nonprofit corporation
60.5 for the purpose of providing funds for small, technologically innovative enterprises in
60.6 Minnesota during the early stages of their development.

60.7 (b) "Qualified research" means qualified research as defined in section 41(d) of the
60.8 Internal Revenue Code, except that the term does not include qualified research conducted
60.9 outside the state of Minnesota.

60.10 (c) "Base amount" means base amount as defined in section 41(c) of the Internal Revenue
60.11 Code, except that the average annual gross receipts and aggregate gross receipts must be
60.12 calculated using Minnesota sales or receipts under section 290.191 and the definitions
60.13 contained in paragraphs (a) and (b) shall apply.

60.14 (d) "Liability for tax" means the sum of the tax imposed under section 290.06,
60.15 subdivisions 1 and 2c, for the taxable year reduced by the sum of the nonrefundable credits
60.16 allowed under this chapter, on all of the entities required to be included on the combined
60.17 report of the unitary business.

60.18 Subd. 3. **Limitation; carryover.** (a) The credit for a taxable year beginning before
60.19 January 1, 2010, and after December 31, 2012, shall not exceed the liability for tax. "~~Liability~~
60.20 ~~for tax~~" for purposes of this section means the sum of the tax imposed under section 290.06,
60.21 ~~subdivisions 1 and 2c, for the taxable year reduced by the sum of the nonrefundable credits~~
60.22 ~~allowed under this chapter, on all of the entities required to be included on the combined~~
60.23 ~~report of the unitary business.~~ If the amount of the credit allowed exceeds the liability for
60.24 tax of the taxpayer, but is allowed as a result of the liability for tax of other members of the
60.25 unitary group for the taxable year, the taxpayer must allocate the excess as a research credit
60.26 to another member of the unitary group.

60.27 (b) In the case of a corporation which is a partner in a partnership, the credit allowed
60.28 for the taxable year shall not exceed the lesser of the amount determined under paragraph
60.29 (a) for the taxable year or an amount (separately computed with respect to the corporation's
60.30 interest in the trade or business or entity) equal to the amount of tax attributable to that
60.31 portion of taxable income which is allocable or apportionable to the corporation's interest
60.32 in the trade or business or entity.

60.33 (c) If the amount of the credit determined under this section for any taxable year exceeds
60.34 the limitation under paragraph (a) or (b), including amounts allocated to other members of

61.1 the unitary group, the excess shall be a research credit carryover to each of the 15 succeeding
61.2 taxable years. The entire amount of the excess unused credit for the taxable year shall be
61.3 carried first to the earliest of the taxable years to which the credit may be carried and then
61.4 to each successive year to which the credit may be carried. The amount of the unused credit
61.5 which may be added under this clause shall not exceed the taxpayer's liability for tax less
61.6 the research credit for the taxable year.

61.7 Subd. 4. **Partnerships and S corporations.** In the case of partnerships the credit shall
61.8 be allocated in the same manner provided by section 41(f)(2) of the Internal Revenue Code.

61.9 For shareholders in S corporations the credit must be allocated in the same manner as
61.10 provided by section 1366(a) of the Internal Revenue Code.

61.11 Subd. 5. **Adjustments; acquisitions and dispositions.** If a taxpayer acquires or disposes
61.12 of the major portion of a trade or business or the major portion of a separate unit of a trade
61.13 or business in a transaction with another taxpayer, the taxpayer's qualified research expenses
61.14 and base amount are adjusted in the same manner provided by section 41(f)(3) of the Internal
61.15 Revenue Code.

61.16 Subd. 6a. **Credit to be refundable.** If the amount of credit allowed in this section for
61.17 qualified research expenses incurred in taxable years beginning after December 31, 2009,
61.18 and before January 1, 2013, exceeds the taxpayer's tax liability under this chapter, the
61.19 commissioner shall refund the excess amount. The credit allowed for qualified research
61.20 expenses incurred in taxable years beginning after December 31, 2009, and before January
61.21 1, 2013, must be used before any research credit earned under subdivision 3.

61.22 Subd. 7. **Appropriation.** An amount sufficient to pay the refunds required by this section
61.23 is appropriated to the commissioner from the general fund.

61.24 Sec. 75. Minnesota Statutes 2017 Supplement, section 290.081, is amended to read:

61.25 **290.081 INCOME OF NONRESIDENTS, RECIPROACITY.**

61.26 (a) The compensation received for the performance of personal or professional services
61.27 within this state by an individual whose residence, place of abode, and place customarily
61.28 returned to at least once a month is in another state, shall be excluded from gross income
61.29 to the extent such compensation is subject to an income tax imposed by the state of residence;
61.30 provided that such state allows a similar exclusion of compensation received by residents
61.31 of Minnesota for services performed therein.

61.32 (b) When it is deemed to be in the best interests of the people of this state, the
61.33 commissioner may determine that the provisions of paragraph (a) shall not apply. As long

62.1 as the provisions of paragraph (a) apply between Minnesota and Wisconsin, the provisions
62.2 of paragraph (a) shall apply to any individual who is domiciled in Wisconsin.

62.3 (c) For the purposes of paragraph (a), whenever the Wisconsin tax on Minnesota residents
62.4 which would have been paid Wisconsin without paragraph (a) exceeds the Minnesota tax
62.5 on Wisconsin residents which would have been paid Minnesota without paragraph (a), or
62.6 vice versa, then the state with the net revenue loss calculated under paragraph (e) shall
62.7 receive from the other state the amount of such loss.

62.8 (d) Payments for amounts calculated under paragraph (c) must equal one-quarter of the
62.9 estimated annual amount and must be paid at the midpoint of each quarter, on February 15,
62.10 May 15, August 15, and November 15.

62.11 (e)(1) The commissioner of revenue is authorized to enter into agreements with the state
62.12 of Wisconsin specifying the reciprocity payment due dates, conditions constituting
62.13 delinquency, interest rates, and a method for computing interest due.

62.14 (2) For agreements entered into before August 1, 2018, the annual compensation required
62.15 under paragraph (c) must equal at least the net revenue loss minus up to \$3,000,000 per
62.16 fiscal year.

62.17 (3) For the purposes of this section, "net revenue loss" means the difference between
62.18 the amount of Minnesota income taxes Minnesota forgoes by not taxing Wisconsin residents
62.19 on income subject to reciprocity and the credit Minnesota would have been required to give
62.20 under section 290.06, subdivision 22, to Minnesota residents working in Wisconsin had
62.21 there not been reciprocity.

62.22 (4) All agreements must include provisions:

62.23 (i) providing for a suspension of the agreement if one party to the agreement does not
62.24 pay in full by a time prescribed in the agreement;

62.25 (ii) setting the interest rate that will be applied, and that interest shall run from the date
62.26 the payment is due until the day the payment is made, except that interest from the
62.27 reconciliation payments runs from July 1 of the tax year until paid;

62.28 (iii) stating a time for annual reconciliation must be completed by October 31 of the
62.29 year following the tax year, and the time for payment of any amounts to be completed by
62.30 no later than December 1 of the year following the tax year;

62.31 (iv) requiring the parties to jointly conduct updated benchmark studies every five years
62.32 beginning tax year 2018;

63.1 (v) requiring each party to the agreement to require taxpayers who request exemption
63.2 from withholding in the state where they work to make an annual application and that a list
63.3 of participants will be exchanged annually; and

63.4 (vi) that provide that the sum of the amount of the quarterly payments must be a
63.5 reasonable estimate of the revenue loss as defined in ~~item (iii)~~ clause (3).

63.6 (f) If an agreement cannot be reached as to the amount of the loss, the commissioner of
63.7 revenue and the taxing official of the state of Wisconsin shall each appoint a member of a
63.8 board of arbitration and these members shall appoint the third member of the board. The
63.9 board shall select one of its members as chair. Such board may administer oaths, take
63.10 testimony, subpoena witnesses, and require their attendance, require the production of books,
63.11 papers and documents, and hold hearings at such places as are deemed necessary. The board
63.12 shall then make a determination as to the amount to be paid the other state which
63.13 determination shall be final and conclusive.

63.14 (g) The commissioner may furnish copies of returns, reports, or other information to the
63.15 taxing official of the state of Wisconsin, a member of the board of arbitration, or a consultant
63.16 under joint contract with the states of Minnesota and Wisconsin for the purpose of making
63.17 a determination as to the amount to be paid the other state under the provisions of this
63.18 section. Prior to the release of any information under the provisions of this section, the
63.19 person to whom the information is to be released shall sign an agreement which provides
63.20 that the person will protect the confidentiality of the returns and information revealed thereby
63.21 to the extent that it is protected under the laws of the state of Minnesota.

63.22 Sec. 76. Minnesota Statutes 2016, section 290.0921, subdivision 4, is amended to read:

63.23 Subd. 4. **Alternative tax net operating loss.** (a) An alternative tax net operating loss
63.24 deduction is allowed from alternative minimum taxable net income equal to the net operating
63.25 loss deduction allowable for the taxable year under section 290.095 with the following
63.26 modifications:

63.27 (1) The amount of the net operating loss deduction must not exceed 90 percent of
63.28 alternative minimum taxable net income.

63.29 (2) In determining the amount of the net operating loss deduction (i) the net operating
63.30 loss under section 290.095 must be adjusted as provided in paragraph (b), and (ii) for taxable
63.31 years beginning after December 31, 1989, section 290.095, subdivision 3, must be applied
63.32 by substituting "90 percent of alternative minimum taxable net income" for "taxable net
63.33 income."

64.1 (b) ~~The following adjustments must be made to the alternative tax net operating loss~~
 64.2 ~~deduction under paragraph (a):~~

64.3 ~~(1) For a loss year beginning after December 31, 1989, the net operating loss for each~~
 64.4 ~~year under section 290.095 must be (1) determined with the adjustments provided in~~
 64.5 ~~sections 56 and 58 of the Internal Revenue Code, as modified by subdivision 3 and (ii) (2)~~
 64.6 ~~reduced by the items of tax preference for the year determined under section 57 of the~~
 64.7 ~~Internal Revenue Code, as modified by subdivision 3.~~

64.8 ~~(2) For a loss year beginning before January 1, 1990, the amount of the net operating~~
 64.9 ~~loss that may be carried over to taxable years beginning after December 31, 1989, equals~~
 64.10 ~~the amount which may be carried from the loss year to the first taxable year of the taxpayer~~
 64.11 ~~beginning after December 31, 1989.~~

64.12 Sec. 77. Minnesota Statutes 2016, section 290.92, subdivision 19, is amended to read:

64.13 Subd. 19. **Employees incurring no income tax liability.** ~~(a)~~ Notwithstanding any other
 64.14 provision of this section, except the provisions of subdivision 5a, an employer is not required
 64.15 to deduct and withhold any tax under this chapter from wages paid to an employee if:

64.16 (1) the employee furnished the employer with a withholding exemption certificate that:

64.17 (i) certifies the employee incurred no liability for income tax imposed under this chapter
 64.18 for the employee's preceding taxable year;

64.19 (ii) certifies the employee anticipates incurring no liability for income tax imposed under
 64.20 this chapter for the current taxable year; and

64.21 (iii) is in a form and contains any other information prescribed by the commissioner; or

64.22 (2)(i) the employee is not a resident of Minnesota when the wages were paid; and

64.23 (ii) the employer reasonably expects that the employer will not pay the employee enough
 64.24 wages assignable to Minnesota under section 290.17, subdivision 2, paragraph (a)(1), to
 64.25 meet the nonresident requirement to file a Minnesota individual income tax return for the
 64.26 taxable year under section 289A.08, subdivision 1, paragraph (a).

64.27 ~~(b) The commissioner shall by rule provide for the coordination of the provisions of this~~
 64.28 ~~subdivision with the provisions of subdivision 7.~~

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

65.1 Sec. 78. Minnesota Statutes 2016, section 290.923, subdivision 8, is amended to read:

65.2 Subd. 8. **Records.** Every person liable for tax imposed by this section or for the collection
65.3 of it shall be subject to the provisions of ~~section 290.92, subdivision 14~~ sections 270C.31
65.4 and 270C.32.

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

65.6 Sec. 79. Minnesota Statutes 2016, section 290C.12, is amended to read:

65.7 **290C.12 DEATH OF CLAIMANT.**

65.8 Within one year after the death of the claimant, the claimant's heir, devisee, or estate
65.9 must either:

65.10 (1) notify the commissioner of election to terminate enrollment in the sustainable forest
65.11 incentive program; or

65.12 (2) make an application under this chapter to continue enrollment of the land in the
65.13 program.

65.14 Upon notification under clause (1), the commissioner shall terminate the enrollment and
65.15 issue a document releasing the land from the covenant as provided in section 290C.04,
65.16 paragraph ~~(e)~~ (d). Penalties under section 290C.11 shall not apply. If the application under
65.17 clause (2) is approved, the land is enrolled in the program without a break. If the
65.18 commissioner does not receive notification within one year after the date of death, enrollment
65.19 in the program shall be terminated and penalties under section 290C.11 shall not apply.

65.20 **EFFECTIVE DATE.** This section is effective for certifications and applications due
65.21 in 2018.

65.22 Sec. 80. Minnesota Statutes 2016, section 290C.13, subdivision 7, is amended to read:

65.23 Subd. 7. **Agreement determining issues under appeal.** When it appears to be in the
65.24 best interests of the state, the commissioner may settle the amount of any incentive payments,
65.25 payments owed by the claimant under section 290C.11, paragraph (b) or (c), penalties, or
65.26 interest that the commissioner has under consideration by virtue of an appeal filed under
65.27 this section. An agreement must be in writing and signed by the commissioner and the
65.28 claimant, or the claimant's representative authorized by the claimant to enter into an
65.29 agreement. The agreement is final and conclusive and, except upon a showing of fraud or
65.30 malfeasance, or misrepresentation of a material fact, the case must not be reopened as to
65.31 the matters agreed upon.

66.1 Sec. 81. Minnesota Statutes 2016, section 291.03, subdivision 8, is amended to read:

66.2 Subd. 8. **Definitions.** (a) For purposes of this section, the following terms have the
66.3 meanings given in this subdivision.

66.4 (b) "Family member" means a family member as defined in section 2032A(e)(2) of the
66.5 Internal Revenue Code, or a trust whose present beneficiaries are all family members as
66.6 defined in section 2032A(e)(2) of the Internal Revenue Code.

66.7 (c) "Qualified heir" means a family member who acquired qualified property upon the
66.8 death of the decedent and satisfies the requirement under subdivision 9, clause ~~(7)~~ (8), or
66.9 subdivision 10, clause (5), for the property.

66.10 (d) "Qualified property" means qualified small business property under subdivision 9
66.11 and qualified farm property under subdivision 10.

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

66.13 Sec. 82. Minnesota Statutes 2017 Supplement, section 291.03, subdivision 11, is amended
66.14 to read:

66.15 Subd. 11. **Recapture tax.** (a) If, within three years after the decedent's death and before
66.16 the death of the qualified heir, the qualified heir disposes of any interest in the qualified
66.17 property, other than by a disposition to a family member, or a family member ceases to
66.18 satisfy the requirement under subdivision 9, clause ~~(7)~~ (8); or 10, clause (5), an additional
66.19 estate tax is imposed on the property. In the case of a sole proprietor, if the qualified heir
66.20 replaces qualified small business property excluded under subdivision 9 with similar property,
66.21 then the qualified heir will not be treated as having disposed of an interest in the qualified
66.22 property.

66.23 (b) The amount of the additional tax equals the amount of the exclusion claimed by the
66.24 estate under subdivision 8, paragraph (d), multiplied by 16 percent.

66.25 (c) The additional tax under this subdivision is due on the day which is six months after
66.26 the date of the disposition or cessation in paragraph (a).

66.27 (d) The tax under this subdivision does not apply to the acquisition of title or possession
66.28 of the qualified property by a federal, state, or local government unit, or any other entity
66.29 with the power of eminent domain for a public purpose, as defined in section 117.025,
66.30 subdivision 11, within the three-year holding period.

66.31 (e) This subdivision shall not apply as a result of any of the following:

67.1 (1) a portion of qualified farm property consisting of less than one-fifth of the acreage
67.2 of the property is reclassified as class 2b property under section 273.13, subdivision 23, and
67.3 the qualified heir has not substantially altered the reclassified property during the three-year
67.4 holding period; or

67.5 (2) a portion of qualified farm property classified as class 2a property at the death of the
67.6 decedent pursuant to section 273.13, subdivision 23, paragraph (a), consisting of a residence,
67.7 garage, and immediately surrounding one acre of land is reclassified as class 4bb property
67.8 during the three-year holding period, and the qualified heir has not substantially altered the
67.9 property.

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

67.11 Sec. 83. Minnesota Statutes 2016, section 296A.24, subdivision 2, is amended to read:

67.12 Subd. 2. **Forfeiture.** (a) Within ten days after the seizure, the person making the seizure
67.13 shall serve by certified mail an inventory of the vehicle or property seized on the person
67.14 from whom the seizure was made, if known, and on any person known or believed to have
67.15 any right, title, interest, or lien on the vehicle or property, at the last known address, and
67.16 file a copy with the commissioner. The notice must include an explanation of the right to
67.17 demand a judicial forfeiture determination.

67.18 (b) Within 60 days after the date of service of the inventory, which is the date of mailing,
67.19 the person from whom the vehicle or property was seized or any person claiming an interest
67.20 in it may file a demand for a judicial determination of whether the vehicle or property was
67.21 lawfully subject to seizure and forfeiture. The demand must be in the form of a civil
67.22 complaint and must be filed with the court administrator in the county in which the seizure
67.23 occurred, together with proof of service of a copy of the complaint on the commissioner of
67.24 revenue, and the standard filing fee for civil actions unless the petitioner has the right to
67.25 sue in forma pauperis under section 563.01. If the value of the seized property or vehicle
67.26 is ~~\$10,000~~ \$15,000 or less, the claimant may file an action in conciliation court for its
67.27 recovery. If the value of the seized property or vehicle is less than \$500, the claimant does
67.28 not have to pay the conciliation court filing fee.

67.29 (c) The complaint must be captioned in the name of the claimant as plaintiff and the
67.30 seized property or vehicle as defendant, and must state with specificity the grounds on which
67.31 the claimant alleges the property or vehicle was improperly seized and the plaintiff's interest
67.32 in the property or vehicle seized. No responsive pleading is required of the commissioner
67.33 and no court fees may be charged for the commissioner's appearance in the matter. The
67.34 proceedings are governed by the Rules of Civil Procedure. Notwithstanding any law to the

68.1 contrary, an action for the return of property or a vehicle seized under this section may not
68.2 be maintained by or on behalf of any person who has been served with an inventory unless
68.3 the person has complied with this subdivision. The court shall hear the action without a jury
68.4 and shall try and determine the issues of fact and law involved.

68.5 (d) When a judgment of forfeiture is entered, the commissioner may, unless the judgment
68.6 is stayed pending an appeal, either:

68.7 (1) cause the forfeited gasoline or special fuel to be destroyed; or

68.8 (2) cause the forfeited property in clause (1) or vehicle to be sold at public auction as
68.9 provided by law. After deducting the expense of keeping the property and vehicle and the
68.10 costs of the sale, the commissioner shall pay from the funds collected all liens according to
68.11 their priority, which are established as being bona fide and as existing without the lienor
68.12 having any notice or knowledge that the property or vehicle was being used or was intended
68.13 to be used for or in connection with any violation, and shall pay the balance of the proceeds
68.14 into the general fund.

68.15 (e) If no demand for judicial determination is made, the property or vehicle seized must
68.16 be considered forfeited to the state by operation of law and may be disposed of by the
68.17 commissioner as provided where there has been a judgment of forfeiture.

68.18 Sec. 84. Minnesota Statutes 2017 Supplement, section 297A.71, subdivision 44, is amended
68.19 to read:

68.20 Subd. 44. **Building materials, capital projects.** (a) Materials and supplies used or
68.21 consumed in and equipment incorporated into the construction or improvement of a capital
68.22 project funded partially or wholly under section 297A.9905 are exempt, provided that the
68.23 project has either:

68.24 (1) a total construction cost of at least \$40,000,000 within a 24-month period; or

68.25 (2) a total construction cost of at least \$100,000,000 for a sports facility project, including
68.26 infrastructure costs, if construction contracts are signed, that begins after July 1, 2016, and
68.27 before December 31, 2017.

68.28 (b) Materials and supplies used or consumed in and equipment incorporated into the
68.29 construction, remodeling, expansion, or improvement of an ice arena or other buildings or
68.30 facilities owned and operated by the city of Plymouth are exempt. For purposes of this
68.31 paragraph, "facilities" include municipal streets and facilities associated with streets including
68.32 but not limited to lighting, curbs and gutters, and sidewalks. The total amount of refund on

69.1 all building materials, supplies, and equipment that the city may apply for under this
69.2 paragraph is \$2,500,000.

69.3 (c) The tax on purchases exempt under paragraph (a), clause (1), and paragraph (b),
69.4 must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied
69.5 and then refunded in the manner provided in section 297A.75. Notwithstanding section
69.6 289A.40, the city of Plymouth must file for refund by December 31, 2017, for sales tax paid
69.7 on all eligible purchases under paragraph (b) made prior to December 31, 2015.

69.8 (d) The exemption under paragraph (a), clause (2), expires one year after the date that
69.9 the first major sports game is played at the sports facility.

69.10 (e) For purposes of paragraph (a), clause (2), the term "infrastructure" means plazas,
69.11 parking structures, transit facilities, rights-of-way, sidewalks, pedestrian bridges, bicycle
69.12 paths, skyways, tunnels, lighting, landscaping, drainage improvements, utilities, sewer, and
69.13 other such facilities and improvements that are:

69.14 (1) on land controlled by the city of St. Paul, when construction is complete;

69.15 (2) located within the sports facility site within the boundary of Snelling Avenue to the
69.16 ~~east~~ west, University Avenue to the north, marked Interstate Highway 94 to the south, and
69.17 Pascal Street to the ~~west~~ east, in St. Paul, Minnesota; and

69.18 (3) designed to facilitate public access to or to serve only the sports facility, and not to
69.19 provide access to or serve any adjoining commercial or residential properties.

69.20 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
69.21 made after May 30, 2017.

69.22 Sec. 85. Minnesota Statutes 2016, section 297A.91, subdivision 2, is amended to read:

69.23 Subd. 2. **Court review of forfeiture.** (a) Within 60 days after the date of service of the
69.24 inventory, which is the date of mailing, the person from whom the vehicle and property
69.25 were seized or any person claiming an interest in the vehicle or property may file a demand
69.26 for a judicial determination of the question of whether the vehicle or property was lawfully
69.27 subject to seizure and forfeiture.

69.28 (b) The demand must be in the form of a civil complaint and must be filed with the court
69.29 administrator in the county in which the seizure occurred, together with proof of service or
69.30 a copy of the complaint on the commissioner of revenue, and the standard filing fee for civil
69.31 actions unless the petitioner has the right to sue in forma pauperis under section 563.01. If
69.32 the value of the seized property or vehicle is ~~\$10,000~~ \$15,000 or less, the claimant may file

70.1 an action in conciliation court for its recovery. If the value of the seized property or vehicle
70.2 is less than \$500, the claimant does not have to pay the conciliation court filing fee.

70.3 (c) The complaint must be captioned in the name of the claimant as plaintiff and the
70.4 seized property or vehicle as defendant, and must state with specificity the grounds on which
70.5 the claimant alleges the property or vehicle was improperly seized and the plaintiff's interest
70.6 in the property or vehicle seized. No responsive pleading is required of the commissioner,
70.7 and no court fees may be charged for the commissioner's appearance in the matter. The
70.8 proceedings are governed by the Rules of Civil Procedure. Notwithstanding any law to the
70.9 contrary, an action for the return of property or a vehicle seized under this subdivision may
70.10 not be maintained by or on behalf of any person who has been served with an inventory
70.11 unless the person has complied with this subdivision. The court shall hear the action without
70.12 a jury and shall determine the issues of fact and law involved. If a judgment of forfeiture
70.13 is entered and is not stayed pending an appeal, the commissioner may have the forfeited
70.14 vehicle and property sold at public auction as provided by law.

70.15 Sec. 86. Minnesota Statutes 2016, section 297E.16, subdivision 2, is amended to read:

70.16 Subd. 2. **Inventory; judicial determination; appeal; disposition of seized property.**

70.17 (a) Within ten days after the seizure of alleged contraband described in section 349.2125,
70.18 subdivision 1, the person making the seizure shall serve by certified mail an inventory of
70.19 the property seized on the person from whom the property was seized, if known, and on
70.20 any person known or believed to have any right, title, interest, or lien in the property, at the
70.21 last known address, and file a copy with the commissioner or the director of alcohol and
70.22 gambling enforcement. The notice must include an explanation of the right to demand a
70.23 judicial forfeiture determination.

70.24 (b) Within 60 days after the date of service of the inventory, which is the date of mailing,
70.25 the person from whom the property was seized or any person claiming an interest in the
70.26 property may file a demand for judicial determination of whether the property was lawfully
70.27 subject to seizure and forfeiture. The demand must be in the form of a civil complaint and
70.28 must be filed with the court administrator in the county in which the seizure occurred,
70.29 together with proof of service of a copy of the complaint on the commissioner of revenue
70.30 or the director of alcohol and gambling enforcement, and the standard filing fee for civil
70.31 actions unless the petitioner has the right to sue in forma pauperis under section 563.01. If
70.32 the value of the seized property is ~~\$10,000~~ \$15,000 or less, the claimant may file an action
70.33 in conciliation court for recovery of the property. If the value of the seized property is less
70.34 than \$500, the claimant does not have to pay the conciliation court filing fee.

71.1 (c) The complaint must be captioned in the name of the claimant as plaintiff and the
71.2 seized property as defendant, and must state with specificity the grounds on which the
71.3 claimant alleges the property was improperly seized and the plaintiff's interest in the property
71.4 seized. No responsive pleading is required of the commissioner or director, and no court
71.5 fees may be charged for the commissioner's or director's appearance in the matter. The
71.6 proceedings are governed by the Rules of Civil Procedure. Notwithstanding any law to the
71.7 contrary, an action for the return of property seized under this section may not be maintained
71.8 by or on behalf of any person who has been served with an inventory unless the person has
71.9 complied with this subdivision. The court shall hear the action without a jury and determine
71.10 the issues of fact and law involved.

71.11 (d) If a judgment of forfeiture is entered, the seizing authority may, unless the judgment
71.12 is stayed pending an appeal, either (1) cause the forfeited property, other than a vehicle, to
71.13 be destroyed; or (2) cause it to be sold at a public auction as provided by law. The person
71.14 making a sale, after deducting the expense of keeping the property, the fee for seizure, and
71.15 the costs of the sale, shall pay all liens according to their priority, which are established as
71.16 being bona fide and as existing without the lienor having any notice or knowledge that the
71.17 property was being used or was intended to be used for or in connection with the violation.
71.18 The balance of the proceeds must be paid 70 percent to the seizing authority for deposit as
71.19 a supplement to its operating fund or similar fund for official use, and 20 percent to the
71.20 county attorney or other prosecuting agency that handled the court proceeding, if there is
71.21 one, for deposit as a supplement to its operating fund or similar fund for prosecutorial
71.22 purposes. The remaining ten percent of the proceeds must be forwarded within 60 days after
71.23 resolution of the forfeiture to the Department of Human Services to fund programs for the
71.24 treatment of compulsive gamblers. If there is no prosecuting authority involved in the
71.25 forfeiture, the 20 percent of the proceeds otherwise designated for the prosecuting authority
71.26 must be deposited into the general fund.

71.27 (e) If no demand for judicial determination is made, the property seized is considered
71.28 forfeited to the seizing authority by operation of law and may be disposed of by the seizing
71.29 authority as provided where there has been a judgment of forfeiture.

71.30 Sec. 87. Minnesota Statutes 2016, section 297F.06, subdivision 1, is amended to read:

71.31 Subdivision 1. **Federal laws.** The tax imposed by this ~~section~~ chapter does not apply
71.32 with respect to any sale of cigarettes or tobacco products which under the Constitution and
71.33 laws of the United States may not be subject to taxation by the state.

72.1 Sec. 88. Minnesota Statutes 2016, section 297F.21, subdivision 3, is amended to read:

72.2 Subd. 3. **Inventory; judicial determination; appeal; disposition of seized property.**

72.3 (a) Within ten days after the seizure of any alleged contraband, the person making the seizure
72.4 shall serve by certified mail an inventory of the property seized on the person from whom
72.5 the seizure was made, if known, and on any person known or believed to have any right,
72.6 title, interest, or lien in the property, at the last known address, and file a copy with the
72.7 commissioner. The notice must include an explanation of the right to demand a judicial
72.8 forfeiture determination.

72.9 (b) Within 60 days after the date of service of the inventory, which is the date of mailing,
72.10 the person from whom the property was seized or any person claiming an interest in the
72.11 property may file a demand for a judicial determination of the question as to whether the
72.12 property was lawfully subject to seizure and forfeiture. The demand must be in the form of
72.13 a civil complaint and must be filed with the court administrator in the county in which the
72.14 seizure occurred, together with proof of service of a copy of the complaint on the
72.15 commissioner of revenue, and the standard filing fee for civil actions unless the petitioner
72.16 has the right to sue in forma pauperis under section 563.01. If the value of the seized property
72.17 is ~~\$10,000~~ \$15,000 or less, the claimant may file an action in conciliation court for recovery
72.18 of the property. If the value of the seized property is less than \$500, the claimant does not
72.19 have to pay the conciliation court filing fee.

72.20 (c) The complaint must be captioned in the name of the claimant as plaintiff and the
72.21 seized property as defendant, and must state with specificity the grounds on which the
72.22 claimant alleges the property was improperly seized and the plaintiff's interest in the property
72.23 seized. No responsive pleading is required of the commissioner, and no court fees may be
72.24 charged for the commissioner's appearance in the matter. The proceedings are governed by
72.25 the Rules of Civil Procedure. Notwithstanding any law to the contrary, an action for the
72.26 return of property seized under this section may not be maintained by or on behalf of any
72.27 person who has been served with an inventory unless the person has complied with this
72.28 subdivision. The court shall decide whether the alleged contraband is contraband, as defined
72.29 in subdivision 1. The court shall hear the action without a jury and shall try and determine
72.30 the issues of fact and law involved.

72.31 (d) When a judgment of forfeiture is entered, unless the judgment is stayed pending an
72.32 appeal, the commissioner:

72.33 (1) may authorize the forfeited property to be used for the purpose of enforcing a criminal
72.34 provision of state or federal law;

73.1 (2) shall cause forfeited cigarette packages or tobacco products not used under clause
 73.2 (1) to be destroyed and products used under clause (1) to be destroyed upon the completion
 73.3 of use; and

73.4 (3) may cause the forfeited property, other than forfeited cigarette packages or tobacco
 73.5 products, to be sold at public auction as provided by law.

73.6 The person making a sale, after deducting the expense of keeping the property, the fee
 73.7 for seizure, and the costs of the sale, shall pay all liens according to their priority, which
 73.8 are established as being bona fide and as existing without the lienor having any notice or
 73.9 knowledge that the property was being used or was intended to be used for or in connection
 73.10 with the violation. The balance of the proceeds must be paid 75 percent to the Department
 73.11 of Revenue for deposit as a supplement to its operating fund or similar fund for official use,
 73.12 and 25 percent to the county attorney or other prosecuting agency that handled the court
 73.13 proceeding, if there is one, for deposit as a supplement to its operating fund or similar fund
 73.14 for prosecutorial purposes. If there is no prosecuting authority involved in the forfeiture,
 73.15 the 25 percent of the proceeds otherwise designated for the prosecuting authority must be
 73.16 deposited into the general fund.

73.17 (e) If no demand for judicial determination is made, the property seized is considered
 73.18 forfeited to the state by operation of law and may be disposed of by the commissioner as
 73.19 provided in the case of a judgment of forfeiture.

73.20 Sec. 89. Minnesota Statutes 2016, section 297G.20, subdivision 4, is amended to read:

73.21 Subd. 4. **Inventory; judicial determination; appeal; disposition of seized property.**

73.22 (a) Within ten days after the seizure of alleged contraband, the person making the seizure
 73.23 shall serve by certified mail an inventory of the property seized on the person from whom
 73.24 the property was seized, if known, and on any person known or believed to have any right,
 73.25 title, interest, or lien in the property, at the last known address, and file a copy with both
 73.26 the commissioners of revenue and public safety. The notice must include an explanation of
 73.27 the right to demand a judicial forfeiture determination.

73.28 (b) Within 60 days after the date of service of the inventory, which is the date of mailing,
 73.29 the person from whom the property was seized or any person claiming an interest in the
 73.30 property may file a demand for judicial determination of whether the property was lawfully
 73.31 subject to seizure and forfeiture. The demand must be in the form of a civil complaint and
 73.32 must be filed with the court administrator in the county in which the seizure occurred,
 73.33 together with proof of service of a copy of the complaint on the commissioner of revenue
 73.34 or public safety, and the standard filing fee for civil actions unless the petitioner has the

74.1 right to sue in forma pauperis under section 563.01. If the value of the seized property or
74.2 vehicle is ~~\$10,000~~ \$15,000 or less, the claimant may file an action in conciliation court for
74.3 recovery of the property. If the value of the seized property is less than \$500, the claimant
74.4 does not have to pay the conciliation court filing fee.

74.5 (c) The complaint must be captioned in the name of the claimant as plaintiff and the
74.6 seized property as defendant, and must state with specificity the grounds on which the
74.7 claimant alleges the property was improperly seized and the plaintiff's interest in the property
74.8 seized. No responsive pleading is required of the commissioner of revenue or public safety
74.9 and no court fees may be charged for either commissioner's appearance in the matter. The
74.10 proceedings are governed by the Rules of Civil Procedure. Notwithstanding any law to the
74.11 contrary, an action for the return of property seized under this section may not be maintained
74.12 by or on behalf of any person who has been served with an inventory unless the person has
74.13 complied with this subdivision. The court shall hear the action without a jury and determine
74.14 the issues of fact and law involved.

74.15 (d) If a judgment of forfeiture is entered, the seizing authority may, unless the judgment
74.16 is stayed pending an appeal, either:

74.17 (1) cause the forfeited property, other than a vehicle, to be destroyed; or

74.18 (2) cause it to be sold at a public auction as provided by law.

74.19 The person making a sale, after deducting the expense of keeping the property, the fee
74.20 for seizure, and the costs of the sale, shall pay all liens according to their priority, which
74.21 are established as being bona fide and as existing without the lienor having any notice or
74.22 knowledge that the property was being used or was intended to be used for or in connection
74.23 with the violation. The balance of the proceeds must be paid 75 percent to the seizing
74.24 authority for deposit as a supplement to its operating fund or similar fund for official use,
74.25 and 25 percent to the county attorney or other prosecuting agency that handled the court
74.26 proceeding, if there is one, for deposit as a supplement to its operating fund or similar fund
74.27 for prosecutorial purposes. If there is no prosecuting authority involved in the forfeiture,
74.28 the 25 percent of the proceeds otherwise designated for the prosecuting authority must be
74.29 deposited into the general fund.

74.30 (e) If no demand is made, the property seized is considered forfeited to the seizing
74.31 authority by operation of law and may be disposed of by the seizing authority as provided
74.32 for a judgment of forfeiture.

75.1 Sec. 90. Minnesota Statutes 2016, section 299A.706, is amended to read:

75.2 **299A.706 ALCOHOL ENFORCEMENT ACCOUNT; APPROPRIATION.**

75.3 ~~(a)~~ An alcohol enforcement account is created in the special revenue fund, consisting
 75.4 of money credited to the account by law. Money in the account may be appropriated by law
 75.5 for (1) costs of the Alcohol and Gambling Division related to administration and enforcement
 75.6 of sections 340A.403, subdivision 4; 340A.414, subdivision 1a; and 340A.504, subdivision
 75.7 7; and (2) costs of the State Patrol.

75.8 ~~(b) The commissioner shall transfer from the account to the trunk highway fund~~
 75.9 ~~\$3,500,000 in fiscal year 2004 and \$3,700,000 in fiscal year 2005, or so much thereof as is~~
 75.10 ~~necessary to pay costs of adding State Patrol positions.~~

75.11 Sec. 91. Minnesota Statutes 2016, section 326B.988, is amended to read:

75.12 **326B.988 EXCEPTIONS.**

75.13 (a) The provisions of sections 326B.95 to 326B.998 shall not apply to:

75.14 (1) boilers and pressure vessels in buildings occupied solely for residence purposes with
 75.15 accommodations for not more than five families;

75.16 (2) railroad locomotives operated by railroad companies for transportation purposes;

75.17 (3) air tanks installed on the right-of-way of railroads and used directly in the operation
 75.18 of trains;

75.19 (4) boilers and pressure vessels under the direct jurisdiction of the United States;

75.20 (5) unfired pressure vessels having an internal or external working pressure not exceeding
 75.21 15 psig with no limit on size;

75.22 (6) pressure vessels used for storage of compressed air not exceeding five cubic feet in
 75.23 volume and equipped with an ASME code stamped safety valve set at a maximum of 100
 75.24 psig;

75.25 (7) pressure vessels having an inside diameter not exceeding six inches;

75.26 (8) every vessel that contains water under pressure, including those containing air that
 75.27 serves only as a cushion, whose design pressure does not exceed 300 psig and whose design
 75.28 temperature does not exceed 210 degrees Fahrenheit;

75.29 (9) boiler or pressure vessels located on farms used solely for agricultural or horticultural
 75.30 purposes; for purposes of this section, boilers used for mint oil extraction are considered

76.1 used for agricultural or horticultural purposes, provided that the owner or lessee complies
76.2 with the inspection requirements contained in section 326B.958;

76.3 (10) tanks or cylinders used for storage or transfer of liquefied petroleum gases;

76.4 (11) unfired pressure vessels in petroleum refineries;

76.5 (12) an air tank or pressure vessel which is an integral part of a passenger motor bus,
76.6 truck, or trailer;

76.7 (13) hot water heating and other hot liquid boilers not exceeding a heat input of 750,000
76.8 BTU per hour;

76.9 (14) hot water supply boilers (water heaters) not exceeding a heat input of 500,000 BTU
76.10 per hour, a water temperature of 210 degrees Fahrenheit, a nominal water capacity of 120
76.11 gallons, or a pressure of 160 psig;

76.12 (15) a laundry and dry cleaning press not exceeding five cubic feet of steam volume;

76.13 (16) pressure vessels operated full of water or other liquid not materially more hazardous
76.14 than water, if the vessel's contents' temperature does not exceed 210 degrees Fahrenheit or
76.15 a pressure of 200 psig;

76.16 (17) steam-powered turbines at papermaking facilities which are powered by steam
76.17 generated by steam facilities at a remote location;

76.18 (18) manually fired boilers for model locomotive, boat, tractor, stationary engine, or
76.19 antique motor vehicles constructed or maintained only as a hobby for exhibition, educational
76.20 or historical purposes and not for commercial use, if the boilers have an inside diameter of
76.21 12 inches or less, or a grate area of two square feet or less, and are equipped with an ASME
76.22 stamped safety valve of adequate size, a water level indicator, and a pressure gauge;

76.23 (19) any pressure vessel used as an integral part of an electrical circuit breaker;

76.24 (20) pressure vessels used for the storage of refrigerant if they are built to ASME code
76.25 specifications, registered with the national board, and equipped with an ASME code-stamped
76.26 pressure-relieving device set no higher than the maximum allowable working pressure of
76.27 the vessel. This does not include pressure vessels used in ammonia refrigeration systems;

76.28 (21) pressure vessels used for the storage of oxygen, nitrogen, helium, carbon dioxide,
76.29 argon, nitrous oxide, or other medical gas, provided the vessel is constructed to ASME or
76.30 Minnesota Department of Transportation specifications and equipped with an ASME
76.31 code-stamped pressure-relieving device. The owner of the vessels shall perform annual
76.32 visual inspections and planned maintenance on these vessels to ensure vessel integrity;

77.1 (22) pressure vessels used for the storage of compressed air for self-contained breathing
77.2 apparatuses;

77.3 (23) hot water heating or other hot liquid boilers vented directly to the atmosphere; and

77.4 (24) pressure vessels used for the storage of compressed air not exceeding 1.5 cubic feet
77.5 (11.22 gallons) in volume with a maximum allowable working pressure of 600 psi or less.

77.6 (b) An engineer's license is not required for hot water supply boilers.

77.7 (c) An engineer's license and annual inspection by the department is not required for
77.8 boilers, steam cookers, steam kettles, steam sterilizers or other steam generators not exceeding
77.9 100,000 BTU per hour input, 25 kilowatt, and a pressure of 15 psig.

77.10 (d) Electric boilers not exceeding a maximum working pressure of 50 psig, maximum
77.11 of 30 kilowatt input or three horsepower rating shall be inspected as pressure vessels and
77.12 shall not require an engineer license to operate.

77.13 ~~(e) Sawmills, located in a county with a population of less than 8,000 according to the~~
77.14 ~~last federal census and that utilize steam for the drying of lumber, are not required to meet~~
77.15 ~~the high pressure boiler attendance requirements set forth in Minnesota Rules, part 5225.1180,~~
77.16 ~~only if all of the following conditions are met:~~

77.17 ~~(1) the owner complies with the inspection requirements under section 326B.958, and~~
77.18 ~~the licensing requirements under section 326B.972; and~~

77.19 ~~(2) the boiler:~~

77.20 ~~(i) is equipped with electronic control systems that are remotely operated but which~~
77.21 ~~require on-site manual reset of system faults;~~

77.22 ~~(ii) is remotely monitored for log water levels, boiler pressure, and steam flow;~~

77.23 ~~(iii) has automatic safety mechanisms built into the remote monitoring systems that send~~
77.24 ~~an alarm upon detection of a fault condition, and an on-site alarm that will sound upon~~
77.25 ~~detection of a fault condition and which may be heard at a distance of 500 feet;~~

77.26 ~~(iv) has a water treatment program that is supervised by a third party water treatment~~
77.27 ~~company; and~~

77.28 ~~(v) is attended on site by a licensed boiler operator at least two times in a 24-hour period.~~
77.29 ~~If the boiler is not attended more than twice in a 24-hour period, the period between checks~~
77.30 ~~must not be less than eight hours.~~

78.1 This paragraph expires the sooner of August 1, 2018, or upon the effective date of a rule
78.2 regulating high pressure boiler attendance requirements at a sawmill described in this
78.3 paragraph adopted after the effective date of this act.

78.4 Sec. 92. Minnesota Statutes 2016, section 327.665, subdivision 2, is amended to read:

78.5 Subd. 2. **Required notice; contents of notice.** (a) The notice shall contain, at a minimum,
78.6 the following information:

78.7 (1) the name of the secured party, the debtor, each current assignee of the loan, if any,
78.8 and the original or maximum principal amount secured by the loan;

78.9 (2) the date of the loan;

78.10 (3) the amount in arrears on the loan as of the date of the notice;

78.11 (4) a description of the manufactured home upon which the loan is secured, conforming
78.12 substantially to that contained in the loan documents;

78.13 (5) the amount of allowable fees incurred by the secured party in order to regain
78.14 possession of the home prior to the court order.

78.15 (b) The notice must also state: "Your manufactured home is currently being repossessed.
78.16 Contact us immediately at [insert phone number] to discuss possible options for reinstating
78.17 your loan. We encourage you to seek counseling with the foreclosure prevention counselor
78.18 in your area. Nearby community agencies will answer your questions, offer free advice,
78.19 and help you create a plan. You can contact the Minnesota Home Ownership Center at
78.20 ~~866-462-6646~~ 866-462-6466 or www.hocmn.org to get the phone number and location of
78.21 the nearest counseling organization. Call today. Waiting limits your options. If you do not
78.22 become current on your loan within 30 days, including any additional fees, you will no
78.23 longer be entitled to reinstate your loan. We are seeking a court order repossessing the home,
78.24 and by court order you will have to vacate the home."

78.25 Sec. 93. Minnesota Statutes 2016, section 336.9-513, is amended to read:

78.26 **336.9-513 TERMINATION STATEMENT.**

78.27 (a) **Consumer goods.** A secured party shall cause the secured party of record for a
78.28 financing statement to file a termination statement for the financing statement if the financing
78.29 statement covers consumer goods and:

78.30 (1) there is no obligation secured by the collateral covered by the financing statement
78.31 and no commitment to make an advance, incur an obligation, or otherwise give value; or

79.1 (2) the debtor did not authorize the filing of the initial financing statement.

79.2 (b) **Time for compliance with subsection (a).** To comply with subsection (a), a secured
79.3 party shall cause the secured party of record to file the termination statement:

79.4 (1) within one month after there is no obligation secured by the collateral covered by
79.5 the financing statement and no commitment to make an advance, incur an obligation, or
79.6 otherwise give value; or

79.7 (2) if earlier, within 20 days after the secured party receives an authenticated demand
79.8 from a debtor.

79.9 (c) **Other collateral.** In cases not governed by subsection (a), within 20 days after a
79.10 secured party receives an authenticated demand from a debtor, the secured party shall cause
79.11 the secured party of record for a financing statement to send to the debtor a termination
79.12 statement for the financing statement or file the termination statement in the filing office
79.13 if:

79.14 (1) except in the case of a financing statement covering accounts or chattel paper that
79.15 has been sold or goods that are the subject of a consignment, there is no obligation secured
79.16 by the collateral covered by the financing statement and no commitment to make an advance,
79.17 incur an obligation, or otherwise give value;

79.18 (2) the financing statement covers accounts or chattel paper that has been sold but as to
79.19 which the account debtor or other person obligated has discharged its obligation;

79.20 (3) the financing statement covers goods that were the subject of a consignment to the
79.21 debtor but are not in the debtor's possession; or

79.22 (4) the debtor did not authorize the filing of the initial financing statement.

79.23 (d) **Effect of filing termination statement.** Except as otherwise provided in section
79.24 336.9-510, upon the filing of a termination statement with the filing office, the financing
79.25 statement to which the termination statement relates ceases to be effective. Except as
79.26 otherwise provided in section 336.9-510, for purposes of sections 336.9-519(g), 336.9-522(a),
79.27 and 336.9-523(c), the filing with the filing office of a termination statement relating to a
79.28 filing financing statement that indicates that the debtor is a transmitting utility also causes
79.29 the effectiveness of the financing statement to lapse.

79.30 Sec. 94. Minnesota Statutes 2017 Supplement, section 341.25, is amended to read:

79.31 **341.25 RULES.**

80.1 (a) The commissioner may adopt rules that include standards for the physical examination
80.2 and condition of combatants and referees.

80.3 (b) The commissioner may adopt other rules necessary to carry out the purposes of this
80.4 chapter, including, but not limited to, the conduct of all combative sport contests and their
80.5 manner, supervision, time, and place.

80.6 (c) The commissioner must adopt unified rules for mixed martial arts contests.

80.7 (d) The commissioner may adopt the rules of the Association of Boxing Commissions,
80.8 with amendments.

80.9 (e) The Unified Rules of Mixed Martial Arts, as promulgated by the Association of
80.10 Boxing Commissions and amended August 2, 2016, are incorporated by reference and made
80.11 a part of this chapter except as qualified by this chapter and Minnesota Rules, chapter ~~2201~~
80.12 2202. In the event of a conflict between this chapter and the Unified Rules, this chapter
80.13 must govern.

80.14 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2017.

80.15 Sec. 95. Minnesota Statutes 2016, section 398.19, is amended to read:

80.16 **398.19 PLAN FOR DEVELOPMENT OF PARKS; RECORDING.**

80.17 Within 18 months of the activation of a park district, the board for such park district
80.18 shall develop and approve a written plan for development of parks within the district.
80.19 Certified copies of such plan shall be recorded by the secretary of the board with the county
80.20 recorders for the counties having land within the district and with the Department of ~~parks~~
80.21 ~~of the state of Minnesota~~ Natural Resources. Such plans shall be revised and brought up to
80.22 date at least every five years.

80.23 Sec. 96. Minnesota Statutes 2016, section 471.16, subdivision 1, is amended to read:

80.24 Subdivision 1. **Includes nonprofits; delegation.** Any city, however organized, or any
80.25 town, county, school district, or any board thereof, ~~or any incorporated post of the American~~
80.26 ~~Legion or any other incorporated veterans' organization,~~ may operate such a program
80.27 independently, or they may cooperate among themselves or with any nonprofit organization
80.28 in its conduct and in any manner in which they may mutually agree; or they may delegate
80.29 the operation of the program to a recreation board created by one or more of them, and
80.30 appropriate money voted for this purpose to such board which may in turn support or
80.31 cooperate with a nonprofit organization.

81.1 Sec. 97. Minnesota Statutes 2017 Supplement, section 477A.011, subdivision 34, is
81.2 amended to read:

81.3 Subd. 34. **City revenue need.** (a) For a city with a population equal to or greater than
81.4 10,000, "city revenue need" is 1.15 times the sum of (1) 4.59 times the pre-1940 housing
81.5 percentage; plus (2) 0.622 times the percent of housing built between 1940 and 1970; plus
81.6 (3) 169.415 times the jobs per capita; plus (4) the sparsity adjustment; plus (5) 307.664.

81.7 (b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city
81.8 revenue need" is 1.15 times the sum of (1) 572.62; plus (2) 5.026 times the pre-1940 housing
81.9 percentage; minus (3) 53.768 times household size; plus (4) 14.022 times peak population
81.10 decline; plus (5) the sparsity adjustment.

81.11 (c) For a city with a population less than 2,500, "city revenue need" is the sum of (1)
81.12 410; plus (2) 0.367 times the city's population over 100; plus (3) the sparsity adjustment.
81.13 The city revenue need for a city under this paragraph shall not exceed 630 plus the city's
81.14 sparsity adjustment.

81.15 (d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue
81.16 need" equals (1) the transition factor times the city's revenue need calculated in paragraph
81.17 (b); plus (2) 630 times the difference between one and the transition factor. For a city with
81.18 a population of at least 10,000 but less than 11,000, the "city revenue need" equals (1) the
81.19 transition factor times the city's revenue need calculated in paragraph (a); plus (2) the city's
81.20 revenue need calculated under the formula in paragraph (b) times the difference between
81.21 one and the transition factor. For purposes of the first sentence of this paragraph "transition
81.22 factor" is 0.2 percent times the amount that the city's population exceeds the minimum
81.23 threshold. For purposes of the second sentence of this paragraph, "transition factor" is 0.1
81.24 percent times the amount that the city's population exceeds the minimum threshold.

81.25 (e) The city revenue need cannot be less than zero.

81.26 (f) For calendar year 2015 and subsequent years, the city revenue need for a city, as
81.27 determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price
81.28 deflator for government consumption expenditures and gross investment for state and local
81.29 governments as prepared by the United States Department of Commerce, for the most
81.30 recently available year to the 2013 implicit price deflator for state and local government
81.31 purchases.

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

82.1 Sec. 98. Minnesota Statutes 2017 Supplement, section 477A.013, subdivision 1, is amended
82.2 to read:

82.3 Subdivision 1. **Towns.** (a) In 2014 and thereafter, each town is eligible for a distribution
82.4 under this subdivision equal to the product of (i) its agricultural property factor, (ii) its town
82.5 area factor, (iii) its population factor, and (iv) 0.0045. As used in this subdivision, the
82.6 following terms have the meanings given them:

82.7 (1) "agricultural property factor" means the ratio of the adjusted net tax capacity of
82.8 agricultural property located in a town, to the adjusted net tax capacity of all other property
82.9 located in the town. The agricultural property factor cannot exceed eight;

82.10 (2) "agricultural property" means property classified under section 273.13, as homestead
82.11 and nonhomestead agricultural property, rural vacant land, and noncommercial seasonal
82.12 recreational property;

82.13 (3) "town area factor" means the most recent estimate of total acreage, not to exceed
82.14 50,000 acres, located in the township available as of July 1 in the aid calculation year,
82.15 estimated or established by:

82.16 (i) the United States Bureau of the Census;

82.17 (ii) the State Land Management Information Center; or

82.18 (iii) the secretary of state; and

82.19 (4) "population factor" means the square root of the towns' population.

82.20 (b) If the sum of the aids payable to all towns under this subdivision exceeds the limit
82.21 under section 477A.03, subdivision 2c, the distribution to each town must be reduced
82.22 proportionately so that the total amount of aids distributed under this ~~section~~ subdivision
82.23 does not exceed the limit in section 477A.03, subdivision 2c.

82.24 (c) Data used in calculating aids to towns under this subdivision, other than acreage,
82.25 shall be the most recently available data as of January 1 in the year in which the aid is
82.26 calculated.

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

82.28 Sec. 99. Minnesota Statutes 2016, section 477A.013, subdivision 13, is amended to read:

82.29 Subd. 13. **Certified aid adjustments.** (a) A city that received an aid base increase under
82.30 Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (e), shall have its

83.1 total aid under subdivision 9 increased by an amount equal to \$150,000 for aids payable in
83.2 2014 through 2018.

83.3 (b) A city that received an aid base increase under Minnesota Statutes 2012, section
83.4 477A.011, subdivision 36, paragraph (r), shall have its total aid under subdivision 9 increased
83.5 by an amount equal to \$160,000 for aids payable in 2014 and thereafter.

83.6 (c) A city that received a temporary aid increase under Minnesota Statutes 2012, section
83.7 477A.011, subdivision 36, paragraph (o), shall have its total aid under subdivision 9 increased
83.8 by an amount equal to \$1,000,000 for aids payable in 2014 only.

83.9 Sec. 100. Minnesota Statutes 2016, section 508A.17, subdivision 1, is amended to read:

83.10 Subdivision 1. **Limitation.** As against a title to land registered under a CPT which has
83.11 been entered and maintained by the registrar under sections 508A.01 to 508A.85, no action
83.12 affecting the possession or title to the land shall be commenced by any person, partnership,
83.13 corporation, state, or political subdivision to enforce any right, title, estate, lien, or interest
83.14 founded upon any instrument, event, or transaction which was executed or occurred before
83.15 the entry of the first CPT and which is not set out as a separate memorial on the CPT or
83.16 covered by section 508A.25, clauses (1) to (5) and ~~(7)~~ (8), unless the action is commenced
83.17 and a notice of lis pendens of it is registered upon the CPT within a period of five years
83.18 from the date of the first CPT.

83.19 Sec. 101. Minnesota Statutes 2016, section 518A.39, subdivision 2, is amended to read:

83.20 Subd. 2. **Modification.** (a) The terms of an order respecting maintenance or support
83.21 may be modified upon a showing of one or more of the following, any of which makes the
83.22 terms unreasonable and unfair: (1) substantially increased or decreased gross income of an
83.23 obligor or obligee; (2) substantially increased or decreased need of an obligor or obligee or
83.24 the child or children that are the subject of these proceedings; (3) receipt of assistance under
83.25 the AFDC program formerly codified under sections 256.72 to 256.87 or 256B.01 to 256B.40,
83.26 or chapter 256J or 256K; (4) a change in the cost of living for either party as measured by
83.27 the Federal Bureau of Labor Statistics; (5) extraordinary medical expenses of the child not
83.28 provided for under section 518A.41; (6) a change in the availability of appropriate health
83.29 care coverage or a substantial increase or decrease in health care coverage costs; (7) the
83.30 addition of work-related or education-related child care expenses of the obligee or a
83.31 substantial increase or decrease in existing work-related or education-related child care
83.32 expenses; or (8) upon the emancipation of the child, as provided in subdivision 5.

84.1 (b) It is presumed that there has been a substantial change in circumstances under
84.2 paragraph (a) and the terms of a current support order shall be rebuttably presumed to be
84.3 unreasonable and unfair if:

84.4 (1) the application of the child support guidelines in section 518A.35, to the current
84.5 circumstances of the parties results in a calculated court order that is at least 20 percent and
84.6 at least \$75 per month higher or lower than the current support order or, if the current support
84.7 order is less than \$75, it results in a calculated court order that is at least 20 percent per
84.8 month higher or lower;

84.9 (2) the medical support provisions of the order established under section 518A.41 are
84.10 not enforceable by the public authority or the obligee;

84.11 (3) health coverage ordered under section 518A.41 is not available to the child for whom
84.12 the order is established by the parent ordered to provide;

84.13 (4) the existing support obligation is in the form of a statement of percentage and not a
84.14 specific dollar amount;

84.15 (5) the gross income of an obligor or obligee has decreased by at least 20 percent through
84.16 no fault or choice of the party; or

84.17 (6) a deviation was granted based on the factor in section 518A.43, subdivision 1, clause
84.18 (4), and the child no longer resides in a foreign country or the factor is otherwise no longer
84.19 applicable.

84.20 (c) A child support order is not presumptively modifiable solely because an obligor or
84.21 obligee becomes responsible for the support of an additional nonjoint child, which is born
84.22 after an existing order. Section 518A.33 shall be considered if other grounds are alleged
84.23 which allow a modification of support.

84.24 (d) If child support was established by applying a parenting expense adjustment or
84.25 presumed equal parenting time calculation under previously existing child support guidelines
84.26 and there is no parenting plan or order from which overnights or overnight equivalents can
84.27 be determined, there is a rebuttable presumption that the established adjustment or calculation
84.28 will continue after modification so long as the modification is not based on a change in
84.29 parenting time. In determining an obligation under previously existing child support
84.30 guidelines, it is presumed that the court shall:

84.31 (1) if a 12 percent parenting expense adjustment was applied, multiply the obligor's
84.32 share of the combined basic support obligation calculated under section 518A.34, paragraph
84.33 (b), clause (5), by 0.88; or

85.1 (2) if the parenting time was presumed equal but the parents' parental incomes for
85.2 determining child support were not equal:

85.3 (i) multiply the combined basic support obligation under section 518A.34, paragraph
85.4 (b), clause (5), by ~~0.075~~ 0.75;

85.5 (ii) prorate the amount under item (i) between the parents based on each parent's
85.6 proportionate share of the combined PICS; and

85.7 (iii) subtract the lower amount from the higher amount.

85.8 (e) On a motion for modification of maintenance, including a motion for the extension
85.9 of the duration of a maintenance award, the court shall apply, in addition to all other relevant
85.10 factors, the factors for an award of maintenance under section 518.552 that exist at the time
85.11 of the motion. On a motion for modification of support, the court:

85.12 (1) shall apply section 518A.35, and shall not consider the financial circumstances of
85.13 each party's spouse, if any; and

85.14 (2) shall not consider compensation received by a party for employment in excess of a
85.15 40-hour work week, provided that the party demonstrates, and the court finds, that:

85.16 (i) the excess employment began after entry of the existing support order;

85.17 (ii) the excess employment is voluntary and not a condition of employment;

85.18 (iii) the excess employment is in the nature of additional, part-time employment, or
85.19 overtime employment compensable by the hour or fractions of an hour;

85.20 (iv) the party's compensation structure has not been changed for the purpose of affecting
85.21 a support or maintenance obligation;

85.22 (v) in the case of an obligor, current child support payments are at least equal to the
85.23 guidelines amount based on income not excluded under this clause; and

85.24 (vi) in the case of an obligor who is in arrears in child support payments to the obligee,
85.25 any net income from excess employment must be used to pay the arrearages until the
85.26 arrearages are paid in full.

85.27 (f) A modification of support or maintenance, including interest that accrued pursuant
85.28 to section 548.091, may be made retroactive only with respect to any period during which
85.29 the petitioning party has pending a motion for modification but only from the date of service
85.30 of notice of the motion on the responding party and on the public authority if public assistance
85.31 is being furnished or the county attorney is the attorney of record, unless the court adopts
85.32 an alternative effective date under paragraph (l). The court's adoption of an alternative

86.1 effective date under paragraph (l) shall not be considered a retroactive modification of
86.2 maintenance or support.

86.3 (g) Except for an award of the right of occupancy of the homestead, provided in section
86.4 518.63, all divisions of real and personal property provided by section 518.58 shall be final,
86.5 and may be revoked or modified only where the court finds the existence of conditions that
86.6 justify reopening a judgment under the laws of this state, including motions under section
86.7 518.145, subdivision 2. The court may impose a lien or charge on the divided property at
86.8 any time while the property, or subsequently acquired property, is owned by the parties or
86.9 either of them, for the payment of maintenance or support money, or may sequester the
86.10 property as is provided by section 518A.71.

86.11 (h) The court need not hold an evidentiary hearing on a motion for modification of
86.12 maintenance or support.

86.13 (i) Sections 518.14 and 518A.735 shall govern the award of attorney fees for motions
86.14 brought under this subdivision.

86.15 (j) Except as expressly provided, an enactment, amendment, or repeal of law does not
86.16 constitute a substantial change in the circumstances for purposes of modifying a child support
86.17 order.

86.18 (k) On the first modification following implementation of amended child support
86.19 guidelines, the modification of basic support may be limited if the amount of the full variance
86.20 would create hardship for either the obligor or the obligee. Hardship includes, but is not
86.21 limited to, eligibility for assistance under chapter 256J.

86.22 (l) The court may select an alternative effective date for a maintenance or support order
86.23 if the parties enter into a binding agreement for an alternative effective date.

86.24 Sec. 102. Minnesota Statutes 2016, section 609.11, subdivision 9, is amended to read:

86.25 Subd. 9. **Applicable offenses.** The crimes for which mandatory minimum sentences
86.26 shall be served as provided in this section are: murder in the first, second, or third degree;
86.27 assault in the first, second, or third degree; burglary; kidnapping; false imprisonment;
86.28 manslaughter in the first or second degree; aggravated robbery; simple robbery; first-degree
86.29 or aggravated first-degree witness tampering; criminal sexual conduct under the
86.30 circumstances described in sections 609.342, subdivision 1, clauses (a) to (f); 609.343,
86.31 subdivision 1, clauses (a) to (f); and 609.344, subdivision 1, clauses (a) to (e) and (h) to (j);
86.32 escape from custody; arson in the first, second, or third degree; drive-by shooting under
86.33 section 609.66, subdivision 1e; stalking under section 609.749, subdivision 3, paragraph

87.1 (a), clause (3); possession or other unlawful use of a firearm or ammunition in violation of
87.2 section 609.165, subdivision 1b, or 624.713, subdivision 1, clause (2), a felony violation
87.3 of chapter 152; or any attempt to commit any of these offenses.

87.4 Sec. 103. Minnesota Statutes 2016, section 609A.02, subdivision 3, is amended to read:

87.5 Subd. 3. **Certain criminal proceedings.** (a) A petition may be filed under section
87.6 609A.03 to seal all records relating to an arrest, indictment or information, trial, or verdict
87.7 if the records are not subject to section 299C.11, subdivision 1, paragraph (b), and if:

87.8 (1) all pending actions or proceedings were resolved in favor of the petitioner. For
87.9 purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution
87.10 in favor of the petitioner. For the purposes of this chapter, an action or proceeding is resolved
87.11 in favor of the petitioner, if the petitioner received an order under section 590.11 determining
87.12 that the petitioner is eligible for compensation based on exoneration;

87.13 (2) the petitioner has successfully completed the terms of a diversion program or stay
87.14 of adjudication and has not been charged with a new crime for at least one year since
87.15 completion of the diversion program or stay of adjudication;

87.16 (3) the petitioner was convicted of or received a stayed sentence for a petty misdemeanor
87.17 or misdemeanor and has not been convicted of a new crime for at least two years since
87.18 discharge of the sentence for the crime;

87.19 (4) the petitioner was convicted of or received a stayed sentence for a gross misdemeanor
87.20 and has not been convicted of a new crime for at least four years since discharge of the
87.21 sentence for the crime; or

87.22 (5) the petitioner was convicted of or received a stayed sentence for a felony violation
87.23 of an offense listed in paragraph (b), and has not been convicted of a new crime for at least
87.24 five years since discharge of the sentence for the crime.

87.25 (b) Paragraph (a), clause (5), applies to the following offenses:

87.26 (1) section 35.824 (altering livestock certificate);

87.27 (2) section 62A.41 (insurance regulations);

87.28 (3) section 86B.865, subdivision 1 (certification for title on watercraft);

87.29 (4) section 152.025 (controlled substance in the fifth degree); or 152.097 (sale of
87.30 simulated controlled substance);

- 88.1 (5) section 168A.30, subdivision 1 (certificate of title false information); or 169.09,
88.2 subdivision 14, paragraph (a), clause (2) (accident resulting in great bodily harm);
- 88.3 (6) chapter 201; 203B; or 204C (voting violations);
- 88.4 (7) section 228.45; 228.47; 228.49; 228.50; or 228.51 (false bill of lading);
- 88.5 (8) section 256.984 (false declaration in assistance application);
- 88.6 (9) section 296A.23, subdivision 2 (willful evasion of fuel tax);
- 88.7 (10) section 297D.09, subdivision 1 (failure to affix stamp on scheduled substances);
- 88.8 (11) section 297G.19 (liquor taxation); or 340A.701 (unlawful acts involving liquor);
- 88.9 (12) section 325F.743 (precious metal dealers); or 325F.755, subdivision 7 (prize notices
88.10 and solicitations);
- 88.11 (13) section 346.155, subdivision 10 (failure to control regulated animal);
- 88.12 (14) section 349.2127; or 349.22 (gambling regulations);
- 88.13 (15) section 588.20 (contempt);
- 88.14 (16) section 609.27, subdivision 1, clauses (2) to (5) (coercion);
- 88.15 (17) section 609.31 (leaving state to evade establishment of paternity);
- 88.16 (18) section 609.485, subdivision 4, paragraph (a), clause (2) or (4) (escape from civil
88.17 commitment for mental illness);
- 88.18 (19) section 609.49 (failure to appear in court);
- 88.19 (20) section 609.52, subdivision 3, clause (3)(a) (theft of \$5,000 or less), or other theft
88.20 offense that is sentenced under this provision; or 609.52, subdivision 3a, clause (1) (theft
88.21 of \$1,000 or less with risk of bodily harm);
- 88.22 (21) section 609.525 (bringing stolen goods into state);
- 88.23 (22) section 609.526, subdivision 2, clause (2) (metal dealer receiving stolen goods);
- 88.24 (23) section 609.527, subdivision 5b (possession or use of scanning device or reencoder);
88.25 609.528, subdivision 3, clause (3) (possession or sale of stolen or counterfeit check); or
88.26 609.529 (mail theft);
- 88.27 (24) section 609.53 (receiving stolen goods);
- 88.28 (25) section 609.535, subdivision 2a, paragraph (a), clause (1) (dishonored check over
88.29 \$500);

- 89.1 (26) section 609.54, clause (1) (embezzlement of public funds \$2,500 or less);
- 89.2 (27) section 609.551 (rustling and livestock theft);
- 89.3 (28) section 609.5641, subdivision 1a, paragraph (a) (wildfire arson);
- 89.4 (29) section 609.576, subdivision 1, clause (3), item (iii) (negligent fires);
- 89.5 (30) section 609.595, subdivision 1, clauses ~~(2)~~ (3) to ~~(4)~~ (5), and subdivision 1a,
- 89.6 paragraph (a) (criminal damage to property);
- 89.7 (31) section 609.597, subdivision 3, clause (3) (assaulting or harming police horse);
- 89.8 (32) section 609.625 (aggravated forgery); 609.63 (forgery); 609.631, subdivision 4,
- 89.9 clause (3)(a) (check forgery \$2,500 or less); 609.635 (obtaining signature by false pretense);
- 89.10 609.64 (recording, filing forged instrument); or 609.645 (fraudulent statements);
- 89.11 (33) section 609.65, clause (1) (false certification by notary); or 609.651, subdivision
- 89.12 4, paragraph (a) (lottery fraud);
- 89.13 (34) section 609.652 (fraudulent driver's license and identification card);
- 89.14 (35) section 609.66, subdivision 1a, paragraph (a) (discharge of firearm; silencer); or
- 89.15 609.66, subdivision 1b (furnishing firearm to minor);
- 89.16 (36) section 609.662, subdivision 2, paragraph (b) (duty to render aid);
- 89.17 (37) section 609.686, subdivision 2 (tampering with fire alarm);
- 89.18 (38) section 609.746, subdivision 1, paragraph (e) (interference with privacy; subsequent
- 89.19 violation or minor victim);
- 89.20 (39) section 609.80, subdivision 2 (interference with cable communications system);
- 89.21 (40) section 609.821, subdivision 2 (financial transaction card fraud);
- 89.22 (41) section 609.822 (residential mortgage fraud);
- 89.23 (42) section 609.825, subdivision 2 (bribery of participant or official in contest);
- 89.24 (43) section 609.855, subdivision 2, paragraph (c), clause (1) (interference with transit
- 89.25 operator);
- 89.26 (44) section 609.88 (computer damage); or 609.89 (computer theft);
- 89.27 (45) section 609.893, subdivision 2 (telecommunications and information services fraud);
- 89.28 (46) section 609.894, subdivision 3 or 4 (cellular counterfeiting);

90.1 (47) section 609.895, subdivision 3, paragraph (a) or (b) (counterfeited intellectual
90.2 property);

90.3 (48) section 609.896 (movie pirating);

90.4 (49) section 624.7132, subdivision 15, paragraph (b) (transfer pistol to minor); 624.714,
90.5 subdivision 1a (pistol without permit; subsequent violation); or 624.7141, subdivision 2
90.6 (transfer of pistol to ineligible person); or

90.7 (50) section 624.7181 (rifle or shotgun in public by minor).

90.8 ~~(e) Paragraph (a), clause (3) or (4), does not apply if the crime involved domestic abuse~~
90.9 ~~or sexual assault, as defined in section 518B.01, subdivision 2, or to violation of an order~~
90.10 ~~for protection under section 518B.01, subdivision 14, a harassment restraining order under~~
90.11 ~~section 609.748, subdivision 6, a violation of section 609.749, or a violation of section~~
90.12 ~~629.75. This paragraph expires on July 15, 2015.~~

90.13 Sec. 104. Laws 2017, chapter 94, article 3, section 11, is amended to read:

90.14 Sec. 11. **EFFECTIVE DATE.**

90.15 Unless otherwise specified, this article is effective the day following final enactment.

90.16 Sec. 105. Laws 2017, chapter 94, article 6, section 27, is amended to read:

90.17 Sec. 27. **USE OF UNALLOCATED FUNDS.**

90.18 (a) Notwithstanding Minnesota Statutes, sections 116L.05, subdivision 5, and 116L.20,
90.19 subdivision 2, in fiscal years 2018 and 2019 only, the unallocated workforce development
90.20 funds appropriated to the Job Skills Partnership Board under Minnesota Statutes, section
90.21 116L.20, subdivision 2, paragraph (b), may be used for other job creation and economic
90.22 enhancement opportunities in Minnesota at the discretion of the commissioner.

90.23 (b) Notwithstanding Minnesota Statutes, section 116J.8731, in fiscal years 2018 and
90.24 2019 only, funds appropriated to the commissioner for the Minnesota investment fund may
90.25 be used for other job creation and economic enhancement opportunities in Minnesota at the
90.26 discretion of the commissioner. Grants under this paragraph are not subject to the grant
90.27 amount limitation under Minnesota Statutes, section 116J.8731.

90.28 (c) Notwithstanding Minnesota Statutes, section ~~116J.748~~ 116J.8748, in fiscal years
90.29 2018 and 2019 only, funds appropriated to the commissioner for the job creation fund may
90.30 be used for other job creation and economic enhancement opportunities in Minnesota at the
90.31 discretion of the commissioner.

91.1 Sec. 106. Laws 2017, First Special Session chapter 5, article 11, section 8, subdivision 1,
91.2 is amended to read:

91.3 Subdivision 1. **Portfolio account.** On July 1, 2019, the commissioner of management
91.4 and budget shall transfer any balances in the ~~educator~~ education licensure portfolio account
91.5 in the special revenue fund to the educator licensure account in the special revenue fund.

91.6 Sec. 107. Laws 2017, First Special Session chapter 5, article 11, section 10, subdivision
91.7 2, is amended to read:

91.8 Subd. 2. **Licensure by portfolio.** For licensure by portfolio:

91.9 \$ 34,000 2018

91.10 \$ 34,000 2019

91.11 This appropriation is from the ~~educator~~ education licensure portfolio account in the
91.12 special revenue fund.

91.13 Sec. 108. **REVISOR'S INSTRUCTION.**

91.14 Subdivision 1. Terminology. The revisor shall change the term "Workforce Development
91.15 Council" to "Workforce Development Board," wherever it appears in Minnesota Statutes.

91.16 Subd. 2. Terminology. In Minnesota Statutes, section 245C.15, the revisor shall change
91.17 references to "268.182 (false representation; concealment of facts)" to "268.182 (fraud)."

91.18 Subd. 3. Obsolete cross-reference. In Minnesota Statutes, section 62Q.145, the revisor
91.19 shall remove "as defined in section 62Q.095, subdivision 5."

91.20 Sec. 109. **REPEALER.**

91.21 Subdivision 1. Conflict resolution. Laws 2014, chapter 286, article 8, section 19, is
91.22 repealed.

91.23 Subd. 2. Obsolete subdivision. Minnesota Statutes 2016, section 124D.8957, subdivision
91.24 24, is repealed.

91.25 Subd. 3. Conflict resolution. Laws 2014, chapter 222, article 2, section 3, is repealed.

91.26 Subd. 4. Conflict resolution. Laws 2009, chapter 37, article 3, section 4, is repealed.

91.27 Subd. 5. Conflict resolution. Laws 2013, chapter 84, article 1, section 25, is repealed.

91.28 Subd. 6. Conflict resolution. Laws 2013, chapter 84, article 1, section 30, is repealed.

91.29 Subd. 7. Conflict resolution. Laws 2014, chapter 199, section 18, is repealed.

92.1 Subd. 8. **Conflict resolution.** Laws 2014, chapter 199, section 19, is repealed.

92.2 Subd. 9. **Conflict resolution.** Laws 2014, chapter 199, section 20, is repealed.

92.3 Subd. 10. **Conflict resolution.** Laws 2014, chapter 222, article 2, section 8, is repealed.

92.4 Subd. 11. **Conflict resolution.** Laws 2014, chapter 222, article 2, section 9, is repealed.

92.5 Subd. 12. **Obsolete subdivision.** Minnesota Statutes 2016, section 256.9657, subdivision
92.6 1c, is repealed.

92.7 Subd. 13. **Obsolete section.** Minnesota Statutes 2016, section 256.9692, is repealed.

92.8 Subd. 14. **Obsolete section.** Minnesota Statutes 2016, section 298.402, is repealed.

92.9 Subd. 15. **Obsolete subdivision.** Minnesota Statutes 2016, section 290.067, subdivision
92.10 2a, is repealed.

92.11 Sec. 110. **SUPERSEDING ACTS.**

92.12 Any amendments or repeals enacted in the 2018 session of the legislature to sections
92.13 also amended or repealed in this act supersede the amendments or repeals in this act,
92.14 regardless of order of enactment.

92.15 **ARTICLE 2**

92.16 **CHEMICAL DEPENDENCY LICENSED TREATMENT FACILITIES**

92.17 Section 1. Minnesota Statutes 2016, section 62N.40, is amended to read:

92.18 **62N.40 CHEMICAL DEPENDENCY SERVICES.**

92.19 Each community integrated service network regulated under this chapter must ensure
92.20 that chemically dependent individuals have access to cost-effective treatment options that
92.21 address the specific needs of individuals. These include, but are not limited to, the need for:
92.22 treatment that takes into account severity of illness and comorbidities; provision of a
92.23 continuum of care, including treatment and rehabilitation programs licensed under ~~Minnesota~~
92.24 ~~Rules, parts 9530.6405 to 9530.6505~~ chapter 245G; the safety of the individual's domestic
92.25 and community environment; gender appropriate and culturally appropriate programs; and
92.26 access to appropriate social services.

92.27 Sec. 2. Minnesota Statutes 2016, section 144.651, subdivision 2, is amended to read:

92.28 Subd. 2. **Definitions.** For the purposes of this section, "patient" means a person who is
92.29 admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for

93.1 the purpose of diagnosis or treatment bearing on the physical or mental health of that person.

93.2 For purposes of subdivisions 4 to 9, 12, 13, 15, 16, and 18 to 20, "patient" also means a

93.3 person who receives health care services at an outpatient surgical center or at a birth center

93.4 licensed under section 144.615. "Patient" also means a minor who is admitted to a residential

93.5 program as defined in section 253C.01. For purposes of subdivisions 1, 3 to 16, 18, 20 and

93.6 30, "patient" also means any person who is receiving mental health treatment on an outpatient

93.7 basis or in a community support program or other community-based program. "Resident"

93.8 means a person who is admitted to a nonacute care facility including extended care facilities,

93.9 nursing homes, and boarding care homes for care required because of prolonged mental or

93.10 physical illness or disability, recovery from injury or disease, or advancing age. For purposes

93.11 of all subdivisions except subdivisions 28 and 29, "resident" also means a person who is

93.12 admitted to a facility licensed as a board and lodging facility under Minnesota Rules, parts

93.13 4625.0100 to 4625.2355, or a supervised living facility under Minnesota Rules, parts

93.14 4665.0100 to 4665.9900, and which operates a rehabilitation program licensed under chapter

93.15 245G or Minnesota Rules, parts ~~9530.6405~~ 9530.6510 to 9530.6590.

93.16 Sec. 3. Minnesota Statutes 2016, section 144D.01, subdivision 4, is amended to read:

93.17 Subd. 4. **Housing with services establishment or establishment.** (a) "Housing with

93.18 services establishment" or "establishment" means:

93.19 (1) an establishment providing sleeping accommodations to one or more adult residents,

93.20 at least 80 percent of which are 55 years of age or older, and offering or providing, for a

93.21 fee, one or more regularly scheduled health-related services or two or more regularly

93.22 scheduled supportive services, whether offered or provided directly by the establishment

93.23 or by another entity arranged for by the establishment; or

93.24 (2) an establishment that registers under section 144D.025.

93.25 (b) Housing with services establishment does not include:

93.26 (1) a nursing home licensed under chapter 144A;

93.27 (2) a hospital, certified boarding care home, or supervised living facility licensed under

93.28 sections 144.50 to 144.56;

93.29 (3) a board and lodging establishment licensed under chapter 157 and Minnesota Rules,

93.30 parts 9520.0500 to 9520.0670 ~~or 9530.6405 to 9530.6505~~, or under chapter 245D or 245G;

93.31 (4) a board and lodging establishment which serves as a shelter for battered women or

93.32 other similar purpose;

94.1 (5) a family adult foster care home licensed by the Department of Human Services;

94.2 (6) private homes in which the residents are related by kinship, law, or affinity with the
94.3 providers of services;

94.4 (7) residential settings for persons with developmental disabilities in which the services
94.5 are licensed under chapter 245D;

94.6 (8) a home-sharing arrangement such as when an elderly or disabled person or
94.7 single-parent family makes lodging in a private residence available to another person in
94.8 exchange for services or rent, or both;

94.9 (9) a duly organized condominium, cooperative, common interest community, or owners'
94.10 association of the foregoing where at least 80 percent of the units that comprise the
94.11 condominium, cooperative, or common interest community are occupied by individuals
94.12 who are the owners, members, or shareholders of the units;

94.13 (10) services for persons with developmental disabilities that are provided under a license
94.14 under chapter 245D; or

94.15 (11) a temporary family health care dwelling as defined in sections 394.307 and 462.3593.

94.16 Sec. 4. Minnesota Statutes 2016, section 152.01, subdivision 22, is amended to read:

94.17 Subd. 22. **Drug treatment facility.** "Drug treatment facility" means any facility in which
94.18 a residential rehabilitation program licensed under chapter 245G or Minnesota Rules, parts
94.19 ~~9530.6405~~ 9530.6510 to 9530.6590, is located, and includes any property owned, leased,
94.20 or controlled by the facility.

94.21 Sec. 5. Minnesota Statutes 2016, section 241.021, subdivision 4a, is amended to read:

94.22 Subd. 4a. **Chemical dependency treatment programs.** All residential chemical
94.23 dependency treatment programs operated by the commissioner of corrections to treat adults
94.24 committed to the commissioner's custody shall comply with the standards mandated in
94.25 ~~Minnesota Rules, parts 9530.6405 to 9530.6505, or successor rule parts,~~ chapter 245G for
94.26 treatment programs operated by community-based treatment facilities. When the
94.27 commissioners of corrections and human services agree that these established standards for
94.28 community-based programs cannot reasonably apply to correctional facilities, alternative
94.29 equivalent standards shall be developed by the commissioners and established through an
94.30 interagency agreement.

95.1 Sec. 6. Minnesota Statutes 2016, section 245.735, subdivision 3, is amended to read:

95.2 Subd. 3. **Certified community behavioral health clinics.** (a) The commissioner shall
95.3 establish a state certification process for certified community behavioral health clinics
95.4 (CCBHCs) to be eligible for the prospective payment system in paragraph (f). Entities that
95.5 choose to be CCBHCs must:

95.6 (1) comply with the CCBHC criteria published by the United States Department of
95.7 Health and Human Services;

95.8 (2) employ or contract for clinic staff who have backgrounds in diverse disciplines,
95.9 including licensed mental health professionals, and staff who are culturally and linguistically
95.10 trained to serve the needs of the clinic's patient population;

95.11 (3) ensure that clinic services are available and accessible to patients of all ages and
95.12 genders and that crisis management services are available 24 hours per day;

95.13 (4) establish fees for clinic services for nonmedical assistance patients using a sliding
95.14 fee scale that ensures that services to patients are not denied or limited due to a patient's
95.15 inability to pay for services;

95.16 (5) comply with quality assurance reporting requirements and other reporting
95.17 requirements, including any required reporting of encounter data, clinical outcomes data,
95.18 and quality data;

95.19 (6) provide crisis mental health services, withdrawal management services, emergency
95.20 crisis intervention services, and stabilization services; screening, assessment, and diagnosis
95.21 services, including risk assessments and level of care determinations; patient-centered
95.22 treatment planning; outpatient mental health and substance use services; targeted case
95.23 management; psychiatric rehabilitation services; peer support and counselor services and
95.24 family support services; and intensive community-based mental health services, including
95.25 mental health services for members of the armed forces and veterans;

95.26 (7) provide coordination of care across settings and providers to ensure seamless
95.27 transitions for patients across the full spectrum of health services, including acute, chronic,
95.28 and behavioral needs. Care coordination may be accomplished through partnerships or
95.29 formal contracts with:

95.30 (i) counties, health plans, pharmacists, pharmacies, rural health clinics, federally qualified
95.31 health centers, inpatient psychiatric facilities, substance use and detoxification facilities, or
95.32 community-based mental health providers; and

96.1 (ii) other community services, supports, and providers, including schools, child welfare
96.2 agencies, juvenile and criminal justice agencies, Indian health services clinics, tribally
96.3 licensed health care and mental health facilities, urban Indian health clinics, Department of
96.4 Veterans Affairs medical centers, outpatient clinics, drop-in centers, acute care hospitals,
96.5 and hospital outpatient clinics;

96.6 (8) be certified as mental health clinics under section 245.69, subdivision 2;

96.7 (9) be certified to provide integrated treatment for co-occurring mental illness and
96.8 substance use disorders in adults or children under Minnesota Rules, chapter 9533, effective
96.9 July 1, 2017;

96.10 (10) comply with standards relating to mental health services in Minnesota Rules, parts
96.11 9505.0370 to 9505.0372;

96.12 (11) be licensed to provide chemical dependency treatment under ~~Minnesota Rules, parts~~
96.13 ~~9530.6405 to 9530.6505~~ chapter 245G;

96.14 (12) be certified to provide children's therapeutic services and supports under section
96.15 256B.0943;

96.16 (13) be certified to provide adult rehabilitative mental health services under section
96.17 256B.0623;

96.18 (14) be enrolled to provide mental health crisis response services under section
96.19 256B.0624;

96.20 (15) be enrolled to provide mental health targeted case management under section
96.21 256B.0625, subdivision 20;

96.22 (16) comply with standards relating to mental health case management in Minnesota
96.23 Rules, parts 9520.0900 to 9520.0926; and

96.24 (17) provide services that comply with the evidence-based practices described in
96.25 paragraph (e).

96.26 (b) If an entity is unable to provide one or more of the services listed in paragraph (a),
96.27 clauses (6) to (17), the commissioner may certify the entity as a CCBHC, if the entity has
96.28 a current contract with another entity that has the required authority to provide that service
96.29 and that meets federal CCBHC criteria as a designated collaborating organization, or, to
96.30 the extent allowed by the federal CCBHC criteria, the commissioner may approve a referral
96.31 arrangement. The CCBHC must meet federal requirements regarding the type and scope of
96.32 services to be provided directly by the CCBHC.

97.1 (c) Notwithstanding any other law that requires a county contract or other form of county
97.2 approval for certain services listed in paragraph (a), clause (6), a clinic that otherwise meets
97.3 CCBHC requirements may receive the prospective payment under paragraph (f) for those
97.4 services without a county contract or county approval. There is no county share when
97.5 medical assistance pays the CCBHC prospective payment. As part of the certification process
97.6 in paragraph (a), the commissioner shall require a letter of support from the CCBHC's host
97.7 county confirming that the CCBHC and the county or counties it serves have an ongoing
97.8 relationship to facilitate access and continuity of care, especially for individuals who are
97.9 uninsured or who may go on and off medical assistance.

97.10 (d) When the standards listed in paragraph (a) or other applicable standards conflict or
97.11 address similar issues in duplicative or incompatible ways, the commissioner may grant
97.12 variances to state requirements if the variances do not conflict with federal requirements.
97.13 If standards overlap, the commissioner may substitute all or a part of a licensure or
97.14 certification that is substantially the same as another licensure or certification. The
97.15 commissioner shall consult with stakeholders, as described in subdivision 4, before granting
97.16 variances under this provision.

97.17 (e) The commissioner shall issue a list of required evidence-based practices to be
97.18 delivered by CCBHCs, and may also provide a list of recommended evidence-based practices.
97.19 The commissioner may update the list to reflect advances in outcomes research and medical
97.20 services for persons living with mental illnesses or substance use disorders. The commissioner
97.21 shall take into consideration the adequacy of evidence to support the efficacy of the practice,
97.22 the quality of workforce available, and the current availability of the practice in the state.
97.23 At least 30 days before issuing the initial list and any revisions, the commissioner shall
97.24 provide stakeholders with an opportunity to comment.

97.25 (f) The commissioner shall establish standards and methodologies for a prospective
97.26 payment system for medical assistance payments for services delivered by certified
97.27 community behavioral health clinics, in accordance with guidance issued by the Centers
97.28 for Medicare and Medicaid Services. During the operation of the demonstration project,
97.29 payments shall comply with federal requirements for an enhanced federal medical assistance
97.30 percentage. The commissioner may include quality bonus payment in the prospective
97.31 payment system based on federal criteria and on a clinic's provision of the evidence-based
97.32 practices in paragraph (e). The prospective payment system does not apply to MinnesotaCare.
97.33 Implementation of the prospective payment system is effective July 1, 2017, or upon federal
97.34 approval, whichever is later.

98.1 (g) The commissioner shall seek federal approval to continue federal financial
 98.2 participation in payment for CCBHC services after the federal demonstration period ends
 98.3 for clinics that were certified as CCBHCs during the demonstration period and that continue
 98.4 to meet the CCBHC certification standards in paragraph (a). Payment for CCBHC services
 98.5 shall cease effective July 1, 2019, if continued federal financial participation for the payment
 98.6 of CCBHC services cannot be obtained.

98.7 (h) The commissioner may certify at least one CCBHC located in an urban area and at
 98.8 least one CCBHC located in a rural area, as defined by federal criteria. To the extent allowed
 98.9 by federal law, the commissioner may limit the number of certified clinics so that the
 98.10 projected claims for certified clinics will not exceed the funds budgeted for this purpose.
 98.11 The commissioner shall give preference to clinics that:

98.12 (1) provide a comprehensive range of services and evidence-based practices for all age
 98.13 groups, with services being fully coordinated and integrated; and

98.14 (2) enhance the state's ability to meet the federal priorities to be selected as a CCBHC
 98.15 demonstration state.

98.16 (i) The commissioner shall recertify CCBHCs at least every three years. The
 98.17 commissioner shall establish a process for decertification and shall require corrective action,
 98.18 medical assistance repayment, or decertification of a CCBHC that no longer meets the
 98.19 requirements in this section or that fails to meet the standards provided by the commissioner
 98.20 in the application and certification process.

98.21 Sec. 7. Minnesota Statutes 2016, section 245A.02, subdivision 20, is amended to read:

98.22 Subd. 20. **Weekly.** "Weekly" means at least once every calendar week, for the purposes
 98.23 of chemical dependency treatment programs licensed under ~~Minnesota Rules, parts 9530.6405~~
 98.24 ~~to 9530.6505~~ chapter 245G.

98.25 Sec. 8. Minnesota Statutes 2016, section 245A.02, subdivision 21, is amended to read:

98.26 Subd. 21. **Monthly.** "Monthly" means at least once every calendar month, for the purposes
 98.27 of chemical dependency treatment programs licensed under ~~Minnesota Rules, parts 9530.6405~~
 98.28 ~~to 9530.6505~~ chapter 245G.

99.1 Sec. 9. Minnesota Statutes 2016, section 245A.02, subdivision 22, is amended to read:

99.2 Subd. 22. **Quarterly.** "Quarterly" means at least every 90 calendar days, for the purposes
 99.3 of chemical dependency treatment programs licensed under ~~Minnesota Rules, parts 9530.6405~~
 99.4 ~~to 9530.6505~~ chapter 245G.

99.5 Sec. 10. Minnesota Statutes 2016, section 245A.10, subdivision 4, is amended to read:

99.6 Subd. 4. **License or certification fee for certain programs.** (a) Child care centers shall
 99.7 pay an annual nonrefundable license fee based on the following schedule:

99.8		Child Care Center
99.9	Licensed Capacity	License Fee
99.10	1 to 24 persons	\$200
99.11	25 to 49 persons	\$300
99.12	50 to 74 persons	\$400
99.13	75 to 99 persons	\$500
99.14	100 to 124 persons	\$600
99.15	125 to 149 persons	\$700
99.16	150 to 174 persons	\$800
99.17	175 to 199 persons	\$900
99.18	200 to 224 persons	\$1,000
99.19	225 or more persons	\$1,100

99.20 (b)(1) A program licensed to provide one or more of the home and community-based
 99.21 services and supports identified under chapter 245D to persons with disabilities or age 65
 99.22 and older, shall pay an annual nonrefundable license fee based on revenues derived from
 99.23 the provision of services that would require licensure under chapter 245D during the calendar
 99.24 year immediately preceding the year in which the license fee is paid, according to the
 99.25 following schedule:

99.26	License Holder Annual Revenue	License Fee
99.27	less than or equal to \$10,000	\$200
99.28	greater than \$10,000 but less than or	
99.29	equal to \$25,000	\$300
99.30	greater than \$25,000 but less than or	
99.31	equal to \$50,000	\$400
99.32	greater than \$50,000 but less than or	
99.33	equal to \$100,000	\$500
99.34	greater than \$100,000 but less than or	
99.35	equal to \$150,000	\$600
99.36	greater than \$150,000 but less than or	
99.37	equal to \$200,000	\$800

100.1	greater than \$200,000 but less than or	
100.2	equal to \$250,000	\$1,000
100.3	greater than \$250,000 but less than or	
100.4	equal to \$300,000	\$1,200
100.5	greater than \$300,000 but less than or	
100.6	equal to \$350,000	\$1,400
100.7	greater than \$350,000 but less than or	
100.8	equal to \$400,000	\$1,600
100.9	greater than \$400,000 but less than or	
100.10	equal to \$450,000	\$1,800
100.11	greater than \$450,000 but less than or	
100.12	equal to \$500,000	\$2,000
100.13	greater than \$500,000 but less than or	
100.14	equal to \$600,000	\$2,250
100.15	greater than \$600,000 but less than or	
100.16	equal to \$700,000	\$2,500
100.17	greater than \$700,000 but less than or	
100.18	equal to \$800,000	\$2,750
100.19	greater than \$800,000 but less than or	
100.20	equal to \$900,000	\$3,000
100.21	greater than \$900,000 but less than or	
100.22	equal to \$1,000,000	\$3,250
100.23	greater than \$1,000,000 but less than or	
100.24	equal to \$1,250,000	\$3,500
100.25	greater than \$1,250,000 but less than or	
100.26	equal to \$1,500,000	\$3,750
100.27	greater than \$1,500,000 but less than or	
100.28	equal to \$1,750,000	\$4,000
100.29	greater than \$1,750,000 but less than or	
100.30	equal to \$2,000,000	\$4,250
100.31	greater than \$2,000,000 but less than or	
100.32	equal to \$2,500,000	\$4,500
100.33	greater than \$2,500,000 but less than or	
100.34	equal to \$3,000,000	\$4,750
100.35	greater than \$3,000,000 but less than or	
100.36	equal to \$3,500,000	\$5,000
100.37	greater than \$3,500,000 but less than or	
100.38	equal to \$4,000,000	\$5,500
100.39	greater than \$4,000,000 but less than or	
100.40	equal to \$4,500,000	\$6,000
100.41	greater than \$4,500,000 but less than or	
100.42	equal to \$5,000,000	\$6,500
100.43	greater than \$5,000,000 but less than or	
100.44	equal to \$7,500,000	\$7,000
100.45	greater than \$7,500,000 but less than or	
100.46	equal to \$10,000,000	\$8,500

101.1	greater than \$10,000,000 but less than or	
101.2	equal to \$12,500,000	\$10,000
101.3	greater than \$12,500,000 but less than or	
101.4	equal to \$15,000,000	\$14,000
101.5	greater than \$15,000,000	\$18,000

101.6 (2) If requested, the license holder shall provide the commissioner information to verify
 101.7 the license holder's annual revenues or other information as needed, including copies of
 101.8 documents submitted to the Department of Revenue.

101.9 (3) At each annual renewal, a license holder may elect to pay the highest renewal fee,
 101.10 and not provide annual revenue information to the commissioner.

101.11 (4) A license holder that knowingly provides the commissioner incorrect revenue amounts
 101.12 for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount
 101.13 of double the fee the provider should have paid.

101.14 (5) Notwithstanding clause (1), a license holder providing services under one or more
 101.15 licenses under chapter 245B that are in effect on May 15, 2013, shall pay an annual license
 101.16 fee for calendar years 2014, 2015, and 2016, equal to the total license fees paid by the license
 101.17 holder for all licenses held under chapter 245B for calendar year 2013. For calendar year
 101.18 2017 and thereafter, the license holder shall pay an annual license fee according to clause
 101.19 (1).

101.20 (c) A chemical dependency treatment program licensed under ~~Minnesota Rules, parts~~
 101.21 ~~9530.6405 to 9530.6505~~ chapter 245G, to provide chemical dependency treatment shall
 101.22 pay an annual nonrefundable license fee based on the following schedule:

101.23	Licensed Capacity	License Fee
101.24	1 to 24 persons	\$600
101.25	25 to 49 persons	\$800
101.26	50 to 74 persons	\$1,000
101.27	75 to 99 persons	\$1,200
101.28	100 or more persons	\$1,400

101.29 (d) A chemical dependency program licensed under Minnesota Rules, parts 9530.6510
 101.30 to 9530.6590, to provide detoxification services shall pay an annual nonrefundable license
 101.31 fee based on the following schedule:

101.32	Licensed Capacity	License Fee
101.33	1 to 24 persons	\$760
101.34	25 to 49 persons	\$960
101.35	50 or more persons	\$1,160

102.1 (e) Except for child foster care, a residential facility licensed under Minnesota Rules,
 102.2 chapter 2960, to serve children shall pay an annual nonrefundable license fee based on the
 102.3 following schedule:

102.4	Licensed Capacity	License Fee
102.5	1 to 24 persons	\$1,000
102.6	25 to 49 persons	\$1,100
102.7	50 to 74 persons	\$1,200
102.8	75 to 99 persons	\$1,300
102.9	100 or more persons	\$1,400

102.10 (f) A residential facility licensed under Minnesota Rules, parts 9520.0500 to 9520.0670,
 102.11 to serve persons with mental illness shall pay an annual nonrefundable license fee based on
 102.12 the following schedule:

102.13	Licensed Capacity	License Fee
102.14	1 to 24 persons	\$2,525
102.15	25 or more persons	\$2,725

102.16 (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3400,
 102.17 to serve persons with physical disabilities shall pay an annual nonrefundable license fee
 102.18 based on the following schedule:

102.19	Licensed Capacity	License Fee
102.20	1 to 24 persons	\$450
102.21	25 to 49 persons	\$650
102.22	50 to 74 persons	\$850
102.23	75 to 99 persons	\$1,050
102.24	100 or more persons	\$1,250

102.25 (h) A program licensed to provide independent living assistance for youth under section
 102.26 245A.22 shall pay an annual nonrefundable license fee of \$1,500.

102.27 (i) A private agency licensed to provide foster care and adoption services under Minnesota
 102.28 Rules, parts 9545.0755 to 9545.0845, shall pay an annual nonrefundable license fee of \$875.

102.29 (j) A program licensed as an adult day care center licensed under Minnesota Rules, parts
 102.30 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the
 102.31 following schedule:

102.32	Licensed Capacity	License Fee
102.33	1 to 24 persons	\$500
102.34	25 to 49 persons	\$700
102.35	50 to 74 persons	\$900

103.1 75 to 99 persons \$1,100

103.2 100 or more persons \$1,300

103.3 (k) A program licensed to provide treatment services to persons with sexual psychopathic
103.4 personalities or sexually dangerous persons under Minnesota Rules, parts 9515.3000 to
103.5 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

103.6 (l) A mental health center or mental health clinic requesting certification for purposes
103.7 of insurance and subscriber contract reimbursement under Minnesota Rules, parts 9520.0750
103.8 to 9520.0870, shall pay a certification fee of \$1,550 per year. If the mental health center or
103.9 mental health clinic provides services at a primary location with satellite facilities, the
103.10 satellite facilities shall be certified with the primary location without an additional charge.

103.11 Sec. 11. Minnesota Statutes 2016, section 245A.1443, subdivision 1, is amended to read:

103.12 Subdivision 1. **Application.** This section applies to chemical dependency treatment
103.13 facilities that are licensed under this chapter and Minnesota Rules, chapter 9530, and that
103.14 provide services in accordance with ~~Minnesota Rules, part 9530.6490~~ section 245G.19.

103.15 Sec. 12. Minnesota Statutes 2016, section 245A.1444, is amended to read:

103.16 **245A.1444 TRAINING ON RISK OF SUDDEN UNEXPECTED INFANT DEATH**
103.17 **AND ABUSIVE HEAD TRAUMA BY OTHER PROGRAMS.**

103.18 A licensed chemical dependency treatment program that serves clients with infants or
103.19 children through five years of age, who sleep at the program and a licensed children's
103.20 residential facility that serves infants or children through five years of age, must document
103.21 that before program staff persons or volunteers assist in the care of infants or children
103.22 through five years of age, they are instructed on the standards in section 245A.1435 and
103.23 receive training on reducing the risk of sudden unexpected infant death and abusive head
103.24 trauma from shaking infants and young children. The training conducted under this section
103.25 may be used to fulfill training requirements under section 245G.19, subdivision 4, clause
103.26 (2), and Minnesota Rules, ~~parts~~ part 2960.0100, subpart 3; and ~~9530.6490, subpart 4, item~~
103.27 B.

103.28 This section does not apply to child care centers or family child care programs governed
103.29 by sections 245A.40 and 245A.50.

104.1 Sec. 13. Minnesota Statutes 2016, section 245F.02, subdivision 3, is amended to read:

104.2 Subd. 3. **Alcohol and drug counselor.** "Alcohol and drug counselor" means an individual
104.3 qualified under ~~Minnesota Rules, part 9530.6450, subpart 5~~ section 245G.11, subdivision
104.4 5.

104.5 Sec. 14. Minnesota Statutes 2016, section 245F.02, subdivision 7, is amended to read:

104.6 Subd. 7. **Clinically managed program.** "Clinically managed program" means a
104.7 residential setting with staff comprised of a medical director and a licensed practical nurse.
104.8 A licensed practical nurse must be on site 24 hours a day, seven days a week. A qualified
104.9 medical professional must be available by telephone or in person for consultation 24 hours
104.10 a day. Patients admitted to this level of service receive medical observation, evaluation, and
104.11 stabilization services during the detoxification process; access to medications administered
104.12 by trained, licensed staff to manage withdrawal; and a comprehensive assessment pursuant
104.13 to ~~Minnesota Rules, part 9530.6422~~ section 245G.05.

104.14 Sec. 15. Minnesota Statutes 2016, section 245F.06, subdivision 2, is amended to read:

104.15 Subd. 2. **Comprehensive assessment.** (a) Prior to a medically stable discharge, but not
104.16 later than 72 hours following admission, a license holder must provide a comprehensive
104.17 assessment according to ~~section~~ sections 245.4863, paragraph (a), and ~~Minnesota Rules,~~
104.18 ~~part 9530.6422~~ 245G.05, for each patient who has a positive screening for a substance use
104.19 disorder. If a patient's medical condition prevents a comprehensive assessment from being
104.20 completed within 72 hours, the license holder must document why the assessment was not
104.21 completed. The comprehensive assessment must include documentation of the
104.22 appropriateness of an involuntary referral through the civil commitment process.

104.23 (b) If available to the program, a patient's previous comprehensive assessment may be
104.24 used in the patient record. If a previously completed comprehensive assessment is used, its
104.25 contents must be reviewed to ensure the assessment is accurate and current and complies
104.26 with the requirements of this chapter. The review must be completed by a staff person
104.27 qualified according to ~~Minnesota Rules, part 9530.6450, subpart 5~~ section 245G.11,
104.28 subdivision 5. The license holder must document that the review was completed and that
104.29 the previously completed assessment is accurate and current, or the license holder must
104.30 complete an updated or new assessment.

105.1 Sec. 16. Minnesota Statutes 2016, section 245F.15, subdivision 4, is amended to read:

105.2 Subd. 4. **Alcohol and drug counselor qualifications.** An alcohol and drug counselor
105.3 must meet the requirements in ~~Minnesota Rules, part 9530.6450, subpart 5~~ section 245G.11,
105.4 subdivision 5.

105.5 Sec. 17. Minnesota Statutes 2017 Supplement, section 254B.05, subdivision 1a, is amended
105.6 to read:

105.7 Subd. 1a. **Room and board provider requirements.** (a) Effective January 1, 2000,
105.8 vendors of room and board are eligible for chemical dependency fund payment if the vendor:

105.9 (1) has rules prohibiting residents bringing chemicals into the facility or using chemicals
105.10 while residing in the facility and provide consequences for infractions of those rules;

105.11 (2) is determined to meet applicable health and safety requirements;

105.12 (3) is not a jail or prison;

105.13 (4) is not concurrently receiving funds under chapter 256I for the recipient;

105.14 (5) admits individuals who are 18 years of age or older;

105.15 (6) is registered as a board and lodging or lodging establishment according to section
105.16 157.17;

105.17 (7) has awake staff on site 24 hours per day;

105.18 (8) has staff who are at least 18 years of age and meet the requirements of section
105.19 245G.11, subdivision 1, paragraph ~~(a)~~ (b);

105.20 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;

105.21 (10) meets the requirements of section 245G.08, subdivision 5, if administering
105.22 medications to clients;

105.23 (11) meets the abuse prevention requirements of section 245A.65, including a policy on
105.24 fraternization and the mandatory reporting requirements of section 626.557;

105.25 (12) documents coordination with the treatment provider to ensure compliance with
105.26 section 254B.03, subdivision 2;

105.27 (13) protects client funds and ensures freedom from exploitation by meeting the
105.28 provisions of section 245A.04, subdivision 13;

105.29 (14) has a grievance procedure that meets the requirements of section 245G.15,
105.30 subdivision 2; and

106.1 (15) has sleeping and bathroom facilities for men and women separated by a door that
 106.2 is locked, has an alarm, or is supervised by awake staff.

106.3 (b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from
 106.4 paragraph (a), clauses (5) to (15).

106.5 Sec. 18. Minnesota Statutes 2017 Supplement, section 254B.05, subdivision 5, is amended
 106.6 to read:

106.7 Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance
 106.8 use disorder services and service enhancements funded under this chapter.

106.9 (b) Eligible substance use disorder treatment services include:

106.10 (1) outpatient treatment services that are licensed according to sections 245G.01 to
 106.11 245G.17, or applicable tribal license;

106.12 (2) on July 1, 2018, or upon federal approval, whichever is later, comprehensive
 106.13 assessments provided according to sections 245.4863, paragraph (a), and 245G.05, and
 106.14 Minnesota Rules, part 9530.6422;

106.15 (3) on July 1, 2018, or upon federal approval, whichever is later, care coordination
 106.16 services provided according to section 245G.07, subdivision 1, paragraph (a), clause (6);

106.17 (4) on July 1, 2018, or upon federal approval, whichever is later, peer recovery support
 106.18 services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

106.19 (5) on July 1, 2019, or upon federal approval, whichever is later, withdrawal management
 106.20 services provided according to chapter 245F;

106.21 (6) medication-assisted therapy services that are licensed according to ~~section 245G.07,~~
 106.22 ~~subdivision 1~~ sections 245G.01 to 245G.17 and 245G.22, or applicable tribal license;

106.23 (7) medication-assisted therapy plus enhanced treatment services that meet the
 106.24 requirements of clause (6) and provide nine hours of clinical services each week;

106.25 (8) high, medium, and low intensity residential treatment services that are licensed
 106.26 according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license which
 106.27 provide, respectively, 30, 15, and five hours of clinical services each week;

106.28 (9) hospital-based treatment services that are licensed according to sections 245G.01 to
 106.29 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to
 106.30 144.56;

107.1 (10) adolescent treatment programs that are licensed as outpatient treatment programs
107.2 according to sections 245G.01 to 245G.18 or as residential treatment programs according
107.3 to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or
107.4 applicable tribal license;

107.5 (11) high-intensity residential treatment services that are licensed according to sections
107.6 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide 30 hours of
107.7 clinical services each week provided by a state-operated vendor or to clients who have been
107.8 civilly committed to the commissioner, present the most complex and difficult care needs,
107.9 and are a potential threat to the community; and

107.10 (12) room and board facilities that meet the requirements of subdivision 1a.

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

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

107.14 (i) provides on-site child care during the hours of treatment activity that:

107.15 (A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter
107.16 9503; or

107.17 (B) meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph
107.18 (a), clause (6), and meets the requirements under section 245G.19, subdivision 4; or

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

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

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

107.23 (2) culturally specific programs as defined in section 254B.01, subdivision 4a, or
107.24 programs or subprograms serving special populations, if the program or subprogram meets
107.25 the following requirements:

107.26 (i) is designed to address the unique needs of individuals who share a common language,
107.27 racial, ethnic, or social background;

107.28 (ii) is governed with significant input from individuals of that specific background; and

107.29 (iii) employs individuals to provide individual or group therapy, at least 50 percent of
107.30 whom are of that specific background, except when the common social background of the
107.31 individuals served is a traumatic brain injury or cognitive disability and the program employs

108.1 treatment staff who have the necessary professional training, as approved by the
108.2 commissioner, to serve clients with the specific disabilities that the program is designed to
108.3 serve;

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

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

108.10 (i) the program meets the co-occurring requirements in section 245G.20;

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

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

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

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

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

108.26 (d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program
108.27 that provides arrangements for off-site child care must maintain current documentation at
108.28 the chemical dependency facility of the child care provider's current licensure to provide
108.29 child care services. Programs that provide child care according to paragraph (c), clause (1),
108.30 must be deemed in compliance with the licensing requirements in section 245G.19.

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

109.1 (f) Subject to federal approval, chemical dependency services that are otherwise covered
109.2 as direct face-to-face services may be provided via two-way interactive video. The use of
109.3 two-way interactive video must be medically appropriate to the condition and needs of the
109.4 person being served. Reimbursement shall be at the same rates and under the same conditions
109.5 that would otherwise apply to direct face-to-face services. The interactive video equipment
109.6 and connection must comply with Medicare standards in effect at the time the service is
109.7 provided.

109.8 Sec. 19. Minnesota Statutes 2016, section 256B.0622, subdivision 7a, is amended to read:

109.9 Subd. 7a. **Assertive community treatment team staff requirements and roles.** (a)

109.10 The required treatment staff qualifications and roles for an ACT team are:

109.11 (1) the team leader:

109.12 (i) shall be a licensed mental health professional who is qualified under Minnesota Rules,
109.13 part 9505.0371, subpart 5, item A. Individuals who are not licensed but who are eligible
109.14 for licensure and are otherwise qualified may also fulfill this role but must obtain full
109.15 licensure within 24 months of assuming the role of team leader;

109.16 (ii) must be an active member of the ACT team and provide some direct services to
109.17 clients;

109.18 (iii) must be a single full-time staff member, dedicated to the ACT team, who is
109.19 responsible for overseeing the administrative operations of the team, providing clinical
109.20 oversight of services in conjunction with the psychiatrist or psychiatric care provider, and
109.21 supervising team members to ensure delivery of best and ethical practices; and

109.22 (iv) must be available to provide overall clinical oversight to the ACT team after regular
109.23 business hours and on weekends and holidays. The team leader may delegate this duty to
109.24 another qualified member of the ACT team;

109.25 (2) the psychiatric care provider:

109.26 (i) must be a licensed psychiatrist certified by the American Board of Psychiatry and
109.27 Neurology or eligible for board certification or certified by the American Osteopathic Board
109.28 of Neurology and Psychiatry or eligible for board certification, or a psychiatric nurse who
109.29 is qualified under Minnesota Rules, part 9505.0371, subpart 5, item A. The psychiatric care
109.30 provider must have demonstrated clinical experience working with individuals with serious
109.31 and persistent mental illness;

110.1 (ii) shall collaborate with the team leader in sharing overall clinical responsibility for
110.2 screening and admitting clients; monitoring clients' treatment and team member service
110.3 delivery; educating staff on psychiatric and nonpsychiatric medications, their side effects,
110.4 and health-related conditions; actively collaborating with nurses; and helping provide clinical
110.5 supervision to the team;

110.6 (iii) shall fulfill the following functions for assertive community treatment clients:
110.7 provide assessment and treatment of clients' symptoms and response to medications, including
110.8 side effects; provide brief therapy to clients; provide diagnostic and medication education
110.9 to clients, with medication decisions based on shared decision making; monitor clients'
110.10 nonpsychiatric medical conditions and nonpsychiatric medications; and conduct home and
110.11 community visits;

110.12 (iv) shall serve as the point of contact for psychiatric treatment if a client is hospitalized
110.13 for mental health treatment and shall communicate directly with the client's inpatient
110.14 psychiatric care providers to ensure continuity of care;

110.15 (v) shall have a minimum full-time equivalency that is prorated at a rate of 16 hours per
110.16 50 clients. Part-time psychiatric care providers shall have designated hours to work on the
110.17 team, with sufficient blocks of time on consistent days to carry out the provider's clinical,
110.18 supervisory, and administrative responsibilities. No more than two psychiatric care providers
110.19 may share this role;

110.20 (vi) may not provide specific roles and responsibilities by telemedicine unless approved
110.21 by the commissioner; and

110.22 (vii) shall provide psychiatric backup to the program after regular business hours and
110.23 on weekends and holidays. The psychiatric care provider may delegate this duty to another
110.24 qualified psychiatric provider;

110.25 (3) the nursing staff:

110.26 (i) shall consist of one to three registered nurses or advanced practice registered nurses,
110.27 of whom at least one has a minimum of one-year experience working with adults with
110.28 serious mental illness and a working knowledge of psychiatric medications. No more than
110.29 two individuals can share a full-time equivalent position;

110.30 (ii) are responsible for managing medication, administering and documenting medication
110.31 treatment, and managing a secure medication room; and

110.32 (iii) shall develop strategies, in collaboration with clients, to maximize taking medications
110.33 as prescribed; screen and monitor clients' mental and physical health conditions and

111.1 medication side effects; engage in health promotion, prevention, and education activities;
111.2 communicate and coordinate services with other medical providers; facilitate the development
111.3 of the individual treatment plan for clients assigned; and educate the ACT team in monitoring
111.4 psychiatric and physical health symptoms and medication side effects;

111.5 (4) the co-occurring disorder specialist:

111.6 (i) shall be a full-time equivalent co-occurring disorder specialist who has received
111.7 specific training on co-occurring disorders that is consistent with national evidence-based
111.8 practices. The training must include practical knowledge of common substances and how
111.9 they affect mental illnesses, the ability to assess substance use disorders and the client's
111.10 stage of treatment, motivational interviewing, and skills necessary to provide counseling to
111.11 clients at all different stages of change and treatment. The co-occurring disorder specialist
111.12 may also be an individual who is a licensed alcohol and drug counselor as described in
111.13 section 148F.01, subdivision 5, or a counselor who otherwise meets the training, experience,
111.14 and other requirements in ~~Minnesota Rules, part 9530.6450, subpart 5~~ section 245G.11,
111.15 subdivision 5. No more than two co-occurring disorder specialists may occupy this role;
111.16 and

111.17 (ii) shall provide or facilitate the provision of co-occurring disorder treatment to clients.
111.18 The co-occurring disorder specialist shall serve as a consultant and educator to fellow ACT
111.19 team members on co-occurring disorders;

111.20 (5) the vocational specialist:

111.21 (i) shall be a full-time vocational specialist who has at least one-year experience providing
111.22 employment services or advanced education that involved field training in vocational services
111.23 to individuals with mental illness. An individual who does not meet these qualifications
111.24 may also serve as the vocational specialist upon completing a training plan approved by the
111.25 commissioner;

111.26 (ii) shall provide or facilitate the provision of vocational services to clients. The vocational
111.27 specialist serves as a consultant and educator to fellow ACT team members on these services;
111.28 and

111.29 (iii) should not refer individuals to receive any type of vocational services or linkage by
111.30 providers outside of the ACT team;

111.31 (6) the mental health certified peer specialist:

111.32 (i) shall be a full-time equivalent mental health certified peer specialist as defined in
111.33 section 256B.0615. No more than two individuals can share this position. The mental health

112.1 certified peer specialist is a fully integrated team member who provides highly individualized
112.2 services in the community and promotes the self-determination and shared decision-making
112.3 abilities of clients. This requirement may be waived due to workforce shortages upon
112.4 approval of the commissioner;

112.5 (ii) must provide coaching, mentoring, and consultation to the clients to promote recovery,
112.6 self-advocacy, and self-direction, promote wellness management strategies, and assist clients
112.7 in developing advance directives; and

112.8 (iii) must model recovery values, attitudes, beliefs, and personal action to encourage
112.9 wellness and resilience, provide consultation to team members, promote a culture where
112.10 the clients' points of view and preferences are recognized, understood, respected, and
112.11 integrated into treatment, and serve in a manner equivalent to other team members;

112.12 (7) the program administrative assistant shall be a full-time office-based program
112.13 administrative assistant position assigned to solely work with the ACT team, providing a
112.14 range of supports to the team, clients, and families; and

112.15 (8) additional staff:

112.16 (i) shall be based on team size. Additional treatment team staff may include licensed
112.17 mental health professionals as defined in Minnesota Rules, part 9505.0371, subpart 5, item
112.18 A; mental health practitioners as defined in Minnesota Rules, part 9505.0370, subpart 17;
112.19 or mental health rehabilitation workers as defined in section 256B.0623, subdivision 5,
112.20 clause (4). These individuals shall have the knowledge, skills, and abilities required by the
112.21 population served to carry out rehabilitation and support functions; and

112.22 (ii) shall be selected based on specific program needs or the population served.

112.23 (b) Each ACT team must clearly document schedules for all ACT team members.

112.24 (c) Each ACT team member must serve as a primary team member for clients assigned
112.25 by the team leader and are responsible for facilitating the individual treatment plan process
112.26 for those clients. The primary team member for a client is the responsible team member
112.27 knowledgeable about the client's life and circumstances and writes the individual treatment
112.28 plan. The primary team member provides individual supportive therapy or counseling, and
112.29 provides primary support and education to the client's family and support system.

112.30 (d) Members of the ACT team must have strong clinical skills, professional qualifications,
112.31 experience, and competency to provide a full breadth of rehabilitation services. Each staff
112.32 member shall be proficient in their respective discipline and be able to work collaboratively
112.33 as a member of a multidisciplinary team to deliver the majority of the treatment,

113.1 rehabilitation, and support services clients require to fully benefit from receiving assertive
113.2 community treatment.

113.3 (e) Each ACT team member must fulfill training requirements established by the
113.4 commissioner.

113.5 Sec. 20. Minnesota Statutes 2017 Supplement, section 256B.25, subdivision 3, is amended
113.6 to read:

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

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

113.11 (2) payment or grants to a boarding care home or supervised living facility licensed by
113.12 the Department of Human Services under Minnesota Rules, parts 2960.0130 to 2960.0220
113.13 or 2960.0580 to 2960.0700, 9520.0500 to 9520.0670, or ~~9530.6405 to 9530.6505~~ chapter
113.14 245G, or payment to recipients who reside in these facilities;

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

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

113.18 Sec. 21. Minnesota Statutes 2016, section 256I.03, subdivision 14, is amended to read:

113.19 Subd. 14. **Qualified professional.** "Qualified professional" means an individual as
113.20 defined in section 256J.08, subdivision 73a, or ~~Minnesota Rules, part 9530.6450, subpart~~
113.21 ~~3, 4, or 5~~ 245G.11, subdivision 3, 4, or 5; or an individual approved by the director of human
113.22 services or a designee of the director.

113.23 ARTICLE 3

113.24 DATA PRACTICES

113.25 Section 1. Minnesota Statutes 2016, section 13.46, subdivision 10, is amended to read:

113.26 Subd. 10. **Responsible authority.** (a) Notwithstanding any other provision of this chapter
113.27 to the contrary, the responsible authority for each component of the welfare system listed
113.28 in subdivision 1, clause (c), shall be as follows:

113.29 (1) the responsible authority for the Department of Human Services, state hospitals, and
113.30 nursing homes is the commissioner of the Department of Human Services;

114.1 (2) the responsible authority of a county welfare agency is the director of the county
114.2 welfare agency;

114.3 (3) the responsible authority for a local social services agency, human services board,
114.4 or community mental health center board is the chair of the board;

114.5 (4) the responsible authority of any person, agency, institution, organization, or other
114.6 entity under contract to any of the components of the welfare system listed in subdivision
114.7 1, clause (c), is the person specified in the contract; ~~and~~

114.8 (5) the responsible authority of the public authority for child support enforcement is the
114.9 head of the public authority for child support enforcement; and

114.10 (6) the responsible authority for county veteran services is the county veterans service
114.11 officer pursuant to section 197.603, subdivision 2.

114.12 (b) A responsible authority shall allow another responsible authority in the welfare
114.13 system access to data classified as not public data when access is necessary for the
114.14 administration and management of programs, or as authorized or required by statute or
114.15 federal law.

114.16 Sec. 2. Minnesota Statutes 2016, section 13.6905, is amended by adding a subdivision to
114.17 read:

114.18 Subd. 34. **Motor vehicle registration audit trail data.** Access to data related to motor
114.19 vehicle registration audit trails is governed by section 168.33, subdivision 2.

114.20 Sec. 3. Minnesota Statutes 2016, section 13.6905, is amended by adding a subdivision to
114.21 read:

114.22 Subd. 35. **Driver and vehicle services audit trail data.** Access to data related to certain
114.23 driver and vehicle services information system audit trails is governed by section 171.12,
114.24 subdivision 1a.

114.25 Sec. 4. Minnesota Statutes 2016, section 13.712, is amended by adding a subdivision to
114.26 read:

114.27 Subd. 6. **Claims for abandoned property.** Access to data related to a person's claim
114.28 for an interest in certain unclaimed property is governed by section 345.49.

115.1 Sec. 5. Minnesota Statutes 2016, section 13.7191, is amended by adding a subdivision to
115.2 read:

115.3 Subd. 24. **Minnesota premium security plan data.** Access to Minnesota Comprehensive
115.4 Health Association data related to the Minnesota premium security plan is governed by
115.5 section 62E.23, subdivision 6.

115.6 Sec. 6. Minnesota Statutes 2016, section 13.851, is amended by adding a subdivision to
115.7 read:

115.8 Subd. 11. **Conditional release data.** Access to conditional release data is governed by
115.9 section 241.065.

115.10 Sec. 7. Minnesota Statutes 2016, section 13.871, subdivision 13, is amended to read:

115.11 Subd. 13. **Orders for protection, harassment restraining orders, and no contact**
115.12 **orders.** Data contained in orders for protection, harassment restraining orders, and no contact
115.13 orders are classified in section 299C.46, subdivision 6.

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124D.8957 PREKINDERGARTEN THROUGH GRADE 12 PARENTAL RIGHTS CODED ELSEWHERE.

Subd. 24. **Data on children with disabilities.** The parental right to notice and involvement regarding online reporting of data related to children with disabilities is governed by section 125A.085.

256.9657 PROVIDER SURCHARGES.

Subd. 1c. **Waiver implementation.** If a waiver is approved under subdivision 1b, the commissioner shall implement subdivision 1b as follows:

(a) The commissioner, in cooperation with the Board of Medical Practice, shall notify each physician whose license is scheduled to be issued or renewed between April 1 and September 30 that an application to be excused from the surcharge must be received by the commissioner prior to September 1 of that year for the period of 12 consecutive calendar months beginning December 15. For each physician whose license is scheduled to be issued or renewed between October 1 and March 31, the application must be received from the physician by March 1 for the period of 12 consecutive calendar months beginning June 15. For each physician whose license is scheduled to be issued or renewed between April 1 and September 30, the commissioner shall make the notification required in this paragraph by July 1. For each physician whose license is scheduled to be issued or renewed between October 1 and March 31, the commissioner shall make the notification required in this paragraph by January 1.

(b) The commissioner shall establish an application form for waiver applications. Each physician who applies to be excused from the surcharge under subdivision 1b, paragraph (a), clause (1), must include with the application:

(1) a statement from the operator of the facility at which the physician provides services, that the physician provides services without charge; and

(2) a statement by the physician that the physician will not charge for any physician services during the period for which the exemption from the surcharge is granted.

Each physician who applies to be excused from the surcharge under subdivision 1b, paragraph (a), clauses (2) to (5), must include with the application:

(i) the physician's own statement certifying that the physician does not intend to practice medicine and will not charge for any physician services during the period for which the exemption from the surcharge is granted;

(ii) the physician's own statement describing in general the reason for the leave of absence from the practice of medicine and the anticipated date when the physician will resume the practice of medicine, if applicable;

(iii) an attending physician's statement certifying that the applicant has a terminal illness or permanent disability, if applicable; and

(iv) the physician's own statement indicating on what date the physician retired or became unemployed, if applicable.

(c) The commissioner shall notify in writing the physicians who are excused from the surcharge under subdivision 1b.

(d) A physician who decides to charge for physician services prior to the end of the period for which the exemption from the surcharge has been granted under subdivision 1b, paragraph (a), clause (1), or to return to the practice of medicine prior to the end of the period for which the exemption from the surcharge has been granted under subdivision 1b, paragraph (a), clause (2), (4), or (5), may do so by notifying the commissioner and shall be responsible for payment of the full surcharge for that period.

(e) Whenever the commissioner determines that the number of physicians likely to be excused from the surcharge under subdivision 1b may cause the physician surcharge to violate the requirements of Public Law 102-234 or regulations adopted under that law, the commissioner shall immediately notify the chairs of the senate Health Care Committee and Health Care and Family Services Funding Division and the house of representatives Human Services Committee and Human Services Funding Division.

256.9692 EFFECT OF INTEGRATION AGREEMENT ON DIVISION OF COST.

Beginning in the first calendar month after there is a definitive integration agreement affecting the University of Minnesota hospital and clinics and Fairview hospital and health care services, Fairview hospital and health care services shall pay the University of Minnesota \$505,000 on the 15th of each month, after receiving the state payment, provided that the University of Minnesota has fulfilled the requirements of section 256B.19, subdivision 1c.

290.067 DEPENDENT CARE CREDIT.

Subd. 2a. **Income.** (a) For purposes of this section, "income" means the sum of the following:

- (1) federal adjusted gross income as defined in section 62 of the Internal Revenue Code; and
- (2) the sum of the following amounts to the extent not included in clause (1):

- (i) all nontaxable income;

- (ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

- (iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

- (iv) cash public assistance and relief;

- (v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, Supplemental Security Income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

- (vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

- (vii) workers' compensation;

- (viii) nontaxable strike benefits;

- (ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

- (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1995;

- (xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code;

- (xii) nontaxable scholarship or fellowship grants;

- (xiii) the amount of deduction allowed under section 199 of the Internal Revenue Code;

- (xiv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue Code;

- (xv) the amount deducted for tuition expenses under section 222 of the Internal Revenue Code;

and

- (xvi) the amount deducted for certain expenses of elementary and secondary school teachers under section 62(a)(2)(D) of the Internal Revenue Code.

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" means federal adjusted gross income reflected in the fiscal year ending in the next calendar year. Federal adjusted gross income may not be reduced by the amount of a net operating loss carryback or carryforward or a capital loss carryback or carryforward allowed for the year.

(b) "Income" does not include:

- (1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;

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(2) amounts of any pension or annuity that were exclusively funded by the claimant or spouse if the funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(3) surplus food or other relief in kind supplied by a governmental agency;

(4) relief granted under chapter 290A;

(5) child support payments received under a temporary or final decree of dissolution or legal separation; and

(6) restitution payments received by eligible individuals and excludable interest as defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001, Public Law 107-16.

298.402 NET OPERATING LOSSES.

For purposes of the computation under Minnesota Statutes 1988, section 298.40, subdivision 1, clause (b), a net operating loss incurred in a taxable year beginning after December 31, 1986, is a net operating loss carryover to each of the 15 taxable years following the taxable year of the loss, in accordance with section 290.095. A net operating loss incurred in a taxable year beginning after December 31, 1981, and before January 1, 1987, is a net operating loss carryover to taxable years beginning after December 31, 1986, not to exceed the five taxable years following the taxable year of the loss, in accordance with section 290.095. No net operating loss carryback is allowed for a net operating loss incurred in a taxable year beginning after December 31, 1986.

Laws 2009, chapter 37, article 3, section 4

Sec. 4. Minnesota Statutes 2008, section 47.60, subdivision 6, is amended to read:

Subd. 6. **Penalties for violation.** A person business entity or the person's entity's members, officers, directors, agents, and employees who violate or participate in the violation of any of the provisions of this section may be liable in the same manner as in section 56.19.

Laws 2013, chapter 84, article 1, section 25

Sec. 25. Minnesota Statutes 2012, section 62A.615, is amended to read:

62A.615 PREEXISTING CONDITIONS DISCLOSED AT TIME OF APPLICATION.

No insurer may cancel or rescind a health insurance policy for a preexisting condition of which the application or other information provided by the insured reasonably gave the insurer notice. No insurer may restrict coverage for a preexisting condition of which the application or other information provided by the insured reasonably gave the insurer notice unless the coverage is restricted at the time the policy is issued and the restriction is disclosed in writing to the insured at the time the policy is issued. In addition, no health plan may restrict coverage for a preexisting condition for an individual who is under 19 years of age. This section does not apply to individual health plans that are grandfathered plans.

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

Laws 2013, chapter 84, article 1, section 30

Sec. 30. Minnesota Statutes 2012, section 62A.65, subdivision 6, is amended to read:

Subd. 6. **Guaranteed issue not required.** (a) Nothing in this section requires a health carrier to initially issue a health plan to a Minnesota resident who is age 19 or older on the date the health plan becomes effective if the effective date is prior to January 1, 2014, except as otherwise expressly provided in subdivision 4 or 5.

(b) Guaranteed issue is required for all health plans, except grandfathered plans, beginning January 1, 2014.

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

Laws 2014, chapter 199, section 18

Sec. 18. Minnesota Statutes 2012, section 82.63, subdivision 6, is amended to read:

Subd. 6. **Terminations; transfers.** (a) Except as provided in paragraph (b), when a salesperson terminates activity on behalf of a broker, the salesperson's license shall be ineffective. Within ten days of the termination the broker shall notify the commissioner in writing the manner prescribed by the commissioner, and shall return to the commissioner the license of the salesperson. The salesperson may apply for transfer of the license to another broker at any time during the remainder of the license period, on forms provided in the manner prescribed by the commissioner. If the application for transfer qualifies, the commissioner shall grant the application. Upon receipt of a transfer application and payment of the transfer fee, the commissioner may issue a 45-day temporary license. If an application for transfer is not made within the license period, the commissioner shall require that an application for a new license be ~~filed~~ submitted.

(b) When a salesperson terminates activity on behalf of a broker in order to begin association immediately with another broker, the commissioner shall permit the automatic transfer of the salesperson's license. The transfer shall be effective either upon the mailing submission of the required fee and the executed documents by certified mail or upon personal delivery of the fee and documents to the commissioner's office in the manner prescribed by the commissioner. The commissioner may adopt rules and prescribe forms as necessary to implement this paragraph.

Laws 2014, chapter 199, section 19

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Sec. 19. Minnesota Statutes 2013 Supplement, section 82.63, subdivision 8, is amended to read:

Subd. 8. **Procedure.** An application for automatic transfer shall be made only ~~on the form~~ in the manner prescribed by the commissioner. The transfer is ineffective if the form is not completed in its entirety.

The form shall be accompanied by a \$20 transfer fee, and the license renewal fee, if applicable. Cash will not be accepted.

The signature of the broker from whom the salesperson is transferring must predate the signature of the broker to whom the salesperson is transferring. The salesperson is unlicensed for the period of time between the times and dates of both signatures. The broker from whom the salesperson is transferring shall sign and date the transfer application upon the request of the salesperson and shall destroy the salesperson's license immediately.

Laws 2014, chapter 199, section 20

Sec. 20. Minnesota Statutes 2012, section 82.63, subdivision 10, is amended to read:

Subd. 10. **Automatic transfer of broker's license.** When a broker terminates activity in order to begin association with another broker, the commissioner shall permit the automatic transfer of the broker's license to a salesperson's license. If there are licensed salespeople working for the broker, the broker shall certify that a broker will remain in the company that the broker is leaving prior to issuance of the transfer. The transfer shall be effective ~~either~~ upon the mailing of the required fee and the executed documents by certified mail ~~or~~ upon personal delivery of the fee and documents to the commissioner's office, or by electronic means if permitted by the commissioner.

Laws 2014, chapter 222, article 2, section 3

Sec. 3. Minnesota Statutes 2012, section 45.0111, subdivision 2, is amended to read:

Subd. 2. **Nonapplication.** A temporary license as described in this section may not be issued to an applicant for licensure as a:

- (1) currency exchange regulated under chapter 53A;
- (2) collection agency regulated under sections 332.31 to ~~332.45~~ 332.44;
- (3) credit service organization regulated under sections 332.52 to 332.60; or
- (4) broker-dealer, investment advisor, or agent regulated under chapter 80A.

Laws 2014, chapter 222, article 2, section 8

Sec. 8. Minnesota Statutes 2013 Supplement, section 82A.06, subdivision 2, is amended to read:

Subd. 2. **Partial transactional exemptions.** The following transactions are exempt from the provisions of sections 82A.03; ~~82A.04~~; 82A.05; 82A.07; ~~82A.08~~; 82A.11, ~~subdivisions 2 and subdivision 4~~; and 82A.14: any sale which is made to a person who is not then physically present in this state, and any offer which invites an offeree to attend a sales presentation in another state if:

(1) the offeror has given at least ten days prior written notice to the commissioner of its intention to offer or sell membership camping contracts to residents of this state pursuant to this exemption and paid a fee of \$50;

(2) the offeror has demonstrated that the sales presentation will be made, and the sale will be consummated, in a state which specifically regulates the offer and sale of membership camping contracts;

(3) the offeror has demonstrated that it will deliver a disclosure statement to offerees who are residents of this state which contains substantially the same or greater disclosure as is required by section 82A.05; and

(4) the offeror has filed a consent to service of process pursuant to section 82A.22.

Laws 2014, chapter 222, article 2, section 9

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Sec. 9. Minnesota Statutes 2012, section 82A.08, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** During the period a registration is effective, the membership camping operator shall file an annual report in a format the commissioner may reasonably prescribe. Every annual report shall be due by the 120th day following the end of the operator's fiscal year, unless extended in writing by the commissioner for good cause. The annual report shall:

(1) specify the aggregate number of membership camping contracts sold in this state pursuant to the registration or any amendment thereof;

(2) specify the number of membership camping contracts and aggregate dollar amount of all sales of membership camping contracts in this state by the membership camping operator since the date the registration became effective, or since the last annual report was filed with the commissioner, whatever date is later;

(3) specify any exemption from registration claimed for any sale described in clause (2);

~~(4) list any changes in the information required to be filed under section 82A.04, subdivision 2, clause (4);~~

~~(5)~~ (4) include an audited or unaudited financial statement consisting of a balance sheet for the membership camping operator's last fiscal year end and an income statement for the 12 months next preceding the date of the balance sheet, both prepared by an independent certified public accountant; and

~~(6)~~ (5) provide such other information as the commissioner may by rule or order reasonably require to administer the provisions of this chapter, including but not limited to, audited financial statements.

Laws 2014, chapter 286, article 8, section 19

Sec. 19. Minnesota Statutes 2012, section 145A.10, subdivision 10, is amended to read:

Subd. 10. **State and local advisory committees.** (a) A State Community Health Advisory Committee is established to advise, consult with, and make recommendations to the commissioner on the development, maintenance, funding, and evaluation of community health services. Each community health board may appoint a member to serve on the committee. The committee must meet at least quarterly, and special meetings may be called by the committee chair or a majority of the members. Members or their alternates may be reimbursed for travel and other necessary expenses while engaged in their official duties. ~~Notwithstanding section 15.059, the State Community Health Advisory Committee does not expire.~~

(b) The city councils or county boards that have established or are members of a community health board may appoint a community health advisory committee to advise, consult with, and make recommendations to the community health board on the duties under subdivision 5a.