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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2797

03/10/2016 Authored by Smith and Koznick

The bill was read for the first time and referred to the Committee on Civil Law and Data Practices

A bill for an act

1.1 relating to legislative enactments; correcting erroneous, ambiguous, and omitted
1.2 text and obsolete references; removing redundant, conflicting, and superseded
1.3 provisions; making miscellaneous corrections to laws, statutes, and rules;
1.4 amending Minnesota Statutes 2014, sections 3.739, subdivision 2a; 3.7394,
1.5 subdivision 3; 3.855, subdivision 4; 3.8851, subdivision 1; 3A.02, subdivision
1.6 1; 10A.09, subdivision 5; 12.38; 13.08, subdivision 4; 13.321, subdivision 7;
1.7 13.3806, by adding a subdivision; 13.46, subdivision 1; 13.461, subdivision 16,
1.8 by adding a subdivision; 13.6435, by adding a subdivision; 14.03, subdivision
1.9 1; 15.06, subdivision 8; 16A.124, subdivisions 4a, 4b; 16A.131, subdivision
1.10 2; 16B.58, subdivision 5; 40A.04, subdivision 1; 41A.12, subdivision 2;
1.11 43A.01, subdivision 2; 45.011, subdivision 1; 62A.046, subdivision 4; 62A.095,
1.12 subdivision 1; 62D.04, subdivisions 3, 5; 62D.09, subdivision 8; 62E.02,
1.13 subdivision 13; 62E.11, subdivision 5; 62E.14, subdivision 4e; 62J.497,
1.14 subdivision 2; 62J.60, subdivisions 2a, 3; 62J.70, subdivision 2; 62J.701; 62J.81,
1.15 subdivision 2; 62L.03, subdivision 3; 62M.07; 62N.40; 62Q.03, subdivision 5a;
1.16 62Q.18, subdivision 1; 62Q.19, subdivision 2a; 62Q.22, subdivision 8; 62Q.37,
1.17 subdivision 1; 62Q.47; 62Q.73, subdivision 2; 62Q.80, subdivision 5; 62U.01,
1.18 subdivision 12; 62U.10, subdivision 5; 85A.05, subdivisions 4, 5, 6; 115A.551,
1.19 subdivisions 3, 4, 5; 116.07, subdivision 5; 116.42; 116.43; 116.77; 116A.24,
1.20 subdivision 2; 119A.04, subdivision 2; 122A.09, subdivision 10; 122A.21,
1.21 subdivision 1; 123B.57, subdivision 3; 124D.50, subdivision 4; 124D.895,
1.22 subdivision 3; 125A.51; 127A.45, subdivision 11; 134.32, subdivision 8;
1.23 136A.128, subdivision 2; 144.1222, subdivision 2a; 144.225, subdivisions 2, 2a;
1.24 144.414, subdivision 2; 144.4812; 144.608, subdivision 1; 144.651, subdivision
1.25 2; 144A.04, subdivision 7; 144A.10, subdivision 4; 144A.105, subdivision 1;
1.26 144A.43, subdivision 22; 144A.442; 144A.4792, subdivision 13; 144D.01,
1.27 subdivision 4; 144E.285, subdivision 2; 144G.03, subdivision 2; 145.4133;
1.28 145.61, subdivision 5; 146A.11, subdivision 1; 147A.08; 147B.03, subdivision 1;
1.29 148.519, subdivision 1; 148.741; 150A.06, subdivision 2d; 151.55, subdivision
1.30 6; 153A.15, subdivision 1; 155A.23, subdivision 5a; 155A.355, subdivisions
1.31 1, 2; 168B.07, subdivision 3; 174.06, subdivision 2; 176.105, subdivision 4;
1.32 201.225, subdivision 2; 221.025; 239.7911, subdivision 2; 241.021, subdivision
1.33 4a; 244.05, subdivision 8; 244.054, subdivision 2; 245.466, subdivision 7;
1.34 245.467, subdivision 2; 245.4682, subdivision 3; 245.4712, subdivision 3;
1.35 245.4871, subdivision 32; 245.4876, subdivision 2; 245.826; 245.94, subdivision
1.36 1; 245A.03, subdivisions 2a, 2b, 4, 5, 6; 245A.14, subdivision 10; 245D.06,
1.37 subdivisions 6, 8; 252.28, subdivision 3; 252.451, subdivision 1; 253B.03,
1.38 subdivision 10; 253B.064, subdivision 1; 253B.18, subdivision 5a; 253C.01,

2.1 subdivision 1; 254B.03, subdivision 4; 254B.04, subdivision 1; 256.01,
 2.2 subdivisions 2, 2b, 18, 18a, 39; 256.014, subdivision 1; 256.015, subdivisions 1,
 2.3 3; 256.019, subdivision 1; 256.029; 256.045, subdivisions 3a, 3b, 10; 256.046,
 2.4 subdivision 1; 256.9365, subdivision 3; 256.962, subdivisions 1, 5; 256.9655,
 2.5 subdivision 1; 256.9686, subdivision 7; 256.98, subdivisions 3, 8; 256.99;
 2.6 256.991; 256.997, subdivision 4; 256B.02, subdivision 9; 256B.03, subdivision
 2.7 3; 256B.035; 256B.037, subdivisions 1, 5; 256B.04, subdivision 14; 256B.042,
 2.8 subdivisions 1, 3; 256B.043, subdivision 1; 256B.056, subdivision 6; 256B.0625,
 2.9 subdivisions 3, 3c, 5, 25a, 34; 256B.0636; 256B.0653, subdivision 2; 256B.0659,
 2.10 subdivision 22; 256B.075, subdivisions 2, 3; 256B.0751, subdivision 1;
 2.11 256B.092, subdivision 4a; 256B.093, subdivision 3; 256B.0947, subdivision 3a;
 2.12 256B.15, subdivisions 1, 1a, 2; 256B.19, subdivision 2c; 256B.25, subdivision 3;
 2.13 256B.37, subdivision 2; 256B.438, subdivision 4; 256B.47, subdivisions 1, 3,
 2.14 4; 256B.4914, subdivision 9; 256B.50, subdivision 1a; 256B.501, subdivision
 2.15 11; 256B.5013, subdivision 1; 256B.69, subdivision 5; 256B.691; 256B.71,
 2.16 subdivision 4; 256B.73, subdivisions 4, 8; 256B.76, subdivision 5; 256B.77,
 2.17 subdivisions 10, 26; 256C.30; 256G.01, subdivision 4; 256G.02, subdivisions
 2.18 4, 6; 256G.03, subdivision 2; 256I.05, subdivision 1a; 256J.01, subdivision
 2.19 5; 256J.08, subdivision 73; 256J.24, subdivision 7; 256J.396, subdivision
 2.20 1; 256J.68, subdivision 6; 256L.03, subdivision 3; 256L.09, subdivision 1;
 2.21 256L.12, subdivisions 4, 5; 256M.10, subdivision 2; 257C.03, subdivision
 2.22 7; 260.785, subdivision 3; 260.795, subdivision 2; 260B.188, subdivision 1;
 2.23 260C.188, subdivision 1; 268.19, subdivision 1; 268A.01, subdivision 14;
 2.24 270C.721; 271.06, subdivision 7; 271.07; 272.02, subdivision 10; 273.032;
 2.25 287.29, subdivision 1; 289A.08, subdivisions 1, 7; 289A.12, subdivision 14;
 2.26 289A.50, subdivision 10; 290.01, subdivisions 22, 29a; 290.06, subdivisions 2c,
 2.27 22; 290.067, subdivision 1; 290.0674, subdivision 1; 290.0675, subdivision 1;
 2.28 290.0677, subdivision 1; 290.0802, subdivisions 1, 2; 290.091, subdivisions 2,
 2.29 3, 6; 290.0921, subdivision 3; 290.191, subdivisions 2, 3; 290.311, subdivision
 2.30 1; 290.9727, subdivision 3; 290.9728, subdivision 2; 290.9729, subdivision 2;
 2.31 290A.03, subdivision 8; 291.031; 295.53, subdivision 1; 297A.70, subdivision
 2.32 11; 297B.01, subdivision 14; 297E.01, subdivision 8; 297I.15, subdivision 4;
 2.33 298.01, subdivisions 3b, 4b, 4c; 298.223, subdivision 1; 298.28, subdivision 4;
 2.34 298.294; 298.2961, subdivision 4; 303.16, subdivision 2; 319B.02, subdivision
 2.35 19; 325E.34, subdivision 1; 326B.31, subdivision 15; 326B.42, subdivision
 2.36 6; 326B.91, subdivision 8; 326B.92, subdivision 2; 327C.02, subdivision
 2.37 5; 349.12, subdivision 25; 355.01, subdivision 3e; 383B.213; 383D.65,
 2.38 subdivision 3; 389.03; 412.191, subdivision 1; 412.581; 414.0325, subdivision
 2.39 5; 446A.072, subdivision 14; 469.056, subdivision 1; 469.1734, subdivisions 5,
 2.40 6, 7; 469.1735, subdivision 1; 469.1763, subdivision 2; 473.388, subdivision
 2.41 4; 473.39, subdivision 1; 473.8441, subdivision 1; 480.35, subdivision 2;
 2.42 484.87, subdivision 5; 517.08, subdivision 4; 524.2-215; 525.313; 550.37,
 2.43 subdivision 14; 557.021; 609.232, subdivisions 3, 11; 609.495, subdivision 1;
 2.44 609B.127; 609B.132; 609B.425, subdivision 2; 611A.52, subdivision 8; 641.15,
 2.45 subdivision 2; 641.155; Minnesota Statutes 2015 Supplement, sections 13.46,
 2.46 subdivision 2; 41A.15, subdivision 10; 41A.17, subdivision 1; 62A.045; 62J.692,
 2.47 subdivision 4; 62Q.37, subdivision 2; 116D.04, subdivision 2a; 116J.549,
 2.48 subdivision 2; 119B.011, subdivision 15; 120B.301; 123B.595, subdivision
 2.49 11; 125A.11, subdivision 1; 125A.76, subdivision 2c; 125A.79, subdivision
 2.50 1; 144.551, subdivision 1; 151.37, subdivision 2; 200.02, subdivision 23;
 2.51 245.4661, subdivisions 6, 9; 245A.02, subdivision 21; 245D.06, subdivision
 2.52 7; 245D.061, subdivision 1; 246.18, subdivision 8; 256B.038; 256B.0622,
 2.53 subdivision 2; 256B.0625, subdivision 20; 256B.0915, subdivisions 3a, 3e,
 2.54 3h; 256B.431, subdivision 2b; 256B.50, subdivision 1; 256B.765; 256B.85,
 2.55 subdivisions 17, 18a; 256I.04, subdivisions 3, 4; 256I.05, subdivision 1c;
 2.56 260C.221; 261.23; 290.01, subdivision 19; 290.0671, subdivision 1; 501C.0103;
 2.57 501C.0111; 604.175; 624.713, subdivision 1; 626.556, subdivision 3c; 626.5572,
 2.58 subdivisions 6, 21; Laws 2015, chapter 77, article 1, section 11, subdivision 4;

3.1 proposing coding for new law in Minnesota Statutes, chapter 290; repealing
 3.2 Minnesota Statutes 2014, sections 13.319, subdivision 6; 13.3806, subdivision
 3.3 18; 13.598, subdivision 4; 13.6905, subdivision 23; 40A.03; 93.223, subdivision
 3.4 2; 127A.48, subdivision 9; 147.031; 148.232; 245.482, subdivision 5; 256.966,
 3.5 subdivision 1; 256B.0645; 259.24, subdivision 8; 290.01, subdivisions 19a, 19b,
 3.6 19c, 19d; 290.0692; 290.191, subdivisions 9, 10, 11, 12; 297A.71, subdivisions
 3.7 42, 46, 47; 298.2961, subdivisions 5, 6, 7; 383B.926; 386.23; 507.30; 507.37;
 3.8 557.07; Laws 2014, chapter 286, article 6, section 2; Laws 2015, chapter 45,
 3.9 section 17; Laws 2015, chapter 68, article 14, section 8.

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

3.11 **ARTICLE 1**

3.12 **MISCELLANEOUS**

3.13 Section 1. Minnesota Statutes 2014, section 3.855, subdivision 4, is amended to read:

3.14 Subd. 4. **Other duties.** The commission shall:

3.15 (1) continually monitor the state's civil service system provided for in chapter 43A,
 3.16 rules of the commissioner of management and budget, and the collective bargaining
 3.17 process provided for in chapter 179A, as applied to state employees;

3.18 (2) research and analyze the need for improvements in those statutory sections;

3.19 (3) adopt rules consistent with this section relating to the scheduling and conduct of
 3.20 commission business and other organizational and procedural matters; and

3.21 (4) perform other related functions delegated to it by the legislature; and

3.22 ~~(5) adopt changes, as necessary, to the uniform collective bargaining agreement
 3.23 settlement document developed under section 179A.07, subdivision 7. Any modifications
 3.24 to the form approved by the commission must be submitted to the legislature in the same
 3.25 manner as compensation plans under subdivision 3.~~

3.26 Sec. 2. Minnesota Statutes 2014, section 3.8851, subdivision 1, is amended to read:

3.27 Subdivision 1. **Establishment.** (a) There is established a Legislative Energy
 3.28 Commission to study and to make recommendations for legislation concerning issues
 3.29 related to its duties under subdivision 3.

3.30 (b) The commission consists of:

3.31 (1) ten members of the house of representatives appointed by the speaker of the house,
 3.32 four of whom must be from the minority caucus, and including the chair of the committee
 3.33 with primary jurisdiction over energy policy; the chair or another member of each of the
 3.34 committees with primary jurisdiction over environmental policy, agricultural policy, and
 3.35 transportation policy; ~~and a legislator who is a member of the NextGen Energy Board; and~~

3.36 (2) ten members of the senate to be appointed by the Subcommittee on Committees,
 3.37 four of whom must be from the minority caucus, and including the chair of the committee

4.1 with primary jurisdiction over energy policy; and the chair or another member of each of
4.2 the committees with primary jurisdiction over environmental policy, agricultural policy,
4.3 and transportation policy; ~~and a legislator who is a member of the NextGen Energy Board.~~

4.4 (c) The commission may employ full-time and part-time staff, contract for consulting
4.5 services, and may reimburse the expenses of persons requested to assist it in its duties.
4.6 The director of the Legislative Coordinating Commission shall assist the commission
4.7 in administrative matters. The commission shall elect cochairs, one member of the
4.8 house of representatives and one member of the senate from among the committee and
4.9 subcommittee chairs named to the commission. The commission members from the house
4.10 of representatives shall elect the house of representatives cochair, and the commission
4.11 members from the senate shall elect the senate cochair.

4.12 Sec. 3. Minnesota Statutes 2014, section 3A.02, subdivision 1, is amended to read:

4.13 Subdivision 1. **Qualifications.** (a) A former legislator is entitled, upon written
4.14 application to the director, to receive a retirement allowance monthly, if the person:

4.15 (1) has either served at least six full years, ~~without regard to the application of~~
4.16 ~~section 3A.10, subdivision 2,~~ or has served during all or part of four regular sessions as a
4.17 member of the legislature, which service need not be continuous;

4.18 (2) has attained the normal retirement age;

4.19 (3) has retired as a member of the legislature; and

4.20 (4) has made all contributions provided for in section 3A.03, has made payments
4.21 for past service under subdivision 2, or has made payments in lieu of contributions under
4.22 Minnesota Statutes 1992, section 3A.031, before July 1, 1994.

4.23 (b) Unless the former legislator has legislative service before January 1, 1979,
4.24 the retirement allowance is an amount equal to 2-1/2 percent per year of service of that
4.25 member's average monthly salary and adjusted for that person on an actuarial equivalent
4.26 basis to reflect the change in the postretirement interest rate actuarial assumption under
4.27 section 356.215, subdivision 8, from five percent to six percent. The adjustment must be
4.28 calculated by or, alternatively, the adjustment procedure must be specified by, the actuary
4.29 retained under section 356.214. The purpose of this adjustment is to ensure that the total
4.30 amount of benefits that the actuary predicts an individual member will receive over the
4.31 member's lifetime under this paragraph will be the same as the total amount of benefits the
4.32 actuary predicts the individual member would receive over the member's lifetime under
4.33 the law in effect before enactment of this paragraph. If the former legislator has legislative
4.34 service before January 1, 1979, the person's benefit must include the additional benefit
4.35 amount in effect on January 1, 1979, and adjusted as otherwise provided in this paragraph.

5.1 (c) The retirement allowance accrues following the receipt by the director of a
5.2 retirement application on a form prescribed by the director, but not before the normal
5.3 retirement age, except as specified in subdivision 1b. The annuity is payable for the
5.4 remainder of the former legislator's life, if the former legislator is not serving as a member
5.5 of the legislature or as a constitutional officer as defined in section 3A.01, subdivision 1c.
5.6 The annuity does not begin to accrue before the person's retirement as a legislator. No
5.7 annuity payment may be made retroactive for more than 180 days before the date that the
5.8 annuity application is filed with the director.

5.9 (d) Any member who has served during all or part of four regular sessions is
5.10 considered to have served eight years as a member of the legislature.

5.11 (e) The retirement allowance ceases with the last payment that accrued to the retired
5.12 legislator during the retired legislator's lifetime, except that the surviving spouse, if any,
5.13 is entitled to receive the retirement allowance of the retired legislator for the calendar
5.14 month in which the retired legislator died.

5.15 Sec. 4. Minnesota Statutes 2014, section 10A.09, subdivision 5, is amended to read:

5.16 Subd. 5. **Form.** (a) A statement of economic interest required by this section must
5.17 be on a form prescribed by the board. The individual filing must provide the following
5.18 information:

5.19 (1) name, address, occupation, and principal place of business;

5.20 (2) the name of each associated business and the nature of that association;

5.21 (3) a listing of all real property within the state, excluding homestead property, in
5.22 which the individual holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer
5.23 or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of
5.24 \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000;

5.25 (4) a listing of all real property within the state in which a partnership of which the
5.26 individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as
5.27 buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of
5.28 the partnership interest is valued in excess of \$2,500; or (ii) an option to buy, if the property
5.29 has a fair market value of more than \$50,000. A listing under this clause or clause (3) or (4)
5.30 must indicate the street address and the municipality or the section, township, range and
5.31 approximate acreage, whichever applies, and the county in which the property is located;

5.32 (5) a listing of any investments, ownership, or interests in property connected with
5.33 pari-mutuel horse racing in the United States and Canada, including a racehorse, in which
5.34 the individual directly or indirectly holds a partial or full interest or an immediate family
5.35 member holds a partial or full interest;

6.1 (6) a listing of the principal business or professional activity category of each
6.2 business from which the individual receives more than \$50 in any month as an employee,
6.3 if the individual has an ownership interest of 25 percent or more in the business; and

6.4 (7) a listing of each principal business or professional activity category from which
6.5 the individual received compensation of more than \$2,500 in the past 12 months as an
6.6 independent contractor.

6.7 (b) The business or professional categories for purposes of paragraph (a), clauses (6)
6.8 and (7), must be the general topic headings used by the federal Internal Revenue Service
6.9 for purposes of reporting self-employment income on Schedule C. This paragraph does
6.10 not require an individual to report any specific code number from that schedule. Any
6.11 additional principal business or professional activity category may only be adopted if
6.12 the category is enacted by law.

6.13 Sec. 5. Minnesota Statutes 2014, section 12.38, is amended to read:

6.14 **12.38 STATE AGENCIES; TEMPORARY WAIVER OF FEES.**

6.15 Notwithstanding any law to the contrary, a state agency as defined in section 16B.01,
6.16 subdivision 2, with the approval of the governor, may waive fees that would otherwise be
6.17 charged for agency services. The waiver of fees must be confined to geographic areas
6.18 within a presidentially declared disaster area, and to the minimum periods of time necessary
6.19 to deal with the emergency situation. The requirements of ~~section 14.05, subdivision 4,~~
6.20 sections 14.055 and 14.056 do not apply to a waiver made under this section. The agency
6.21 must promptly report the reasons for and the impact of any suspended fees to the chairs of
6.22 the legislative committees that oversee the policy and budgetary affairs of the agency.

6.23 Sec. 6. Minnesota Statutes 2014, section 13.08, subdivision 4, is amended to read:

6.24 Subd. 4. **Action to compel compliance.** (a) Actions to compel compliance may be
6.25 brought either under this subdivision or section 13.085. For actions under this subdivision,
6.26 in addition to the remedies provided in subdivisions 1 to 3 or any other law, any aggrieved
6.27 person seeking to enforce the person's rights under this chapter or obtain access to data
6.28 may bring an action in district court to compel compliance with this chapter and may
6.29 recover costs and disbursements, including reasonable attorney's fees, as determined by
6.30 the court. If the court determines that an action brought under this subdivision is frivolous
6.31 and without merit and a basis in fact, it may award reasonable costs and attorney fees to
6.32 the responsible authority. If the court issues an order to compel compliance under this
6.33 subdivision, the court may impose a civil penalty of up to \$1,000 against the government
6.34 entity. This penalty is payable to the state general fund and is in addition to damages

7.1 under subdivision 1. The matter shall be heard as soon as possible. In an action involving
 7.2 a request for government data under section 13.03 or 13.04, the court may inspect in
 7.3 camera the government data in dispute, but shall conduct its hearing in public and in a
 7.4 manner that protects the security of data classified as not public. If the court issues an
 7.5 order to compel compliance under this subdivision, the court shall forward a copy of the
 7.6 order to the commissioner of administration.

7.7 (b) In determining whether to assess a civil penalty under this subdivision, the court
 7.8 or other tribunal shall consider whether the government entity has substantially complied
 7.9 with general data practices under this chapter, including but not limited to, whether the
 7.10 government entity has:

7.11 (1) designated a responsible authority under section 13.02, subdivision 16;

7.12 (2) designated a data practices compliance official under section 13.05, subdivision
 7.13 13;

7.14 (3) prepared the data inventory that names the responsible authority and describes
 7.15 the records and data on individuals that are maintained by the government entity under
 7.16 section 13.025, subdivision 1;

7.17 (4) developed public access procedures under section 13.03, subdivision 2;
 7.18 ~~procedures to guarantee the rights of data subjects under section 13.05, subdivision 8;~~ and
 7.19 procedures to ensure that data on individuals are accurate and complete and to safeguard
 7.20 the data's security under section 13.05, subdivision 5;

7.21 (5) acted in conformity with an opinion issued under section 13.072 that was sought
 7.22 by a government entity or another person; or

7.23 (6) provided ongoing training to government entity personnel who respond to
 7.24 requests under this chapter.

7.25 (c) The court shall award reasonable attorney fees to a prevailing plaintiff who has
 7.26 brought an action under this subdivision if the government entity that is the defendant in
 7.27 the action was also the subject of a written opinion issued under section 13.072 and the
 7.28 court finds that the opinion is directly related to the cause of action being litigated and that
 7.29 the government entity did not act in conformity with the opinion.

7.30 Sec. 7. Minnesota Statutes 2014, section 13.321, subdivision 7, is amended to read:

7.31 Subd. 7. **Education programs; performance tracking system.** ~~(a) School~~
 7.32 **readiness program.** ~~Data on a child participating in a school readiness program are~~
 7.33 ~~classified under section 124D.15, subdivision 9.~~

7.34 (b) [~~Renumbered 13.461, subd 31~~]

8.1 ~~(e) **Performance tracking system.**~~ Data sharing related to the performance tracking
8.2 system is governed by section 124D.52.

8.3 Sec. 8. Minnesota Statutes 2014, section 14.03, subdivision 1, is amended to read:

8.4 Subdivision 1. **Generally.** The Administrative Procedure Act in sections 14.001 to
8.5 14.69 does not apply to (a) agencies directly in the legislative or judicial branches, (b)
8.6 emergency powers in sections 12.31 to 12.37, (c) the Department of Military Affairs, (d)
8.7 the Comprehensive Health Association provided in section 62E.10, ~~(e) the Tax Court~~
8.8 ~~provided by section 271.06,~~ or ~~(f)~~ (e) the regents of the University of Minnesota.

8.9 Sec. 9. Minnesota Statutes 2014, section 15.06, subdivision 8, is amended to read:

8.10 Subd. 8. **Number of deputy commissioners.** Unless specifically authorized by
8.11 statute, ~~other than section 43A.08, subdivision 2,~~ no department or agency specified in
8.12 subdivision 1 shall have more than one deputy commissioner.

8.13 Sec. 10. Minnesota Statutes 2014, section 16A.131, subdivision 2, is amended to read:

8.14 Subd. 2. **Transit cards.** An employee may direct the commissioner, in writing,
8.15 to deduct a stated amount from the employee's pay to buy mass transit ridership cards.
8.16 ~~The commissioner shall deposit the amount in the special account authorized by section~~
8.17 ~~16B.58, subdivision 7.~~

8.18 Sec. 11. Minnesota Statutes 2014, section 16B.58, subdivision 5, is amended to read:

8.19 Subd. 5. **Money collected.** Money collected by the commissioner as rents, charges,
8.20 or fees in connection with and for the use of a parking lot or facility is appropriated to
8.21 the commissioner for the purpose of operating, maintaining, improving, and replacing
8.22 parking lots or facilities owned or operated by the state, including providing necessary and
8.23 suitable uniforms for employees, and to carry out the purposes of this section, ~~except as~~
8.24 ~~provided in subdivision 7.~~

8.25 Sec. 12. Minnesota Statutes 2014, section 40A.04, subdivision 1, is amended to read:

8.26 Subdivision 1. **Counties.** ~~After January 1, 1987,~~ A county located outside of the
8.27 metropolitan area may submit to the commissioner and to the regional development
8.28 commission in which it is located, if one exists, a proposed agricultural land preservation
8.29 plan and proposed official controls implementing the plan. To the extent practicable,
8.30 submission of the proposal must coincide with the completion of the county soil survey.
8.31 The commissioner, in consultation with the regional development commission, shall

9.1 review the plan and controls for consistency with the elements in this chapter and shall
9.2 submit written comments to the county within 60 days of receipt of the proposal. The
9.3 comments must include a determination of whether the plan and controls are consistent
9.4 with the elements in this chapter. The commissioner shall notify the county of its
9.5 determination. If the commissioner determines that the plan and controls are consistent,
9.6 the county shall adopt the controls within 90 days of completion of the commissioner's
9.7 review. If the commissioner determines that the plan and controls are not consistent, the
9.8 comments must include the additional elements that must be addressed by the county. The
9.9 county shall amend its plan and controls to include the additional elements and adopt the
9.10 amended controls within 120 days of completion of the commissioner's review.

9.11 Sec. 13. Minnesota Statutes 2014, section 41A.12, subdivision 2, is amended to read:

9.12 Subd. 2. **Activities authorized.** For the purposes of this program, the commissioner
9.13 may issue grants, loans, or other forms of financial assistance. Eligible activities include,
9.14 but are not limited to, grants to livestock producers under the livestock investment grant
9.15 program under section 17.118, bioenergy awards ~~made by the NextGen Energy Board~~
9.16 ~~under section 41A.105~~, cost-share grants for the installation of biofuel blender pumps, and
9.17 financial assistance to support other rural economic infrastructure activities.

9.18 Sec. 14. Minnesota Statutes 2015 Supplement, section 41A.15, subdivision 10, is
9.19 amended to read:

9.20 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical with
9.21 biobased content as defined in Minnesota Statutes 2014, section 41A.105, subdivision 1a.

9.22 Sec. 15. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 1, is
9.23 amended to read:

9.24 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program
9.25 must source at least 80 percent biobased content, as defined in Minnesota Statutes 2014,
9.26 section 41A.105, subdivision 1a, clause (1), from Minnesota. If a facility is sited 50 miles
9.27 or less from the state border, biobased content must be sourced from within a 100-mile
9.28 radius. Biobased content must be from agricultural or forestry sources or from solid waste.
9.29 The facility must be located in Minnesota, must begin production at a specific location by
9.30 June 30, 2025, and must not begin production of 3,000,000 pounds of chemicals annually
9.31 before January 1, 2015. Eligible facilities include existing companies and facilities that are
9.32 adding production capacity, or retrofitting existing capacity, as well as new companies and
9.33 facilities. Eligible renewable chemical facilities must produce at least 3,000,000 pounds

10.1 per year. Renewable chemicals produced through processes that are fully commercial
10.2 before January 1, 2000, are not eligible.

10.3 (b) No payments shall be made for renewable chemical production that occurs after
10.4 June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

10.5 (c) An eligible producer of renewable chemicals shall not transfer the producer's
10.6 eligibility for payments under this section to a renewable chemical facility at a different
10.7 location.

10.8 (d) A producer that ceases production for any reason is ineligible to receive
10.9 payments under this section until the producer resumes production.

10.10 (e) Advanced biofuel production for which payment has been received under section
10.11 41A.16, and biomass thermal production for which payment has been received under
10.12 section 41A.18, are not eligible for payment under this section.

10.13 Sec. 16. Minnesota Statutes 2014, section 43A.01, subdivision 2, is amended to read:

10.14 Subd. 2. **Precedence of merit principles and nondiscrimination.** It is the policy
10.15 of this state to provide for equal employment opportunity consistent with chapter 363A
10.16 by ensuring that all personnel actions be based on the ability to perform the duties and
10.17 responsibilities assigned to the position without regard to age, race, creed or religion,
10.18 color, disability, sex, national origin, marital status, status with regard to public assistance,
10.19 or political affiliation. It is the policy of this state to take affirmative action to eliminate
10.20 the underutilization of qualified members of protected groups in the civil service, where
10.21 such action is not in conflict with other provisions of this chapter or chapter 179, in order
10.22 to correct imbalances and eliminate the present effects of past discrimination.

10.23 No contract executed pursuant to chapter 179A shall modify, waive or abridge this
10.24 section and sections 43A.07 to ~~43A.13~~ 43A.121, 43A.15, and 43A.17 to 43A.21, except to
10.25 the extent expressly permitted in those sections.

10.26 Sec. 17. Minnesota Statutes 2014, section 45.011, subdivision 1, is amended to read:

10.27 Subdivision 1. **Scope.** As used in chapters 45 to 80C, 80E to 83, 155A, 332, 332A,
10.28 332B, 345, and 359, and sections 123A.21, subdivision 7, paragraph (a), clause (23);
10.29 123A.25; 325D.30 to 325D.42; 326B.802 to 326B.885; ~~386.61~~ 386.62 to 386.78; 471.617;
10.30 and 471.982, unless the context indicates otherwise, the terms defined in this section
10.31 have the meanings given them.

10.32 Sec. 18. Minnesota Statutes 2014, section 62D.04, subdivision 3, is amended to read:

11.1 Subd. 3. **Use of terms.** ~~Except as provided in section 62D.03, subdivision 2,~~ No
 11.2 person who has not been issued a certificate of authority shall use the words "health
 11.3 maintenance organization" or the initials "HMO" in its name, contracts or literature.
 11.4 Provided, however, that persons who are operating under a contract with, operating in
 11.5 association with, enrolling enrollees for, or otherwise authorized by a health maintenance
 11.6 organization licensed under sections 62D.01 to 62D.30 to act on its behalf may use the
 11.7 terms "health maintenance organization" or "HMO" for the limited purpose of denoting
 11.8 or explaining their association or relationship with the authorized health maintenance
 11.9 organization. No health maintenance organization which has a minority of enrollees and
 11.10 members elected according to section 62D.06, subdivision 1, as members of its board of
 11.11 directors shall use the words "consumer controlled" in its name or in any way represent to
 11.12 the public that it is controlled by consumers.

11.13 Sec. 19. Minnesota Statutes 2014, section 62J.497, subdivision 2, is amended to read:

11.14 Subd. 2. **Requirements for electronic prescribing.** (a) Effective January 1, 2011,
 11.15 all providers, group purchasers, prescribers, and dispensers must establish, maintain,
 11.16 and use an electronic prescription drug program. This program must comply with the
 11.17 applicable standards in this section for transmitting, directly or through an intermediary,
 11.18 prescriptions and prescription-related information using electronic media.

11.19 (b) If transactions described in this section are conducted, they must be done
 11.20 electronically using the standards described in this section. Nothing in this section
 11.21 requires providers, group purchasers, prescribers, or dispensers to electronically conduct
 11.22 transactions that are expressly prohibited by other sections or federal law.

11.23 (c) Providers, group purchasers, prescribers, and dispensers must use either HL7
 11.24 messages or the NCPDP SCRIPT Standard to transmit prescriptions or prescription-related
 11.25 information internally when the sender and the recipient are part of the same legal entity. If
 11.26 an entity sends prescriptions outside the entity, it must use the NCPDP SCRIPT Standard
 11.27 or other applicable standards required by this section. Any pharmacy within an entity
 11.28 must be able to receive electronic prescription transmittals from outside the entity using
 11.29 the adopted NCPDP SCRIPT Standard. This exemption does not supersede any Health
 11.30 Insurance Portability and Accountability Act (HIPAA) requirement that may require the
 11.31 use of a HIPAA transaction standard within an organization.

11.32 ~~(d) Notwithstanding paragraph (a), any clinic with two or fewer practicing~~
 11.33 ~~physicians is exempt from this subdivision if the clinic is making a good-faith effort to~~
 11.34 ~~meet the electronic health records system requirement under section 62J.495 that includes~~
 11.35 ~~an electronic prescribing component. This paragraph expires January 1, 2015.~~

12.1 Sec. 20. Minnesota Statutes 2014, section 62N.40, is amended to read:

12.2 **62N.40 CHEMICAL DEPENDENCY SERVICES.**

12.3 Each community integrated service network regulated under this chapter must ensure
 12.4 that chemically dependent individuals have access to cost-effective treatment options that
 12.5 address the specific needs of individuals. These include, but are not limited to, the need
 12.6 for: treatment that takes into account severity of illness and comorbidities; provision of
 12.7 a continuum of care, including treatment and rehabilitation programs licensed under
 12.8 Minnesota Rules, parts ~~9530.4100 to 9530.4410 and 9530.5000 to 9530.6500~~ 9530.6405
 12.9 to 9530.6505; the safety of the individual's domestic and community environment; gender
 12.10 appropriate and culturally appropriate programs; and access to appropriate social services.

12.11 Sec. 21. Minnesota Statutes 2014, section 62Q.18, subdivision 1, is amended to read:

12.12 Subdivision 1. **Definition.** For purposes of this section,

12.13 (1) "continuous coverage" has the meaning given in section 62L.02, subdivision 9;

12.14 (2) "guaranteed issue" means:

12.15 (i) for individual health plans, that a health plan company shall not decline an
 12.16 application by an individual for any individual health plan offered by that health plan
 12.17 company, including coverage for a dependent of the individual to whom the health plan
 12.18 has been or would be issued; and

12.19 (ii) for group health plans, that a health plan company shall not decline an
 12.20 application by a group for any group health plan offered by that health plan company and
 12.21 shall not decline to cover under the group health plan any person eligible for coverage
 12.22 under the group's eligibility requirements, including persons who become eligible after
 12.23 initial issuance of the group health plan; and

12.24 (3) "large employer" means an entity that would be a small employer, as defined in
 12.25 section 62L.02, subdivision 26, except that the entity has more than 50 current employees,
 12.26 based upon the method provided in that subdivision for determining the number of
 12.27 current employees; and

12.28 ~~(4) "preexisting condition" has the meaning given in section 62L.02, subdivision~~
 12.29 ~~23; and~~

12.30 ~~(5) "qualifying coverage" has the meaning given in section 62L.02, subdivision 24.~~

12.31 Sec. 22. Minnesota Statutes 2014, section 62Q.47, is amended to read:

12.32 **62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL**
 12.33 **DEPENDENCY SERVICES.**

13.1 (a) All health plans, as defined in section 62Q.01, that provide coverage for
 13.2 alcoholism, mental health, or chemical dependency services, must comply with the
 13.3 requirements of this section.

13.4 (b) Cost-sharing requirements and benefit or service limitations for outpatient
 13.5 mental health and outpatient chemical dependency and alcoholism services, except for
 13.6 persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600
 13.7 to ~~9530.6660~~ 9530.6655, must not place a greater financial burden on the insured or
 13.8 enrollee, or be more restrictive than those requirements and limitations for outpatient
 13.9 medical services.

13.10 (c) Cost-sharing requirements and benefit or service limitations for inpatient hospital
 13.11 mental health and inpatient hospital and residential chemical dependency and alcoholism
 13.12 services, except for persons placed in chemical dependency services under Minnesota
 13.13 Rules, parts 9530.6600 to ~~9530.6660~~ 9530.6655, must not place a greater financial burden
 13.14 on the insured or enrollee, or be more restrictive than those requirements and limitations
 13.15 for inpatient hospital medical services.

13.16 (d) All health plans must meet the requirements of the federal Mental Health Parity
 13.17 Act of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health
 13.18 Parity and Addiction Equity Act of 2008; the Affordable Care Act; and any amendments
 13.19 to, and federal guidance or regulations issued under, those acts.

13.20 Sec. 23. Minnesota Statutes 2014, section 85A.05, subdivision 4, is amended to read:

13.21 Subd. 4. **Minnesota State Zoological Garden bond account in the state bond**
 13.22 **fund.** The commissioner of management and budget shall maintain in the state bond
 13.23 fund a separate bookkeeping account which shall be designated as the State Zoological
 13.24 Garden bond account, to record receipts and disbursements of money transferred to the
 13.25 fund to pay Minnesota Zoological Garden bonds and income from the investment of such
 13.26 money, which income shall be credited to the account in each fiscal year. ~~The amounts~~
 13.27 ~~directed by section 85A.04, subdivision 2 to be transferred annually to this bond account~~
 13.28 ~~are appropriated thereto, and~~ The legislature may also appropriate to the bond account
 13.29 any ~~other~~ money in the state treasury not otherwise appropriated. On November 1 of each
 13.30 year there shall be transferred to the bond account all of the money then available under
 13.31 any such appropriation or such lesser sum as will be sufficient, with all money previously
 13.32 transferred to the account and all income from the investment of such money, to pay all
 13.33 principal and interest then and theretofore due and all principal and interest to become due
 13.34 to and including July 1 in the second ensuing year on Minnesota Zoological Garden bonds.
 13.35 All money so transferred and all income from the investment thereof shall be available for

14.1 the payment of such bonds and interest thereon, and so much thereof as may be necessary
14.2 is appropriated for such payments. The state auditor and commissioner of management and
14.3 budget are directed to make the appropriate entries in the accounts of the respective funds.

14.4 Sec. 24. Minnesota Statutes 2014, section 85A.05, subdivision 5, is amended to read:

14.5 Subd. 5. **Tax levy.** On or before December 1 in each year the state auditor shall
14.6 levy on all taxable property within the state whatever tax may be necessary to produce
14.7 an amount sufficient, with all money then and theretofore credited to the Minnesota
14.8 Zoological Garden bond account, to pay the entire amount of principal and interest then
14.9 and theretofore due and principal and interest to become due on or before July 1 in the
14.10 second year thereafter on Minnesota Zoological Garden bonds. This tax shall be subject to
14.11 no limitation of rate or amount until all such bonds and interest thereon are fully paid.
14.12 The proceeds of this tax are appropriated and shall be credited to the state bond fund, and
14.13 the principal of and interest on the bonds are payable from such proceeds, and the whole
14.14 thereof, or so much as may be necessary, is appropriated for such payments. If at any
14.15 time there is insufficient money from the proceeds of such taxes to pay the principal and
14.16 interest when due on Minnesota Zoological Garden bonds, such principal and interest shall
14.17 be paid out of the general fund in the state treasury, and the amount necessary therefor is
14.18 hereby appropriated, with such sums from tax levies and the general fund subject to future
14.19 reimbursement to the bond fund by the Minnesota Zoological Garden bond account as
14.20 ~~indicated in section 85A.04, subdivision 2.~~

14.21 Sec. 25. Minnesota Statutes 2014, section 85A.05, subdivision 6, is amended to read:

14.22 Subd. 6. **Bond authorization and appropriations.** For the purpose of providing
14.23 money for the acquisition and betterment of public land, buildings, and improvements
14.24 of a capital nature needed for the Minnesota Zoological Garden in accordance with the
14.25 comprehensive plan of the Minnesota Zoological Board adopted in accordance with
14.26 section 85A.02, subdivision 2, the commissioner of management and budget is directed to
14.27 sell and issue Minnesota Zoological Garden bonds in the amount of \$23,025,000 in the
14.28 manner and upon the conditions provided in subdivisions 1 to 5. The commissioner of
14.29 management and budget may sell or issue an additional \$2,350,000 of bonds, but no part
14.30 thereof shall be expended unless equally matched by other than state appropriations. Any
14.31 gifts, grants, or contributions accepted pursuant to section 85A.02, subdivision 5, other
14.32 than contribution of lands by governmental entities, for the establishment or operation
14.33 of the Minnesota Zoological Garden, whether in cash or in kind, shall be considered as
14.34 matching funds. Noncash items shall be tangible real or personal property and shall be

15.1 attributed as matching funds according to their fair market value at the time of receipt.
 15.2 The bonds may include a sum representing interest to accrue on the bonds from and after
 15.3 its date of issue through the anticipated period of construction and development of the
 15.4 Zoological Garden, which sum is needed for the payment and security of the interest
 15.5 payments during that period, but in no event shall the bonds exceed the maximum amount
 15.6 stated above. The bonds shall be sold, issued, and secured as provided in subdivisions 1 to
 15.7 5 and in article XI, section 7, of the Constitution, except that none of the bonds of any
 15.8 series issued pursuant to this authorization shall mature earlier than one year after the date
 15.9 of completion of the Minnesota Zoological Garden and related facilities as estimated by
 15.10 the Minnesota Zoological Board at the time of the issuance of such series. The proceeds
 15.11 of the bonds, except premium and accrued interest, are appropriated to the Minnesota
 15.12 ~~Zoological Garden building account~~ for expenditure by the Minnesota Zoological Board
 15.13 for the purpose for which the bonds are authorized in accordance with the provisions of
 15.14 Minnesota Statutes 1988, section 85A.04, subdivision 2. In order to reduce the amount
 15.15 of taxes otherwise required by the Constitution to be levied for the payment of interest
 15.16 and principal on the bonds, there is also appropriated annually to the Minnesota state
 15.17 zoological bond account in the state bond fund from the general fund a sum of money
 15.18 sufficient in amount, when added to the balance on hand on November 1 in each year in
 15.19 the bond account, to pay all principal and interest due and to become due on the bonds
 15.20 to and including July 1 in the second ensuing year. The money received and on hand
 15.21 pursuant to this annual appropriation is available in the state bond fund prior to the levy of
 15.22 the tax in any year required by the Constitution and by subdivision 5 and shall be used to
 15.23 reduce the amount of the tax otherwise required to be levied.

15.24 Sec. 26. Minnesota Statutes 2014, section 115A.551, subdivision 3, is amended to read:

15.25 Subd. 3. **Interim goals; nonmetropolitan counties.** The commissioner shall
 15.26 establish interim recycling goals for the nonmetropolitan counties to assist them in
 15.27 meeting the goals established in subdivision ~~2~~ 2a.

15.28 Sec. 27. Minnesota Statutes 2014, section 115A.551, subdivision 4, is amended to read:

15.29 Subd. 4. **Interim monitoring.** The commissioner shall monitor the progress of each
 15.30 county toward meeting the recycling goals in ~~subdivisions 2 and~~ subdivision 2a. The
 15.31 commissioner shall report to the senate and house of representatives committees having
 15.32 jurisdiction over environment and natural resources as part of the report required under
 15.33 section 115A.411. If the commissioner finds that a county is not progressing toward
 15.34 the goals in ~~subdivisions 2 and~~ subdivision 2a, the commissioner shall negotiate with

16.1 the county to develop and implement solid waste management techniques designed to
 16.2 assist the county in meeting the goals, such as organized collection, curbside collection
 16.3 of source-separated materials, and volume-based pricing.

16.4 Sec. 28. Minnesota Statutes 2014, section 115A.551, subdivision 5, is amended to read:

16.5 Subd. 5. **Failure to meet goal.** (a) A county failing to meet the interim goals in
 16.6 subdivision 3 shall, as a minimum:

16.7 (1) notify county residents of the failure to achieve the goal and why the goal was
 16.8 not achieved; and

16.9 (2) provide county residents with information on recycling programs offered by
 16.10 the county.

16.11 (b) If, based on the recycling monitoring described in subdivision 4, the
 16.12 commissioner finds that a county will be unable to meet the recycling goals established
 16.13 in ~~subdivisions 2 and~~ subdivision 2a, the commissioner shall, after consideration of
 16.14 the reasons for the county's inability to meet the goals, recommend legislation for
 16.15 consideration by the senate and house of representatives committees having jurisdiction
 16.16 over environment and natural resources and environment and natural resources finance to
 16.17 establish mandatory recycling standards and to authorize the commissioner to mandate
 16.18 appropriate solid waste management techniques designed to meet the standards in those
 16.19 counties that are unable to meet the goals.

16.20 Sec. 29. Minnesota Statutes 2014, section 116.07, subdivision 5, is amended to read:

16.21 Subd. 5. **Variiances.** The Pollution Control Agency may grant variances from its
 16.22 rules as provided in ~~section 14.05, subdivision 4,~~ rules adopted under this section and
 16.23 sections 14.055 and 14.056 in order to avoid undue hardship and to promote the effective
 16.24 and reasonable application and enforcement of laws, rules, and standards for prevention,
 16.25 abatement and control of water, air, noise, and land pollution. The variance rules shall
 16.26 provide for notice and opportunity for hearing before a variance is granted.

16.27 A local government unit authorized by contract with the Pollution Control Agency
 16.28 pursuant to section 116.05 to exercise administrative powers under this chapter may
 16.29 grant variances after notice and public hearing from any ordinance, rule, or standard for
 16.30 prevention, abatement, or control of water, air, noise and land pollution, adopted pursuant
 16.31 to said administrative powers and under the provisions of this chapter.

16.32 Sec. 30. Minnesota Statutes 2014, section 116.42, is amended to read:

16.33 **116.42 ACID DEPOSITION; LEGISLATIVE INTENT.**

17.1 The legislature recognizes that acid deposition substantially resulting from the
 17.2 conduct of commercial and industrial operations, both within and without the state, poses
 17.3 a present and severe danger to the delicate balance of ecological systems within the state,
 17.4 and that the failure to act promptly and decisively to mitigate or eliminate this danger
 17.5 will soon result in untold and irreparable damage to the agricultural, water, forest, fish,
 17.6 and wildlife resources of the state. It is therefore the intent of the legislature in enacting
 17.7 sections 116.42 to ~~116.45~~ 116.44 to mitigate or eliminate the acid deposition problem by
 17.8 curbing sources of acid deposition within the state and to support and encourage other
 17.9 states, the federal government, and the province of Ontario in recognizing the dangers of
 17.10 acid deposition and taking steps to mitigate or eliminate it within their own jurisdictions.

17.11 Sec. 31. Minnesota Statutes 2014, section 116.43, is amended to read:

17.12 **116.43 ACID DEPOSITION DEFINED.**

17.13 As used in sections 116.42 to ~~116.45~~ 116.44, "acid deposition" means the wet or dry
 17.14 deposition from the atmosphere of chemical compounds, usually in the form of rain or
 17.15 snow, having the potential to form an aqueous compound with a pH level lower than the
 17.16 level considered normal under natural conditions, or lower than 5.6.

17.17 Sec. 32. Minnesota Statutes 2014, section 116.77, is amended to read:

17.18 **116.77 COVERAGE.**

17.19 Sections 116.75 to 116.83 and 609.671, subdivision ~~40~~ 11, cover any person,
 17.20 including a veterinarian, who generates, treats, stores, transports, or disposes of infectious
 17.21 or pathological waste but not including infectious or pathological waste generated by
 17.22 households, farm operations, or agricultural businesses. Except as specifically provided,
 17.23 sections 116.75 to 116.83 do not limit or alter treatment or disposal methods for infectious
 17.24 or pathological waste.

17.25 Sec. 33. Minnesota Statutes 2014, section 116A.24, subdivision 2, is amended to read:

17.26 Subd. 2. **Powers.** Subject to the approval of the board or boards except to the extent
 17.27 that approval is waived by the board or boards in an order filed with and confirmed by
 17.28 order of the district court, the water or sewer or water and sewer commission or when a
 17.29 multicounty system is involved a county board may do all things necessary to establish,
 17.30 construct, operate and maintain a system including but not limited to the following:

17.31 (a) Employ on such terms as it deems advisable, persons or firms performing
 17.32 engineering, legal or other services of a professional nature; require any employee
 17.33 to obtain and file with it an individual bond or fidelity insurance policy; and procure

18.1 insurance in such amounts as it deems necessary against liability of the board or its
18.2 officers and employees or both, for personal injury or death and property damage or
18.3 destruction, with the force and effect stated in chapter 466, and against risks of damage to
18.4 or destruction of any of its facilities, equipment, or other property as it deems necessary.

18.5 (b) Construct or maintain its systems or facilities in, along, on, under, over, or
18.6 through public streets, bridges, viaducts, and other public rights-of-way without first
18.7 obtaining a franchise from any local government unit having jurisdiction over them; but
18.8 such facilities shall be constructed and maintained in accordance with the ordinances
18.9 and resolutions of any such government unit relating to construction, installation, and
18.10 maintenance of similar facilities in such public properties and shall not obstruct the public
18.11 use of such rights-of-way.

18.12 (c) Enter into any contract necessary or proper for the exercise of its powers or the
18.13 accomplishment of its purposes.

18.14 (d) Have the power to adopt rules and regulations relating to the establishment of
18.15 water or sewer rentals or user fees as may be deemed advisable and the operation of any
18.16 system operated by it, and may provide penalties for the violation thereof not exceeding
18.17 the maximum which may be specified for a misdemeanor. Any rule or regulation
18.18 prescribing a penalty for violation shall be published at least once in a newspaper having
18.19 general circulation in the area.

18.20 (e) Act under the provisions of section 471.59, or any other appropriate law
18.21 providing for joint or cooperative action between government units.

18.22 (f) Acquire by purchase, lease, condemnation, gift, or grant, any real or personal
18.23 property including positive and negative easements and water and air rights, and it may
18.24 construct, enlarge, improve, replace, repair, maintain, and operate any system determined
18.25 to be necessary or convenient for the collection and disposal of sewage or collection,
18.26 treatment, and distribution of water in its jurisdiction. Any local government unit and the
18.27 commissioners of transportation and natural resources are authorized to convey to or
18.28 permit the use of any such facilities owned or controlled by it by the board or commission,
18.29 subject to the rights of the holders of any bonds issued with respect thereto, with or
18.30 without compensation, without an election or approval by any other government agency.
18.31 The board or commission may hold such property for its purposes, and may lease any
18.32 such property so far as not needed for its purposes, upon such terms and in such manner
18.33 as it shall deem advisable. Unless otherwise provided, the right to acquire lands and
18.34 property rights by condemnation shall be exercised in accordance with sections ~~117.011~~
18.35 117.012 to 117.232, and shall apply to any property or interest therein owned by any local
18.36 government unit; provided, that no such property devoted to an actual public use at the

19.1 time, or held to be devoted to such use within a reasonable time, shall be so acquired
19.2 unless a court of competent jurisdiction shall determine that the use proposed by the
19.3 commission is paramount to such use. Except in case of property in actual public use,
19.4 the board or commission may take possession of any property for which condemnation
19.5 proceedings have been commenced at any time after the issuance of a court order
19.6 appointing commissioners for its condemnation.

19.7 (g) Contract with the United States or any agency thereof, any state or agency
19.8 thereof, or any local government unit or governmental agency or subdivision, for the joint
19.9 use of any facility owned by the board or such entity, for the operation by such entity of
19.10 any system or facility of the board, or for the performance on the board's behalf of any
19.11 service, on such terms as may be agreed upon by the contracting parties.

19.12 (h) Exercise any other powers granted to the board or boards or court under section
19.13 116A.01, subdivision 2, relating to the establishment of a water or sewer or water and
19.14 sewer system, except that the issuance of bonds by a commission is subject to subdivision
19.15 3, paragraph (b).

19.16 (i) Retain the services of a certified public accountant for the purposes of providing
19.17 an annual audited operating statement and balance sheet and other financial reports. The
19.18 reports must be prepared in accordance with general accounting principles and must be
19.19 filed within six months after the close of the fiscal year in the office of each county auditor
19.20 within the district and with the office of the state auditor. The reports may be prepared by
19.21 the state auditor instead of by a certified public accountant if the commission so requests.

19.22 Sec. 34. Minnesota Statutes 2015 Supplement, section 116D.04, subdivision 2a,
19.23 is amended to read:

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

20.1 (a) The board shall by rule establish categories of actions for which environmental
20.2 impact statements and for which environmental assessment worksheets shall be prepared
20.3 as well as categories of actions for which no environmental review is required under this
20.4 section. A mandatory environmental assessment worksheet shall not be required for the
20.5 expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph
20.6 (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a
20.7 biobutanol facility as defined in Minnesota Statutes 2014, section 41A.105, subdivision
20.8 1a, based on the capacity of the expanded or converted facility to produce alcohol fuel, but
20.9 must be required if the ethanol plant or biobutanol facility meets or exceeds thresholds
20.10 of other categories of actions for which environmental assessment worksheets must be
20.11 prepared. The responsible governmental unit for an ethanol plant or biobutanol facility
20.12 project for which an environmental assessment worksheet is prepared shall be the state
20.13 agency with the greatest responsibility for supervising or approving the project as a whole.

20.14 A mandatory environmental impact statement shall not be required for a facility
20.15 or plant located outside the seven-county metropolitan area that produces less than
20.16 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less
20.17 than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as
20.18 defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined
20.19 in Minnesota Statutes 2014, section 41A.105, subdivision 1a, clause (1); or a cellulosic
20.20 biofuel facility. A facility or plant that only uses a cellulosic feedstock to produce
20.21 chemical products for use by another facility as a feedstock shall not be considered a fuel
20.22 conversion facility as used in rules adopted under this chapter.

20.23 (b) The responsible governmental unit shall promptly publish notice of the
20.24 completion of an environmental assessment worksheet by publishing the notice in at least
20.25 one newspaper of general circulation in the geographic area where the project is proposed,
20.26 by posting the notice on a Web site that has been designated as the official publication site
20.27 for publication of proceedings, public notices, and summaries of a political subdivision in
20.28 which the project is proposed, or in any other manner determined by the board and shall
20.29 provide copies of the environmental assessment worksheet to the board and its member
20.30 agencies. Comments on the need for an environmental impact statement may be submitted
20.31 to the responsible governmental unit during a 30-day period following publication of the
20.32 notice that an environmental assessment worksheet has been completed. The responsible
20.33 governmental unit's decision on the need for an environmental impact statement shall be
20.34 based on the environmental assessment worksheet and the comments received during the
20.35 comment period, and shall be made within 15 days after the close of the comment period.

21.1 The board's chair may extend the 15-day period by not more than 15 additional days upon
21.2 the request of the responsible governmental unit.

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

21.15 (d) Except in an environmentally sensitive location where Minnesota Rules, part
21.16 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental
21.17 review under this chapter and rules of the board, if:

21.18 (1) the proposed action is:

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

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

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

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

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

21.34 (f) An early and open process shall be utilized to limit the scope of the environmental
21.35 impact statement to a discussion of those impacts, which, because of the nature or location
21.36 of the project, have the potential for significant environmental effects. The same process

22.1 shall be utilized to determine the form, content and level of detail of the statement as well
22.2 as the alternatives which are appropriate for consideration in the statement. In addition,
22.3 the permits which will be required for the proposed action shall be identified during the
22.4 scoping process. Further, the process shall identify those permits for which information
22.5 will be developed concurrently with the environmental impact statement. The board
22.6 shall provide in its rules for the expeditious completion of the scoping process. The
22.7 determinations reached in the process shall be incorporated into the order requiring the
22.8 preparation of an environmental impact statement.

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

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

22.33 (i) The proposer of a specific action may include in the information submitted to the
22.34 responsible governmental unit a preliminary draft environmental impact statement under
22.35 this section on that action for review, modification, and determination of completeness and
22.36 adequacy by the responsible governmental unit. A preliminary draft environmental impact

23.1 statement prepared by the project proposer and submitted to the responsible governmental
23.2 unit shall identify or include as an appendix all studies and other sources of information
23.3 used to substantiate the analysis contained in the preliminary draft environmental impact
23.4 statement. The responsible governmental unit shall require additional studies, if needed,
23.5 and obtain from the project proposer all additional studies and information necessary for
23.6 the responsible governmental unit to perform its responsibility to review, modify, and
23.7 determine the completeness and adequacy of the environmental impact statement.

23.8 Sec. 35. Minnesota Statutes 2015 Supplement, section 116J.549, subdivision 2, is
23.9 amended to read:

23.10 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have
23.11 the meanings given.

23.12 (b) "Eligible project area" means a home rule charter or statutory city located
23.13 outside of the metropolitan area as defined in section ~~473.12~~ 473.121, subdivision 2,
23.14 with a population exceeding 500; a community that has a combined population of 1,500
23.15 residents located within 15 miles of a home rule charter or statutory city located outside
23.16 the metropolitan area as defined in section ~~473.12~~ 473.121, subdivision 2; or an area
23.17 served by a joint county-city economic development authority.

23.18 (c) "Joint county-city economic development authority" means an economic
23.19 development authority formed under Laws 1988, chapter 516, section 1, as a joint
23.20 partnership between a city and county and excluding those established by the county only.

23.21 (d) "Market rate residential rental properties" means properties that are rented
23.22 at market value, including new modular homes, new manufactured homes, and new
23.23 manufactured homes on leased land or in a manufactured home park, and excludes:

23.24 (1) properties constructed with financial assistance requiring the property to be
23.25 occupied by residents that meet income limits under federal or state law of initial
23.26 occupancy; and

23.27 (2) properties constructed with federal, state, or local flood recovery assistance,
23.28 regardless of whether that assistance imposed income limits as a condition of receiving
23.29 assistance.

23.30 (e) "Qualified expenditure" means expenditures for market rate residential rental
23.31 properties including acquisition of property; construction of improvements; and provisions
23.32 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related
23.33 financing costs.

23.34 Sec. 36. Minnesota Statutes 2014, section 119A.04, subdivision 2, is amended to read:

24.1 Subd. 2. **Department of Employment and Economic Development.** The powers
 24.2 and duties of the Department of Employment and Economic Development with respect
 24.3 to the following programs are transferred to the Department of Education under section
 24.4 15.039 on July 1, 1997: (1) the Head Start program, including Project Cornerstone, under
 24.5 sections 119A.50 to ~~119A.54~~ 119A.5411; and (2) community action agency programs and
 24.6 financial assistance under sections 256E.30 and 256E.32.

24.7 Sec. 37. Minnesota Statutes 2015 Supplement, section 119B.011, subdivision 15,
 24.8 is amended to read:

24.9 Subd. 15. **Income.** "Income" means earned income as defined under section
 24.10 256P.01, subdivision 3, unearned income as defined under section 256P.01, subdivision 8,
 24.11 and public assistance cash benefits, including the Minnesota family investment program,
 24.12 diversionary work program, work benefit, Minnesota supplemental aid, general assistance,
 24.13 refugee cash assistance, at-home infant child care subsidy payments, and child support
 24.14 and maintenance distributed to the family under section 256.741, subdivision ~~15~~ 2a. The
 24.15 following are deducted from income: funds used to pay for health insurance premiums for
 24.16 family members, and child or spousal support paid to or on behalf of a person or persons
 24.17 who live outside of the household. Income sources not included in this subdivision and
 24.18 section 256P.06, subdivision 3, are not counted.

24.19 Sec. 38. Minnesota Statutes 2015 Supplement, section 120B.301, is amended to read:

24.20 **120B.301 LIMITS ON LOCAL TESTING.**

24.21 (a) For students in grades 1 through 6, the cumulative total amount of time spent
 24.22 taking locally adopted districtwide or schoolwide assessments must not exceed ten hours
 24.23 per school year. For students in grades 7 through 12, the cumulative total amount of time
 24.24 spent taking locally adopted districtwide or schoolwide assessments must not exceed 11
 24.25 hours per school year. For purposes of this paragraph, International Baccalaureate and
 24.26 Advanced Placement exams are not considered locally adopted assessments.

24.27 (b) A district or charter school is exempt from the requirements of paragraph (a),
 24.28 if the district or charter school, in consultation with the exclusive representative of the
 24.29 teachers or other teachers if there is no exclusive representative of the teachers, decides to
 24.30 exceed a time limit in paragraph (a) and includes the information in the report required
 24.31 under section 120B.11, subdivision 5.

24.32 Sec. 39. Minnesota Statutes 2014, section 122A.09, subdivision 10, is amended to read:

25.1 Subd. 10. **Variations.** (a) Notwithstanding subdivision 9 and ~~section 14.05,~~
 25.2 ~~subdivision 4~~ sections 14.055 and 14.056, the Board of Teaching may grant a variance to
 25.3 its rules upon application by a school district for purposes of implementing experimental
 25.4 programs in learning or management.

25.5 (b) To enable a school district to meet the needs of students enrolled in an alternative
 25.6 education program and to enable licensed teachers instructing those students to satisfy
 25.7 content area licensure requirements, the Board of Teaching annually may permit a licensed
 25.8 teacher teaching in an alternative education program to instruct students in a content area
 25.9 for which the teacher is not licensed, consistent with paragraph (a).

25.10 (c) A special education license variance issued by the Board of Teaching for a
 25.11 primary employer's low-incidence region shall be valid in all low-incidence regions.

25.12 Sec. 40. Minnesota Statutes 2014, section 122A.21, subdivision 1, is amended to read:

25.13 Subdivision 1. **Licensure applications.** Each application for the issuance, renewal,
 25.14 or extension of a license to teach, including applications for licensure via portfolio under
 25.15 subdivision 2, must be accompanied by a processing fee of \$57. ~~Each application for~~
 25.16 ~~issuing, renewing, or extending the license of a school administrator or supervisor must~~
 25.17 ~~be accompanied by a processing fee in the amount set by the Board of Teaching.~~ The
 25.18 processing fee for a teacher's license and for the licenses of supervisory personnel must be
 25.19 paid to the executive secretary of the appropriate board. The executive secretary of the
 25.20 board shall deposit the fees with the commissioner of management and budget. The fees
 25.21 as set by the board are nonrefundable for applicants not qualifying for a license. However,
 25.22 a fee must be refunded by the commissioner of management and budget in any case in
 25.23 which the applicant already holds a valid unexpired license. The board may waive or
 25.24 reduce fees for applicants who apply at the same time for more than one license.

25.25 Sec. 41. Minnesota Statutes 2014, section 123B.57, subdivision 3, is amended to read:

25.26 Subd. 3. **Health and safety revenue.** A district's health and safety revenue
 25.27 for a fiscal year equals the district's alternative facilities levy under section 123B.59,
 25.28 subdivision 5, paragraph (b), plus the greater of zero or:

25.29 (1) the sum of (a) the total approved cost of the district's hazardous substance
 25.30 plan for fiscal years 1985 through 1989, plus (b) the total approved cost of the district's
 25.31 health and safety program for fiscal year 1990 through the fiscal year to which the levy
 25.32 is attributable, excluding expenditures funded with bonds issued under section 123B.59
 25.33 or 123B.62, or chapter 475; certificates of indebtedness or capital notes under section

26.1 123B.61; levies under section 123B.58, 123B.59, 123B.63, or 126C.40, subdivision 1 or
 26.2 6; and other federal, state, or local revenues, minus

26.3 (2) the sum of (a) the district's total hazardous substance aid and levy for fiscal
 26.4 years 1985 through 1989 under ~~sections~~ Minnesota Statutes 1996, section 124.245, and
 26.5 Minnesota Statutes 1986, section 275.125, subdivision 11c, plus (b) the district's health
 26.6 and safety revenue under this subdivision, for years before the fiscal year to which the
 26.7 levy is attributable.

26.8 Sec. 42. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 11,
 26.9 is amended to read:

26.10 Subd. 11. **Restrictions on long-term facilities maintenance revenue.**

26.11 Notwithstanding subdivision ~~11~~ 10, long-term facilities maintenance revenue may not
 26.12 be used:

26.13 (1) for the construction of new facilities, remodeling of existing facilities, or the
 26.14 purchase of portable classrooms;

26.15 (2) to finance a lease purchase agreement, installment purchase agreement, or other
 26.16 deferred payments agreement;

26.17 (3) for energy-efficiency projects under section 123B.65, for a building or property
 26.18 or part of a building or property used for postsecondary instruction or administration, or
 26.19 for a purpose unrelated to elementary and secondary education; or

26.20 (4) for violence prevention and facility security, ergonomics, or emergency
 26.21 communication devices.

26.22 Sec. 43. Minnesota Statutes 2014, section 124D.50, subdivision 4, is amended to read:

26.23 Subd. 4. **Programs following youth community service.** (a) The Minnesota
 26.24 Commission on National and Community Service in cooperation with the Governor's
 26.25 Workforce Development Council, the commissioner and the Minnesota Office of
 26.26 Higher Education, shall provide for those participants who successfully complete youth
 26.27 community service under sections 124D.39 to 124D.44, the following:

26.28 (1) for those who have a high school diploma or its equivalent, an opportunity to
 26.29 participate in a youth apprenticeship program at a community or technical college; and

26.30 (2) for those who are postsecondary students, an opportunity to participate in an
 26.31 educational program that supplements postsecondary courses leading to a degree or a
 26.32 statewide credential of academic and occupational proficiency.

26.33 ~~(b) Participants who successfully complete a youth community service program~~
 26.34 ~~under sections 124D.39 to 124D.45 are eligible to receive an education voucher as~~

27.1 ~~provided under section 124D.42, subdivision 4. The voucher recipient may apply the~~
 27.2 ~~voucher toward the cost of the recipient's tuition and other education-related expenses at a~~
 27.3 ~~postsecondary school under paragraph (a):~~

27.4 (e) ~~(b)~~ The Governor's Workforce Development Council, in cooperation with the
 27.5 Board of Trustees of the Minnesota State Colleges and Universities, must establish a
 27.6 mechanism to transfer credit earned in a youth apprenticeship program between the
 27.7 technical colleges and other postsecondary institutions offering applied associate degrees.

27.8 Sec. 44. Minnesota Statutes 2014, section 124D.895, subdivision 3, is amended to read:

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

27.10 (1) educational opportunities for families that enhance children's learning and native
 27.11 and English language development;

27.12 (2) educational programs for parents or guardians on families' educational
 27.13 responsibilities and resources;

27.14 (3) the hiring, training, and use of parental involvement liaison workers to
 27.15 coordinate family involvement activities and to foster linguistic and culturally competent
 27.16 communication among families, educators, and students, consistent with the definition of
 27.17 culturally competent under section 120B.30, subdivision 1, paragraph ~~(h)~~ (q);

27.18 (4) curriculum materials and assistance in implementing home and community-based
 27.19 learning activities that reinforce and extend classroom instruction and student motivation;

27.20 (5) technical assistance, including training to design and carry out family
 27.21 involvement programs;

27.22 (6) parent resource centers;

27.23 (7) parent training programs and reasonable and necessary expenditures associated
 27.24 with parents' attendance at training sessions;

27.25 (8) reports to parents on children's progress;

27.26 (9) use of parents as classroom volunteers, or as volunteers in before and after
 27.27 school programs for school-age children, tutors, and aides;

27.28 (10) soliciting parents' suggestions in planning, developing, and implementing
 27.29 school programs;

27.30 (11) educational programs and opportunities for parents or guardians that are
 27.31 multicultural, multilingual, gender fair, and disability sensitive;

27.32 (12) involvement in a district's curriculum advisory committee or a site team under
 27.33 section 120B.11; and

27.34 (13) opportunities for parent involvement in developing, implementing, or evaluating
 27.35 school and district desegregation/integration plans under sections 124D.861 and 124D.862.

28.1 Sec. 45. Minnesota Statutes 2015 Supplement, section 125A.11, subdivision 1, is
28.2 amended to read:

28.3 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and
28.4 later, when a school district provides special instruction and services for a pupil with
28.5 a disability as defined in section 125A.02 outside the district of residence, excluding
28.6 a pupil for whom an adjustment to special education aid is calculated according to
28.7 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the
28.8 resident district must be reduced by an amount equal to (1) the actual cost of providing
28.9 special instruction and services to the pupil, including a proportionate amount for special
28.10 transportation and unreimbursed building lease and debt service costs for facilities used
28.11 primarily for special education, plus (2) the amount of general education revenue and
28.12 referendum equalization aid attributable to that pupil, calculated using the resident district's
28.13 average general education revenue and referendum equalization aid per adjusted pupil
28.14 unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity
28.15 revenue, minus (3) the amount of special education aid for children with a disability
28.16 under section 125A.76 received on behalf of that child, minus (4) if the pupil receives
28.17 special instruction and services outside the regular classroom for more than 60 percent
28.18 of the school day, the amount of general education revenue and referendum equalization
28.19 aid, excluding portions attributable to district and school administration, district support
28.20 services, operations and maintenance, capital expenditures, and pupil transportation,
28.21 attributable to that pupil for the portion of time the pupil receives special instruction
28.22 and services outside of the regular classroom, calculated using the resident district's
28.23 average general education revenue and referendum equalization aid per adjusted pupil unit
28.24 excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue
28.25 and the serving district's basic skills revenue, elementary sparsity revenue and secondary
28.26 sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils
28.27 served by a cooperative unit without a fiscal agent school district, the general education
28.28 revenue and referendum equalization aid attributable to a pupil must be calculated using
28.29 the resident district's average general education revenue and referendum equalization aid
28.30 excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity
28.31 revenue. Special education aid paid to the district or cooperative providing special
28.32 instruction and services for the pupil must be increased by the amount of the reduction in
28.33 the aid paid to the resident district. Amounts paid to cooperatives under this subdivision
28.34 and section 127A.47, subdivision 7, shall be recognized and reported as revenues and
28.35 expenditures on the resident school district's books of account under sections 123B.75

29.1 and 123B.76. If the resident district's special education aid is insufficient to make the full
 29.2 adjustment, the remaining adjustment shall be made to other state aid due to the district.

29.3 (b) Notwithstanding paragraph (a), when a charter school receiving special education
 29.4 aid under section 124E.21, subdivision 3, provides special instruction and services for
 29.5 a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an
 29.6 adjustment to special education aid is calculated according to section ~~127A.46~~ 127A.47,
 29.7 subdivision 7, paragraphs (b) to (e), special education aid paid to the resident district must
 29.8 be reduced by an amount equal to that calculated under paragraph (a) as if the charter
 29.9 school received aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a),
 29.10 special education aid paid to the charter school providing special instruction and services
 29.11 for the pupil must not be increased by the amount of the reduction in the aid paid to
 29.12 the resident district.

29.13 (c) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs
 29.14 (b) to (d), a charter school where more than 30 percent of enrolled students receive special
 29.15 education and related services, a site approved under section 125A.515, an intermediate
 29.16 district, a special education cooperative, or a school district that served as the applicant
 29.17 agency for a group of school districts for federal special education aids for fiscal year
 29.18 2006 may apply to the commissioner for authority to charge the resident district an
 29.19 additional amount to recover any remaining unreimbursed costs of serving pupils with
 29.20 a disability. The application must include a description of the costs and the calculations
 29.21 used to determine the unreimbursed portion to be charged to the resident district. Amounts
 29.22 approved by the commissioner under this paragraph must be included in the tuition billings
 29.23 or aid adjustments under paragraph (a), or section 127A.47, subdivision 7, paragraphs
 29.24 (b) to (d), as applicable.

29.25 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraph
 29.26 (b), "general education revenue and referendum equalization aid" means the sum of the
 29.27 general education revenue according to section 126C.10, subdivision 1, excluding the
 29.28 local optional levy according to section 126C.10, subdivision 2e, paragraph (c), plus the
 29.29 referendum equalization aid according to section 126C.17, subdivision 7.

29.30 Sec. 46. Minnesota Statutes 2014, section 125A.51, is amended to read:

29.31 **125A.51 PLACEMENT OF CHILDREN WITHOUT DISABILITIES;**
 29.32 **EDUCATION AND TRANSPORTATION.**

29.33 The responsibility for providing instruction and transportation for a pupil without a
 29.34 disability who has a short-term or temporary physical or emotional illness or disability, as

30.1 determined by the standards of the commissioner, and who is temporarily placed for care
30.2 and treatment for that illness or disability, must be determined as provided in this section.

30.3 (a) The school district of residence of the pupil is the district in which the pupil's
30.4 parent or guardian resides. If there is a dispute between school districts regarding
30.5 residency, the district of residence is the district designated by the commissioner.

30.6 (b) When parental rights have been terminated by court order, the legal residence
30.7 of a child placed in a residential or foster facility for care and treatment is the district in
30.8 which the child resides.

30.9 (c) Before the placement of a pupil for care and treatment, the district of residence
30.10 must be notified and provided an opportunity to participate in the placement decision.
30.11 When an immediate emergency placement is necessary and time does not permit
30.12 resident district participation in the placement decision, the district in which the pupil is
30.13 temporarily placed, if different from the district of residence, must notify the district
30.14 of residence of the emergency placement within 15 days of the placement. When a
30.15 nonresident district makes an emergency placement without first consulting with the
30.16 resident district, the resident district has up to five business days after receiving notice
30.17 of the emergency placement to request an opportunity to participate in the placement
30.18 decision, which the placing district must then provide.

30.19 (d) When a pupil without a disability is temporarily placed for care and treatment
30.20 in a day program and the pupil continues to live within the district of residence during
30.21 the care and treatment, the district of residence must provide instruction and necessary
30.22 transportation to and from the care and treatment program for the pupil. The resident
30.23 district may establish reasonable restrictions on transportation, except if a Minnesota court
30.24 or agency orders the child placed at a day care and treatment program and the resident
30.25 district receives a copy of the order, then the resident district must provide transportation
30.26 to and from the program unless the court or agency orders otherwise. Transportation shall
30.27 only be provided by the resident district during regular operating hours of the resident
30.28 district. The resident district may provide the instruction at a school within the district of
30.29 residence, at the pupil's residence, or in the case of a placement outside of the resident
30.30 district, in the district in which the day treatment program is located by paying tuition to
30.31 that district. The district of placement may contract with a facility to provide instruction
30.32 by teachers licensed by the state Board of Teaching.

30.33 (e) When a pupil without a disability is temporarily placed in a residential program
30.34 for care and treatment, the district in which the pupil is placed must provide instruction
30.35 for the pupil and necessary transportation while the pupil is receiving instruction, and in
30.36 the case of a placement outside of the district of residence, the nonresident district must

31.1 bill the district of residence for the actual cost of providing the instruction for the regular
31.2 school year and for summer school, excluding transportation costs.

31.3 (f) Notwithstanding paragraph (e), if the pupil is homeless and placed in a public or
31.4 private homeless shelter, then the district that enrolls the pupil under section ~~127A.47,~~
31.5 ~~subdivision 2~~ 120A.20, subdivision 2, paragraph (b), shall provide the transportation, unless
31.6 the district that enrolls the pupil and the district in which the pupil is temporarily placed
31.7 agree that the district in which the pupil is temporarily placed shall provide transportation.
31.8 When a pupil without a disability is temporarily placed in a residential program outside
31.9 the district of residence, the administrator of the court placing the pupil must send timely
31.10 written notice of the placement to the district of residence. The district of placement may
31.11 contract with a residential facility to provide instruction by teachers licensed by the state
31.12 Board of Teaching. For purposes of this section, the state correctional facilities operated
31.13 on a fee-for-service basis are considered to be residential programs for care and treatment.

31.14 (g) The district of residence must include the pupil in its residence count of pupil
31.15 units and pay tuition as provided in section 123A.488 to the district providing the
31.16 instruction. Transportation costs must be paid by the district providing the transportation
31.17 and the state must pay transportation aid to that district. For purposes of computing state
31.18 transportation aid, pupils governed by this subdivision must be included in the disabled
31.19 transportation category if the pupils cannot be transported on a regular school bus route
31.20 without special accommodations.

31.21 Sec. 47. Minnesota Statutes 2015 Supplement, section 125A.76, subdivision 2c,
31.22 is amended to read:

31.23 Subd. 2c. **Special education aid.** ~~(a) For fiscal year 2014 and fiscal year 2015, a~~
31.24 ~~district's special education aid equals the sum of the district's special education aid under~~
31.25 ~~subdivision 5, the district's cross-subsidy reduction aid under subdivision 2b, and the~~
31.26 ~~district's excess cost aid under section 125A.79, subdivision 7.~~

31.27 ~~(b)~~ (a) For fiscal year 2016 and later, a district's special education aid equals the sum
31.28 of the district's special education initial aid under subdivision 2a and the district's excess
31.29 cost aid under section 125A.79, subdivision 5.

31.30 ~~(e)~~ (b) Notwithstanding paragraph ~~(b)~~ (a), for fiscal year 2016, the special education
31.31 aid for a school district must not exceed the sum of the special education aid the district
31.32 would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76
31.33 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and
31.34 127A.47, subdivision 7, and the product of the district's average daily membership served
31.35 and the special education aid increase limit.

32.1 ~~(d)~~ (c) Notwithstanding paragraph ~~(b)~~ (a), for fiscal year 2017 and later, the special
 32.2 education aid for a school district must not exceed the sum of: (i) the product of the
 32.3 district's average daily membership served and the special education aid increase limit and
 32.4 (ii) the product of the sum of the special education aid the district would have received
 32.5 for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79,
 32.6 as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47,
 32.7 subdivision 7, the ratio of the district's average daily membership served for the current
 32.8 fiscal year to the district's average daily membership served for fiscal year 2016, and the
 32.9 program growth factor.

32.10 ~~(e)~~ (d) Notwithstanding paragraph ~~(b)~~ (a), for fiscal year 2016 and later the special
 32.11 education aid for a school district, not including a charter school or cooperative unit as
 32.12 defined in section 123A.24, must not be less than the lesser of (1) the district's nonfederal
 32.13 special education expenditures for that fiscal year or (2) the product of the sum of the
 32.14 special education aid the district would have received for fiscal year 2016 under Minnesota
 32.15 Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes
 32.16 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted
 32.17 daily membership for the current fiscal year to the district's average daily membership for
 32.18 fiscal year 2016, and the program growth factor.

32.19 ~~(f)~~ (e) Notwithstanding subdivision 2a and section 125A.79, a charter school in
 32.20 its first year of operation shall generate special education aid based on current year
 32.21 data. A newly formed cooperative unit as defined in section 123A.24 may apply to the
 32.22 commissioner for approval to generate special education aid for its first year of operation
 32.23 based on current year data, with an offsetting adjustment to the prior year data used to
 32.24 calculate aid for programs at participating school districts or previous cooperatives that
 32.25 were replaced by the new cooperative.

32.26 Sec. 48. Minnesota Statutes 2015 Supplement, section 125A.79, subdivision 1, is
 32.27 amended to read:

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

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

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

32.32 (2) ~~for fiscal years 2014 and 2015, the sum of the special education aid under section~~
 32.33 ~~125A.76, subdivision 5, for the prior fiscal year and the cross-subsidy reduction aid under~~
 32.34 ~~section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education~~
 32.35 initial aid under section 125A.76, subdivision 2a; minus

33.1 (3) for fiscal year 2016 and later, the amount of general education revenue, excluding
 33.2 local optional revenue, plus local optional aid and referendum equalization aid for the
 33.3 prior fiscal year attributable to pupils receiving special instruction and services outside the
 33.4 regular classroom for more than 60 percent of the school day for the portion of time the
 33.5 pupils receive special instruction and services outside the regular classroom, excluding
 33.6 portions attributable to district and school administration, district support services,
 33.7 operations and maintenance, capital expenditures, and pupil transportation.

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

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

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

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

33.17 (c) "General revenue" for a school district means the sum of the general education
 33.18 revenue according to section 126C.10, subdivision 1, excluding transportation sparsity
 33.19 revenue, local optional revenue, and total operating capital revenue. "General revenue"
 33.20 for a charter school means the sum of the general education revenue according to section
 33.21 124E.20, subdivision 1, and transportation revenue according to section 124E.23,
 33.22 excluding referendum equalization aid, transportation sparsity revenue, and operating
 33.23 capital revenue.

33.24 Sec. 49. Minnesota Statutes 2014, section 127A.45, subdivision 11, is amended to read:

33.25 Subd. 11. **Payment percentage for reimbursement aids.** One hundred percent
 33.26 of the aid for the previous fiscal year must be paid in the current year for the following
 33.27 aids: telecommunications/Internet access equity and according to section 125B.26, special
 33.28 education special pupil aid according to section 125A.75, subdivision 3, aid for litigation
 33.29 costs according to section 125A.75, subdivision 89, aid for court-placed special education
 33.30 expenses according to section 125A.79, subdivision 4, and aid for special education
 33.31 out-of-state tuition according to section 125A.79, subdivision 8, and shared time aid
 33.32 according to section 126C.01, subdivision 7.

33.33 Sec. 50. Minnesota Statutes 2014, section 134.32, subdivision 8, is amended to read:

34.1 Subd. 8. **Rulemaking.** (a) The commissioner shall promulgate rules consistent
34.2 with sections 134.32 to 134.355 governing:

34.3 (1) applications for these grants and aid;

34.4 (2) computation formulas for determining the amounts of establishment grants and
34.5 regional library basic system support aid; and

34.6 (3) eligibility criteria for grants and aid.

34.7 ~~(b) To the extent allowed under federal law, a construction grant applicant, in
34.8 addition to the points received under Minnesota Rules, part 3530.2632, shall receive an
34.9 additional five points if the construction grant is for a project combining public library
34.10 services and school district library services at a single location.~~

34.11 Sec. 51. Minnesota Statutes 2014, section 136A.128, subdivision 2, is amended to read:

34.12 Subd. 2. **Program components.** (a) The nonprofit organization must use the
34.13 grant for:

34.14 (1) tuition scholarships up to \$5,000 per year for courses leading to the nationally
34.15 recognized child development associate credential or college-level courses leading to an
34.16 associate's or bachelor's degree in early childhood development and school-age care; and

34.17 (2) education incentives of a minimum of \$100 to participants in the tuition
34.18 scholarship program if they complete a year of working in the early care and education field.

34.19 (b) Applicants for the scholarship must be employed by a licensed early childhood
34.20 or child care program and working directly with children, a licensed family child care
34.21 provider, or an employee in a school-age program exempt from licensing under section
34.22 245A.03, subdivision 2, paragraph (a), clause (12). Lower wage earners must be given
34.23 priority in awarding the tuition scholarships. Scholarship recipients must contribute
34.24 ten percent of the total scholarship and must be sponsored by their employers, who
34.25 must also contribute ten percent of the total scholarship. Scholarship recipients who are
34.26 self-employed must contribute 20 percent of the total scholarship.

34.27 Sec. 52. Minnesota Statutes 2014, section 144.1222, subdivision 2a, is amended to read:

34.28 Subd. 2a. **Portable wading pools at family day care or group family day care
34.29 homes.** A portable wading pool that is located at a family day care or group family day
34.30 care home licensed under Minnesota Rules, chapter 9502, or at a home at which child
34.31 care services are provided under section 245A.03, subdivision 2, paragraph (a), clause
34.32 (2), shall be defined as a private residential pool and not as a public pool for purposes of
34.33 public swimming pool regulations under Minnesota Rules, chapter 4717, provided that

35.1 the portable wading pool has a maximum depth of 24 inches and is capable of being
35.2 manually emptied and moved.

35.3 Sec. 53. Minnesota Statutes 2014, section 144.414, subdivision 2, is amended to read:

35.4 Subd. 2. **Day care premises.** (a) Smoking is prohibited in a day care center licensed
35.5 under Minnesota Rules, parts 9503.0005 to ~~9503.0175~~ 9503.0170, or in a family home
35.6 or in a group family day care provider home licensed under Minnesota Rules, parts
35.7 9502.0300 to 9502.0445, during its hours of operation. The proprietor of a family home or
35.8 group family day care provider must disclose to parents or guardians of children cared
35.9 for on the premises if the proprietor permits smoking outside of its hours of operation.
35.10 Disclosure must include posting on the premises a conspicuous written notice and orally
35.11 informing parents or guardians.

35.12 (b) For purposes of this subdivision, the definition of smoking includes the use of
35.13 electronic cigarettes, including the inhaling and exhaling of vapor from any electronic
35.14 delivery device as defined in section 609.685, subdivision 1.

35.15 Sec. 54. Minnesota Statutes 2014, section 144.608, subdivision 1, is amended to read:

35.16 Subdivision 1. **Trauma Advisory Council established.** (a) A Trauma Advisory
35.17 Council is established to advise, consult with, and make recommendations to the
35.18 commissioner on the development, maintenance, and improvement of a statewide trauma
35.19 system.

35.20 (b) The council shall consist of the following members:

35.21 (1) a trauma surgeon certified by the American Board of Surgery or the American
35.22 Osteopathic Board of Surgery who practices in a level I or II trauma hospital;

35.23 (2) a general surgeon certified by the American Board of Surgery or the American
35.24 Osteopathic Board of Surgery whose practice includes trauma and who practices in a
35.25 designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(b)~~ (e);

35.26 (3) a neurosurgeon certified by the American Board of Neurological Surgery who
35.27 practices in a level I or II trauma hospital;

35.28 (4) a trauma program nurse manager or coordinator practicing in a level I or II
35.29 trauma hospital;

35.30 (5) an emergency physician certified by the American Board of Emergency Medicine
35.31 or the American Osteopathic Board of Emergency Medicine whose practice includes
35.32 emergency room care in a level I, II, III, or IV trauma hospital;

35.33 (6) a trauma program manager or coordinator who practices in a level III or IV
35.34 trauma hospital;

36.1 (7) a physician certified by the American Board of Family Medicine or the American
 36.2 Osteopathic Board of Family Practice whose practice includes emergency department care
 36.3 in a level III or IV trauma hospital located in a designated rural area as defined under
 36.4 section 144.1501, subdivision 1, paragraph ~~(b)~~ (e);

36.5 (8) a nurse practitioner, as defined under section 144.1501, subdivision 1, paragraph
 36.6 ~~(h)~~ (l), or a physician assistant, as defined under section 144.1501, subdivision 1, paragraph
 36.7 ~~(j)~~ (o), whose practice includes emergency room care in a level IV trauma hospital located in
 36.8 a designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(b)~~ (e);

36.9 (9) a pediatrician certified by the American Board of Pediatrics or the American
 36.10 Osteopathic Board of Pediatrics whose practice includes emergency department care
 36.11 in a level I, II, III, or IV trauma hospital;

36.12 (10) an orthopedic surgeon certified by the American Board of Orthopaedic Surgery
 36.13 or the American Osteopathic Board of Orthopedic Surgery whose practice includes trauma
 36.14 and who practices in a level I, II, or III trauma hospital;

36.15 (11) the state emergency medical services medical director appointed by the
 36.16 Emergency Medical Services Regulatory Board;

36.17 (12) a hospital administrator of a level III or IV trauma hospital located in a
 36.18 designated rural area as defined under section 144.1501, subdivision 1, paragraph ~~(b)~~ (e);

36.19 (13) a rehabilitation specialist whose practice includes rehabilitation of patients
 36.20 with major trauma injuries or traumatic brain injuries and spinal cord injuries as defined
 36.21 under section 144.661;

36.22 (14) an attendant or ambulance director who is an EMT, EMT-I, or EMT-P within
 36.23 the meaning of section 144E.001 and who actively practices with a licensed ambulance
 36.24 service in a primary service area located in a designated rural area as defined under section
 36.25 144.1501, subdivision 1, paragraph ~~(b)~~ (e); and

36.26 (15) the commissioner of public safety or the commissioner's designee.

36.27 Sec. 55. Minnesota Statutes 2014, section 144.651, subdivision 2, is amended to read:

36.28 Subd. 2. **Definitions.** For the purposes of this section, "patient" means a person
 36.29 who is admitted to an acute care inpatient facility for a continuous period longer than
 36.30 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental
 36.31 health of that person. For purposes of subdivisions 4 to 9, 12, 13, 15, 16, and 18 to 20,
 36.32 "patient" also means a person who receives health care services at an outpatient surgical
 36.33 center or at a birth center licensed under section 144.615. "Patient" also means a minor
 36.34 who is admitted to a residential program as defined in section 253C.01. For purposes of
 36.35 subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving

37.1 mental health treatment on an outpatient basis or in a community support program or other
 37.2 community-based program. "Resident" means a person who is admitted to a nonacute care
 37.3 facility including extended care facilities, nursing homes, and boarding care homes for
 37.4 care required because of prolonged mental or physical illness or disability, recovery from
 37.5 injury or disease, or advancing age. For purposes of all subdivisions except subdivisions
 37.6 28 and 29, "resident" also means a person who is admitted to a facility licensed as a
 37.7 board and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355, or a
 37.8 supervised living facility under Minnesota Rules, parts 4665.0100 to 4665.9900, and
 37.9 which operates a rehabilitation program licensed under Minnesota Rules, parts 9530.4100
 37.10 ~~to 9530.4450~~ 9530.6405 to 9530.6505.

37.11 Sec. 56. Minnesota Statutes 2014, section 144A.04, subdivision 7, is amended to read:

37.12 Subd. 7. **Minimum nursing staff requirement.** ~~Notwithstanding the provisions of~~
 37.13 ~~Minnesota Rules, part 4655.5600,~~ The minimum staffing standard for nursing personnel
 37.14 in certified nursing homes is as follows:

37.15 (a) The minimum number of hours of nursing personnel to be provided in a nursing
 37.16 home is the greater of two hours per resident per 24 hours or 0.95 hours per standardized
 37.17 resident day. Upon transition to the 34 group, RUG-III resident classification system, the
 37.18 0.95 hours per standardized resident day shall no longer apply.

37.19 (b) For purposes of this subdivision, "hours of nursing personnel" means the paid,
 37.20 on-duty, productive nursing hours of all nurses and nursing assistants, calculated on the
 37.21 basis of any given 24-hour period. "Productive nursing hours" means all on-duty hours
 37.22 during which nurses and nursing assistants are engaged in nursing duties. Examples of
 37.23 nursing duties may be found in Minnesota Rules, ~~parts 4655.5900, 4655.6100, and part~~
 37.24 4655.6400. Not included are vacations, holidays, sick leave, in-service classroom training,
 37.25 or lunches. Also not included are the nonproductive nursing hours of the in-service
 37.26 training director. In homes with more than 60 licensed beds, the hours of the director
 37.27 of nursing are excluded. "Standardized resident day" means the sum of the number of
 37.28 residents in each case mix class multiplied by the case mix weight for that resident class,
 37.29 as found in Minnesota Rules, part 9549.0059, subpart 2, calculated on the basis of a
 37.30 facility's census for any given day. For the purpose of determining a facility's census, the
 37.31 commissioner of health shall exclude the resident days claimed by the facility for resident
 37.32 therapeutic leave or bed hold days.

37.33 (c) Calculation of nursing hours per standardized resident day is performed by
 37.34 dividing total hours of nursing personnel for a given period by the total of standardized
 37.35 resident days for that same period.

38.1 (d) A nursing home that is issued a notice of noncompliance under section 144A.10,
 38.2 subdivision 5, for a violation of this subdivision, shall be assessed a civil fine of \$300 for
 38.3 each day of noncompliance, subject to section 144A.10, subdivisions 7 and 8.

38.4 Sec. 57. Minnesota Statutes 2014, section 144A.10, subdivision 4, is amended to read:

38.5 Subd. 4. **Correction orders.** Whenever a duly authorized representative of the
 38.6 commissioner of health finds upon inspection of a nursing home, that the facility or a
 38.7 controlling person or an employee of the facility is not in compliance with sections
 38.8 144.411 to 144.417, 144.651, 144.6503, 144A.01 to 144A.155, or 626.557 or the rules
 38.9 promulgated thereunder, a correction order shall be issued to the facility. The correction
 38.10 order shall state the deficiency, cite the specific rule or statute violated, state the suggested
 38.11 method of correction, and specify the time allowed for correction. If the commissioner
 38.12 finds that the nursing home had uncorrected or repeated violations which create a risk to
 38.13 resident care, safety, or rights, the commissioner shall notify the commissioner of human
 38.14 services who shall require the facility to use any efficiency incentive payments received
 38.15 under section 256B.431, subdivision 2b, paragraph (d), to correct the violations and shall
 38.16 require the facility to forfeit incentive payments for failure to correct the violations
 38.17 as provided in section 256B.431, subdivision ~~2p~~ 2n. The forfeiture shall not apply to
 38.18 correction orders issued for physical plant deficiencies.

38.19 Sec. 58. Minnesota Statutes 2014, section 144A.105, subdivision 1, is amended to read:

38.20 Subdivision 1. **Circumstances for suspensions.** The commissioner of health may
 38.21 suspend admissions to a nursing home or certified boarding care home when:

38.22 (1) the commissioner has issued a penalty assessment or the nursing home has
 38.23 a repeated violation for noncompliance with section 144A.04, subdivision 7, ~~or the~~
 38.24 ~~portion of Minnesota Rules, part 4655.5600, subpart 2, that establishes minimum nursing~~
 38.25 ~~personnel requirements;~~

38.26 (2) the commissioner has issued a penalty assessment or the nursing home or
 38.27 certified boarding care home has repeated violations for not maintaining a sufficient
 38.28 number or type of nursing personnel to meet the needs of the residents, as required by
 38.29 Minnesota Rules, parts 4655.5100 to ~~4655.6200~~ 4655.5400;

38.30 (3) the commissioner has determined that an emergency exists;

38.31 (4) the commissioner has initiated proceedings to suspend, revoke, or not renew the
 38.32 license of the nursing home or certified boarding care home; or

38.33 (5) the commissioner determines that the remedy of denial of payment, as provided
 38.34 by subparagraph 1919(h)(2)(A)(i) of the Social Security Act, is to be imposed under

39.1 section 1919(h) of the Social Security Act, or regulations adopted under that section of
 39.2 the Social Security Act.

39.3 Sec. 59. Minnesota Statutes 2014, section 144A.43, subdivision 22, is amended to read:

39.4 Subd. 22. **Prescription.** "Prescription" has the meaning given in section 151.01,
 39.5 subdivision ~~16~~ 16a.

39.6 Sec. 60. Minnesota Statutes 2014, section 144A.442, is amended to read:

39.7 **144A.442 ASSISTED LIVING CLIENTS; SERVICE TERMINATION.**

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

39.13 (1) the effective date of termination;

39.14 (2) the reason for termination;

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

39.18 (4) contact information for a reasonable number of other home care providers in
 39.19 the geographic area of the assisted living client, as required by ~~Minnesota Rules, part~~
 39.20 ~~4668.0050~~ section 144A.4791, subdivision 10;

39.21 (5) a statement that the provider will participate in a coordinated transfer of the care
 39.22 of the client to another provider or caregiver, as required by section 144A.44, subdivision
 39.23 1, clause (18);

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

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

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

39.30 Sec. 61. Minnesota Statutes 2014, section 144A.4792, subdivision 13, is amended to
 39.31 read:

39.32 Subd. 13. **Prescriptions.** There must be a current written or electronically recorded
 39.33 prescription as defined in ~~Minnesota Rules, part 6800.0100, subpart 11a~~ section 151.01,

40.1 subdivision 16a, for all prescribed medications that the comprehensive home care provider
40.2 is managing for the client.

40.3 Sec. 62. Minnesota Statutes 2014, section 144D.01, subdivision 4, is amended to read:

40.4 Subd. 4. **Housing with services establishment or establishment.** (a) "Housing
40.5 with services establishment" or "establishment" means:

40.6 (1) an establishment providing sleeping accommodations to one or more adult
40.7 residents, at least 80 percent of which are 55 years of age or older, and offering or
40.8 providing, for a fee, one or more regularly scheduled health-related services or two or
40.9 more regularly scheduled supportive services, whether offered or provided directly by the
40.10 establishment or by another entity arranged for by the establishment; or

40.11 (2) an establishment that registers under section 144D.025.

40.12 (b) Housing with services establishment does not include:

40.13 (1) a nursing home licensed under chapter 144A;

40.14 (2) a hospital, certified boarding care home, or supervised living facility licensed
40.15 under sections 144.50 to 144.56;

40.16 (3) a board and lodging establishment licensed under chapter 157 and Minnesota
40.17 Rules, parts 9520.0500 to 9520.0670, ~~9525.0215 to 9525.0355, 9525.0500 to 9525.0660,~~
40.18 or ~~9530.4100 to 9530.4450~~ 9530.6405 to 9530.6505, or under chapter 245D;

40.19 (4) a board and lodging establishment which serves as a shelter for battered women
40.20 or other similar purpose;

40.21 (5) a family adult foster care home licensed by the Department of Human Services;

40.22 (6) private homes in which the residents are related by kinship, law, or affinity with
40.23 the providers of services;

40.24 (7) residential settings for persons with developmental disabilities in which the
40.25 services are licensed under ~~Minnesota Rules, parts 9525.2100 to 9525.2140, or applicable~~
40.26 ~~successor rules or laws~~ chapter 245D;

40.27 (8) a home-sharing arrangement such as when an elderly or disabled person or
40.28 single-parent family makes lodging in a private residence available to another person
40.29 in exchange for services or rent, or both;

40.30 (9) a duly organized condominium, cooperative, common interest community, or
40.31 owners' association of the foregoing where at least 80 percent of the units that comprise the
40.32 condominium, cooperative, or common interest community are occupied by individuals
40.33 who are the owners, members, or shareholders of the units; or

41.1 (10) services for persons with developmental disabilities that are provided under
 41.2 a license according to Minnesota Rules, parts 9525.2000 to 9525.2140 in effect until
 41.3 January 1, 1998, or under chapter 245D.

41.4 Sec. 63. Minnesota Statutes 2014, section 144E.285, subdivision 2, is amended to read:

41.5 Subd. 2. **AEMT and paramedic requirements.** (a) In addition to the requirements
 41.6 under subdivision 1, paragraph (b), an education program applying for approval to teach
 41.7 AEMTs and paramedics must be administered by an educational institution accredited by
 41.8 the Commission of Accreditation of Allied Health Education Programs (CAAHEP).

41.9 (b) An AEMT and paramedic education program that is administered by an
 41.10 educational institution not accredited by CAAHEP, but that is in the process of completing
 41.11 the accreditation process, may be granted provisional approval by the board upon
 41.12 verification of submission of its self-study report and the appropriate review fee to
 41.13 CAAHEP.

41.14 (c) An educational institution that discontinues its participation in the accreditation
 41.15 process must notify the board immediately and provisional approval shall be withdrawn.

41.16 (d) This subdivision does not apply to a paramedic education program when the
 41.17 program is operated by an advanced life-support ambulance service licensed by the
 41.18 Emergency Medical Services Regulatory Board under this chapter, and the ambulance
 41.19 service meets the following criteria:

41.20 (1) covers a rural primary service area that does not contain a hospital within the
 41.21 primary service area or contains a hospital within the primary service area that has been
 41.22 designated as a critical access hospital under section 144.1483, clause ~~(11)~~ (9);

41.23 (2) has tax-exempt status in accordance with the Internal Revenue Code, section
 41.24 501(c)(3);

41.25 (3) received approval before 1991 from the commissioner of health to operate
 41.26 a paramedic education program;

41.27 (4) operates an AEMT and paramedic education program exclusively to train
 41.28 paramedics for the local ambulance service; and

41.29 (5) limits enrollment in the AEMT and paramedic program to five candidates per
 41.30 biennium.

41.31 Sec. 64. Minnesota Statutes 2014, section 144G.03, subdivision 2, is amended to read:

41.32 Subd. 2. **Minimum requirements for assisted living.** (a) Assisted living shall
 41.33 be provided or made available only to individuals residing in a registered housing with
 41.34 services establishment. Except as expressly stated in this chapter, a person or entity

42.1 offering assisted living may define the available services and may offer assisted living to
42.2 all or some of the residents of a housing with services establishment. The services that
42.3 comprise assisted living may be provided or made available directly by a housing with
42.4 services establishment or by persons or entities with which the housing with services
42.5 establishment has made arrangements.

42.6 (b) A person or entity entitled to use the phrase "assisted living," according to
42.7 section 144G.02, subdivision 1, shall do so only with respect to a housing with services
42.8 establishment, or a service, service package, or program available within a housing with
42.9 services establishment that, at a minimum:

42.10 (1) provides or makes available health-related services under a class A or class F
42.11 home care license. At a minimum, health-related services must include:

42.12 (i) assistance with self-administration of medication ~~as defined in Minnesota Rules,~~
42.13 ~~part 4668.0003, subpart 2a,~~ or medication administration ~~as defined in Minnesota Rules,~~
42.14 ~~part 4668.0003, subpart 21a~~ provided in section 144A.43; and

42.15 (ii) assistance with at least three of the following seven activities of daily living:
42.16 bathing, dressing, grooming, eating, transferring, continence care, and toileting.

42.17 All health-related services shall be provided in a manner that complies with applicable
42.18 home care licensure requirements in chapter 144A, sections 148.171 to 148.285, and
42.19 Minnesota Rules, chapter 4668;

42.20 (2) provides necessary assessments of the physical and cognitive needs of assisted
42.21 living clients by a registered nurse, as required by applicable home care licensure
42.22 requirements in chapter 144A, sections 148.171 to 148.285, and Minnesota Rules, chapter
42.23 4668;

42.24 (3) has and maintains a system for delegation of health care activities to unlicensed
42.25 assistive health care personnel by a registered nurse, including supervision and evaluation
42.26 of the delegated activities as required by applicable home care licensure requirements in
42.27 chapter 144A, sections 148.171 to 148.285, and Minnesota Rules, chapter 4668;

42.28 (4) provides staff access to an on-call registered nurse 24 hours per day, seven
42.29 days per week;

42.30 (5) has and maintains a system to check on each assisted living client at least daily;

42.31 (6) provides a means for assisted living clients to request assistance for health and
42.32 safety needs 24 hours per day, seven days per week, from the establishment or a person or
42.33 entity with which the establishment has made arrangements;

42.34 (7) has a person or persons available 24 hours per day, seven days per week, who
42.35 is responsible for responding to the requests of assisted living clients for assistance with
42.36 health or safety needs, who shall be:

- 43.1 (i) awake;
- 43.2 (ii) located in the same building, in an attached building, or on a contiguous campus
- 43.3 with the housing with services establishment in order to respond within a reasonable
- 43.4 amount of time;
- 43.5 (iii) capable of communicating with assisted living clients;
- 43.6 (iv) capable of recognizing the need for assistance;
- 43.7 (v) capable of providing either the assistance required or summoning the appropriate
- 43.8 assistance; and
- 43.9 (vi) capable of following directions;
- 43.10 (8) offers to provide or make available at least the following supportive services
- 43.11 to assisted living clients:
- 43.12 (i) two meals per day;
- 43.13 (ii) weekly housekeeping;
- 43.14 (iii) weekly laundry service;
- 43.15 (iv) upon the request of the client, reasonable assistance with arranging for
- 43.16 transportation to medical and social services appointments, and the name of or other
- 43.17 identifying information about the person or persons responsible for providing this
- 43.18 assistance;
- 43.19 (v) upon the request of the client, reasonable assistance with accessing community
- 43.20 resources and social services available in the community, and the name of or other
- 43.21 identifying information about the person or persons responsible for providing this
- 43.22 assistance; and
- 43.23 (vi) periodic opportunities for socialization; and
- 43.24 (9) makes available to all prospective and current assisted living clients information
- 43.25 consistent with the uniform format and the required components adopted by the
- 43.26 commissioner under section 144G.06. This information must be made available beginning
- 43.27 no later than six months after the commissioner makes the uniform format and required
- 43.28 components available to providers according to section 144G.06.

43.29 Sec. 65. Minnesota Statutes 2014, section 147A.08, is amended to read:

43.30 **147A.08 EXEMPTIONS.**

43.31 (a) This chapter does not apply to, control, prevent, or restrict the practice, service,

43.32 or activities of persons listed in section 147.09, clauses (1) to (6) and (8) to (13), persons

43.33 regulated under section 214.01, subdivision 2, or persons defined in section 144.1501,

43.34 subdivision 1, paragraphs ~~(f)~~, ~~(h)~~, and (i), (k), and (l).

43.35 (b) Nothing in this chapter shall be construed to require licensure of:

44.1 (1) a physician assistant student enrolled in a physician assistant educational
 44.2 program accredited by the Accreditation Review Commission on Education for the
 44.3 Physician Assistant or by its successor agency approved by the board;

44.4 (2) a physician assistant employed in the service of the federal government while
 44.5 performing duties incident to that employment; or

44.6 (3) technicians, other assistants, or employees of physicians who perform delegated
 44.7 tasks in the office of a physician but who do not identify themselves as a physician assistant.

44.8 Sec. 66. Minnesota Statutes 2014, section 147B.03, subdivision 1, is amended to read:

44.9 Subdivision 1. **NCCAOM requirements.** Unless a person is licensed under
 44.10 section 147B.02, subdivision ~~5~~ 6, each licensee is required to meet the NCCAOM
 44.11 professional development activity requirements to maintain NCCAOM certification.
 44.12 These requirements may be met through a board approved continuing education program.

44.13 Sec. 67. Minnesota Statutes 2014, section 148.519, subdivision 1, is amended to read:

44.14 Subdivision 1. **Applications for licensure.** (a) An applicant for licensure must:

44.15 (1) submit a completed application for licensure on forms provided by the
 44.16 commissioner. The application must include the applicant's name, certification number
 44.17 under chapter 153A, if applicable, business address and telephone number, or home
 44.18 address and telephone number if the applicant practices speech-language pathology or
 44.19 audiology out of the home, and a description of the applicant's education, training, and
 44.20 experience, including previous work history for the five years immediately preceding
 44.21 the date of application. The commissioner may ask the applicant to provide additional
 44.22 information necessary to clarify information submitted in the application; and

44.23 (2) submit documentation of the certificate of clinical competence issued by the
 44.24 American Speech-Language-Hearing Association, board certification by the American
 44.25 Board of Audiology, or satisfy the following requirements:

44.26 (i) submit a transcript showing the completion of a master's or doctoral degree or its
 44.27 equivalent meeting the requirements of section 148.515, subdivision 2;

44.28 (ii) submit documentation of the required hours of supervised clinical training;

44.29 (iii) submit documentation of the postgraduate clinical or doctoral clinical experience
 44.30 meeting the requirements of section 148.515, subdivision 4; and

44.31 (iv) submit documentation of receiving a qualifying score on an examination
 44.32 meeting the requirements of section ~~148.515, subdivision 5~~ 153A.14, subdivision 2h.

44.33 (b) In addition, an applicant must:

45.1 (1) sign a statement that the information in the application is true and correct to the
45.2 best of the applicant's knowledge and belief;

45.3 (2) submit with the application all fees required by section 148.5194; and

45.4 (3) sign a waiver authorizing the commissioner to obtain access to the applicant's
45.5 records in this or any other state in which the applicant has engaged in the practice of
45.6 speech-language pathology or audiology.

45.7 Sec. 68. Minnesota Statutes 2014, section 148.741, is amended to read:

45.8 **148.741 APPLICABILITY OF RULES.**

45.9 Minnesota Rules, parts 5601.0100 to 5601.3200, apply both to physical therapists
45.10 and physical therapist assistants, except parts 5601.1300; ~~5601.1900~~; 5601.2000;
45.11 5601.3200, subpart 2, item D; and 5601.3200, subpart 5, only apply to physical therapists.

45.12 Sec. 69. Minnesota Statutes 2015 Supplement, section 151.37, subdivision 2, is
45.13 amended to read:

45.14 Subd. 2. **Prescribing and filing.** (a) A licensed practitioner in the course of
45.15 professional practice only, may prescribe, administer, and dispense a legend drug, and
45.16 may cause the same to be administered by a nurse, a physician assistant, or medical
45.17 student or resident under the practitioner's direction and supervision, and may cause a
45.18 person who is an appropriately certified, registered, or licensed health care professional
45.19 to prescribe, dispense, and administer the same within the expressed legal scope of the
45.20 person's practice as defined in Minnesota Statutes. A licensed practitioner may prescribe a
45.21 legend drug, without reference to a specific patient, by directing a licensed dietitian or
45.22 licensed nutritionist, pursuant to section 148.634; a nurse, pursuant to section 148.235,
45.23 subdivisions 8 and 9; physician assistant; medical student or resident; or pharmacist
45.24 according to section 151.01, subdivision 27, to adhere to a particular practice guideline or
45.25 protocol when treating patients whose condition falls within such guideline or protocol,
45.26 and when such guideline or protocol specifies the circumstances under which the legend
45.27 drug is to be prescribed and administered. An individual who verbally, electronically, or
45.28 otherwise transmits a written, oral, or electronic order, as an agent of a prescriber, shall
45.29 not be deemed to have prescribed the legend drug. This paragraph applies to a physician
45.30 assistant only if the physician assistant meets the requirements of section 147A.18.

45.31 (b) The commissioner of health, if a licensed practitioner, or a person designated
45.32 by the commissioner who is a licensed practitioner, may prescribe a legend drug to an
45.33 individual or by protocol for mass dispensing purposes where the commissioner finds that
45.34 the conditions triggering section 144.4197 or 144.4198, subdivision 2, paragraph (b), exist.

46.1 The commissioner, if a licensed practitioner, or a designated licensed practitioner, may
46.2 prescribe, dispense, or administer a legend drug or other substance listed in subdivision 10
46.3 to control tuberculosis and other communicable diseases. The commissioner may modify
46.4 state drug labeling requirements, and medical screening criteria and documentation, where
46.5 time is critical and limited labeling and screening are most likely to ensure legend drugs
46.6 reach the maximum number of persons in a timely fashion so as to reduce morbidity
46.7 and mortality.

46.8 (c) A licensed practitioner that dispenses for profit a legend drug that is to be
46.9 administered orally, is ordinarily dispensed by a pharmacist, and is not a vaccine, must
46.10 file with the practitioner's licensing board a statement indicating that the practitioner
46.11 dispenses legend drugs for profit, the general circumstances under which the practitioner
46.12 dispenses for profit, and the types of legend drugs generally dispensed. It is unlawful to
46.13 dispense legend drugs for profit after July 31, 1990, unless the statement has been filed
46.14 with the appropriate licensing board. For purposes of this paragraph, "profit" means (1)
46.15 any amount received by the practitioner in excess of the acquisition cost of a legend drug
46.16 for legend drugs that are purchased in prepackaged form, or (2) any amount received
46.17 by the practitioner in excess of the acquisition cost of a legend drug plus the cost of
46.18 making the drug available if the legend drug requires compounding, packaging, or other
46.19 treatment. The statement filed under this paragraph is public data under section 13.03.
46.20 This paragraph does not apply to a licensed doctor of veterinary medicine or a registered
46.21 pharmacist. Any person other than a licensed practitioner with the authority to prescribe,
46.22 dispense, and administer a legend drug under paragraph (a) shall not dispense for profit.
46.23 To dispense for profit does not include dispensing by a community health clinic when the
46.24 profit from dispensing is used to meet operating expenses.

46.25 (d) A prescription drug order for the following drugs is not valid, unless it can be
46.26 established that the prescription drug order was based on a documented patient evaluation,
46.27 including an examination, adequate to establish a diagnosis and identify underlying
46.28 conditions and contraindications to treatment:

- 46.29 (1) controlled substance drugs listed in section 152.02, subdivisions 3 to 5;
46.30 (2) drugs defined by the Board of Pharmacy as controlled substances under section
46.31 152.02, subdivisions 7, 8, and 12;
46.32 (3) muscle relaxants;
46.33 (4) centrally acting analgesics with opioid activity;
46.34 (5) drugs containing butalbital; or
46.35 (6) phosphodiesterase type 5 inhibitors when used to treat erectile dysfunction.

47.1 (e) For the purposes of paragraph (d), the requirement for an examination shall be
47.2 met if an in-person examination has been completed in any of the following circumstances:

47.3 (1) the prescribing practitioner examines the patient at the time the prescription
47.4 or drug order is issued;

47.5 (2) the prescribing practitioner has performed a prior examination of the patient;

47.6 (3) another prescribing practitioner practicing within the same group or clinic as the
47.7 prescribing practitioner has examined the patient;

47.8 (4) a consulting practitioner to whom the prescribing practitioner has referred the
47.9 patient has examined the patient; or

47.10 (5) the referring practitioner has performed an examination in the case of a
47.11 consultant practitioner issuing a prescription or drug order when providing services by
47.12 means of telemedicine.

47.13 (f) Nothing in paragraph (d) or (e) prohibits a licensed practitioner from prescribing
47.14 a drug through the use of a guideline or protocol pursuant to paragraph (a).

47.15 (g) Nothing in this chapter prohibits a licensed practitioner from issuing a
47.16 prescription or dispensing a legend drug in accordance with the Expedited Partner Therapy
47.17 in the Management of Sexually Transmitted Diseases guidance document issued by the
47.18 United States Centers for Disease Control.

47.19 (h) Nothing in paragraph (d) or (e) limits prescription, administration, or dispensing
47.20 of legend drugs through a public health clinic or other distribution mechanism approved
47.21 by the commissioner of health or a community health board in order to prevent, mitigate,
47.22 or treat a pandemic illness, infectious disease outbreak, or intentional or accidental release
47.23 of a biological, chemical, or radiological agent.

47.24 (i) No pharmacist employed by, under contract to, or working for a pharmacy
47.25 licensed under section 151.19, subdivision 1, may dispense a legend drug based on a
47.26 prescription that the pharmacist knows, or would reasonably be expected to know, is not
47.27 valid under paragraph (d).

47.28 (j) No pharmacist employed by, under contract to, or working for a pharmacy
47.29 licensed under section 151.19, subdivision 2 1, and located outside the state may dispense
47.30 a legend drug to a resident of this state based on a prescription that the pharmacist knows,
47.31 or would reasonably be expected to know, is not valid under paragraph (d).

47.32 (k) Nothing in this chapter prohibits the commissioner of health, if a licensed
47.33 practitioner, or, if not a licensed practitioner, a designee of the commissioner who is
47.34 a licensed practitioner, from prescribing legend drugs for field-delivered therapy in the
47.35 treatment of a communicable disease according to the Centers For Disease Control and
47.36 Prevention Partner Services Guidelines.

48.1 Sec. 70. Minnesota Statutes 2014, section 153A.15, subdivision 1, is amended to read:

48.2 Subdivision 1. **Prohibited acts.** The commissioner may take enforcement action as
48.3 provided under subdivision 2 against a dispenser of hearing instruments for the following
48.4 acts and conduct:

48.5 (1) dispensing a hearing instrument to a minor person 18 years or younger unless
48.6 evaluated by an audiologist for hearing evaluation and hearing aid evaluation;

48.7 (2) being disciplined through a revocation, suspension, restriction, or limitation by
48.8 another state for conduct subject to action under this chapter;

48.9 (3) presenting advertising that is false or misleading;

48.10 (4) providing the commissioner with false or misleading statements of credentials,
48.11 training, or experience;

48.12 (5) engaging in conduct likely to deceive, defraud, or harm the public; or
48.13 demonstrating a willful or careless disregard for the health, welfare, or safety of a consumer;

48.14 (6) splitting fees or promising to pay a portion of a fee to any other professional
48.15 other than a fee for services rendered by the other professional to the client;

48.16 (7) engaging in abusive or fraudulent billing practices, including violations of
48.17 federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state
48.18 medical assistance laws;

48.19 (8) obtaining money, property, or services from a consumer through the use of undue
48.20 influence, high pressure sales tactics, harassment, duress, deception, or fraud;

48.21 (9) performing the services of a certified hearing instrument dispenser in an
48.22 incompetent or negligent manner;

48.23 (10) failing to comply with the requirements of this chapter as an employer,
48.24 supervisor, or trainee;

48.25 (11) failing to provide information in a timely manner in response to a request by the
48.26 commissioner, commissioner's designee, or the advisory council;

48.27 (12) being convicted within the past five years of violating any laws of the United
48.28 States, or any state or territory of the United States, and the violation is a felony, gross
48.29 misdemeanor, or misdemeanor, an essential element of which relates to hearing instrument
48.30 dispensing, except as provided in chapter 364;

48.31 (13) failing to cooperate with the commissioner, the commissioner's designee, or
48.32 the advisory council in any investigation;

48.33 (14) failing to perform hearing instrument dispensing with reasonable judgment,
48.34 skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

48.35 (15) failing to fully disclose actions taken against the applicant or the applicant's
48.36 legal authorization to dispense hearing instruments in this or another state;

49.1 (16) violating a state or federal court order or judgment, including a conciliation
 49.2 court judgment, relating to the activities of the applicant in hearing instrument dispensing;

49.3 (17) having been or being disciplined by the commissioner of the Department of
 49.4 Health, or other authority, in this or another jurisdiction, if any of the grounds for the
 49.5 discipline are the same or substantially equivalent to those in sections 153A.13 to ~~153A.19~~
 49.6 153A.18;

49.7 (18) misrepresenting the purpose of hearing tests, or in any way communicating that
 49.8 the hearing test or hearing test protocol required by section 153A.14, subdivision 4b, is
 49.9 a medical evaluation, a diagnostic hearing evaluation conducted by an audiologist, or is
 49.10 other than a test to select a hearing instrument, except that the hearing instrument dispenser
 49.11 can determine the need for or recommend the consumer obtain a medical evaluation
 49.12 consistent with requirements of the United States Food and Drug Administration;

49.13 (19) violating any of the provisions of sections 148.5195, subdivision 3, clause (20);
 49.14 148.5197; 148.5198; and 153A.13 to 153A.18; and

49.15 (20) aiding or abetting another person in violating any of the provisions of sections
 49.16 148.5195, subdivision 3, clause (20); 148.5197; 148.5198; and 153A.13 to 153A.18.

49.17 Sec. 71. Minnesota Statutes 2014, section 155A.23, subdivision 5a, is amended to read:

49.18 Subd. 5a. **Individual license.** "Individual license" means a license described in
 49.19 section 155A.25, subdivision 1, ~~paragraph (a), clauses (1) and (2)~~ 1a, paragraph (b),
 49.20 clause (1).

49.21 Sec. 72. Minnesota Statutes 2014, section 155A.355, subdivision 1, is amended to read:

49.22 Subdivision 1. **Single-use equipment and materials.** Single-use equipment,
 49.23 implements, or materials that are made or constructed of paper, wood, or other porous
 49.24 materials must only be used for one application or client service. Presence of used articles
 49.25 in the work area is prima facie evidence of reuse. Failure to dispose of the materials in this
 49.26 subdivision is punishable by penalty under section 155A.25, subdivision 1a, paragraph
 49.27 ~~(b)~~ (c), clause (7).

49.28 Sec. 73. Minnesota Statutes 2014, section 155A.355, subdivision 2, is amended to read:

49.29 Subd. 2. **Skin-cutting equipment.** Razor-type callus shavers, rasps, or graters
 49.30 designed and intended to cut growths of skin such as corns and calluses, including but
 49.31 not limited to credo blades, are prohibited. Presence of these articles in the work area is
 49.32 prima facie evidence of use and is punishable by penalty in section 155A.25, subdivision
 49.33 1a, paragraph ~~(b)~~ (c), clause (8).

50.1 Sec. 74. Minnesota Statutes 2014, section 174.06, subdivision 2, is amended to read:

50.2 Subd. 2. **Department of Aeronautics.** All powers, duties, and functions heretofore
50.3 vested in or imposed on the commissioner of aeronautics or the Department of Aeronautics
50.4 by sections 360.011 to 360.076, ~~360.301~~ 360.305 to 360.73, 360.81 to 360.91 or any other
50.5 law relating to the duties and powers of the commissioner of aeronautics are transferred
50.6 to, vested in, and imposed on the commissioner of transportation. The position of the
50.7 commissioner of aeronautics and the Department of Aeronautics as heretofore constituted
50.8 are abolished.

50.9 Sec. 75. Minnesota Statutes 2014, section 176.105, subdivision 4, is amended to read:

50.10 Subd. 4. **Legislative intent; rules; loss of more than one body part.** (a) For the
50.11 purpose of establishing a disability schedule, the legislature declares its intent that the
50.12 commissioner establish a disability schedule which shall be determined by sound actuarial
50.13 evaluation and shall be based on the benefit level which exists on January 1, 1983.

50.14 (b) The commissioner shall by rulemaking adopt procedures setting forth rules
50.15 for the evaluation and rating of functional disability and the schedule for permanent
50.16 partial disability and to determine the percentage of loss of function of a part of the body
50.17 based on the body as a whole, including internal organs, ~~described in section 176.101,~~
50.18 ~~subdivision 3,~~ and any other body part ~~not listed in section 176.101, subdivision 3,~~ which
50.19 the commissioner deems appropriate.

50.20 (c) The rules shall promote objectivity and consistency in the evaluation of
50.21 permanent functional impairment due to personal injury and in the assignment of a
50.22 numerical rating to the functional impairment.

50.23 (d) Prior to adoption of rules the commissioner shall conduct an analysis of the
50.24 current permanent partial disability schedule for the purpose of determining the number
50.25 and distribution of permanent partial disabilities and the average compensation for various
50.26 permanent partial disabilities. The commissioner shall consider setting the compensation
50.27 under the proposed schedule for the most serious conditions higher in comparison to the
50.28 current schedule and shall consider decreasing awards for minor conditions in comparison
50.29 to the current schedule.

50.30 (e) The commissioner may consider, among other factors, and shall not be limited
50.31 to the following factors in developing rules for the evaluation and rating of functional
50.32 disability and the schedule for permanent partial disability benefits:

50.33 (1) the workability and simplicity of the procedures with respect to the evaluation
50.34 of functional disability;

50.35 (2) the consistency of the procedures with accepted medical standards;

51.1 (3) rules, guidelines, and schedules that exist in other states that are related to the
 51.2 evaluation of permanent partial disability or to a schedule of benefits for functional
 51.3 disability provided that the commissioner is not bound by the degree of disability in
 51.4 these sources but shall adjust the relative degree of disability to conform to the expressed
 51.5 intent of this section;

51.6 (4) rules, guidelines, and schedules that have been developed by associations of
 51.7 health care providers or organizations provided that the commissioner is not bound by the
 51.8 degree of disability in these sources but shall adjust the relative degree of disability to
 51.9 conform to the expressed intent of this section;

51.10 (5) the effect the rules may have on reducing litigation;

51.11 (6) the treatment of preexisting disabilities with respect to the evaluation of
 51.12 permanent functional disability provided that any preexisting disabilities must be
 51.13 objectively determined by medical evidence; and

51.14 (7) symptomatology and loss of function and use of the injured member.

51.15 The factors in clauses (1) to (7) shall not be used in any individual or specific
 51.16 workers' compensation claim under this chapter but shall be used only in the adoption
 51.17 of rules pursuant to this section.

51.18 Nothing listed in clauses (1) to (7) shall be used to dispute or challenge a disability
 51.19 rating given to a part of the body so long as the whole schedule conforms with the
 51.20 expressed intent of this section.

51.21 (f) If an employee suffers a permanent functional disability of more than one body
 51.22 part due to a personal injury incurred in a single occurrence, the percent of the whole body
 51.23 which is permanently partially disabled shall be determined by the following formula so
 51.24 as to ensure that the percentage for all functional disability combined does not exceed the
 51.25 total for the whole body:

$$51.26 \quad A + B (1 - A)$$

51.27 where: A is the greater percentage whole body loss of the first body part; and B is
 51.28 the lesser percentage whole body loss otherwise payable for the second body part. A + B
 51.29 (1-A) is equivalent to A + B - AB.

51.30 For permanent partial disabilities to three body parts due to a single occurrence or as
 51.31 the result of an occupational disease, the above formula shall be applied, providing that
 51.32 A equals the result obtained from application of the formula to the first two body parts
 51.33 and B equals the percentage for the third body part. For permanent partial disability to
 51.34 four or more body parts incurred as described above, A equals the result obtained from
 51.35 the prior application of the formula, and B equals the percentage for the fourth body
 51.36 part or more in arithmetic progressions.

52.1 Sec. 76. Minnesota Statutes 2015 Supplement, section 200.02, subdivision 23, is
52.2 amended to read:

52.3 Subd. 23. **Minor political party.** (a) "Minor political party" means a political party
52.4 that has adopted a state constitution, designated a state party chair, held a state convention
52.5 in the last two years, filed with the secretary of state no later than December 31 following
52.6 the most recent state general election a certification that the party has met the foregoing
52.7 requirements, and met the requirements of paragraph (b) or (e), as applicable.

52.8 (b) To be considered a minor party in all elections statewide, the political party must
52.9 have presented at least one candidate ~~for election to the office of:~~

52.10 (1) for election to the office of governor and lieutenant governor, secretary of state,
52.11 state auditor, or attorney general, at the last preceding state general election for those
52.12 offices; or

52.13 (2) for election to the office of presidential elector or U.S. senator at the preceding
52.14 state general election for presidential electors; and

52.15 (3) who received votes in each county that in the aggregate equal at least one percent
52.16 of the total number of individuals who voted in the election, or its members must have
52.17 presented to the secretary of state at any time before the close of filing for the state
52.18 partisan primary ballot a nominating petition in a form prescribed by the secretary of state
52.19 containing the valid signatures of party members in a number equal to at least one percent
52.20 of the total number of individuals who voted in the preceding state general election. A
52.21 signature is valid only if signed no more than one year prior to the date the petition was filed.

52.22 (c) A political party whose candidate receives a sufficient number of votes at a
52.23 state general election described in paragraph (b) becomes a minor political party as of
52.24 January 1 following that election and retains its minor party status for at least two state
52.25 general elections even if the party fails to present a candidate who receives the number
52.26 and percentage of votes required under paragraph (b) at subsequent state general elections.

52.27 (d) A minor political party whose candidates fail to receive the number and
52.28 percentage of votes required under paragraph (b) at each of two consecutive state general
52.29 elections described by paragraph (b) loses minor party status as of December 31 following
52.30 the later of the two consecutive state general elections.

52.31 (e) A minor party that qualifies to be a major party loses its status as a minor party
52.32 at the time it becomes a major party. Votes received by the candidates of a major party
52.33 must be counted in determining whether the party received sufficient votes to qualify as a
52.34 minor party, notwithstanding that the party does not receive sufficient votes to retain its
52.35 major party status. To be considered a minor party in an election in a legislative district,
52.36 the political party must have presented at least one candidate for a legislative office in that

53.1 district who received votes from at least ten percent of the total number of individuals
53.2 who voted for that office, or its members must have presented to the secretary of state a
53.3 nominating petition in a form prescribed by the secretary of state containing the valid
53.4 signatures of party members in a number equal to at least ten percent of the total number of
53.5 individuals who voted in the preceding state general election for that legislative office. A
53.6 signature is valid only if signed no more than one year prior to the date the petition was filed.

53.7 Sec. 77. Minnesota Statutes 2014, section 201.225, subdivision 2, is amended to read:

53.8 Subd. 2. **Technology requirements.** An electronic roster must:

53.9 (1) be able to be loaded with a data file that includes voter registration data in a file
53.10 format prescribed by the secretary of state;

53.11 (2) allow for data to be exported in a file format prescribed by the secretary of state;

53.12 (3) allow for data to be entered manually or by scanning a Minnesota driver's license
53.13 or identification card to locate a voter record or populate a voter registration application
53.14 that would be printed and signed and dated by the voter. The printed registration
53.15 application can be either a printed form, labels printed with voter information to be affixed
53.16 to a preprinted form, or a combination of both;

53.17 (4) allow an election judge to update data that was populated from a scanned driver's
53.18 license or identification card;

53.19 (5) cue an election judge to ask for and input data that is not populated from a
53.20 scanned driver's license or identification card that is otherwise required to be collected
53.21 from the voter or an election judge;

53.22 (6) immediately alert the election judge if the voter has provided information that
53.23 indicates that the voter is not eligible to vote;

53.24 (7) immediately alert the election judge if the electronic roster indicates that a voter
53.25 has already voted in that precinct, the voter's registration status is challenged, or it appears
53.26 the voter resides in a different precinct;

53.27 (8) provide immediate instructions on how to resolve a particular type of challenge
53.28 when a voter's record is challenged;

53.29 (9) provide for a printed voter signature certificate, containing the voter's name,
53.30 address of residence, date of birth, voter identification number, the oath required by
53.31 section 204C.10, and a space for the voter's original signature. The printed voter signature
53.32 certificate can be either a printed form or a label printed with the voter's information
53.33 to be affixed to the oath;

53.34 (10) contain only preregistered voters within the precinct, and not contain
53.35 preregistered voter data on voters registered outside of the precinct;

54.1 (11) be only networked within the polling location on election day, except for the
54.2 purpose of updating absentee ballot records;

54.3 (12) meet minimum security, reliability, and networking standards established by the
54.4 Office of the Secretary of State in consultation with the Office of MN.IT Services;

54.5 (13) be capable of providing a voter's correct polling place; and

54.6 (14) perform any other functions necessary for the efficient and secure administration
54.7 of the participating election, as determined by the secretary of state.

54.8 Electronic rosters used only for election day registration do not need to comply with
54.9 clauses (1), (8), and (10). Electronic rosters used only for preregistered voter processing
54.10 do not need to comply with clauses (4) and (5).

54.11 Sec. 78. Minnesota Statutes 2014, section 221.025, is amended to read:

54.12 **221.025 EXEMPTIONS.**

54.13 The provisions of this chapter requiring a certificate or permit to operate as a motor
54.14 carrier do not apply to the intrastate transportation described below:

54.15 (1) the transportation of students to or from school or school activities in a school
54.16 bus inspected and certified under section 169.451 and the transportation of children or
54.17 parents to or from a Head Start facility or Head Start activity in a Head Start bus inspected
54.18 and certified under section 169.451;

54.19 (2) the transportation of solid waste, as defined in section 116.06, subdivision 22,
54.20 including recyclable materials and waste tires, except that the term "hazardous waste" has
54.21 the meaning given it in section 221.012, subdivision 18;

54.22 (3) a commuter van as defined in section 221.012, subdivision 9;

54.23 (4) authorized emergency vehicles as defined in section 169.011, subdivision 3,
54.24 including ambulances; and tow trucks equipped with proper and legal warning devices
54.25 when picking up and transporting (i) disabled or wrecked motor vehicles or (ii) vehicles
54.26 towed or transported under a towing order issued by a public employee authorized to
54.27 issue a towing order;

54.28 (5) the transportation of grain samples under conditions prescribed by the
54.29 commissioner;

54.30 (6) the delivery of agricultural lime;

54.31 (7) the transportation of dirt and sod within an area having a 50-mile radius from the
54.32 home post office of the person performing the transportation;

54.33 (8) the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix,
54.34 concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or
54.35 crushed rock to or from the point of loading or a place of gathering within an area having a

55.1 50-mile radius from that person's home post office or a 50-mile radius from the site of
55.2 construction or maintenance of public roads and streets;

55.3 (9) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator
55.4 evergreens, wood chips, sawdust, shavings, and bark from the place where the products
55.5 are produced to the point where they are to be used or shipped;

55.6 (10) the transportation of fresh vegetables from farms to canneries or viner stations,
55.7 from viner stations to canneries, or from canneries to canneries during the harvesting,
55.8 canning, or packing season, or transporting sugar beets, wild rice, or rutabagas from the
55.9 field of production to the first place of delivery or unloading, including a processing
55.10 plant, warehouse, or railroad siding;

55.11 (11) the transportation of unprocessed dairy products in bulk within an area having a
55.12 100-mile radius from the home post office of the person providing the transportation;

55.13 (12) the transportation of agricultural, horticultural, dairy, livestock, or other farm
55.14 products within an area having a 100-mile radius from the person's home post office and
55.15 the carrier may transport other commodities within the 100-mile radius if the destination
55.16 of each haul is a farm;

55.17 (13) the transportation of newspapers, ~~as defined in section 331A.01, subdivision~~
55.18 ~~5~~, telephone books, handbills, circulars, or pamphlets in a vehicle with a gross vehicle
55.19 weight of 10,000 pounds or less; and

55.20 (14) transportation of potatoes from the field of production, or a storage site owned
55.21 or otherwise controlled by the producer, to the first place of processing.

55.22 The exemptions provided in this section apply to a person only while the person is
55.23 exclusively engaged in exempt transportation.

55.24 Sec. 79. Minnesota Statutes 2014, section 239.7911, subdivision 2, is amended to read:

55.25 Subd. 2. **Promotion of renewable liquid fuels.** (a) The commissioner of agriculture,
55.26 in consultation with the commissioners of commerce and the Pollution Control Agency,
55.27 shall identify and implement activities necessary to achieve the goals in subdivision
55.28 1. Beginning November 1, 2005, and continuing through 2015, the commissioners,
55.29 or their designees, shall convene a task force pursuant to section 15.014 that includes
55.30 representatives from the renewable fuels industry, petroleum retailers, refiners, automakers,
55.31 small engine manufacturers, and other interested groups. The task force shall assist the
55.32 commissioners in carrying out the activities in paragraph (b) and eliminating barriers to the
55.33 use of greater biofuel blends in this state. The task force must coordinate efforts with ~~the~~
55.34 ~~NextGen Energy Board~~, the biodiesel task force, and the Renewable Energy Roundtable
55.35 and develop annual recommendations for administrative and legislative action.

56.1 (b) The activities of the commissioners under this subdivision shall include, but not
56.2 be limited to:

56.3 (1) developing recommendations for specific, cost-effective incentives necessary
56.4 to expedite the use of greater biofuel blends in this state including, but not limited to,
56.5 incentives for retailers to install equipment necessary to dispense renewable liquid fuels
56.6 to the public;

56.7 (2) expanding the renewable-fuel options available to Minnesota consumers
56.8 by obtaining federal approval for the use of additional blends that contain a greater
56.9 percentage of biofuel;

56.10 (3) developing recommendations to ensure that motor vehicles and small engine
56.11 equipment have access to an adequate supply of fuel;

56.12 (4) working with the owners and operators of large corporate automotive fleets in the
56.13 state to increase their use of renewable fuels;

56.14 (5) working to maintain an affordable retail price for liquid fuels;

56.15 (6) facilitating the production and use of advanced biofuels in this state; and

56.16 (7) developing procedures for reporting the amount and type of biofuel under
56.17 subdivision 1 and section 239.791, subdivision 1, paragraph (c).

56.18 (c) Notwithstanding section 15.014, the task force required under paragraph (a)
56.19 expires on December 31, 2015.

56.20 Sec. 80. Minnesota Statutes 2014, section 241.021, subdivision 4a, is amended to read:

56.21 Subd. 4a. **Chemical dependency treatment programs.** All residential chemical
56.22 dependency treatment programs operated by the commissioner of corrections to treat
56.23 adults committed to the commissioner's custody shall comply with the standards mandated
56.24 in Minnesota Rules, parts ~~9530.4100 to 9530.6500~~ 9530.6405 to 9530.6505, or successor
56.25 rule parts, for treatment programs operated by community-based treatment facilities.
56.26 When the commissioners of corrections and human services agree that these established
56.27 standards for community-based programs cannot reasonably apply to correctional
56.28 facilities, alternative equivalent standards shall be developed by the commissioners and
56.29 established through an interagency agreement.

56.30 Sec. 81. Minnesota Statutes 2014, section 245.466, subdivision 7, is amended to read:

56.31 Subd. 7. **IMD downsizing flexibility.** (a) If a county presents a budget-neutral
56.32 plan for a net reduction in the number of institution for mental disease (IMD) beds
56.33 funded under group residential housing, the commissioner may transfer the net savings
56.34 from group residential housing and general assistance medical care to medical assistance

57.1 and mental health grants to provide appropriate services in non-IMD settings. For the
 57.2 purposes of this subdivision, "a budget neutral plan" means a plan that does not increase
 57.3 the state share of costs.

57.4 ~~(b) The provisions of paragraph (a) do not apply to a facility that has its~~
 57.5 ~~reimbursement rate established under section 256B.431, subdivision 4, paragraph (e).~~

57.6 Sec. 82. Minnesota Statutes 2015 Supplement, section 245.4661, subdivision 9,
 57.7 is amended to read:

57.8 Subd. 9. **Services and programs.** (a) The following three distinct grant programs
 57.9 are funded under this section:

- 57.10 (1) mental health crisis services;
- 57.11 (2) housing with supports for adults with serious mental illness; and
- 57.12 (3) projects for assistance in transitioning from homelessness (PATH program).

57.13 (b) In addition, the following are eligible for grant funds:

- 57.14 (1) community education and prevention;
- 57.15 (2) client outreach;
- 57.16 (3) early identification and intervention;
- 57.17 (4) adult outpatient diagnostic assessment and psychological testing;
- 57.18 (5) peer support services;
- 57.19 (6) community support program services (CSP);
- 57.20 (7) adult residential crisis stabilization;
- 57.21 (8) supported employment;
- 57.22 (9) assertive community treatment (ACT);
- 57.23 (10) housing subsidies;
- 57.24 (11) basic living, social skills, and community intervention;
- 57.25 (12) emergency response services;
- 57.26 (13) adult outpatient psychotherapy;
- 57.27 (14) adult outpatient medication management;
- 57.28 (15) adult mobile crisis services;
- 57.29 (16) adult day treatment;
- 57.30 (17) partial hospitalization;
- 57.31 (18) adult residential treatment;
- 57.32 (19) adult mental health targeted case management;
- 57.33 (20) intensive community ~~residential~~ rehabilitative services (ICRS); and
- 57.34 (21) transportation.

58.1 Sec. 83. Minnesota Statutes 2014, section 245.4871, subdivision 32, is amended to read:

58.2 Subd. 32. **Residential treatment.** "Residential treatment" means a 24-hour-a-day
 58.3 program under the clinical supervision of a mental health professional, in a community
 58.4 residential setting other than an acute care hospital or regional treatment center inpatient
 58.5 unit, that must be licensed as a residential treatment program for children with emotional
 58.6 disturbances under Minnesota Rules, ~~parts 9545.0900 to 9545.1090~~ chapter 2960, or
 58.7 other rules adopted by the commissioner.

58.8 Sec. 84. Minnesota Statutes 2014, section 245.826, is amended to read:

58.9 **245.826 USE OF RESTRICTIVE TECHNIQUES AND PROCEDURES IN**
 58.10 **FACILITIES SERVING EMOTIONALLY DISTURBED CHILDREN.**

58.11 When amending rules governing facilities serving emotionally disturbed children
 58.12 that are licensed under section 245A.09 and Minnesota Rules, ~~parts 9545.0900 to~~
 58.13 ~~9545.1090, and 9545.1400 to 9545.1500~~ chapter 2960, the commissioner of human
 58.14 services shall include provisions governing the use of restrictive techniques and
 58.15 procedures. No provision of these rules may encourage or require the use of restrictive
 58.16 techniques and procedures. The rules must prohibit: (1) the application of certain
 58.17 restrictive techniques or procedures in facilities, except as authorized in the child's case
 58.18 plan and monitored by the county caseworker responsible for the child; (2) the use of
 58.19 restrictive techniques or procedures that restrict the clients' normal access to nutritious
 58.20 diet, drinking water, adequate ventilation, necessary medical care, ordinary hygiene
 58.21 facilities, normal sleeping conditions, and necessary clothing; and (3) the use of corporal
 58.22 punishment. The rule may specify other restrictive techniques and procedures and the
 58.23 specific conditions under which permitted techniques and procedures are to be carried out.

58.24 Sec. 85. Minnesota Statutes 2014, section 245.94, subdivision 1, is amended to read:

58.25 Subdivision 1. **Powers.** (a) The ombudsman may prescribe the methods by which
 58.26 complaints to the office are to be made, reviewed, and acted upon. The ombudsman may
 58.27 not levy a complaint fee.

58.28 (b) The ombudsman may mediate or advocate on behalf of a client.

58.29 (c) The ombudsman may investigate the quality of services provided to clients and
 58.30 determine the extent to which quality assurance mechanisms within state and county
 58.31 government work to promote the health, safety, and welfare of clients, other than clients
 58.32 in acute care facilities who are receiving services not paid for by public funds. The
 58.33 ombudsman is a health oversight agency as defined in Code of Federal Regulations,
 58.34 title 45, section 164.501.

59.1 (d) At the request of a client, or upon receiving a complaint or other information
59.2 affording reasonable grounds to believe that the rights of a client who is not capable
59.3 of requesting assistance have been adversely affected, the ombudsman may gather
59.4 information and data about and analyze, on behalf of the client, the actions of an agency,
59.5 facility, or program.

59.6 (e) The ombudsman may gather, on behalf of a client, records of an agency, facility,
59.7 or program if the records relate to a matter that is within the scope of the ombudsman's
59.8 authority. If the records are private and the client is capable of providing consent, the
59.9 ombudsman shall first obtain the client's consent. The ombudsman is not required to
59.10 obtain consent for access to private data on clients with developmental disabilities. The
59.11 ombudsman is not required to obtain consent for access to private data on decedents
59.12 who were receiving services for mental illness, developmental disabilities, or emotional
59.13 disturbance. All data collected, created, received, or maintained by the ombudsman are
59.14 governed by chapter 13 and other applicable law.

59.15 (f) Notwithstanding any law to the contrary, the ombudsman may subpoena a person
59.16 to appear, give testimony, or produce documents or other evidence that the ombudsman
59.17 considers relevant to a matter under inquiry. The ombudsman may petition the appropriate
59.18 court in Ramsey County to enforce the subpoena. A witness who is at a hearing or is part
59.19 of an investigation possesses the same privileges that a witness possesses in the courts or
59.20 under the law of this state. Data obtained from a person under this paragraph are private
59.21 data as defined in section 13.02, subdivision 12.

59.22 (g) The ombudsman may, at reasonable times in the course of conducting a review,
59.23 enter and view premises within the control of an agency, facility, or program.

59.24 (h) The ombudsman may attend Department of Human Services Review Board and
59.25 Special Review Board proceedings; proceedings regarding the transfer of ~~patients or~~
59.26 ~~residents~~ clients, as defined in section 246.50, ~~subdivisions~~ subdivision 4 and 4a, between
59.27 institutions operated by the Department of Human Services; and, subject to the consent of
59.28 the affected client, other proceedings affecting the rights of clients. The ombudsman is not
59.29 required to obtain consent to attend meetings or proceedings and have access to private
59.30 data on clients with developmental disabilities.

59.31 (i) The ombudsman shall gather data of agencies, facilities, or programs classified
59.32 as private or confidential as defined in section 13.02, subdivisions 3 and 12, regarding
59.33 services provided to clients with developmental disabilities.

59.34 (j) To avoid duplication and preserve evidence, the ombudsman shall inform
59.35 relevant licensing or regulatory officials before undertaking a review of an action of
59.36 the facility or program.

60.1 (k) Sections 245.91 to 245.97 are in addition to other provisions of law under which
60.2 any other remedy or right is provided.

60.3 Sec. 86. Minnesota Statutes 2015 Supplement, section 245A.02, subdivision 21,
60.4 is amended to read:

60.5 Subd. 21. **Monthly.** "Monthly" means at least once every calendar month, for the
60.6 purposes of chemical dependency treatment programs licensed under Minnesota Rules,
60.7 parts ~~9430.6405~~ 9530.6405 to 9530.6505.

60.8 Sec. 87. Minnesota Statutes 2014, section 245A.03, subdivision 2a, is amended to read:

60.9 Subd. 2a. **Foster care by an individual who is related to a child; license required.**
60.10 Notwithstanding subdivision 2, paragraph (a), clause (1), in order to provide foster care
60.11 for a child, an individual who is related to the child, other than a parent, or legal guardian,
60.12 must be licensed by the commissioner except as provided by section 245A.035.

60.13 Sec. 88. Minnesota Statutes 2014, section 245A.03, subdivision 2b, is amended to read:

60.14 Subd. 2b. **Exception.** The provision in subdivision 2, paragraph (a), clause (2),
60.15 does not apply to:

60.16 (1) a child care provider who as an applicant for licensure or as a license holder
60.17 has received a license denial under section 245A.05, a conditional license under section
60.18 245A.06, or a sanction under section 245A.07 from the commissioner that has not been
60.19 reversed on appeal; or

60.20 (2) a child care provider, or a child care provider who has a household member
60.21 who, as a result of a licensing process, has a disqualification under this chapter that has
60.22 not been set aside by the commissioner.

60.23 Sec. 89. Minnesota Statutes 2014, section 245A.03, subdivision 4, is amended to read:

60.24 Subd. 4. **Excluded child care programs; right to seek licensure.** Nothing in
60.25 this section shall prohibit a child care program that is excluded from licensure under
60.26 subdivision 2, paragraph (a), clause (2), or under Laws 1997, chapter 248, section 46,
60.27 as amended by Laws 1997, First Special Session chapter 5, section 10, from seeking a
60.28 license under this chapter. The commissioner shall ensure that any application received
60.29 from such an excluded provider is processed in the same manner as all other applications
60.30 for licensed family day care.

60.31 Sec. 90. Minnesota Statutes 2014, section 245A.03, subdivision 5, is amended to read:

61.1 Subd. 5. **Excluded housing with services programs; right to seek licensure.**

61.2 Nothing in this section shall prohibit a housing with services program that is excluded
61.3 from licensure under subdivision 2, paragraph (a), clause (25), from seeking a license
61.4 under this chapter. The commissioner shall ensure that any application received from
61.5 such an excluded provider is processed in the same manner as all other applications for
61.6 licensed adult foster care.

61.7 Sec. 91. Minnesota Statutes 2014, section 245A.03, subdivision 6, is amended to read:

61.8 Subd. 6. **Right to seek certification.** Nothing in this section shall prohibit a
61.9 residential program licensed by the commissioner of corrections to serve children, that
61.10 is excluded from licensure under subdivision 2, paragraph (a), clause (10), from seeking
61.11 certification from the commissioner of human services under this chapter for program
61.12 services for which certification standards have been adopted.

61.13 Sec. 92. Minnesota Statutes 2014, section 245A.14, subdivision 10, is amended to read:

61.14 Subd. 10. **Portable wading pools; family day care and group family day care**
61.15 **providers.** A portable wading pool as defined in section 144.1222 may not be used by
61.16 a child at a family day care or group family day care home or at a home at which child
61.17 care services are provided under section 245A.03, subdivision 2, paragraph (a), clause (2),
61.18 unless the parent or legal guardian of the child has provided written consent. The written
61.19 consent shall include a statement that the parent or legal guardian has received and read
61.20 material provided by the Department of Health to the Department of Human Services for
61.21 distribution to all family day care or group family day care homes and the general public
61.22 on the human services Internet Web site related to the risk of disease transmission as well
61.23 as other health risks associated with the use of portable wading pools.

61.24 Sec. 93. Minnesota Statutes 2014, section 245D.06, subdivision 6, is amended to read:

61.25 Subd. 6. **Restricted procedures.** (a) The following procedures are allowed when
61.26 the procedures are implemented in compliance with the standards governing their use as
61.27 identified in clauses (1) to (3). Allowed but restricted procedures include:

61.28 (1) permitted actions and procedures subject to the requirements in subdivision 7;

61.29 (2) procedures identified in a positive support transition plan subject to the
61.30 requirements in subdivision 8; or

61.31 (3) emergency use of manual restraint subject to the requirements in section
61.32 245D.061.

62.1 ~~For purposes of this chapter, this section supersedes the requirements identified in~~
 62.2 ~~Minnesota Rules, part 9525.2740.~~

62.3 (b) A restricted procedure identified in paragraph (a) must not:

62.4 (1) be implemented with a child in a manner that constitutes sexual abuse, neglect,
 62.5 physical abuse, or mental injury, as defined in section 626.556, subdivision 2;

62.6 (2) be implemented with an adult in a manner that constitutes abuse or neglect as
 62.7 defined in section 626.5572, subdivision 2 or 17;

62.8 (3) be implemented in a manner that violates a person's rights identified in section
 62.9 245D.04;

62.10 (4) restrict a person's normal access to a nutritious diet, drinking water, adequate
 62.11 ventilation, necessary medical care, ordinary hygiene facilities, normal sleeping
 62.12 conditions, necessary clothing, or any protection required by state licensing standards or
 62.13 federal regulations governing the program;

62.14 (5) deny the person visitation or ordinary contact with legal counsel, a legal
 62.15 representative, or next of kin;

62.16 (6) be used for the convenience of staff, as punishment, as a substitute for adequate
 62.17 staffing, or as a consequence if the person refuses to participate in the treatment or services
 62.18 provided by the program;

62.19 (7) use prone restraint. For purposes of this section, "prone restraint" means use
 62.20 of manual restraint that places a person in a face-down position. Prone restraint does
 62.21 not include brief physical holding of a person who, during an emergency use of manual
 62.22 restraint, rolls into a prone position, if the person is restored to a standing, sitting, or
 62.23 side-lying position as quickly as possible;

62.24 (8) apply back or chest pressure while a person is in a prone position as identified in
 62.25 clause (7), supine position, or side-lying position; or

62.26 (9) be implemented in a manner that is contraindicated for any of the person's known
 62.27 medical or psychological limitations.

62.28 Sec. 94. Minnesota Statutes 2015 Supplement, section 245D.06, subdivision 7, is
 62.29 amended to read:

62.30 Subd. 7. **Permitted actions and procedures.** (a) Use of the instructional techniques
 62.31 and intervention procedures as identified in paragraphs (b) and (c) is permitted when used
 62.32 on an intermittent or continuous basis. When used on a continuous basis, it must be
 62.33 addressed in a person's coordinated service and support plan addendum as identified in
 62.34 sections 245D.07 and 245D.071. ~~For purposes of this chapter, the requirements of this~~
 62.35 ~~subdivision supersede the requirements identified in Minnesota Rules, part 9525.2720.~~

63.1 (b) Physical contact or instructional techniques must use the least restrictive
63.2 alternative possible to meet the needs of the person and may be used:

63.3 (1) to calm or comfort a person by holding that person with no resistance from
63.4 that person;

63.5 (2) to protect a person known to be at risk of injury due to frequent falls as a result
63.6 of a medical condition;

63.7 (3) to facilitate the person's completion of a task or response when the person does
63.8 not resist or the person's resistance is minimal in intensity and duration;

63.9 (4) to block or redirect a person's limbs or body without holding the person or
63.10 limiting the person's movement to interrupt the person's behavior that may result in injury
63.11 to self or others with less than 60 seconds of physical contact by staff; or

63.12 (5) to redirect a person's behavior when the behavior does not pose a serious threat
63.13 to the person or others and the behavior is effectively redirected with less than 60 seconds
63.14 of physical contact by staff.

63.15 (c) Restraint may be used as an intervention procedure to:

63.16 (1) allow a licensed health care professional to safely conduct a medical examination
63.17 or to provide medical treatment ordered by a licensed health care professional;

63.18 (2) assist in the safe evacuation or redirection of a person in the event of an
63.19 emergency and the person is at imminent risk of harm; or

63.20 (3) position a person with physical disabilities in a manner specified in the person's
63.21 coordinated service and support plan addendum.

63.22 Any use of manual restraint as allowed in this paragraph must comply with the restrictions
63.23 identified in subdivision 6, paragraph (b).

63.24 (d) Use of adaptive aids or equipment, orthotic devices, or other medical equipment
63.25 ordered by a licensed health professional to treat a diagnosed medical condition do not in
63.26 and of themselves constitute the use of mechanical restraint.

63.27 Sec. 95. Minnesota Statutes 2014, section 245D.06, subdivision 8, is amended to read:

63.28 Subd. 8. **Positive support transition plan.** (a) License holders must develop
63.29 a positive support transition plan on the forms and in the manner prescribed by the
63.30 commissioner for a person who requires intervention in order to maintain safety when it is
63.31 known that the person's behavior poses an immediate risk of physical harm to self or others.
63.32 ~~The positive support transition plan forms and instructions will supersede the requirements~~
63.33 ~~in Minnesota Rules, parts 9525.2750, 9525.2760, and 9525.2780.~~ The positive support
63.34 transition plan must phase out any existing plans for the emergency or programmatic use
63.35 of restrictive interventions prohibited under this chapter within the following timelines:

64.1 (1) for persons receiving services from the license holder before January 1, 2014,
64.2 the plan must be developed and implemented by February 1, 2014, and phased out no
64.3 later than December 31, 2014; and

64.4 (2) for persons admitted to the program on or after January 1, 2014, the plan must be
64.5 developed and implemented within 30 calendar days of service initiation and phased out
64.6 no later than 11 months from the date of plan implementation.

64.7 (b) The commissioner has limited authority to grant approval for the emergency use
64.8 of procedures identified in subdivision 6 that had been part of an approved positive support
64.9 transition plan when a person is at imminent risk of serious injury as defined in section
64.10 245.91, subdivision 6, due to self-injurious behavior and the following conditions are met:

64.11 (1) the person's expanded support team approves the emergency use of the
64.12 procedures; and

64.13 (2) the interim review panel established in section 245.8251, subdivision 4,
64.14 recommends commissioner approval of the emergency use of the procedures.

64.15 (c) Written requests for the emergency use of the procedures must be developed
64.16 and submitted to the commissioner by the designated coordinator with input from the
64.17 person's expanded support team in accordance with the requirements set by the interim
64.18 review panel, in addition to the following:

64.19 (1) a copy of the person's current positive support transition plan and copies of
64.20 each positive support transition plan review containing data on the progress of the plan
64.21 from the previous year;

64.22 (2) documentation of a good faith effort to eliminate the use of the procedures that
64.23 had been part of an approved positive support transition plan;

64.24 (3) justification for the continued use of the procedures that identifies the imminent
64.25 risk of serious injury due to the person's self-injurious behavior if the procedures were
64.26 eliminated;

64.27 (4) documentation of the clinicians consulted in creating and maintaining the
64.28 positive support transition plan; and

64.29 (5) documentation of the expanded support team's approval and the recommendation
64.30 from the interim panel required under paragraph (b).

64.31 (d) A copy of the written request, supporting documentation, and the commissioner's
64.32 final determination on the request must be maintained in the person's service recipient
64.33 record.

64.34 Sec. 96. Minnesota Statutes 2015 Supplement, section 245D.061, subdivision 1,
64.35 is amended to read:

65.1 Subdivision 1. **Standards for emergency use of manual restraints.** The license
 65.2 holder must ensure that emergency use of manual restraints complies with the requirements
 65.3 of this chapter and the license holder's policy and procedures as required under subdivision
 65.4 9. ~~For the purposes of persons receiving services governed by this chapter, this section~~
 65.5 ~~supersedes the requirements identified in Minnesota Rules, part 9525.2770.~~

65.6 Sec. 97. Minnesota Statutes 2015 Supplement, section 246.18, subdivision 8, is
 65.7 amended to read:

65.8 Subd. 8. **State-operated services account.** (a) The state-operated services account is
 65.9 established in the special revenue fund. Revenue generated by new state-operated services
 65.10 listed under this section established after July 1, 2010, that are not enterprise activities must
 65.11 be deposited into the state-operated services account, unless otherwise specified in law:

- 65.12 (1) intensive residential treatment services;
- 65.13 (2) foster care services; and
- 65.14 (3) psychiatric extensive recovery treatment services.

65.15 (b) Funds deposited in the state-operated services account are appropriated to the
 65.16 commissioner of human services for the purposes of:

- 65.17 (1) providing services needed to transition individuals from institutional settings
 65.18 within state-operated services to the community when those services have no other
 65.19 adequate funding source; and
- 65.20 (2) ~~to fund~~ funding the operation of the intensive residential treatment service
 65.21 program in Willmar.

65.22 Sec. 98. Minnesota Statutes 2014, section 252.28, subdivision 3, is amended to read:

65.23 Subd. 3. **Licensing determinations.** (a) No new license shall be granted pursuant
 65.24 to this section when the issuance of the license would substantially contribute to an
 65.25 excessive concentration of community residential facilities within any town, municipality
 65.26 or county of the state.

65.27 (b) In determining whether a license shall be issued pursuant to this subdivision,
 65.28 the commissioner of human services shall specifically consider the population, size, land
 65.29 use plan, availability of community services and the number and size of existing public
 65.30 and private community residential facilities in the town, municipality or county in which
 65.31 a licensee seeks to operate a residence. Under no circumstances may the commissioner
 65.32 newly license any facility pursuant to this section except as provided in section 245A.11.
 65.33 The commissioner of human services shall establish uniform rules to implement the
 65.34 provisions of this subdivision.

66.1 (c) Licenses for community facilities and services shall be issued pursuant to section
66.2 245.821.

66.3 (d) No new license shall be granted for a residential program that provides home
66.4 and community-based waived services to more than four individuals at a site, except as
66.5 authorized by the commissioner for emergency situations that would result in the placement
66.6 of individuals into regional treatment centers. Such licenses shall not exceed 24 months.

66.7 (e) The commissioner shall not approve a determination of need application that
66.8 requests that an existing residential program license under ~~Minnesota Rules, parts~~
66.9 ~~9525.0215 to 9525.0355~~ chapter 245D be modified in a manner that would result in the
66.10 issuance of two or more licenses for the same residential program at the same location.

66.11 Sec. 99. Minnesota Statutes 2014, section 252.451, subdivision 1, is amended to read:

66.12 Subdivision 1. **Definition.** For the purposes of this section, "qualified business"
66.13 means a business that employs primarily nondisabled persons and will employ persons
66.14 with developmental disabilities. For purposes of this section, licensed providers of
66.15 residential services for persons with developmental disabilities are not a qualified
66.16 business. A qualified business and its employees are exempt from Minnesota Rules, parts
66.17 ~~9525.1500 to 9525.1690~~ and 9525.1800 to 9525.1930.

66.18 Sec. 100. Minnesota Statutes 2014, section 253B.064, subdivision 1, is amended to read:

66.19 Subdivision 1. **General.** (a) An interested person may apply to the designated
66.20 agency for early intervention of a proposed patient in the county of financial responsibility
66.21 or the county where the patient is present. If the designated agency determines that early
66.22 intervention may be appropriate, a prepetition screening report must be prepared pursuant
66.23 to section 253B.07, subdivision 1. The county attorney may file a petition for early
66.24 intervention following the procedures of section 253B.07, subdivision 2.

66.25 (b) The proposed patient is entitled to representation by counsel, pursuant to section
66.26 ~~253B.03, subdivision 9~~ 253B.07, subdivision 2c. The proposed patient shall be examined
66.27 by an examiner, and has the right to a second independent examiner, pursuant to section
66.28 253B.07, subdivisions 3 and 5.

66.29 Sec. 101. Minnesota Statutes 2014, section 253B.18, subdivision 5a, is amended to read:

66.30 Subd. 5a. **Victim notification of petition and release; right to submit statement.**

66.31 (a) As used in this subdivision:

66.32 (1) "crime" has the meaning given to "violent crime" in section 609.1095, and
66.33 includes criminal sexual conduct in the fifth degree and offenses within the definition of

67.1 "crime against the person" in section 253B.02, subdivision 4a, and also includes offenses
67.2 listed in section ~~253D.08~~ 253D.02, subdivision 8, paragraph (b), regardless of whether
67.3 they are sexually motivated;

67.4 (2) "victim" means a person who has incurred loss or harm as a result of a crime
67.5 the behavior for which forms the basis for a commitment under this section or chapter
67.6 253D; and

67.7 (3) "convicted" and "conviction" have the meanings given in section 609.02,
67.8 subdivision 5, and also include juvenile court adjudications, findings under Minnesota
67.9 Rules of Criminal Procedure, rule 20.02, that the elements of a crime have been proved,
67.10 and findings in commitment cases under this section or chapter 253D that an act or acts
67.11 constituting a crime occurred.

67.12 (b) A county attorney who files a petition to commit a person under this section or
67.13 chapter 253D shall make a reasonable effort to provide prompt notice of filing the petition to
67.14 any victim of a crime for which the person was convicted. In addition, the county attorney
67.15 shall make a reasonable effort to promptly notify the victim of the resolution of the petition.

67.16 (c) Before provisionally discharging, discharging, granting pass-eligible status,
67.17 approving a pass plan, or otherwise permanently or temporarily releasing a person
67.18 committed under this section from a treatment facility, the head of the treatment facility
67.19 shall make a reasonable effort to notify any victim of a crime for which the person was
67.20 convicted that the person may be discharged or released and that the victim has a right
67.21 to submit a written statement regarding decisions of the medical director, special review
67.22 board, or commissioner with respect to the person. To the extent possible, the notice
67.23 must be provided at least 14 days before any special review board hearing or before
67.24 a determination on a pass plan. Notwithstanding section 611A.06, subdivision 4, the
67.25 commissioner shall provide the judicial appeal panel with victim information in order to
67.26 comply with the provisions of this section. The judicial appeal panel shall ensure that the
67.27 data on victims remains private as provided for in section 611A.06, subdivision 4.

67.28 (d) This subdivision applies only to victims who have requested notification through
67.29 the Department of Corrections electronic victim notification system, or by contacting, in
67.30 writing, the county attorney in the county where the conviction for the crime occurred.
67.31 A request for notice under this subdivision received by the commissioner of corrections
67.32 through the Department of Corrections electronic victim notification system shall be
67.33 promptly forwarded to the prosecutorial authority with jurisdiction over the offense to
67.34 which the notice relates or, following commitment, the head of the treatment facility. A
67.35 county attorney who receives a request for notification under this paragraph following
67.36 commitment shall promptly forward the request to the commissioner of human services.

68.1 (e) The rights under this subdivision are in addition to rights available to a victim
68.2 under chapter 611A. This provision does not give a victim all the rights of a "notified
68.3 person" or a person "entitled to statutory notice" under subdivision 4a, 4b, or 5 or section
68.4 253D.14.

68.5 Sec. 102. Minnesota Statutes 2014, section 253C.01, subdivision 1, is amended to read:

68.6 Subdivision 1. **Definition.** As used in this section, "residential program" means
68.7 (1) a hospital-based primary treatment program that provides residential treatment to
68.8 minors with emotional disturbance as defined by the Comprehensive Children's Mental
68.9 Health Act in sections 245.487 to 245.4889, or (2) a facility licensed by the state under
68.10 Minnesota Rules, ~~parts 9545.0900 to 9545.1090~~ chapter 2960, to provide services to
68.11 minors on a 24-hour basis.

68.12 Sec. 103. Minnesota Statutes 2014, section 256.01, subdivision 2, is amended to read:

68.13 Subd. 2. **Specific powers.** Subject to the provisions of section 241.021, subdivision
68.14 2, the commissioner of human services shall carry out the specific duties in paragraphs (a)
68.15 through (bb):

68.16 (a) Administer and supervise all forms of public assistance provided for by state law
68.17 and other welfare activities or services as are vested in the commissioner. Administration
68.18 and supervision of human services activities or services includes, but is not limited to,
68.19 assuring timely and accurate distribution of benefits, completeness of service, and quality
68.20 program management. In addition to administering and supervising human services
68.21 activities vested by law in the department, the commissioner shall have the authority to:

68.22 (1) require county agency participation in training and technical assistance programs
68.23 to promote compliance with statutes, rules, federal laws, regulations, and policies
68.24 governing human services;

68.25 (2) monitor, on an ongoing basis, the performance of county agencies in the
68.26 operation and administration of human services, enforce compliance with statutes, rules,
68.27 federal laws, regulations, and policies governing welfare services and promote excellence
68.28 of administration and program operation;

68.29 (3) develop a quality control program or other monitoring program to review county
68.30 performance and accuracy of benefit determinations;

68.31 (4) require county agencies to make an adjustment to the public assistance benefits
68.32 issued to any individual consistent with federal law and regulation and state law and rule
68.33 and to issue or recover benefits as appropriate;

69.1 (5) delay or deny payment of all or part of the state and federal share of benefits and
69.2 administrative reimbursement according to the procedures set forth in section 256.017;

69.3 (6) make contracts with and grants to public and private agencies and organizations,
69.4 both profit and nonprofit, and individuals, using appropriated funds; and

69.5 (7) enter into contractual agreements with federally recognized Indian tribes with
69.6 a reservation in Minnesota to the extent necessary for the tribe to operate a federally
69.7 approved family assistance program or any other program under the supervision of the
69.8 commissioner. The commissioner shall consult with the affected county or counties in
69.9 the contractual agreement negotiations, if the county or counties wish to be included,
69.10 in order to avoid the duplication of county and tribal assistance program services. The
69.11 commissioner may establish necessary accounts for the purposes of receiving and
69.12 disbursing funds as necessary for the operation of the programs.

69.13 (b) Inform county agencies, on a timely basis, of changes in statute, rule, federal law,
69.14 regulation, and policy necessary to county agency administration of the programs.

69.15 (c) Administer and supervise all child welfare activities; promote the enforcement of
69.16 laws protecting disabled, dependent, neglected and delinquent children, and children born
69.17 to mothers who were not married to the children's fathers at the times of the conception
69.18 nor at the births of the children; license and supervise child-caring and child-placing
69.19 agencies and institutions; supervise the care of children in boarding and foster homes or
69.20 in private institutions; and generally perform all functions relating to the field of child
69.21 welfare now vested in the State Board of Control.

69.22 (d) Administer and supervise all noninstitutional service to persons with disabilities,
69.23 including persons who have vision impairments, and persons who are deaf, deafblind, and
69.24 hard-of-hearing or with other disabilities. The commissioner may provide and contract for
69.25 the care and treatment of qualified indigent children in facilities other than those located and
69.26 available at state hospitals when it is not feasible to provide the service in state hospitals.

69.27 (e) Assist and actively cooperate with other departments, agencies and institutions,
69.28 local, state, and federal, by performing services in conformity with the purposes of Laws
69.29 1939, chapter 431.

69.30 (f) Act as the agent of and cooperate with the federal government in matters of
69.31 mutual concern relative to and in conformity with the provisions of Laws 1939, chapter
69.32 431, including the administration of any federal funds granted to the state to aid in the
69.33 performance of any functions of the commissioner as specified in Laws 1939, chapter 431,
69.34 and including the promulgation of rules making uniformly available medical care benefits
69.35 to all recipients of public assistance, at such times as the federal government increases its

70.1 participation in assistance expenditures for medical care to recipients of public assistance,
70.2 the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

70.3 (g) Establish and maintain any administrative units reasonably necessary for the
70.4 performance of administrative functions common to all divisions of the department.

70.5 (h) Act as designated guardian of both the estate and the person of all the wards of
70.6 the state of Minnesota, whether by operation of law or by an order of court, without any
70.7 further act or proceeding whatever, except as to persons committed as developmentally
70.8 disabled. For children under the guardianship of the commissioner or a tribe in Minnesota
70.9 recognized by the Secretary of the Interior whose interests would be best served by
70.10 adoptive placement, the commissioner may contract with a licensed child-placing agency
70.11 or a Minnesota tribal social services agency to provide adoption services. A contract
70.12 with a licensed child-placing agency must be designed to supplement existing county
70.13 efforts and may not replace existing county programs or tribal social services, unless the
70.14 replacement is agreed to by the county board and the appropriate exclusive bargaining
70.15 representative, tribal governing body, or the commissioner has evidence that child
70.16 placements of the county continue to be substantially below that of other counties. Funds
70.17 encumbered and obligated under an agreement for a specific child shall remain available
70.18 until the terms of the agreement are fulfilled or the agreement is terminated.

70.19 (i) Act as coordinating referral and informational center on requests for service for
70.20 newly arrived immigrants coming to Minnesota.

70.21 (j) The specific enumeration of powers and duties as hereinabove set forth shall in no
70.22 way be construed to be a limitation upon the general transfer of powers herein contained.

70.23 (k) Establish county, regional, or statewide schedules of maximum fees and charges
70.24 which may be paid by county agencies for medical, dental, surgical, hospital, nursing and
70.25 nursing home care and medicine and medical supplies under all programs of medical
70.26 care provided by the state and for congregate living care under the income maintenance
70.27 programs.

70.28 (l) Have the authority to conduct and administer experimental projects to test methods
70.29 and procedures of administering assistance and services to recipients or potential recipients
70.30 of public welfare. To carry out such experimental projects, it is further provided that the
70.31 commissioner of human services is authorized to waive the enforcement of existing specific
70.32 statutory program requirements, rules, and standards in one or more counties. The order
70.33 establishing the waiver shall provide alternative methods and procedures of administration,
70.34 shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and
70.35 in no event shall the duration of a project exceed four years. It is further provided that no

71.1 order establishing an experimental project as authorized by the provisions of this section
71.2 shall become effective until the following conditions have been met:

71.3 (1) the secretary of health and human services of the United States has agreed, for
71.4 the same project, to waive state plan requirements relative to statewide uniformity; and

71.5 (2) a comprehensive plan, including estimated project costs, shall be approved by
71.6 the Legislative Advisory Commission and filed with the commissioner of administration.

71.7 (m) According to federal requirements, establish procedures to be followed by
71.8 local welfare boards in creating citizen advisory committees, including procedures for
71.9 selection of committee members.

71.10 (n) Allocate federal fiscal disallowances or sanctions which are based on quality
71.11 control error rates for the aid to families with dependent children program formerly
71.12 codified in sections 256.72 to 256.87, medical assistance, or food stamp program in the
71.13 following manner:

71.14 (1) one-half of the total amount of the disallowance shall be borne by the county
71.15 boards responsible for administering the programs. For the medical assistance and the
71.16 AFDC program formerly codified in sections 256.72 to 256.87, disallowances shall be
71.17 shared by each county board in the same proportion as that county's expenditures for the
71.18 sanctioned program are to the total of all counties' expenditures for the AFDC program
71.19 formerly codified in sections 256.72 to 256.87, and medical assistance programs. For the
71.20 food stamp program, sanctions shall be shared by each county board, with 50 percent of
71.21 the sanction being distributed to each county in the same proportion as that county's
71.22 administrative costs for food stamps are to the total of all food stamp administrative costs
71.23 for all counties, and 50 percent of the sanctions being distributed to each county in the
71.24 same proportion as that county's value of food stamp benefits issued are to the total of
71.25 all benefits issued for all counties. Each county shall pay its share of the disallowance
71.26 to the state of Minnesota. When a county fails to pay the amount due hereunder, the
71.27 commissioner may deduct the amount from reimbursement otherwise due the county, or
71.28 the attorney general, upon the request of the commissioner, may institute civil action
71.29 to recover the amount due; and

71.30 (2) notwithstanding the provisions of clause (1), if the disallowance results from
71.31 knowing noncompliance by one or more counties with a specific program instruction, and
71.32 that knowing noncompliance is a matter of official county board record, the commissioner
71.33 may require payment or recover from the county or counties, in the manner prescribed in
71.34 clause (1), an amount equal to the portion of the total disallowance which resulted from the
71.35 noncompliance, and may distribute the balance of the disallowance according to clause (1).

72.1 (o) Develop and implement special projects that maximize reimbursements and
72.2 result in the recovery of money to the state. For the purpose of recovering state money,
72.3 the commissioner may enter into contracts with third parties. Any recoveries that result
72.4 from projects or contracts entered into under this paragraph shall be deposited in the
72.5 state treasury and credited to a special account until the balance in the account reaches
72.6 \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be
72.7 transferred and credited to the general fund. All money in the account is appropriated to
72.8 the commissioner for the purposes of this paragraph.

72.9 ~~(p) Have the authority to make direct payments to facilities providing shelter~~
72.10 ~~to women and their children according to section 256D.05, subdivision 3. Upon~~
72.11 ~~the written request of a shelter facility that has been denied payments under section~~
72.12 ~~256D.05, subdivision 3, the commissioner shall review all relevant evidence and make~~
72.13 ~~a determination within 30 days of the request for review regarding issuance of direct~~
72.14 ~~payments to the shelter facility. Failure to act within 30 days shall be considered a~~
72.15 ~~determination not to issue direct payments.~~

72.16 (q) Have the authority to establish and enforce the following county reporting
72.17 requirements:

72.18 (1) the commissioner shall establish fiscal and statistical reporting requirements
72.19 necessary to account for the expenditure of funds allocated to counties for human
72.20 services programs. When establishing financial and statistical reporting requirements, the
72.21 commissioner shall evaluate all reports, in consultation with the counties, to determine if
72.22 the reports can be simplified or the number of reports can be reduced;

72.23 (2) the county board shall submit monthly or quarterly reports to the department
72.24 as required by the commissioner. Monthly reports are due no later than 15 working days
72.25 after the end of the month. Quarterly reports are due no later than 30 calendar days after
72.26 the end of the quarter, unless the commissioner determines that the deadline must be
72.27 shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines
72.28 or risking a loss of federal funding. Only reports that are complete, legible, and in the
72.29 required format shall be accepted by the commissioner;

72.30 (3) if the required reports are not received by the deadlines established in clause (2),
72.31 the commissioner may delay payments and withhold funds from the county board until
72.32 the next reporting period. When the report is needed to account for the use of federal
72.33 funds and the late report results in a reduction in federal funding, the commissioner shall
72.34 withhold from the county boards with late reports an amount equal to the reduction in
72.35 federal funding until full federal funding is received;

73.1 (4) a county board that submits reports that are late, illegible, incomplete, or not
73.2 in the required format for two out of three consecutive reporting periods is considered
73.3 noncompliant. When a county board is found to be noncompliant, the commissioner
73.4 shall notify the county board of the reason the county board is considered noncompliant
73.5 and request that the county board develop a corrective action plan stating how the
73.6 county board plans to correct the problem. The corrective action plan must be submitted
73.7 to the commissioner within 45 days after the date the county board received notice
73.8 of noncompliance;

73.9 (5) the final deadline for fiscal reports or amendments to fiscal reports is one year
73.10 after the date the report was originally due. If the commissioner does not receive a report
73.11 by the final deadline, the county board forfeits the funding associated with the report for
73.12 that reporting period and the county board must repay any funds associated with the
73.13 report received for that reporting period;

73.14 (6) the commissioner may not delay payments, withhold funds, or require repayment
73.15 under clause (3) or (5) if the county demonstrates that the commissioner failed to
73.16 provide appropriate forms, guidelines, and technical assistance to enable the county to
73.17 comply with the requirements. If the county board disagrees with an action taken by the
73.18 commissioner under clause (3) or (5), the county board may appeal the action according
73.19 to sections 14.57 to 14.69; and

73.20 (7) counties subject to withholding of funds under clause (3) or forfeiture or
73.21 repayment of funds under clause (5) shall not reduce or withhold benefits or services to
73.22 clients to cover costs incurred due to actions taken by the commissioner under clause
73.23 (3) or (5).

73.24 (r) Allocate federal fiscal disallowances or sanctions for audit exceptions when
73.25 federal fiscal disallowances or sanctions are based on a statewide random sample in direct
73.26 proportion to each county's claim for that period.

73.27 (s) Be responsible for ensuring the detection, prevention, investigation, and
73.28 resolution of fraudulent activities or behavior by applicants, recipients, and other
73.29 participants in the human services programs administered by the department.

73.30 (t) Require county agencies to identify overpayments, establish claims, and utilize
73.31 all available and cost-beneficial methodologies to collect and recover these overpayments
73.32 in the human services programs administered by the department.

73.33 (u) Have the authority to administer the federal drug rebate program for drugs
73.34 purchased under the medical assistance program as allowed by section 1927 of title XIX
73.35 of the Social Security Act and according to the terms and conditions of section 1927.
73.36 Rebates shall be collected for all drugs that have been dispensed or administered in an

74.1 outpatient setting and that are from manufacturers who have signed a rebate agreement
74.2 with the United States Department of Health and Human Services.

74.3 (v) Have the authority to administer a supplemental drug rebate program for drugs
74.4 purchased under the medical assistance program. The commissioner may enter into
74.5 supplemental rebate contracts with pharmaceutical manufacturers and may require prior
74.6 authorization for drugs that are from manufacturers that have not signed a supplemental
74.7 rebate contract. Prior authorization of drugs shall be subject to the provisions of section
74.8 256B.0625, subdivision 13.

74.9 (w) Operate the department's communication systems account established in Laws
74.10 1993, First Special Session chapter 1, article 1, section 2, subdivision 2, to manage shared
74.11 communication costs necessary for the operation of the programs the commissioner
74.12 supervises. A communications account may also be established for each regional
74.13 treatment center which operates communications systems. Each account must be used
74.14 to manage shared communication costs necessary for the operations of the programs the
74.15 commissioner supervises. The commissioner may distribute the costs of operating and
74.16 maintaining communication systems to participants in a manner that reflects actual usage.
74.17 Costs may include acquisition, licensing, insurance, maintenance, repair, staff time and
74.18 other costs as determined by the commissioner. Nonprofit organizations and state, county,
74.19 and local government agencies involved in the operation of programs the commissioner
74.20 supervises may participate in the use of the department's communications technology and
74.21 share in the cost of operation. The commissioner may accept on behalf of the state any
74.22 gift, bequest, devise or personal property of any kind, or money tendered to the state for
74.23 any lawful purpose pertaining to the communication activities of the department. Any
74.24 money received for this purpose must be deposited in the department's communication
74.25 systems accounts. Money collected by the commissioner for the use of communication
74.26 systems must be deposited in the state communication systems account and is appropriated
74.27 to the commissioner for purposes of this section.

74.28 (x) Receive any federal matching money that is made available through the medical
74.29 assistance program for the consumer satisfaction survey. Any federal money received for
74.30 the survey is appropriated to the commissioner for this purpose. The commissioner may
74.31 expend the federal money received for the consumer satisfaction survey in either year of
74.32 the biennium.

74.33 (y) Designate community information and referral call centers and incorporate
74.34 cost reimbursement claims from the designated community information and referral
74.35 call centers into the federal cost reimbursement claiming processes of the department
74.36 according to federal law, rule, and regulations. Existing information and referral centers

75.1 provided by Greater Twin Cities United Way or existing call centers for which Greater
 75.2 Twin Cities United Way has legal authority to represent, shall be included in these
 75.3 designations upon review by the commissioner and assurance that these services are
 75.4 accredited and in compliance with national standards. Any reimbursement is appropriated
 75.5 to the commissioner and all designated information and referral centers shall receive
 75.6 payments according to normal department schedules established by the commissioner
 75.7 upon final approval of allocation methodologies from the United States Department of
 75.8 Health and Human Services Division of Cost Allocation or other appropriate authorities.

75.9 (z) Develop recommended standards for foster care homes that address the
 75.10 components of specialized therapeutic services to be provided by foster care homes with
 75.11 those services.

75.12 (aa) Authorize the method of payment to or from the department as part of the
 75.13 human services programs administered by the department. This authorization includes the
 75.14 receipt or disbursement of funds held by the department in a fiduciary capacity as part of
 75.15 the human services programs administered by the department.

75.16 (bb) Designate the agencies that operate the Senior LinkAge Line under section
 75.17 256.975, subdivision 7, and the Disability Linkage Line under subdivision 24 as the
 75.18 state of Minnesota Aging and Disability Resource Center under United States Code, title
 75.19 42, section 3001, the Older Americans Act Amendments of 2006, and incorporate cost
 75.20 reimbursement claims from the designated centers into the federal cost reimbursement
 75.21 claiming processes of the department according to federal law, rule, and regulations. Any
 75.22 reimbursement must be appropriated to the commissioner and treated consistent with
 75.23 section 256.011. All Aging and Disability Resource Center designated agencies shall
 75.24 receive payments of grant funding that supports the activity and generates the federal
 75.25 financial participation according to Board on Aging administrative granting mechanisms.

75.26 Sec. 104. Minnesota Statutes 2014, section 256.01, subdivision 39, is amended to read:

75.27 Subd. 39. **Dedicated funds report.** By October 1, 2014, and with each February
 75.28 forecast thereafter, the commissioner of human services must provide to the chairs and
 75.29 ranking minority members of the house of representatives and senate committees with
 75.30 jurisdiction over health and human services finance a report of all dedicated funds
 75.31 and accounts. The report must include the name of the dedicated fund or account; a
 75.32 description of its purpose, and the legal citation for its creation; the beginning balance,
 75.33 projected receipts, and expenditures; and the ending balance for each fund and account.

75.34 ~~This subdivision shall not expire.~~

76.1 Sec. 105. Minnesota Statutes 2014, section 256.045, subdivision 3b, is amended to read:

76.2 Subd. 3b. **Standard of evidence for maltreatment and disqualification hearings.**

76.3 (a) The state human services judge shall determine that maltreatment has occurred if a
76.4 preponderance of evidence exists to support the final disposition under sections 626.556
76.5 and 626.557. For purposes of hearings regarding disqualification, the state human
76.6 services judge shall affirm the proposed disqualification in an appeal under subdivision 3,
76.7 paragraph (a), clause (9), if a preponderance of the evidence shows the individual has:

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

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

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

76.15 (b) If the disqualification is affirmed, the state human services judge shall determine
76.16 whether the individual poses a risk of harm in accordance with the requirements of
76.17 section 245C.22, and whether the disqualification should be set aside or not set aside.

76.18 In determining whether the disqualification should be set aside, the human services
76.19 judge shall consider all of the characteristics that cause the individual to be disqualified,
76.20 including those characteristics that were not subject to review under paragraph (a), in
76.21 order to determine whether the individual poses a risk of harm. A decision to set aside
76.22 a disqualification that is the subject of the hearing constitutes a determination that the
76.23 individual does not pose a risk of harm and that the individual may provide direct contact
76.24 services in the individual program specified in the set aside.

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

76.28 (d) The state human services judge shall recommend an order to the commissioner
76.29 of health, education, or human services, as applicable, who shall issue a final order. The
76.30 commissioner shall affirm, reverse, or modify the final disposition. Any order of the
76.31 commissioner issued in accordance with this subdivision is conclusive upon the parties
76.32 unless appeal is taken in the manner provided in subdivision 7. In any licensing appeal
76.33 under chapters 245A and 245C and sections 144.50 to 144.58 and 144A.02 to ~~144A.46~~
76.34 144A.482, the commissioner's determination as to maltreatment is conclusive, as provided
76.35 under section 245C.29.

77.1 Sec. 106. Minnesota Statutes 2014, section 256.997, subdivision 4, is amended to read:

77.2 Subd. 4. **Injury protection for work experience participants.** (a) This subdivision
77.3 applies to payment of any claims resulting from an alleged injury or death of a child
77.4 support obligor participating in a community work experience program established and
77.5 operated by a county or a judicial district department of corrections under this section.

77.6 (b) Claims that are subject to this section must be investigated by the county agency
77.7 responsible for supervising the work to determine whether the claimed injury occurred,
77.8 whether the claimed medical expenses are reasonable, and whether the loss is covered
77.9 by the claimant's insurance. If insurance coverage is established, the county agency shall
77.10 submit the claim to the appropriate insurance entity for payment. The investigating county
77.11 agency shall submit all valid claims, in the amount net of any insurance payments, to the
77.12 commissioner of human services.

77.13 (c) The commissioner of human services shall submit all claims for impairment
77.14 compensation to the commissioner of labor and industry. The commissioner of labor and
77.15 industry shall review all submitted claims and recommend to the commissioner of human
77.16 services an amount of compensation comparable to what would be provided under the
77.17 impairment compensation schedule of section 176.101, subdivision ~~3b~~ 2a.

77.18 (d) The commissioner of human services shall approve a claim of \$1,000 or less
77.19 for payment if appropriated funds are available, if the county agency responsible for
77.20 supervising the work has made the determinations required by this section, and if the
77.21 work program was operated in compliance with the safety provisions of this section.
77.22 The commissioner shall pay the portion of an approved claim of \$1,000 or less that is
77.23 not covered by the claimant's insurance within three months of the date of submission.
77.24 On or before February 1 of each year, the commissioner shall submit to the appropriate
77.25 committees of the senate and the house of representatives a list of claims of \$1,000
77.26 or less paid during the preceding calendar year and shall be reimbursed by legislative
77.27 appropriation for any claims that exceed the original appropriation provided to the
77.28 commissioner to operate this program. Unspent money from this appropriation carries
77.29 over to the second year of the biennium, and any unspent money remaining at the end
77.30 of the second year must be returned to the general fund. On or before February 1 of
77.31 each year, the commissioner shall submit to the appropriate committees of the senate
77.32 and the house of representatives a list of claims in excess of \$1,000 and a list of claims
77.33 of \$1,000 or less that were submitted to but not paid by the commissioner of human
77.34 services, together with any recommendations of appropriate compensation. These claims
77.35 shall be heard and determined by the appropriate committees of the senate and house of
77.36 representatives and, if approved, paid under the legislative claims procedure.

78.1 (e) Compensation paid under this section is limited to reimbursement for reasonable
 78.2 medical expenses and impairment compensation for disability in like amounts as allowed
 78.3 in section 176.101, subdivision 3b 2a. Compensation for injuries resulting in death shall
 78.4 include reasonable medical expenses and burial expenses in addition to payment to the
 78.5 participant's estate in an amount not to exceed the limits set forth in section 466.04.
 78.6 Compensation may not be paid under this section for pain and suffering, lost wages, or
 78.7 other benefits provided in chapter 176. Payments made under this section must be reduced
 78.8 by any proceeds received by the claimant from any insurance policy covering the loss. For
 78.9 the purposes of this section, "insurance policy" does not include the medical assistance
 78.10 program authorized under chapter 256B or the general assistance medical care program
 78.11 authorized under chapter 256D.

78.12 (f) The procedure established by this section is exclusive of all other legal, equitable,
 78.13 and statutory remedies against the state, its political subdivisions, or employees of the
 78.14 state or its political subdivisions. The claimant may not seek damages from any state or
 78.15 county insurance policy or self-insurance program.

78.16 (g) A claim is not valid for purposes of this subdivision if the local agency
 78.17 responsible for supervising the work cannot verify to the commissioner of human services:

78.18 (1) that appropriate safety training and information is provided to all persons being
 78.19 supervised by the agency under this subdivision; and

78.20 (2) that all programs involving work by those persons comply with federal
 78.21 Occupational Safety and Health Administration and state Department of Labor and
 78.22 Industry safety standards.

78.23 A claim that is not valid because of failure to verify safety training or compliance
 78.24 with safety standards may not be paid by the commissioner of human services or through
 78.25 the legislative claims process and must be heard, decided, and paid, if appropriate, by the
 78.26 local government unit responsible for supervising the work of the claimant.

78.27 Sec. 107. Minnesota Statutes 2015 Supplement, section 256B.038, is amended to read:

78.28 **256B.038 PROVIDER RATE INCREASES AFTER JUNE 30, 1999.**

78.29 (a) For fiscal years beginning on or after July 1, 1999, the commissioner of
 78.30 management and budget shall include an annual inflationary adjustment in payment rates
 78.31 for the services listed in paragraph (b) as a budget change request in each biennial detailed
 78.32 expenditure budget submitted to the legislature under section 16A.11. The adjustment
 78.33 shall be accomplished by indexing the rates in effect for inflation based on the change in
 78.34 the Consumer Price Index-All Items (United States city average)(CPI-U) as forecasted by

79.1 Data Resources, Inc., in the fourth quarter of the prior year for the calendar year during
79.2 which the rate increase occurs.

79.3 (b) Within the limits of appropriations specifically for this purpose, the commissioner
79.4 shall apply the rate increases in paragraph (a) to home and community-based waiver
79.5 services for persons with developmental disabilities under section 256B.501; home and
79.6 community-based waiver services for the elderly under section 256B.0915; waived
79.7 services under community access for disability inclusion under section 256B.49;
79.8 community alternative care waived services under section 256B.49; brain injury
79.9 waived services under section 256B.49; nursing services and home health services
79.10 under section 256B.0625, subdivision 6a; personal care services and nursing supervision
79.11 of personal care services under section 256B.0625, subdivision 19a; home care nursing
79.12 services under section 256B.0625, subdivision 7; day training and habilitation services
79.13 for adults with developmental disabilities under sections 252.41 to 252.46; physical
79.14 therapy services under sections 256B.0625, subdivision 8, and 256D.03, subdivision 4;
79.15 occupational therapy services under sections 256B.0625, subdivision 8a, and 256D.03,
79.16 subdivision 4; speech-language therapy services under section 256D.03, subdivision 4,
79.17 and Minnesota Rules, part 9505.0390; respiratory therapy services under section 256D.03,
79.18 subdivision 4, and Minnesota Rules, part 9505.0295; physician services under section
79.19 256B.0625, subdivision 3; dental services under sections 256B.0625, subdivision 9, and
79.20 256D.03, subdivision 4; alternative care services under section 256B.0913; adult residential
79.21 program grants under ~~Minnesota Rules, parts 9535.2000 to 9535.3000~~ section 245.73;
79.22 adult and family community support grants under Minnesota Rules, parts 9535.1700 to
79.23 9535.1760; and semi-independent living services under section 252.275, including SILS
79.24 funding under county social services grants formerly funded under chapter 256I.

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

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

79.29 Sec. 108. Minnesota Statutes 2015 Supplement, section 256B.0622, subdivision 2,
79.30 is amended to read:

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

79.33 (a) "Assertive community treatment" means intensive nonresidential rehabilitative
79.34 mental health services provided according to the evidence-based practice of assertive
79.35 community treatment. Core elements of this service include, but are not limited to:

80.1 (1) a multidisciplinary staff who utilize a total team approach and who serve as a
80.2 fixed point of responsibility for all service delivery;

80.3 (2) providing services 24 hours per day and seven days per week;

80.4 (3) providing the majority of services in a community setting;

80.5 (4) offering a low ratio of recipients to staff; and

80.6 (5) providing service that is not time-limited.

80.7 (b) "Intensive residential treatment services" means short-term, time-limited services
80.8 provided in a residential setting to recipients who are in need of more restrictive settings
80.9 and are at risk of significant functional deterioration if they do not receive these services.

80.10 Services are designed to develop and enhance psychiatric stability, personal and emotional
80.11 adjustment, self-sufficiency, and skills to live in a more independent setting. Services must
80.12 be directed toward a targeted discharge date with specified client outcomes.

80.13 (c) "Evidence-based practices" are nationally recognized mental health services that
80.14 are proven by substantial research to be effective in helping individuals with serious
80.15 mental illness obtain specific treatment goals.

80.16 (d) "Overnight staff" means a member of the intensive residential rehabilitative
80.17 mental health treatment team who is responsible during hours when recipients are
80.18 typically asleep.

80.19 (e) "Treatment team" means all staff who provide services under this section to
80.20 recipients. At a minimum, this includes the clinical supervisor, mental health professionals
80.21 as defined in section 245.462, subdivision 18, clauses (1) to (6); mental health practitioners
80.22 as defined in section 245.462, subdivision 17; mental health rehabilitation workers under
80.23 section 256B.0623, subdivision 5, clause ~~(3)~~ (4); and certified peer specialists under
80.24 section 256B.0615.

80.25 Sec. 109. Minnesota Statutes 2014, section 256B.0625, subdivision 5, is amended to
80.26 read:

80.27 Subd. 5. **Community mental health center services.** Medical assistance covers
80.28 community mental health center services provided by a community mental health center
80.29 that meets the requirements in paragraphs (a) to (j).

80.30 (a) The provider is licensed under Minnesota Rules, parts 9520.0750 to 9520.0870.

80.31 (b) The provider provides mental health services under the clinical supervision of a
80.32 mental health professional who is licensed for independent practice at the doctoral level or
80.33 by a board-certified psychiatrist or a psychiatrist who is eligible for board certification.

80.34 Clinical supervision has the meaning given in Minnesota Rules, part ~~9505.0323, subpart~~
80.35 ~~4, item F~~ 9505.0370, subpart 6.

81.1 (c) The provider must be a private nonprofit corporation or a governmental agency
81.2 and have a community board of directors as specified by section 245.66.

81.3 (d) The provider must have a sliding fee scale that meets the requirements in section
81.4 245.481, and agree to serve within the limits of its capacity all individuals residing in
81.5 its service delivery area.

81.6 (e) At a minimum, the provider must provide the following outpatient mental health
81.7 services: diagnostic assessment; explanation of findings; family, group, and individual
81.8 psychotherapy, including crisis intervention psychotherapy services, multiple family
81.9 group psychotherapy, psychological testing, and medication management. In addition, the
81.10 provider must provide or be capable of providing upon request of the local mental health
81.11 authority day treatment services and professional home-based mental health services. The
81.12 provider must have the capacity to provide such services to specialized populations such
81.13 as the elderly, families with children, persons who are seriously and persistently mentally
81.14 ill, and children who are seriously emotionally disturbed.

81.15 (f) The provider must be capable of providing the services specified in paragraph
81.16 (e) to individuals who are diagnosed with both mental illness or emotional disturbance,
81.17 and chemical dependency, and to individuals dually diagnosed with a mental illness or
81.18 emotional disturbance and developmental disability.

81.19 (g) The provider must provide 24-hour emergency care services or demonstrate
81.20 the capacity to assist recipients in need of such services to access such services on a
81.21 24-hour basis.

81.22 (h) The provider must have a contract with the local mental health authority to
81.23 provide one or more of the services specified in paragraph (e).

81.24 (i) The provider must agree, upon request of the local mental health authority, to
81.25 enter into a contract with the county to provide mental health services not reimbursable
81.26 under the medical assistance program.

81.27 (j) The provider may not be enrolled with the medical assistance program as both a
81.28 hospital and a community mental health center. The community mental health center's
81.29 administrative, organizational, and financial structure must be separate and distinct from
81.30 that of the hospital.

81.31 Sec. 110. Minnesota Statutes 2014, section 256B.0653, subdivision 2, is amended to
81.32 read:

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

82.1 (a) "Assessment" means an evaluation of the recipient's medical need for home
 82.2 health agency services by a registered nurse or appropriate therapist that is conducted
 82.3 within 30 days of a request.

82.4 (b) "Home care therapies" means occupational, physical, and respiratory therapy
 82.5 and speech-language pathology services provided in the home by a Medicare certified
 82.6 home health agency.

82.7 (c) "Home health agency services" means services delivered in the recipient's home
 82.8 residence, except as specified in section 256B.0625, by a home health agency to a recipient
 82.9 with medical needs due to illness, disability, or physical conditions.

82.10 (d) "Home health aide" means an employee of a home health agency who completes
 82.11 medically oriented tasks written in the plan of care for a recipient.

82.12 (e) "Home health agency" means a home care provider agency that is
 82.13 Medicare-certified.

82.14 (f) "Occupational therapy services" mean the services defined in Minnesota Rules,
 82.15 part 9505.0390.

82.16 (g) "Physical therapy services" mean the services defined in Minnesota Rules, part
 82.17 9505.0390.

82.18 (h) "Respiratory therapy services" mean the services defined in chapter 147C and
 82.19 ~~Minnesota Rules, part 4668.0003, subpart 37.~~

82.20 (i) "Speech-language pathology services" mean the services defined in Minnesota
 82.21 Rules, part 9505.0390.

82.22 (j) "Skilled nurse visit" means a professional nursing visit to complete nursing tasks
 82.23 required due to a recipient's medical condition that can only be safely provided by a
 82.24 professional nurse to restore and maintain optimal health.

82.25 (k) "Store-and-forward technology" means telehomecare services that do not occur
 82.26 in real time via synchronous transmissions such as diabetic and vital sign monitoring.

82.27 (l) "Telehomecare" means the use of telecommunications technology via
 82.28 live, two-way interactive audiovisual technology which may be augmented by
 82.29 store-and-forward technology.

82.30 (m) "Telehomecare skilled nurse visit" means a visit by a professional nurse to
 82.31 deliver a skilled nurse visit to a recipient located at a site other than the site where the
 82.32 nurse is located and is used in combination with face-to-face skilled nurse visits to
 82.33 adequately meet the recipient's needs.

82.34 Sec. 111. Minnesota Statutes 2014, section 256B.0659, subdivision 22, is amended to
 82.35 read:

83.1 Subd. 22. **Annual review for personal care providers.** (a) All personal care
 83.2 assistance provider agencies shall resubmit, on an annual basis, the information specified
 83.3 in subdivision 21, in a format determined by the commissioner, and provide a copy of the
 83.4 personal care assistance provider agency's most current version of its grievance policies
 83.5 and procedures along with a written record of grievances and resolutions of the grievances
 83.6 that the personal care assistance provider agency has received in the previous year and any
 83.7 other information requested by the commissioner.

83.8 (b) The commissioner shall send annual review notification to personal care
 83.9 assistance provider agencies 30 days prior to renewal. The notification must:

83.10 (1) list the materials and information the personal care assistance provider agency is
 83.11 required to submit;

83.12 (2) provide instructions on submitting information to the commissioner; and

83.13 (3) provide a due date by which the commissioner must receive the requested
 83.14 information.

83.15 Personal care assistance provider agencies shall submit required documentation for
 83.16 annual review within 30 days of notification from the commissioner. If no documentation
 83.17 is submitted, the personal care assistance provider agency enrollment number must be
 83.18 terminated or suspended.

83.19 (c) Personal care assistance provider agencies also currently licensed under
 83.20 ~~Minnesota Rules, part 4668.0012, as a class A provider~~ section 144A.471, subdivision
 83.21 6 or 7, or currently certified for participation in Medicare as a home health agency are
 83.22 deemed in compliance with the personal care assistance requirements for enrollment,
 83.23 annual review process, and documentation.

83.24 Sec. 112. Minnesota Statutes 2015 Supplement, section 256B.0915, subdivision 3a,
 83.25 is amended to read:

83.26 Subd. 3a. **Elderly waiver cost limits.** (a) Effective on the first day of the state fiscal
 83.27 year in which the resident assessment system as described in section 256B.438 for nursing
 83.28 home rate determination is implemented and the first day of each subsequent state fiscal
 83.29 year, the monthly limit for the cost of waived services to an individual elderly waiver
 83.30 client shall be the monthly limit of the case mix resident class to which the waiver client
 83.31 would be assigned under Minnesota Rules, parts ~~9549.0050~~ 9549.0051 to 9549.0059, in
 83.32 effect on the last day of the previous state fiscal year, adjusted by any legislatively adopted
 83.33 home and community-based services percentage rate adjustment.

83.34 (b) The monthly limit for the cost of waived services under paragraph (a) to an
 83.35 individual elderly waiver client assigned to a case mix classification A with:

84.1 (1) no dependencies in activities of daily living; or
84.2 (2) up to two dependencies in bathing, dressing, grooming, walking, and eating
84.3 when the dependency score in eating is three or greater as determined by an assessment
84.4 performed under section 256B.0911 shall be \$1,750 per month effective on July 1, 2011,
84.5 for all new participants enrolled in the program on or after July 1, 2011. This monthly
84.6 limit shall be applied to all other participants who meet this criteria at reassessment. This
84.7 monthly limit shall be increased annually as described in paragraphs (a) and (e).

84.8 (c) If extended medical supplies and equipment or environmental modifications are
84.9 or will be purchased for an elderly waiver client, the costs may be prorated for up to
84.10 12 consecutive months beginning with the month of purchase. If the monthly cost of a
84.11 recipient's waived services exceeds the monthly limit established in paragraph (a), (b),
84.12 (d), or (e), the annual cost of all waived services shall be determined. In this event,
84.13 the annual cost of all waived services shall not exceed 12 times the monthly limit of
84.14 waived services as described in paragraph (a), (b), (d), or (e).

84.15 (d) Effective July 1, 2013, the monthly cost limit of waiver services, including
84.16 any necessary home care services described in section 256B.0651, subdivision 2, for
84.17 individuals who meet the criteria as ventilator-dependent given in section 256B.0651,
84.18 subdivision 1, paragraph (g), shall be the average of the monthly medical assistance
84.19 amount established for home care services as described in section 256B.0652, subdivision
84.20 7, and the annual average contracted amount established by the commissioner for nursing
84.21 facility services for ventilator-dependent individuals. This monthly limit shall be increased
84.22 annually as described in paragraphs (a) and (e).

84.23 (e) Effective July 1, 2016, and each July 1 thereafter, the monthly cost limits for
84.24 elderly waiver services in effect on the previous June 30 shall be increased by the
84.25 difference between any legislatively adopted home and community-based provider rate
84.26 increases effective on July 1 or since the previous July 1 and the average statewide
84.27 percentage increase in nursing facility operating payment rates under sections 256B.431,
84.28 256B.434, and 256B.441, effective the previous January 1. This paragraph shall only
84.29 apply if the average statewide percentage increase in nursing facility operating payment
84.30 rates is greater than any legislatively adopted home and community-based provider rate
84.31 increases effective on July 1, or occurring since the previous July 1.

84.32 Sec. 113. Minnesota Statutes 2015 Supplement, section 256B.0915, subdivision 3e,
84.33 is amended to read:

84.34 Subd. 3e. **Customized living service rate.** (a) Payment for customized living
84.35 services shall be a monthly rate authorized by the lead agency within the parameters

85.1 established by the commissioner. The payment agreement must delineate the amount of
85.2 each component service included in the recipient's customized living service plan. The
85.3 lead agency, with input from the provider of customized living services, shall ensure that
85.4 there is a documented need within the parameters established by the commissioner for all
85.5 component customized living services authorized.

85.6 (b) The payment rate must be based on the amount of component services to be
85.7 provided utilizing component rates established by the commissioner. Counties and tribes
85.8 shall use tools issued by the commissioner to develop and document customized living
85.9 service plans and rates.

85.10 (c) Component service rates must not exceed payment rates for comparable elderly
85.11 waiver or medical assistance services and must reflect economies of scale. Customized
85.12 living services must not include rent or raw food costs.

85.13 (d) With the exception of individuals described in subdivision 3a, paragraph (b), the
85.14 individualized monthly authorized payment for the customized living service plan shall
85.15 not exceed 50 percent of the greater of either the statewide or any of the geographic
85.16 groups' weighted average monthly nursing facility rate of the case mix resident class
85.17 to which the elderly waiver eligible client would be assigned under Minnesota Rules,
85.18 parts ~~9549.0050~~ 9549.0051 to 9549.0059, less the maintenance needs allowance as
85.19 described in subdivision 1d, paragraph (a). Effective on July 1 of the state fiscal year
85.20 in which the resident assessment system as described in section 256B.438 for nursing
85.21 home rate determination is implemented and July 1 of each subsequent state fiscal year,
85.22 the individualized monthly authorized payment for the services described in this clause
85.23 shall not exceed the limit which was in effect on June 30 of the previous state fiscal year
85.24 updated annually based on legislatively adopted changes to all service rate maximums for
85.25 home and community-based service providers.

85.26 (e) Effective July 1, 2011, the individualized monthly payment for the customized
85.27 living service plan for individuals described in subdivision 3a, paragraph (b), must be the
85.28 monthly authorized payment limit for customized living for individuals classified as case
85.29 mix A, reduced by 25 percent. This rate limit must be applied to all new participants
85.30 enrolled in the program on or after July 1, 2011, who meet the criteria described in
85.31 subdivision 3a, paragraph (b). This monthly limit also applies to all other participants who
85.32 meet the criteria described in subdivision 3a, paragraph (b), at reassessment.

85.33 (f) Customized living services are delivered by a provider licensed by the
85.34 Department of Health as a class A or class F home care provider and provided in a
85.35 building that is registered as a housing with services establishment under chapter 144D.
85.36 Licensed home care providers are subject to section 256B.0651, subdivision 14.

86.1 (g) A provider may not bill or otherwise charge an elderly waiver participant or their
86.2 family for additional units of any allowable component service beyond those available
86.3 under the service rate limits described in paragraph (d), nor for additional units of any
86.4 allowable component service beyond those approved in the service plan by the lead agency.

86.5 (h) Effective July 1, 2016, and each July 1 thereafter, individualized service rate
86.6 limits for customized living services under this subdivision shall be increased by the
86.7 difference between any legislatively adopted home and community-based provider rate
86.8 increases effective on July 1 or since the previous July 1 and the average statewide
86.9 percentage increase in nursing facility operating payment rates under sections 256B.431,
86.10 256B.434, and 256B.441, effective the previous January 1. This paragraph shall only
86.11 apply if the average statewide percentage increase in nursing facility operating payment
86.12 rates is greater than any legislatively adopted home and community-based provider rate
86.13 increases effective on July 1, or occurring since the previous July 1.

86.14 Sec. 114. Minnesota Statutes 2015 Supplement, section 256B.0915, subdivision 3h,
86.15 is amended to read:

86.16 Subd. 3h. **Service rate limits; 24-hour customized living services.** (a) The
86.17 payment rate for 24-hour customized living services is a monthly rate authorized by the
86.18 lead agency within the parameters established by the commissioner of human services.
86.19 The payment agreement must delineate the amount of each component service included
86.20 in each recipient's customized living service plan. The lead agency, with input from
86.21 the provider of customized living services, shall ensure that there is a documented need
86.22 within the parameters established by the commissioner for all component customized
86.23 living services authorized. The lead agency shall not authorize 24-hour customized living
86.24 services unless there is a documented need for 24-hour supervision.

86.25 (b) For purposes of this section, "24-hour supervision" means that the recipient
86.26 requires assistance due to needs related to one or more of the following:

86.27 (1) intermittent assistance with toileting, positioning, or transferring;

86.28 (2) cognitive or behavioral issues;

86.29 (3) a medical condition that requires clinical monitoring; or

86.30 (4) for all new participants enrolled in the program on or after July 1, 2011, and
86.31 all other participants at their first reassessment after July 1, 2011, dependency in at
86.32 least three of the following activities of daily living as determined by assessment under
86.33 section 256B.0911: bathing; dressing; grooming; walking; or eating when the dependency
86.34 score in eating is three or greater; and needs medication management and at least 50
86.35 hours of service per month. The lead agency shall ensure that the frequency and mode

87.1 of supervision of the recipient and the qualifications of staff providing supervision are
87.2 described and meet the needs of the recipient.

87.3 (c) The payment rate for 24-hour customized living services must be based on the
87.4 amount of component services to be provided utilizing component rates established by the
87.5 commissioner. Counties and tribes will use tools issued by the commissioner to develop
87.6 and document customized living plans and authorize rates.

87.7 (d) Component service rates must not exceed payment rates for comparable elderly
87.8 waiver or medical assistance services and must reflect economies of scale.

87.9 (e) The individually authorized 24-hour customized living payments, in combination
87.10 with the payment for other elderly waiver services, including case management, must not
87.11 exceed the recipient's community budget cap specified in subdivision 3a. Customized
87.12 living services must not include rent or raw food costs.

87.13 (f) The individually authorized 24-hour customized living payment rates shall not
87.14 exceed the 95 percentile of statewide monthly authorizations for 24-hour customized
87.15 living services in effect and in the Medicaid management information systems on March
87.16 31, 2009, for each case mix resident class under Minnesota Rules, parts ~~9549.0050~~
87.17 9549.0051 to 9549.0059, to which elderly waiver service clients are assigned. When there
87.18 are fewer than 50 authorizations in effect in the case mix resident class, the commissioner
87.19 shall multiply the calculated service payment rate maximum for the A classification by the
87.20 standard weight for that classification under Minnesota Rules, parts ~~9549.0050~~ 9549.0051
87.21 to 9549.0059, to determine the applicable payment rate maximum. Service payment rate
87.22 maximums shall be updated annually based on legislatively adopted changes to all service
87.23 rates for home and community-based service providers.

87.24 (g) Notwithstanding the requirements of paragraphs (d) and (f), the commissioner
87.25 may establish alternative payment rate systems for 24-hour customized living services in
87.26 housing with services establishments which are freestanding buildings with a capacity of
87.27 16 or fewer, by applying a single hourly rate for covered component services provided
87.28 in either:

87.29 (1) licensed corporate adult foster homes; or

87.30 (2) specialized dementia care units which meet the requirements of section 144D.065
87.31 and in which:

87.32 (i) each resident is offered the option of having their own apartment; or

87.33 (ii) the units are licensed as board and lodge establishments with maximum capacity
87.34 of eight residents, and which meet the requirements of Minnesota Rules, part 9555.6205,
87.35 subparts 1, 2, 3, and 4, item A.

88.1 (h) Twenty-four-hour customized living services are delivered by a provider licensed
 88.2 by the Department of Health as a class A or class F home care provider and provided in a
 88.3 building that is registered as a housing with services establishment under chapter 144D.
 88.4 Licensed home care providers are subject to section 256B.0651, subdivision 14.

88.5 (i) A provider may not bill or otherwise charge an elderly waiver participant or their
 88.6 family for additional units of any allowable component service beyond those available
 88.7 under the service rate limits described in paragraph (e), nor for additional units of any
 88.8 allowable component service beyond those approved in the service plan by the lead agency.

88.9 (j) Effective July 1, 2016, and each July 1 thereafter, individualized service rate
 88.10 limits for 24-hour customized living services under this subdivision shall be increased by
 88.11 the difference between any legislatively adopted home and community-based provider
 88.12 rate increases effective on July 1 or since the previous July 1 and the average statewide
 88.13 percentage increase in nursing facility operating payment rates under sections 256B.431,
 88.14 256B.434, and 256B.441, effective the previous January 1. This paragraph shall only
 88.15 apply if the average statewide percentage increase in nursing facility operating payment
 88.16 rates is greater than any legislatively adopted home and community-based provider rate
 88.17 increases effective on July 1, or occurring since the previous July 1.

88.18 Sec. 115. Minnesota Statutes 2014, section 256B.092, subdivision 4a, is amended to
 88.19 read:

88.20 Subd. 4a. **Demonstration projects.** The commissioner may waive state rules
 88.21 governing home and community-based services in order to demonstrate other methods of
 88.22 administering these services and to improve efficiency and responsiveness to individual
 88.23 needs of persons with developmental disabilities, notwithstanding ~~section 14.05,~~
 88.24 ~~subdivision 4~~ sections 14.055 and 14.056. All demonstration projects approved by the
 88.25 commissioner must comply with state laws and federal regulations, must remain within
 88.26 the fiscal limitations of the home and community-based services program for persons
 88.27 with developmental disabilities, and must assure the health and welfare of the persons
 88.28 receiving services.

88.29 Sec. 116. Minnesota Statutes 2014, section 256B.093, subdivision 3, is amended to read:

88.30 Subd. 3. **Traumatic brain injury program duties.** The department shall fund
 88.31 administrative case management under this subdivision using medical assistance
 88.32 administrative funds. The traumatic brain injury program duties include:

88.33 (1) recommending to the commissioner in consultation with the medical review
 88.34 agent according to Minnesota Rules, parts ~~9505.0500~~ 9505.0501 to 9505.0540, the

89.1 approval or denial of medical assistance funds to pay for out-of-state placements for
 89.2 traumatic brain injury services and in-state traumatic brain injury services provided by
 89.3 designated Medicare long-term care hospitals;

89.4 (2) coordinating the brain injury home and community-based waiver;

89.5 (3) providing ongoing technical assistance and consultation to county and facility
 89.6 case managers to facilitate care plan development for appropriate, accessible, and
 89.7 cost-effective medical assistance services;

89.8 (4) providing technical assistance to promote statewide development of appropriate,
 89.9 accessible, and cost-effective medical assistance services and related policy;

89.10 (5) providing training and outreach to facilitate access to appropriate home and
 89.11 community-based services to prevent institutionalization;

89.12 (6) facilitating appropriate admissions, continued stay review, discharges, and
 89.13 utilization review for neurobehavioral hospitals and other specialized institutions;

89.14 (7) providing technical assistance on the use of prior authorization of home care
 89.15 services and coordination of these services with other medical assistance services;

89.16 (8) developing a system for identification of nursing facility and hospital residents
 89.17 with traumatic brain injury to assist in long-term planning for medical assistance services.
 89.18 Factors will include, but are not limited to, number of individuals served, length of stay,
 89.19 services received, and barriers to community placement; and

89.20 (9) providing information, referral, and case consultation to access medical
 89.21 assistance services for recipients without a county or facility case manager. Direct access
 89.22 to this assistance may be limited due to the structure of the program.

89.23 Sec. 117. Minnesota Statutes 2014, section 256B.0947, subdivision 3a, is amended to
 89.24 read:

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

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

89.33 (1) individual, family, and group psychotherapy;

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

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

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

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

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

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

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

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

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

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

90.23 (12) transition services as defined in this section;

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

90.25 (14) housing access support.

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

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

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

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

90.34 Sec. 118. Minnesota Statutes 2014, section 256B.25, subdivision 3, is amended to read:

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

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

91.4 (b) payment or grants to a boarding care home or supervised living facility licensed
 91.5 by the Department of Human Services under Minnesota Rules, parts 9520.0500 to
 91.6 9520.0690, ~~9530.2500 to 9530.4000~~ chapter 2960, ~~9545.0900 to 9545.1090~~, or ~~9545.1400~~
 91.7 ~~to 9545.1500~~ or chapter 9530, or payment to recipients who reside in these facilities;

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

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

91.11 Sec. 119. Minnesota Statutes 2015 Supplement, section 256B.431, subdivision 2b,
 91.12 is amended to read:

91.13 Subd. 2b. **Operating costs after July 1, 1985.** (a) For rate years beginning on or
 91.14 after July 1, 1985, the commissioner shall establish procedures for determining per diem
 91.15 reimbursement for operating costs.

91.16 (b) The commissioner shall contract with an econometric firm with recognized
 91.17 expertise in and access to national economic change indices that can be applied to the
 91.18 appropriate cost categories when determining the operating cost payment rate.

91.19 (c) The commissioner shall analyze and evaluate each nursing facility's cost report
 91.20 of allowable operating costs incurred by the nursing facility during the reporting year
 91.21 immediately preceding the rate year for which the payment rate becomes effective.

91.22 (d) The commissioner shall establish limits on actual allowable historical operating
 91.23 cost per diems based on cost reports of allowable operating costs for the reporting year
 91.24 that begins October 1, 1983, taking into consideration relevant factors including resident
 91.25 needs, geographic location, and size of the nursing facility. In developing the geographic
 91.26 groups for purposes of reimbursement under this section, the commissioner shall ensure
 91.27 that nursing facilities in any county contiguous to the Minneapolis-St. Paul seven-county
 91.28 metropolitan area are included in the same geographic group. The limits established by
 91.29 the commissioner shall not be less, in the aggregate, than the 60th percentile of total
 91.30 actual allowable historical operating cost per diems for each group of nursing facilities
 91.31 established under subdivision 1 based on cost reports of allowable operating costs in the
 91.32 previous reporting year. For rate years beginning on or after July 1, 1989, facilities located
 91.33 in geographic group I as described in Minnesota Rules, part 9549.0052, on January 1,
 91.34 1989, may choose to have the commissioner apply either the care related limits or the other
 91.35 operating cost limits calculated for facilities located in geographic group II, or both, if

92.1 either of the limits calculated for the group II facilities is higher. The efficiency incentive
 92.2 for geographic group I nursing facilities must be calculated based on geographic group I
 92.3 limits. The phase-in must be established utilizing the chosen limits. For purposes of these
 92.4 exceptions to the geographic grouping requirements, the definitions in Minnesota Rules,
 92.5 parts ~~9549.0050~~ 9549.0051 to 9549.0059 (Emergency), and 9549.0010 to 9549.0080,
 92.6 apply. The limits established under this paragraph remain in effect until the commissioner
 92.7 establishes a new base period. Until the new base period is established, the commissioner
 92.8 shall adjust the limits annually using the appropriate economic change indices established
 92.9 in paragraph (e). In determining allowable historical operating cost per diems for purposes
 92.10 of setting limits and nursing facility payment rates, the commissioner shall divide the
 92.11 allowable historical operating costs by the actual number of resident days, except that
 92.12 where a nursing facility is occupied at less than 90 percent of licensed capacity days, the
 92.13 commissioner may establish procedures to adjust the computation of the per diem to
 92.14 an imputed occupancy level at or below 90 percent. The commissioner shall establish
 92.15 efficiency incentives as appropriate. The commissioner may establish efficiency incentives
 92.16 for different operating cost categories. The commissioner shall consider establishing
 92.17 efficiency incentives in care related cost categories. The commissioner may combine one
 92.18 or more operating cost categories and may use different methods for calculating payment
 92.19 rates for each operating cost category or combination of operating cost categories. For the
 92.20 rate year beginning on July 1, 1985, the commissioner shall:

92.21 (1) allow nursing facilities that have an average length of stay of 180 days or less in
 92.22 their skilled nursing level of care, 125 percent of the care related limit and 105 percent
 92.23 of the other operating cost limit established by rule; and

92.24 (2) exempt nursing facilities licensed on July 1, 1983, by the commissioner to
 92.25 provide residential services for the physically disabled under Minnesota Rules, parts
 92.26 ~~9570.2000 to 9570.3600~~ 9570.3400, from the care related limits and allow 105 percent of
 92.27 the other operating cost limit established by rule.

92.28 For the purpose of calculating the other operating cost efficiency incentive for
 92.29 nursing facilities referred to in clause (1) or (2), the commissioner shall use the other
 92.30 operating cost limit established by rule before application of the 105 percent.

92.31 (e) The commissioner shall establish a composite index or indices by determining
 92.32 the appropriate economic change indicators to be applied to specific operating cost
 92.33 categories or combination of operating cost categories.

92.34 (f) Each nursing facility shall receive an operating cost payment rate equal to the sum
 92.35 of the nursing facility's operating cost payment rates for each operating cost category. The
 92.36 operating cost payment rate for an operating cost category shall be the lesser of the nursing

93.1 facility's historical operating cost in the category increased by the appropriate index
 93.2 established in paragraph (e) for the operating cost category plus an efficiency incentive
 93.3 established pursuant to paragraph (d) or the limit for the operating cost category increased
 93.4 by the same index. If a nursing facility's actual historic operating costs are greater than the
 93.5 prospective payment rate for that rate year, there shall be no retroactive cost settle up. In
 93.6 establishing payment rates for one or more operating cost categories, the commissioner may
 93.7 establish separate rates for different classes of residents based on their relative care needs.

93.8 (g) The commissioner shall include the reported actual real estate tax liability or
 93.9 payments in lieu of real estate tax of each nursing facility as an operating cost of that
 93.10 nursing facility. Allowable costs under this subdivision for payments made by a nonprofit
 93.11 nursing facility that are in lieu of real estate taxes shall not exceed the amount which the
 93.12 nursing facility would have paid to a city or township and county for fire, police, sanitation
 93.13 services, and road maintenance costs had real estate taxes been levied on that property
 93.14 for those purposes. For rate years beginning on or after July 1, 1987, the reported actual
 93.15 real estate tax liability or payments in lieu of real estate tax of nursing facilities shall be
 93.16 adjusted to include an amount equal to one-half of the dollar change in real estate taxes
 93.17 from the prior year. The commissioner shall include a reported actual special assessment,
 93.18 and reported actual license fees required by the Minnesota Department of Health, for each
 93.19 nursing facility as an operating cost of that nursing facility. For rate years beginning
 93.20 on or after July 1, 1989, the commissioner shall include a nursing facility's reported
 93.21 Public Employee Retirement Act contribution for the reporting year as apportioned to the
 93.22 care-related operating cost categories and other operating cost categories multiplied by
 93.23 the appropriate composite index or indices established pursuant to paragraph (e) as costs
 93.24 under this paragraph. Total adjusted real estate tax liability, payments in lieu of real
 93.25 estate tax, actual special assessments paid, the indexed Public Employee Retirement Act
 93.26 contribution, and license fees paid as required by the Minnesota Department of Health,
 93.27 for each nursing facility (1) shall be divided by actual resident days in order to compute
 93.28 the operating cost payment rate for this operating cost category, (2) shall not be used to
 93.29 compute the care-related operating cost limits or other operating cost limits established
 93.30 by the commissioner, and (3) shall not be increased by the composite index or indices
 93.31 established pursuant to paragraph (e), unless otherwise indicated in this paragraph.

93.32 Sec. 120. Minnesota Statutes 2014, section 256B.438, subdivision 4, is amended to read:

93.33 Subd. 4. **Resident assessment schedule.** (a) Nursing facilities shall conduct and
 93.34 submit case mix assessments according to the schedule established by the commissioner
 93.35 of health under section 144.0724, subdivisions 4 and 5.

94.1 (b) The resident reimbursement classifications established under section 144.0724,
 94.2 subdivision 3 3a, shall be effective the day of admission for new admission assessments.
 94.3 The effective date for significant change assessments shall be the assessment reference
 94.4 date. The effective date for annual and quarterly assessments shall be the first day of the
 94.5 month following assessment reference date.

94.6 (c) Effective October 1, 2006, the commissioner shall rebase payment rates
 94.7 to account for the change in the resident assessment schedule in section 144.0724,
 94.8 subdivision 4, paragraph (b), clause (4), in a facility specific budget neutral manner,
 94.9 according to subdivision 7, paragraph (b).

94.10 (d) Effective January 1, 2012, the commissioner shall determine payment rates
 94.11 to account for the transition to RUG-IV, in a facility-specific, revenue-neutral manner,
 94.12 according to subdivision 8, paragraph (b).

94.13 Sec. 121. Minnesota Statutes 2014, section 256B.47, subdivision 1, is amended to read:

94.14 Subdivision 1. **Nonallowable costs.** The following costs shall not be recognized as
 94.15 allowable: (1) political contributions; (2) salaries or expenses of a lobbyist, as defined
 94.16 in section 10A.01, subdivision 21, for lobbying activities; (3) advertising designed to
 94.17 encourage potential residents to select a particular nursing facility; (4) assessments levied
 94.18 by the commissioner of health for uncorrected violations; (5) legal and related expenses
 94.19 for unsuccessful challenges to decisions by governmental agencies; (6) memberships in
 94.20 sports, health or similar social clubs or organizations; (7) costs incurred for activities
 94.21 directly related to influencing employees with respect to unionization; and (8) direct and
 94.22 indirect costs of providing services which are billed separately from the nursing facility's
 94.23 payment rate or pursuant to Minnesota Rules, parts ~~9500.0750 to 9500.1080~~ 9505.0170
 94.24 to 9505.0475. The commissioner shall by rule exclude the costs of any other items not
 94.25 directly related to the provision of resident care.

94.26 Sec. 122. Minnesota Statutes 2014, section 256B.47, subdivision 3, is amended to read:

94.27 Subd. 3. **Allocation of costs.** To ensure the avoidance of double payments as
 94.28 required by section 256B.433, the direct and indirect reporting year costs of providing
 94.29 residents of nursing facilities that are not hospital attached with therapy services that are
 94.30 billed separately from the nursing facility payment rate or according to Minnesota Rules,
 94.31 parts ~~9500.0750 to 9500.1080~~ 9505.0170 to 9505.0475, must be determined and deducted
 94.32 from the appropriate cost categories of the annual cost report as follows:

95.1 (a) The costs of wages and salaries for employees providing or participating in
 95.2 providing and consultants providing services shall be allocated to the therapy service
 95.3 based on direct identification.

95.4 (b) The costs of fringe benefits and payroll taxes relating to the costs in paragraph (a)
 95.5 must be allocated to the therapy service based on direct identification or the ratio of total
 95.6 costs in paragraph (a) to the sum of total allowable salaries and the costs in paragraph (a).

95.7 (c) The costs of housekeeping, plant operations and maintenance, real estate taxes,
 95.8 special assessments, and insurance, other than the amounts classified as a fringe benefit,
 95.9 must be allocated to the therapy service based on the ratio of service area square footage
 95.10 to total facility square footage.

95.11 (d) The costs of bookkeeping and medical records must be allocated to the therapy
 95.12 service either by the method in paragraph (e) or based on direct identification. Direct
 95.13 identification may be used if adequate documentation is provided to, and accepted by,
 95.14 the commissioner.

95.15 (e) The costs of administrators, bookkeeping, and medical records salaries, except
 95.16 as provided in paragraph (d), must be allocated to the therapy service based on the ratio
 95.17 of the total costs in paragraphs (a) to (d) to the sum of total allowable nursing facility
 95.18 costs and the costs in paragraphs (a) to (d).

95.19 (f) The cost of property must be allocated to the therapy service and removed from the
 95.20 nursing facility's property-related payment rate, based on the ratio of service area square
 95.21 footage to total facility square footage multiplied by the property-related payment rate.

95.22 Sec. 123. Minnesota Statutes 2014, section 256B.47, subdivision 4, is amended to read:

95.23 Subd. 4. **Allocation of costs; hospital-attached facilities.** To ensure the avoidance
 95.24 of double payments as required by section 256B.433, the direct and indirect reporting
 95.25 year costs of providing therapy services to residents of a hospital-attached nursing
 95.26 facility, when the services are billed separately from the nursing facility's payment rate or
 95.27 according to Minnesota Rules, parts ~~9500.0750 to 9500.1080~~ 9505.0170 to 9505.0475,
 95.28 must be determined and deducted from the appropriate cost categories of the annual cost
 95.29 report based on the Medicare step-down as prepared in accordance with instructions
 95.30 provided by the commissioner.

95.31 Sec. 124. Minnesota Statutes 2014, section 256B.4914, subdivision 9, is amended to
 95.32 read:

95.33 Subd. 9. **Payments for unit-based services without programming.** Payments for
 95.34 unit-based ~~without program services~~ without programming, including night supervision,

96.1 personal support, respite, and companion care provided to an individual outside of any day
96.2 or residential service plan must be calculated as follows unless the services are authorized
96.3 separately under subdivision 6 or 7:

96.4 (1) for all services except respite, determine the number of units of service to meet
96.5 a recipient's needs;

96.6 (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
96.7 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

96.8 (3) for a recipient requiring customization for deaf and hard-of-hearing language
96.9 accessibility under subdivision 12, add the customization rate provided in subdivision 12
96.10 to the result of clause (2). This is defined as the customized direct care rate;

96.11 (4) multiply the number of direct staff hours by the appropriate staff wage in
96.12 subdivision 5 or the customized direct care rate;

96.13 (5) multiply the number of direct staff hours by the product of the supervision span
96.14 of control ratio in subdivision 5, paragraph (f), clause (1), and the appropriate supervision
96.15 wage in subdivision 5, paragraph (a), clause (16);

96.16 (6) combine the results of clauses (4) and (5), and multiply the result by one plus
96.17 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (f),
96.18 clause (2). This is defined as the direct staffing rate;

96.19 (7) for program plan support, multiply the result of clause (6) by one plus the
96.20 program plan support ratio in subdivision 5, paragraph (f), clause (4);

96.21 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
96.22 employee-related cost ratio in subdivision 5, paragraph (f), clause (3);

96.23 (9) for client programming and supports, multiply the result of clause (8) by one plus
96.24 the client programming and support ratio in subdivision 5, paragraph (f), clause (5);

96.25 (10) this is the subtotal rate;

96.26 (11) sum the standard general and administrative rate, the program-related expense
96.27 ratio, and the absence and utilization factor ratio;

96.28 (12) divide the result of clause (10) by one minus the result of clause (11). This is
96.29 the total payment amount;

96.30 (13) for respite services, determine the number of day units of service to meet an
96.31 individual's needs;

96.32 (14) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
96.33 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

96.34 (15) for a recipient requiring deaf and hard-of-hearing customization under
96.35 subdivision 12, add the customization rate provided in subdivision 12 to the result of
96.36 clause (14). This is defined as the customized direct care rate;

97.1 (16) multiply the number of direct staff hours by the appropriate staff wage in
97.2 subdivision 5, paragraph (a);

97.3 (17) multiply the number of direct staff hours by the product of the supervisory span
97.4 of control ratio in subdivision 5, paragraph (g), clause (1), and the appropriate supervision
97.5 wage in subdivision 5, paragraph (a), clause (16);

97.6 (18) combine the results of clauses (16) and (17), and multiply the result by one plus
97.7 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (g),
97.8 clause (2). This is defined as the direct staffing rate;

97.9 (19) for employee-related expenses, multiply the result of clause (18) by one plus
97.10 the employee-related cost ratio in subdivision 5, paragraph (g), clause (3);

97.11 (20) this is the subtotal rate;

97.12 (21) sum the standard general and administrative rate, the program-related expense
97.13 ratio, and the absence and utilization factor ratio;

97.14 (22) divide the result of clause (20) by one minus the result of clause (21). This is
97.15 the total payment amount; and

97.16 (23) adjust the result of clauses (12) and (22) by a factor to be determined by the
97.17 commissioner to adjust for regional differences in the cost of providing services.

97.18 Sec. 125. Minnesota Statutes 2015 Supplement, section 256B.50, subdivision 1,
97.19 is amended to read:

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

97.28 Sec. 126. Minnesota Statutes 2014, section 256B.50, subdivision 1a, is amended to read:

97.29 Subd. 1a. **Definitions.** For the purposes of this section, the following terms have
97.30 the meanings given.

97.31 (a) "Determination of a payment rate" means the process by which the commissioner
97.32 establishes the payment rate paid to a provider pursuant to this chapter, including
97.33 determinations made in desk audit, field audit, or pursuant to an amendment filed by the
97.34 provider.

98.1 (b) "Provider" means a nursing facility as defined in section 256B.421, subdivision
98.2 7, or a facility as defined in section 256B.501, subdivision 1.

98.3 (e) ~~"Reimbursement rules" means Minnesota Rules, parts 9510.0010 to 9510.0480,~~
98.4 ~~9510.0500 to 9510.0890, and rules adopted by the commissioner pursuant to sections~~
98.5 ~~256B.41 and 256B.501, subdivision 3.~~

98.6 Sec. 127. Minnesota Statutes 2014, section 256B.501, subdivision 11, is amended to
98.7 read:

98.8 Subd. 11. **Investment per bed limits; interest expense limitations; leases.** (a) The
98.9 provisions of Minnesota Rules, part 9553.0075, except as modified under this subdivision,
98.10 shall apply to newly constructed or established facilities that are certified for medical
98.11 assistance on or after May 1, 1990.

98.12 (b) For purposes of establishing payment rates under this subdivision and
98.13 Minnesota Rules, parts 9553.0010 to 9553.0080, the term "newly constructed or newly
98.14 established" means a facility (1) for which a need determination has been approved by the
98.15 commissioner under sections 252.28 and 252.291; (2) whose program is newly licensed
98.16 under ~~Minnesota Rules, parts 9525.0215 to 9525.0355, chapter 245D~~ and certified under
98.17 Code of Federal Regulations, title 42, section 442.400, et seq.; and (3) that is part of a
98.18 proposal that meets the requirements of section 252.291, subdivision 2, paragraph (a),
98.19 clause (2). The term does not include a facility for which a need determination was granted
98.20 solely for other reasons such as the relocation of a facility; a change in the facility's name,
98.21 program, number of beds, type of beds, or ownership; or the sale of a facility, unless the
98.22 relocation of a facility to one or more service sites is the result of a closure of a facility
98.23 under section 252.292, in which case clause (3) shall not apply. The term does include
98.24 a facility that converts more than 50 percent of its licensed beds from class A to class
98.25 B residential or class B institutional to serve persons discharged from state regional
98.26 treatment centers on or after May 1, 1990, in which case clause (3) does not apply.

98.27 (c) Newly constructed or newly established facilities that are certified for medical
98.28 assistance on or after May 1, 1990, shall be allowed the capital asset investment per
98.29 bed limits as provided in clauses (1) to (4).

98.30 (1) The 1990 calendar year investment per bed limit for a facility's land must not
98.31 exceed \$5,700 per bed for newly constructed or newly established facilities in Hennepin,
98.32 Ramsey, Anoka, Washington, Dakota, Scott, Carver, Chisago, Isanti, Wright, Benton,
98.33 Sherburne, Stearns, St. Louis, Clay, and Olmsted Counties, and must not exceed \$3,000
98.34 per bed for newly constructed or newly established facilities in other counties.

99.1 (2) The 1990 calendar year investment per bed limit for a facility's depreciable
99.2 capital assets must not exceed \$44,800 for class B residential beds, and \$45,200 for class
99.3 B institutional beds.

99.4 (3) The investment per bed limit in clause (2) must not be used in determining the
99.5 three-year average percentage increase adjustment in Minnesota Rules, part 9553.0060,
99.6 subpart 1, item C, subitem (4), for facilities that were newly constructed or newly
99.7 established before May 1, 1990.

99.8 (4) The investment per bed limits in clause (2) and Minnesota Rules, part 9553.0060,
99.9 subpart 1, item C, subitem (2) shall be adjusted annually beginning January 1, 1991, and
99.10 each January 1 following, as provided in Minnesota Rules, part 9553.0060, subpart 1, item
99.11 C, subitem (2), except that the index utilized will be the Bureau of the Census: Composite
99.12 Fixed-Weighted Price Index as published in the Survey of Current Business.

99.13 (d) A newly constructed or newly established facility's interest expense limitation as
99.14 provided for in Minnesota Rules, part 9553.0060, subpart 3, item F, on capital debt for
99.15 capital assets acquired during the interim or settle-up period, shall be increased by 2.5
99.16 percentage points for each full .25 percentage points that the facility's interest rate on its
99.17 mortgage is below the maximum interest rate as established in Minnesota Rules, part
99.18 9553.0060, subpart 2, item A, subitem (2). For all following rate periods, the interest
99.19 expense limitation on capital debt in Minnesota Rules, part 9553.0060, subpart 3, item F,
99.20 shall apply to the facility's capital assets acquired, leased, or constructed after the interim
99.21 or settle-up period. If a newly constructed or newly established facility is acquired by the
99.22 state, the limitations of this paragraph and Minnesota Rules, part 9553.0060, subpart
99.23 3, item F, shall not apply.

99.24 (e) If a newly constructed or newly established facility is leased with an arm's-length
99.25 lease as provided for in Minnesota Rules, part 9553.0060, subpart 7, the lease agreement
99.26 shall be subject to the following conditions:

99.27 (1) the term of the lease, including option periods, must not be less than 20 years;

99.28 (2) the maximum interest rate used in determining the present value of the lease must
99.29 not exceed the lesser of the interest rate limitation in Minnesota Rules, part 9553.0060,
99.30 subpart 2, item A, subitem (2), or 16 percent; and

99.31 (3) the residual value used in determining the net present value of the lease must be
99.32 established using the provisions of Minnesota Rules, part 9553.0060.

99.33 (f) All leases of the physical plant of an intermediate care facility for the
99.34 developmentally disabled shall contain a clause that requires the owner to give the
99.35 commissioner notice of any requests or orders to vacate the premises 90 days before
99.36 such vacation of the premises is to take place. In the case of eviction actions, the owner

100.1 shall notify the commissioner within three days of notice of an eviction action being
100.2 served upon the tenant. The only exception to this notice requirement is in the case of
100.3 emergencies where immediate vacation of the premises is necessary to assure the safety
100.4 and welfare of the residents. In such an emergency situation, the owner shall give the
100.5 commissioner notice of the request to vacate at the time the owner of the property is aware
100.6 that the vacating of the premises is necessary. This section applies to all leases entered
100.7 into after May 1, 1990. Rentals set in leases entered into after that date that do not contain
100.8 this clause are not allowable costs for purposes of medical assistance reimbursement.

100.9 (g) A newly constructed or newly established facility's preopening costs are subject
100.10 to the provisions of Minnesota Rules, part 9553.0035, subpart 12, and must be limited to
100.11 only those costs incurred during one of the following periods, whichever is shorter:

100.12 (1) between the date the commissioner approves the facility's need determination
100.13 and 30 days before the date the facility is certified for medical assistance; or

100.14 (2) the 12-month period immediately preceding the 30 days before the date the
100.15 facility is certified for medical assistance.

100.16 (h) The development of any newly constructed or newly established facility as
100.17 defined in this subdivision and projected to be operational after July 1, 1991, by the
100.18 commissioner of human services shall be delayed until July 1, 1993, except for those
100.19 facilities authorized by the commissioner as a result of a closure of a facility according
100.20 to section 252.292 prior to January 1, 1991, or those facilities developed as a result of a
100.21 receivership of a facility according to section 245A.12. This paragraph does not apply to
100.22 state-operated community facilities authorized in section 252.50.

100.23 Sec. 128. Minnesota Statutes 2014, section 256B.5013, subdivision 1, is amended to
100.24 read:

100.25 Subdivision 1. **Variable rate adjustments.** (a) For rate years beginning on or after
100.26 October 1, 2000, when there is a documented increase in the needs of a current ICF/DD
100.27 recipient, the county of financial responsibility may recommend a variable rate to enable
100.28 the facility to meet the individual's increased needs. Variable rate adjustments made under
100.29 this subdivision replace payments for persons with special needs under section 256B.501,
100.30 ~~subdivision 8, and payments for persons with special needs for crisis intervention services~~
100.31 under section 256B.501, subdivision 8a. Effective July 1, 2003, facilities with a base rate
100.32 above the 50th percentile of the statewide average reimbursement rate for a Class A
100.33 facility or Class B facility, whichever matches the facility licensure, are not eligible for a
100.34 variable rate adjustment. Variable rate adjustments may not exceed a 12-month period,
100.35 except when approved for purposes established in paragraph (b), clause (1). Variable rate

101.1 adjustments approved solely on the basis of changes on a developmental disabilities
101.2 screening document will end June 30, 2002.

101.3 (b) A variable rate may be recommended by the county of financial responsibility
101.4 for increased needs in the following situations:

101.5 (1) a need for resources due to an individual's full or partial retirement from
101.6 participation in a day training and habilitation service when the individual: (i) has reached
101.7 the age of 65 or has a change in health condition that makes it difficult for the person
101.8 to participate in day training and habilitation services over an extended period of time
101.9 because it is medically contraindicated; and (ii) has expressed a desire for change through
101.10 the developmental disability screening process under section 256B.092;

101.11 (2) a need for additional resources for intensive short-term programming which is
101.12 necessary prior to an individual's discharge to a less restrictive, more integrated setting;

101.13 (3) a demonstrated medical need that significantly impacts the type or amount of
101.14 services needed by the individual; or

101.15 (4) a demonstrated behavioral need that significantly impacts the type or amount of
101.16 services needed by the individual.

101.17 (c) The county of financial responsibility must justify the purpose, the projected
101.18 length of time, and the additional funding needed for the facility to meet the needs of
101.19 the individual.

101.20 (d) The facility shall provide an annual report to the county case manager on
101.21 the use of the variable rate funds and the status of the individual on whose behalf the
101.22 funds were approved. The county case manager will forward the facility's report with a
101.23 recommendation to the commissioner to approve or disapprove a continuation of the
101.24 variable rate.

101.25 (e) Funds made available through the variable rate process that are not used by
101.26 the facility to meet the needs of the individual for whom they were approved shall be
101.27 returned to the state.

101.28 Sec. 129. Minnesota Statutes 2014, section 256B.69, subdivision 5, is amended to read:

101.29 Subd. 5. **Prospective per capita payment.** The commissioner shall establish the
101.30 method and amount of payments for services. The commissioner shall annually contract
101.31 with demonstration providers to provide services consistent with these established
101.32 methods and amounts for payment.

101.33 If allowed by the commissioner, a demonstration provider may contract with an
101.34 insurer, health care provider, nonprofit health service plan corporation, or the commissioner,
101.35 to provide insurance or similar protection against the cost of care provided by the

102.1 demonstration provider or to provide coverage against the risks incurred by demonstration
102.2 providers under this section. The recipients enrolled with a demonstration provider are
102.3 a permissible group under group insurance laws and chapter 62C, the Nonprofit Health
102.4 Service Plan Corporations Act. Under this type of contract, the insurer or corporation may
102.5 make benefit payments to a demonstration provider for services rendered or to be rendered
102.6 to a recipient. Any insurer or nonprofit health service plan corporation licensed to do
102.7 business in this state is authorized to provide this insurance or similar protection.

102.8 ~~Payments to providers participating in the project are exempt from the requirements~~
102.9 ~~of sections 256.966 and 256B.03, subdivision 2.~~ The commissioner shall complete
102.10 development of capitation rates for payments before delivery of services under this section
102.11 is begun. The commissioner shall contract with an independent actuary to establish
102.12 prepayment rates.

102.13 Beginning July 1, 2004, the commissioner may include payments for elderly waiver
102.14 services and 180 days of nursing home care in capitation payments for the prepaid medical
102.15 assistance program for recipients age 65 and older.

102.16 Sec. 130. Minnesota Statutes 2014, section 256B.71, subdivision 4, is amended to read:

102.17 Subd. 4. **Payment for services.** Notwithstanding ~~section 256.966~~ and this chapter,
102.18 the method of payment utilized for the social health maintenance organization projects
102.19 shall be the method developed by the commissioner of human services in consultation
102.20 with local project staff and the federal Department of Health and Human Services, Centers
102.21 for Medicare and Medicaid Services, Office of Demonstrations. This subdivision applies
102.22 only to the payment method for the social health maintenance organization projects.

102.23 Sec. 131. Minnesota Statutes 2014, section 256B.76, subdivision 5, is amended to read:

102.24 Subd. 5. **Outpatient rehabilitation facility.** An entity that operates both a
102.25 Medicare certified comprehensive outpatient rehabilitation facility and a facility which
102.26 was certified prior to January 1, 1993, that is licensed under Minnesota Rules, parts
102.27 9570.2000 to ~~9570.3600~~ 9570.3400, and for whom at least 33 percent of the clients
102.28 receiving rehabilitation services in the most recent calendar year are medical assistance
102.29 recipients, shall be reimbursed by the commissioner for rehabilitation services at rates that
102.30 are 38 percent greater than the maximum reimbursement rate allowed under subdivision 1,
102.31 paragraph (a), clause (2), when those services are (1) provided within the comprehensive
102.32 outpatient rehabilitation facility and (2) provided to residents of nursing facilities owned
102.33 by the entity.

103.1 Sec. 132. Minnesota Statutes 2015 Supplement, section 256B.765, is amended to read:

103.2 **256B.765 PROVIDER RATE INCREASES.**

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

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

103.15 (c) The annual adjustment under paragraph (a) shall be provided for home and
 103.16 community-based waiver services for persons with developmental disabilities under
 103.17 section 256B.501; home and community-based waiver services for the elderly under
 103.18 section 256B.0915; waived services under community access for disability inclusion
 103.19 under section 256B.49; community alternative care waived services under section
 103.20 256B.49; brain injury waived services under section 256B.49; nursing services and
 103.21 home health services under section 256B.0625, subdivision 6a; personal care services and
 103.22 nursing supervision of personal care services under section 256B.0625, subdivision 19a;
 103.23 home care nursing services under section 256B.0625, subdivision 7; day training and
 103.24 habilitation services for adults with developmental disabilities under sections 252.41 to
 103.25 252.46; physical therapy services under sections 256B.0625, subdivision 8, and 256D.03,
 103.26 subdivision 4; occupational therapy services under sections 256B.0625, subdivision 8a,
 103.27 and 256D.03, subdivision 4; speech-language therapy services under section 256D.03,
 103.28 subdivision 4, and Minnesota Rules, part 9505.0390; respiratory therapy services under
 103.29 section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0295; alternative care
 103.30 services under section 256B.0913; adult residential program grants under ~~Minnesota~~
 103.31 ~~Rules, parts 9535.2000 to 9535.3000~~ section 245.73; adult and family community support
 103.32 grants under Minnesota Rules, parts 9535.1700 to 9535.1760; semi-independent living
 103.33 services under section 252.275 including SILS funding under county social services
 103.34 grants formerly funded under chapter 256I; and community support services for deaf
 103.35 and hard-of-hearing adults with mental illness who use or wish to use sign language as
 103.36 their primary means of communication.

104.1 Sec. 133. Minnesota Statutes 2014, section 256B.77, subdivision 10, is amended to read:

104.2 Subd. 10. **Capitation payment.** (a) The commissioner shall pay a capitation
104.3 payment to the county authority and, when applicable under subdivision 6, paragraph (a),
104.4 to the service delivery organization for each medical assistance eligible enrollee. The
104.5 commissioner shall develop capitation payment rates for the initial contract period for
104.6 each demonstration site in consultation with an independent actuary, to ensure that the cost
104.7 of services under the demonstration project does not exceed the estimated cost for medical
104.8 assistance services for the covered population under the fee-for-service system for the
104.9 demonstration period. For each year of the demonstration project, the capitation payment
104.10 rate shall be based on 96 percent of the projected per person costs that would otherwise
104.11 have been paid under medical assistance fee-for-service during each of those years.
104.12 Rates shall be adjusted within the limits of the available risk adjustment technology, as
104.13 mandated by section 62Q.03. In addition, the commissioner shall implement appropriate
104.14 risk and savings sharing provisions with county administrative entities and, when
104.15 applicable under subdivision 6, paragraph (a), service delivery organizations within the
104.16 projected budget limits. Capitation rates shall be adjusted, at least annually, to include
104.17 any rate increases and payments for expanded or newly covered services for eligible
104.18 individuals. The initial demonstration project rate shall include an amount in addition to
104.19 the fee-for-service payments to adjust for underutilization of dental services. Any savings
104.20 beyond those allowed for the county authority, county administrative entity, or service
104.21 delivery organization shall be first used to meet the unmet needs of eligible individuals.
104.22 ~~Payments to providers participating in the project are exempt from the requirements of~~
104.23 ~~sections 256.966 and 256B.03, subdivision 2.~~

104.24 (b) The commissioner shall monitor and evaluate annually the effect of the discount
104.25 on consumers, the county authority, and providers of disability services. Findings shall be
104.26 reported and recommendations made, as appropriate, to ensure that the discount effect
104.27 does not adversely affect the ability of the county administrative entity or providers of
104.28 services to provide appropriate services to eligible individuals, and does not result in cost
104.29 shifting of eligible individuals to the county authority.

104.30 (c) For risk-sharing to occur under this subdivision, the aggregate fee-for-service
104.31 cost of covered services provided by the county administrative entity under this section
104.32 must exceed the aggregate sum of capitation payments made to the county administrative
104.33 entity under this section. The county authority is required to maintain its current level
104.34 of nonmedical assistance spending on enrollees. If the county authority spends less in
104.35 nonmedical assistance dollars on enrollees than it spent the year prior to the contract year,
104.36 the amount of underspending shall be deducted from the aggregate fee-for-service cost

105.1 of covered services. The commissioner shall then compare the fee-for-service costs and
105.2 capitation payments related to the services provided for the term of this contract. The
105.3 commissioner shall base its calculation of the fee-for-service costs on application of the
105.4 medical assistance fee schedule to services identified on the county administrative entity's
105.5 encounter claims submitted to the commissioner. The aggregate fee-for-service cost shall
105.6 not include any third-party recoveries or cost-avoided amounts.

105.7 If the commissioner finds that the aggregate fee-for-service cost is greater than the
105.8 sum of the capitation payments, the commissioner shall settle according to the following
105.9 schedule:

105.10 (1) For the first contract year for each project, the commissioner shall pay the county
105.11 administrative entity 50 percent of the difference between the sum of the capitation
105.12 payments and 100 percent of projected fee-for-service costs. For aggregate fee-for-service
105.13 costs in excess of 100 percent of projected fee-for-service costs, the commissioner shall
105.14 pay 25 percent of the difference between the aggregate fee-for-service costs and the
105.15 projected fee-for-service costs, up to 104 percent of the projected fee-for-service costs.
105.16 The county administrative entity shall be responsible for all costs in excess of 104 percent
105.17 of projected fee-for-service costs.

105.18 (2) For the second contract year for each project, the commissioner shall pay the
105.19 county administrative entity 37.5 percent of the difference between the sum of the
105.20 capitation payments and 100 percent of projected fee-for-service costs. The county
105.21 administrative entity shall be responsible for all costs in excess of 100 percent of projected
105.22 fee-for-service costs.

105.23 (3) For the third contract year for each project, the commissioner shall pay the
105.24 county administrative entity 25 percent of the difference between the sum of the capitation
105.25 payments and 100 percent of projected fee-for-service costs. The county administrative
105.26 entity shall be responsible for all costs in excess of 100 percent of projected fee-for-service
105.27 costs.

105.28 (4) For the fourth and subsequent contract years for each project, the county
105.29 administrative entity shall be responsible for all costs in excess of the capitation payments.

105.30 (d) In addition to other payments under this subdivision, the commissioner may
105.31 increase payments by up to 0.25 percent of the projected per-person costs that would
105.32 otherwise have been paid under medical assistance fee-for-service. The commissioner
105.33 may make the increased payments to:

105.34 (1) offset rate increases for regional treatment services under subdivision 22 which
105.35 are higher than were expected by the commissioner when the capitation was set at 96
105.36 percent; and

106.1 (2) implement incentives to encourage appropriate, high quality, efficient services.

106.2 Sec. 134. Minnesota Statutes 2015 Supplement, section 256B.85, subdivision 17,
106.3 is amended to read:

106.4 Subd. 17. **Consultation services duties.** Consultation services is a required service
106.5 that includes:

106.6 (1) entering into a written agreement with the participant, participant's representative,
106.7 or legal representative that includes but is not limited to the details of services, service
106.8 delivery methods, dates of services, and contact information;

106.9 (2) providing an initial and annual orientation to CFSS information and policies,
106.10 including selecting a service model;

106.11 (3) assisting with accessing FMS providers or agency-providers;

106.12 (4) providing assistance with the development, implementation, management,
106.13 documentation, and evaluation of the person-centered CFSS service delivery plan;

106.14 (5) approving the CFSS service delivery plan for a participant without a case
106.15 manager or care coordinator who is responsible for authorizing services;

106.16 (6) maintaining documentation of the approved CFSS service delivery plan;

106.17 (7) distributing copies of the final CFSS service delivery plan to the participant and
106.18 to the agency-provider or FMS provider, case manager or care coordinator, and other
106.19 designated parties;

106.20 (8) assisting to fulfill responsibilities and requirements of CFSS, including
106.21 modifying CFSS service delivery plans and changing service models;

106.22 (9) if requested, providing consultation ~~or~~ on recruiting, selecting, training,
106.23 managing, directing, supervising, and evaluating support workers;

106.24 (10) evaluating services upon receiving information from an FMS provider
106.25 indicating spending or participant employer concerns;

106.26 (11) reviewing the use of and access to informal and community supports, goods, or
106.27 resources;

106.28 (12) a semiannual review of services if the participant does not have a case manager
106.29 or care coordinator and when the support worker is a paid parent of a minor participant or
106.30 the participant's spouse;

106.31 (13) collecting and reporting of data as required by the department;

106.32 (14) providing the participant with a copy of the participant protections under
106.33 subdivision 20 at the start of consultation services;

106.34 (15) providing assistance to resolve issues of noncompliance with the requirements
106.35 of CFSS;

107.1 (16) providing recommendations to the commissioner for changes to services when
107.2 support to participants to resolve issues of noncompliance have been unsuccessful; and
107.3 (17) other duties as assigned by the commissioner.

107.4 Sec. 135. Minnesota Statutes 2015 Supplement, section 256B.85, subdivision 18a,
107.5 is amended to read:

107.6 Subd. 18a. **Worker training and development services.** (a) The commissioner
107.7 shall develop the scope of tasks and functions, service standards, and service limits for
107.8 worker training and development services.

107.9 (b) Worker training and development costs are in addition to the participant's assessed
107.10 service units or service budget. Services provided according to this subdivision must:

107.11 (1) help support workers obtain and expand the skills and knowledge necessary to
107.12 ensure competency in providing quality services as needed and defined in the participant's
107.13 CFSS service delivery plan and as required under subdivisions 11b and 14;

107.14 (2) be provided or arranged for by the agency-provider under subdivision 11, or
107.15 purchased by the participant employer under the budget model as identified in subdivision
107.16 13; and

107.17 (3) be described in the participant's CFSS service delivery plan and documented in
107.18 the participant's file.

107.19 (c) Services covered under worker training and development shall include:

107.20 (1) support worker training on the participant's individual assessed needs and
107.21 condition, provided individually or in a group setting by a skilled and knowledgeable
107.22 trainer beyond any training the participant or participant's representative provides;

107.23 (2) tuition for professional classes and workshops for the participant's support
107.24 workers that relate to the participant's assessed needs and condition; ~~and~~

107.25 (3) direct observation, monitoring, coaching, and documentation of support worker
107.26 job skills and tasks, beyond any training the participant or participant's representative
107.27 provides, including supervision of health-related tasks or behavioral supports that is
107.28 conducted by an appropriate professional based on the participant's assessed needs.

107.29 These services must be provided at the start of services or the start of a new support
107.30 worker except as provided in paragraph (d) and must be specified in the participant's
107.31 CFSS service delivery plan; and

107.32 (4) the activities to evaluate CFSS services and ensure support worker competency
107.33 described in subdivisions 11a and 11b.

108.1 (d) The services in paragraph (c), clause (3), are not required to be provided for a
 108.2 new support worker providing services for a participant due to staffing failures, unless the
 108.3 support worker is expected to provide ongoing backup staffing coverage.

108.4 (e) Worker training and development services shall not include:

108.5 (1) general agency training, worker orientation, or training on CFSS self-directed
 108.6 models;

108.7 (2) payment for preparation or development time for the trainer or presenter;

108.8 (3) payment of the support worker's salary or compensation during the training;

108.9 (4) training or supervision provided by the participant, the participant's support
 108.10 worker, or the participant's informal supports, including the participant's representative; or

108.11 (5) services in excess of 96 units per annual service agreement, unless approved
 108.12 by the department.

108.13 Sec. 136. Minnesota Statutes 2014, section 256C.30, is amended to read:

108.14 **256C.30 DUTIES OF HUMAN SERVICES COMMISSIONER.**

108.15 (a) As described in this section, the commissioner of human services must enter into
 108.16 grant agreements with television stations to make live local news programming accessible
 108.17 to deaf, hard-of-hearing, and deafblind persons as defined in section 256C.23.

108.18 (b) The grant agreements must provide for:

108.19 (1) real-time captioning services for broadcasting that is not emergency broadcasting
 108.20 subject to Code of Federal Regulations, title 47, section 79.2;

108.21 (2) real-time captioning services for commercial broadcasters in areas of Minnesota
 108.22 where commercial broadcasters are not subject to the live programming closed-captioning
 108.23 requirements of Code of Federal Regulations, title 47, section ~~71.1(e)(3)~~ 79.1(d); and

108.24 (3) real-time captioning for large-market noncommercial broadcasters who produce
 108.25 live news programming.

108.26 (c) For the purposes of this section, "real-time captioning" means a method of
 108.27 captioning in which captions are simultaneously prepared and transmitted at the time of
 108.28 origination by specially trained real-time captioners.

108.29 Sec. 137. Minnesota Statutes 2014, section 256G.02, subdivision 4, is amended to read:

108.30 Subd. 4. **County of financial responsibility.** (a) "County of financial responsibility"
 108.31 has the meanings in paragraphs (b) to (f).

108.32 (b) For an applicant who resides in the state and is not in a facility described in
 108.33 subdivision 6, it means the county in which the applicant resides at the time of application.

109.1 (c) For an applicant who resides in a facility described in subdivision 6, it means
 109.2 the county in which the applicant last resided in nonexcluded status immediately before
 109.3 entering the facility.

109.4 (d) For an applicant who has not resided in this state for any time other than the
 109.5 excluded time, and subject to the limitations in section 256G.03, subdivision 2, it means
 109.6 the county in which the applicant resides at the time of making application.

109.7 (e) For an individual already having a social service case open in one county,
 109.8 financial responsibility for any additional social services attaches to the case that has the
 109.9 earliest date of application and has been open without interruption.

109.10 (f) Notwithstanding paragraphs (b) to (e), the county of financial responsibility for
 109.11 semi-independent living services provided under section 252.275, and ~~Minnesota Rules,~~
 109.12 ~~parts 9525.0500 to 9525.0660~~ chapter 245D, is the county of residence in nonexcluded
 109.13 status immediately before the placement into or request for those services.

109.14 Sec. 138. Minnesota Statutes 2014, section 256G.02, subdivision 6, is amended to read:

109.15 Subd. 6. **Excluded time.** "Excluded time" means:

109.16 (1) any period an applicant spends in a hospital, sanitarium, nursing home, shelter
 109.17 other than an emergency shelter, halfway house, foster home, community residential
 109.18 setting licensed under chapter 245D, semi-independent living domicile or services
 109.19 program, residential facility offering care, board and lodging facility or other institution
 109.20 for the hospitalization or care of human beings, as defined in section 144.50, 144A.01,
 109.21 or 245A.02, subdivision 14; maternity home, battered women's shelter, or correctional
 109.22 facility; or any facility based on an emergency hold under ~~sections~~ section 253B.05,
 109.23 subdivisions 1 and 2, ~~and 253B.07, subdivision 6;~~

109.24 (2) any period an applicant spends on a placement basis in a training and habilitation
 109.25 program, including: a rehabilitation facility or work or employment program as defined
 109.26 in section 268A.01; semi-independent living services provided under section 252.275,
 109.27 and ~~Minnesota Rules, parts 9525.0500 to 9525.0660~~ chapter 245D; or day training and
 109.28 habilitation programs and assisted living services; and

109.29 (3) any placement for a person with an indeterminate commitment, including
 109.30 independent living.

109.31 Sec. 139. Minnesota Statutes 2014, section 256G.03, subdivision 2, is amended to read:

109.32 Subd. 2. **No durational test.** Except as otherwise provided in sections 256J.75;
 109.33 256B.056, subdivision 1; 256D.02, subdivision 12a, and 256J.12 for purposes of this
 109.34 chapter, no waiting period is required before securing county or state residence. A person

110.1 cannot, however, gain residence while physically present in an excluded time facility
110.2 unless otherwise specified in this chapter or in a federal regulation controlling a federally
110.3 funded human service program. Interstate migrants who enter a shelter for battered
110.4 women directly from another state can gain residency while in the facility provided the
110.5 person can provide documentation that the person is a victim of domestic abuse and the
110.6 county determines that the placement is appropriate; ~~and the commissioner of human~~
110.7 ~~services is authorized to make per diem payments under section 256D.05, subdivision~~
110.8 ~~3, on behalf of such individuals.~~

110.9 Sec. 140. Minnesota Statutes 2015 Supplement, section 256I.04, subdivision 3, is
110.10 amended to read:

110.11 Subd. 3. **Moratorium on development of group residential housing beds.** (a)
110.12 Agencies shall not enter into agreements for new group residential housing beds with total
110.13 rates in excess of the MSA equivalent rate except:

110.14 (1) for group residential housing establishments licensed under ~~Minnesota Rules,~~
110.15 ~~parts 9525.0215 to 9525.0355,~~ chapter 245D provided the facility is needed to meet the
110.16 census reduction targets for persons with developmental disabilities at regional treatment
110.17 centers;

110.18 (2) up to 80 beds in a single, specialized facility located in Hennepin County that will
110.19 provide housing for chronic inebriates who are repetitive users of detoxification centers
110.20 and are refused placement in emergency shelters because of their state of intoxication,
110.21 and planning for the specialized facility must have been initiated before July 1, 1991,
110.22 in anticipation of receiving a grant from the Housing Finance Agency under section
110.23 462A.05, subdivision 20a, paragraph (b);

110.24 (3) notwithstanding the provisions of subdivision 2a, for up to 190 supportive
110.25 housing units in Anoka, Dakota, Hennepin, or Ramsey County for homeless adults with a
110.26 mental illness, a history of substance abuse, or human immunodeficiency virus or acquired
110.27 immunodeficiency syndrome. For purposes of this section, "homeless adult" means a
110.28 person who is living on the street or in a shelter or discharged from a regional treatment
110.29 center, community hospital, or residential treatment program and has no appropriate
110.30 housing available and lacks the resources and support necessary to access appropriate
110.31 housing. At least 70 percent of the supportive housing units must serve homeless adults
110.32 with mental illness, substance abuse problems, or human immunodeficiency virus or
110.33 acquired immunodeficiency syndrome who are about to be or, within the previous six
110.34 months, has been discharged from a regional treatment center, or a state-contracted
110.35 psychiatric bed in a community hospital, or a residential mental health or chemical

111.1 dependency treatment program. If a person meets the requirements of subdivision 1,
111.2 paragraph (a), and receives a federal or state housing subsidy, the group residential housing
111.3 rate for that person is limited to the supplementary rate under section 256I.05, subdivision
111.4 1a, and is determined by subtracting the amount of the person's countable income that
111.5 exceeds the MSA equivalent rate from the group residential housing supplementary rate.
111.6 A resident in a demonstration project site who no longer participates in the demonstration
111.7 program shall retain eligibility for a group residential housing payment in an amount
111.8 determined under section 256I.06, subdivision 8, using the MSA equivalent rate. Service
111.9 funding under section 256I.05, subdivision 1a, will end June 30, 1997, if federal matching
111.10 funds are available and the services can be provided through a managed care entity. If
111.11 federal matching funds are not available, then service funding will continue under section
111.12 256I.05, subdivision 1a;

111.13 (4) for an additional two beds, resulting in a total of 32 beds, for a facility located in
111.14 Hennepin County providing services for recovering and chemically dependent men that
111.15 has had a group residential housing contract with the county and has been licensed as a
111.16 board and lodge facility with special services since 1980;

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

111.21 (6) for a new 65-bed facility in Crow Wing County that will serve chemically
111.22 dependent persons, operated by a group residential housing provider that currently
111.23 operates a 304-bed facility in Minneapolis, and a 44-bed facility in Duluth;

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

111.28 (8) for a group residential facility in Hennepin County with a capacity of up to 48
111.29 beds that has been licensed since 1978 as a board and lodging facility and that until August
111.30 1, 2007, operated as a licensed chemical dependency treatment program.

111.31 (b) An agency may enter into a group residential housing agreement for beds with
111.32 rates in excess of the MSA equivalent rate in addition to those currently covered under a
111.33 group residential housing agreement if the additional beds are only a replacement of beds
111.34 with rates in excess of the MSA equivalent rate which have been made available due to
111.35 closure of a setting, a change of licensure or certification which removes the beds from
111.36 group residential housing payment, or as a result of the downsizing of a group residential

112.1 housing setting. The transfer of available beds from one agency to another can only
112.2 occur by the agreement of both agencies.

112.3 Sec. 141. Minnesota Statutes 2015 Supplement, section 256I.04, subdivision 4, is
112.4 amended to read:

112.5 Subd. 4. **Rental assistance.** For participants in the Minnesota supportive housing
112.6 demonstration program under subdivision 3, paragraph (a), clause ~~(5)~~ (3), notwithstanding
112.7 the provisions of section 256I.06, subdivision 8, the amount of the group residential
112.8 housing payment for room and board must be calculated by subtracting 30 percent of the
112.9 recipient's adjusted income as defined by the United States Department of Housing and
112.10 Urban Development for the Section 8 program from the fair market rent established for the
112.11 recipient's living unit by the federal Department of Housing and Urban Development. This
112.12 payment shall be regarded as a state housing subsidy for the purposes of subdivision 3.
112.13 Notwithstanding the provisions of section 256I.06, subdivision 6, the recipient's countable
112.14 income will only be adjusted when a change of greater than \$100 in a month occurs or
112.15 upon annual redetermination of eligibility, whichever is sooner.

112.16 Sec. 142. Minnesota Statutes 2014, section 256I.05, subdivision 1a, is amended to read:

112.17 Subd. 1a. **Supplementary service rates.** (a) Subject to the provisions of section
112.18 256I.04, subdivision 3, the county agency may negotiate a payment not to exceed \$426.37
112.19 for other services necessary to provide room and board provided by the group residence if
112.20 the residence is licensed by or registered by the Department of Health, or licensed by the
112.21 Department of Human Services to provide services in addition to room and board, and if the
112.22 provider of services is not also concurrently receiving funding for services for a recipient
112.23 under a home and community-based waiver under title XIX of the Social Security Act; or
112.24 funding from the medical assistance program under section 256B.0659, for personal care
112.25 services for residents in the setting; or residing in a setting which receives funding under
112.26 ~~Minnesota Rules, parts 9535.2000 to 9535.3000~~ section 245.73. If funding is available for
112.27 other necessary services through a home and community-based waiver, or personal care
112.28 services under section 256B.0659, then the GRH rate is limited to the rate set in subdivision
112.29 1. Unless otherwise provided in law, in no case may the supplementary service rate exceed
112.30 \$426.37. The registration and licensure requirement does not apply to establishments
112.31 which are exempt from state licensure because they are located on Indian reservations and
112.32 for which the tribe has prescribed health and safety requirements. Service payments under
112.33 this section may be prohibited under rules to prevent the supplanting of federal funds with
112.34 state funds. The commissioner shall pursue the feasibility of obtaining the approval of the

113.1 Secretary of Health and Human Services to provide home and community-based waiver
 113.2 services under title XIX of the Social Security Act for residents who are not eligible for an
 113.3 existing home and community-based waiver due to a primary diagnosis of mental illness or
 113.4 chemical dependency and shall apply for a waiver if it is determined to be cost-effective.

113.5 (b) The commissioner is authorized to make cost-neutral transfers from the GRH
 113.6 fund for beds under this section to other funding programs administered by the department
 113.7 after consultation with the county or counties in which the affected beds are located.

113.8 The commissioner may also make cost-neutral transfers from the GRH fund to county
 113.9 human service agencies for beds permanently removed from the GRH census under a plan
 113.10 submitted by the county agency and approved by the commissioner. The commissioner
 113.11 shall report the amount of any transfers under this provision annually to the legislature.

113.12 ~~(e) The provisions of paragraph (b) do not apply to a facility that has its~~
 113.13 ~~reimbursement rate established under section 256B.431, subdivision 4, paragraph (e).~~

113.14 ~~(d)~~ (c) Counties must not negotiate supplementary service rates with providers of
 113.15 group residential housing that are licensed as board and lodging with special services and
 113.16 that do not encourage a policy of sobriety on their premises and make referrals to available
 113.17 community services for volunteer and employment opportunities for residents.

113.18 Sec. 143. Minnesota Statutes 2015 Supplement, section 256I.05, subdivision 1c, is
 113.19 amended to read:

113.20 Subd. 1c. **Rate increases.** An agency may not increase the rates negotiated for
 113.21 group residential housing above those in effect on June 30, 1993, except as provided
 113.22 in paragraphs (a) to (f).

113.23 (a) An agency may increase the rates for group residential housing settings to the
 113.24 MSA equivalent rate for those settings whose current rate is below the MSA equivalent rate.

113.25 (b) An agency may increase the rates for residents in adult foster care whose
 113.26 difficulty of care has increased. The total group residential housing rate for these residents
 113.27 must not exceed the maximum rate specified in subdivisions 1 and 1a. Agencies must not
 113.28 include nor increase group residential housing difficulty of care rates for adults in foster
 113.29 care whose difficulty of care is eligible for funding by home and community-based waiver
 113.30 programs under title XIX of the Social Security Act.

113.31 (c) The room and board rates will be increased each year when the MSA equivalent
 113.32 rate is adjusted for SSI cost-of-living increases by the amount of the annual SSI increase,
 113.33 less the amount of the increase in the medical assistance personal needs allowance under
 113.34 section 256B.35.

114.1 (d) When a group residential housing rate is used to pay for an individual's room
 114.2 and board, or other costs necessary to provide room and board, the rate payable to
 114.3 the residence must continue for up to 18 calendar days per incident that the person is
 114.4 temporarily absent from the residence, not to exceed 60 days in a calendar year, if the
 114.5 absence or absences have received the prior approval of the county agency's social service
 114.6 staff. Prior approval is not required for emergency absences due to crisis, illness, or injury.

114.7 (e) For facilities meeting substantial change criteria within the prior year. Substantial
 114.8 change criteria exists if the group residential housing establishment experiences a 25
 114.9 percent increase or decrease in the total number of its beds, if the net cost of capital
 114.10 additions or improvements is in excess of 15 percent of the current market value of the
 114.11 residence, or if the residence physically moves, or changes its licensure, and incurs a
 114.12 resulting increase in operation and property costs.

114.13 (f) Until June 30, 1994, an agency may increase by up to five percent the total
 114.14 rate paid for recipients of assistance under sections 256D.01 to 256D.21 or 256D.33 to
 114.15 256D.54 who reside in residences that are licensed by the commissioner of health as
 114.16 a boarding care home, but are not certified for the purposes of the medical assistance
 114.17 program. However, an increase under this clause must not exceed an amount equivalent to
 114.18 65 percent of the 1991 medical assistance reimbursement rate for nursing home resident
 114.19 class A, in the geographic grouping in which the facility is located, as established under
 114.20 Minnesota Rules, parts ~~9549.0050~~ 9549.0051 to 9549.0058.

114.21 Sec. 144. Minnesota Statutes 2014, section 256J.08, subdivision 73, is amended to read:

114.22 Subd. 73. **Qualified noncitizen.** "Qualified noncitizen" means a person:

114.23 (1) who was lawfully admitted for permanent residence according to United States
 114.24 Code, title 8;

114.25 (2) who was admitted to the United States as a refugee according to United States
 114.26 Code, title 8; section 1157;

114.27 (3) whose deportation is being withheld according to United States Code, title 8,
 114.28 sections 1231(b)(3), 1253(h), and 1641(b)(5);

114.29 (4) who was paroled for a period of at least one year according to United States
 114.30 Code, title 8, section 1182(d)(5);

114.31 (5) who was granted conditional entry according to United ~~State~~ States Code, title 8,
 114.32 section 1153(a)(7);

114.33 (6) who is a Cuban or Haitian entrant as defined in section 501(e) of the Refugee
 114.34 Education Assistance Act of 1980, United States Code, title 8, section 1641(b)(7);

114.35 (7) who was granted asylum according to United States Code, title 8, section 1158;

115.1 (8) who is a battered noncitizen according to United States Code, title 8, section
115.2 1641(c); or

115.3 (9) who is a parent or child of a battered noncitizen according to United States Code,
115.4 title 8, section 1641(c).

115.5 Sec. 145. Minnesota Statutes 2014, section 256J.24, subdivision 7, is amended to read:

115.6 Subd. 7. **Family wage level.** The family wage level is 110 percent of the transitional
115.7 standard under subdivision 5 ~~or 6~~. If there is earned income in the assistance unit, earned
115.8 income is subtracted from the family wage level to determine the amount of the assistance
115.9 payment, as specified in section 256J.21. The assistance payment may not exceed the
115.10 transitional standard under subdivision 5 ~~or 6~~, ~~or the shared household standard under~~
115.11 ~~subdivision 9, whichever is applicable~~, for the assistance unit.

115.12 Sec. 146. Minnesota Statutes 2014, section 256L.03, subdivision 3, is amended to read:

115.13 Subd. 3. **Inpatient hospital services.** (a) Covered health services shall include
115.14 inpatient hospital services, including inpatient hospital mental health services and inpatient
115.15 hospital and residential chemical dependency treatment, subject to those limitations
115.16 necessary to coordinate the provision of these services with eligibility under the medical
115.17 assistance spenddown.

115.18 (b) Admissions for inpatient hospital services paid for under section 256L.11,
115.19 subdivision 3, must be certified as medically necessary in accordance with Minnesota
115.20 Rules, parts ~~9505.0500~~ 9505.0505 to 9505.0540, except as provided in clauses (1) and (2):

115.21 (1) all admissions must be certified, except those authorized under rules established
115.22 under section 254A.03, subdivision 3, or approved under Medicare; and

115.23 (2) payment under section 256L.11, subdivision 3, shall be reduced by five percent
115.24 for admissions for which certification is requested more than 30 days after the day of
115.25 admission. The hospital may not seek payment from the enrollee for the amount of the
115.26 payment reduction under this clause.

115.27 Sec. 147. Minnesota Statutes 2014, section 257C.03, subdivision 7, is amended to read:

115.28 Subd. 7. **Interested third party; burden of proof; factors.** (a) To establish that an
115.29 individual is an interested third party, the individual must:

115.30 (1) show by clear and convincing evidence that one of the following factors exist:

115.31 (i) the parent has abandoned, neglected, or otherwise exhibited disregard for the
115.32 child's well-being to the extent that the child will be harmed by living with the parent;

116.1 (ii) placement of the child with the individual takes priority over preserving the
 116.2 day-to-day parent-child relationship because of the presence of physical or emotional
 116.3 danger to the child, or both; or

116.4 (iii) other extraordinary circumstances;

116.5 (2) prove by a preponderance of the evidence that it is in the best interests of the
 116.6 child to be in the custody of the interested third party; and

116.7 (3) show by clear and convincing evidence that granting the petition would not
 116.8 violate section 518.179, ~~subdivision 1a.~~

116.9 (b) The following factors must be considered by the court in determining an
 116.10 interested third party's petition:

116.11 (1) the amount of involvement the interested third party had with the child during
 116.12 the parent's absence or during the child's lifetime;

116.13 (2) the amount of involvement the parent had with the child during the parent's
 116.14 absence;

116.15 (3) the presence or involvement of other interested third parties;

116.16 (4) the facts and circumstances of the parent's absence;

116.17 (5) the parent's refusal to comply with conditions for retaining custody set forth
 116.18 in previous court orders;

116.19 (6) whether the parent now seeking custody was previously prevented from doing so
 116.20 as a result of domestic violence;

116.21 (7) whether a sibling of the child is already in the care of the interested third party; and

116.22 (8) the existence of a standby custody designation under chapter 257B.

116.23 (c) In determining the best interests of the child, the court must apply the standards
 116.24 in section 257C.04.

116.25 Sec. 148. Minnesota Statutes 2014, section 260.785, subdivision 3, is amended to read:

116.26 Subd. 3. **Compliance grants.** The commissioner shall establish direct grants to
 116.27 an Indian child welfare defense corporation, as defined in Minnesota Statutes 1996,
 116.28 section 611.216, subdivision 1a, to promote statewide compliance with the Indian Family
 116.29 Preservation Act and the Indian Child Welfare Act, United States Code, title 25, section
 116.30 1901, et seq. The commissioner shall give priority consideration to applicants with
 116.31 demonstrated capability of providing legal advocacy services statewide.

116.32 Sec. 149. Minnesota Statutes 2015 Supplement, section 260C.221, is amended to read:

116.33 **260C.221 RELATIVE SEARCH.**

117.1 (a) The responsible social services agency shall exercise due diligence to identify
117.2 and notify adult relatives prior to placement or within 30 days after the child's removal
117.3 from the parent. The county agency shall consider placement with a relative under this
117.4 section without delay and whenever the child must move from or be returned to foster
117.5 care. The relative search required by this section shall be comprehensive in scope. After a
117.6 finding that the agency has made reasonable efforts to conduct the relative search under
117.7 this paragraph, the agency has the continuing responsibility to appropriately involve
117.8 relatives, who have responded to the notice required under this paragraph, in planning
117.9 for the child and to continue to consider relatives according to the requirements of
117.10 section 260C.212, subdivision 2. At any time during the course of juvenile protection
117.11 proceedings, the court may order the agency to reopen its search for relatives when it is in
117.12 the child's best interest to do so.

117.13 (b) The relative search required by this section shall include both maternal and
117.14 paternal adult relatives of the child; all adult grandparents; all legal parents, guardians or
117.15 custodians; of the child's siblings; and any other adult relatives suggested by the child's
117.16 parents, subject to the exceptions due to family violence in paragraph (c). The search shall
117.17 also include getting information from the child in an age-appropriate manner about who
117.18 the child considers to be family members and important friends with whom the child has
117.19 resided or had significant contact. The relative search required under this section must
117.20 fulfill the agency's duties under the Indian Child Welfare Act regarding active efforts
117.21 to prevent the breakup of the Indian family under United States Code, title 25, section
117.22 1912(d), and to meet placement preferences under United States Code, title 25, section
117.23 1915. The relatives must be notified:

117.24 (1) of the need for a foster home for the child, the option to become a placement
117.25 resource for the child, and the possibility of the need for a permanent placement for the
117.26 child;

117.27 (2) of their responsibility to keep the responsible social services agency and the court
117.28 informed of their current address in order to receive notice in the event that a permanent
117.29 placement is sought for the child and to receive notice of the permanency progress review
117.30 hearing under section 260C.204. A relative who fails to provide a current address to the
117.31 responsible social services agency and the court forfeits the right to receive notice of the
117.32 possibility of permanent placement and of the permanency progress review hearing under
117.33 section 260C.204. A decision by a relative not to be identified as a potential permanent
117.34 placement resource or participate in planning for the child at the beginning of the case
117.35 shall not affect whether the relative is considered for placement of the child with that
117.36 relative later;

118.1 (3) that the relative may participate in the care and planning for the child, including
118.2 that the opportunity for such participation may be lost by failing to respond to the notice
118.3 sent under this subdivision. "Participate in the care and planning" includes, but is not
118.4 limited to, participation in case planning for the parent and child, identifying the strengths
118.5 and needs of the parent and child, supervising visits, providing respite and vacation visits
118.6 for the child, providing transportation to appointments, suggesting other relatives who
118.7 might be able to help support the case plan, and to the extent possible, helping to maintain
118.8 the child's familiar and regular activities and contact with friends and relatives;

118.9 (4) of the family foster care licensing requirements, including how to complete an
118.10 application and how to request a variance from licensing standards that do not present a
118.11 safety or health risk to the child in the home under section 245A.04 and supports that are
118.12 available for relatives and children who reside in a family foster home; and

118.13 (5) of the relatives' right to ask to be notified of any court proceedings regarding
118.14 the child, to attend the hearings, and of a relative's right or opportunity to be heard by the
118.15 court as required under section 260C.152, subdivision 5.

118.16 (c) A responsible social services agency may disclose private data, as defined in
118.17 sections 13.02 and 626.556, to relatives of the child for the purpose of locating and
118.18 assessing a suitable placement and may use any reasonable means of identifying and
118.19 locating relatives including the Internet or other electronic means of conducting a search.
118.20 The agency shall disclose data that is necessary to facilitate possible placement with
118.21 relatives and to ensure that the relative is informed of the needs of the child so the
118.22 relative can participate in planning for the child and be supportive of services to the child
118.23 and family. If the child's parent refuses to give the responsible social services agency
118.24 information sufficient to identify the maternal and paternal relatives of the child, the
118.25 agency shall ask the juvenile court to order the parent to provide the necessary information.
118.26 If a parent makes an explicit request that a specific relative not be contacted or considered
118.27 for placement due to safety reasons including past family or domestic violence, the agency
118.28 shall bring the parent's request to the attention of the court to determine whether the
118.29 parent's request is consistent with the best interests of the child and the agency shall not
118.30 contact the specific relative when the juvenile court finds that contacting the specific
118.31 relative would endanger the parent, guardian, child, sibling, or any family member.

118.32 (d) At a regularly scheduled hearing not later than three months after the child's
118.33 placement in foster care and as required in section 260C.202, the agency shall report to
118.34 the court:

119.1 (1) its efforts to identify maternal and paternal relatives of the child and to engage
119.2 the relatives in providing support for the child and family, and document that the relatives
119.3 have been provided the notice required under paragraph (a); and

119.4 (2) its decision regarding placing the child with a relative as required under section
119.5 260C.212, subdivision 2, and to ask relatives to visit or maintain contact with the child in
119.6 order to support family connections for the child, when placement with a relative is not
119.7 possible or appropriate.

119.8 (e) Notwithstanding chapter 13, the agency shall disclose data about particular
119.9 relatives identified, searched for, and contacted for the purposes of the court's review of
119.10 the agency's due diligence.

119.11 (f) When the court is satisfied that the agency has exercised due diligence to
119.12 identify relatives and provide the notice required in paragraph (a), the court may find that
119.13 reasonable efforts have been made to conduct a relative search to identify and provide
119.14 notice to adult relatives as required under section 260.012, paragraph (e), clause (3). If the
119.15 court is not satisfied that the agency has exercised due diligence to identify relatives and
119.16 provide the notice required in paragraph (a), the court may order the agency to continue its
119.17 search and notice efforts and to report back to the court.

119.18 (g) When the placing agency determines that permanent placement proceedings are
119.19 necessary because there is a likelihood that the child will not return to a parent's care, the
119.20 agency must send the notice provided in paragraph (h), may ask the court to modify the
119.21 duty of the agency to send the notice required in paragraph (h), or may ask the court to
119.22 completely relieve the agency of the requirements of paragraph (h). The relative notification
119.23 requirements of paragraph (h) do not apply when the child is placed with an appropriate
119.24 relative or a foster home that has committed to adopting the child or taking permanent
119.25 legal and physical custody of the child and the agency approves of that foster home for
119.26 permanent placement of the child. The actions ordered by the court under this section
119.27 must be consistent with the best interests, safety, permanency, and welfare of the child.

119.28 (h) Unless required under the Indian Child Welfare Act or relieved of this duty by the
119.29 court under paragraph (f), when the agency determines that it is necessary to prepare for
119.30 permanent placement determination proceedings, or in anticipation of filing a termination
119.31 of parental rights petition, the agency shall send notice to the relatives, any adult with
119.32 whom the child is currently residing, any adult with whom the child has resided for one
119.33 year or longer in the past, and any adults who have maintained a relationship or exercised
119.34 visitation with the child as identified in the agency case plan. The notice must state that a
119.35 permanent home is sought for the child and that the individuals receiving the notice may
119.36 indicate to the agency their interest in providing a permanent home. The notice must state

120.1 that within 30 days of receipt of the notice an individual receiving the notice must indicate
 120.2 to the agency the individual's interest in providing a permanent home for the child or that
 120.3 the individual may lose the opportunity to be considered for a permanent placement.

120.4 Sec. 150. Minnesota Statutes 2014, section 268A.01, subdivision 14, is amended to
 120.5 read:

120.6 Subd. 14. **Affirmative business enterprise employment.** "Affirmative business
 120.7 enterprise employment" means employment which provides paid work on the premises of
 120.8 an affirmative business enterprise as certified by the commissioner.

120.9 Affirmative business enterprise employment is considered community employment
 120.10 for purposes of funding under Minnesota Rules, parts ~~3300.1000~~ 3300.2005 to 3300.2055,
 120.11 provided that the wages for individuals reported must be at or above customary wages for
 120.12 the same employer. The employer must also provide one benefit package that is available
 120.13 to all employees at the specific site certified as an affirmative business enterprise.

120.14 Sec. 151. Minnesota Statutes 2014, section 270C.721, is amended to read:

120.15 **270C.721 REVOCATION OF CERTIFICATES OF AUTHORITY TO DO**
 120.16 **BUSINESS IN THIS STATE.**

120.17 When a foreign corporation authorized to do business in this state under chapter 303,
 120.18 or a foreign limited liability company or partnership authorized to do business in this state
 120.19 under chapter 322B or 322C, fails to comply with a law administered by the commissioner
 120.20 that imposes a tax, the commissioner may serve the secretary of state with a certified copy
 120.21 of an order finding such failure to comply. The secretary of state, upon receipt of the
 120.22 order, shall revoke the authority to do business in this state, and shall reinstate the entity
 120.23 under section 303.19; 322B.960, subdivision 65; or 322C.0706 only when the corporation
 120.24 or limited liability company or partnership has obtained from the commissioner an order
 120.25 finding that the corporation or limited liability company or partnership is in compliance
 120.26 with such law. An order requiring revocation of a certificate shall not be issued unless the
 120.27 commissioner gives the corporation or limited liability company or partnership 30 days'
 120.28 written notice of the proposed order, specifying the violations of law, and affording an
 120.29 opportunity to request a contested case hearing under chapter 14.

120.30 Sec. 152. Minnesota Statutes 2014, section 271.06, subdivision 7, is amended to read:

120.31 Subd. 7. **Rules.** Except as provided in section 278.05, subdivision 6, the Rules
 120.32 of Evidence and Civil Procedure for the district court of Minnesota shall govern the

121.1 procedures in the Tax Court, where practicable. The Tax Court may adopt rules under
 121.2 chapter 14. ~~The rules in effect on January 1, 1989, apply until superseded.~~

121.3 Sec. 153. Minnesota Statutes 2014, section 271.07, is amended to read:

121.4 **271.07 STENOGRAPHIC REPORT; TRANSCRIPT.**

121.5 Except in the small claims division, the Tax Court shall provide for a verbatim
 121.6 stenographic report of all proceedings had before it upon appeals, as required by the laws
 121.7 relating to proceedings in district court. The cost of the stenographic record shall be paid
 121.8 by the party taking the appeal. The cost is a taxable cost under section ~~271.09~~ 271.19.

121.9 Sec. 154. Minnesota Statutes 2014, section 272.02, subdivision 10, is amended to read:

121.10 Subd. 10. **Personal property used for pollution control.** Personal property used
 121.11 primarily for the abatement and control of air, water, or land pollution is exempt to the
 121.12 extent that it is so used, and real property is exempt if it is used primarily for abatement
 121.13 and control of air, water, or land pollution as part of an agricultural operation, as a part
 121.14 of a centralized treatment and recovery facility operating under a permit issued by the
 121.15 Minnesota Pollution Control Agency pursuant to chapters 115 and 116 and Minnesota
 121.16 Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to ~~7045.1260~~ 7045.1030, as a
 121.17 wastewater treatment facility and for the treatment, recovery, and stabilization of metals,
 121.18 oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes,
 121.19 or as part of an electric generation system. For purposes of this subdivision, personal
 121.20 property includes ponderous machinery and equipment used in a business or production
 121.21 activity that at common law is considered real property.

121.22 Any taxpayer requesting exemption of all or a portion of any real property or any
 121.23 equipment or device, or part thereof, operated primarily for the control or abatement of
 121.24 air, water, or land pollution shall file an application with the commissioner of revenue.
 121.25 The commissioner shall develop an electronic means to notify interested parties when
 121.26 electric power generation facilities have filed an application. The Minnesota Pollution
 121.27 Control Agency shall upon request of the commissioner furnish information and advice to
 121.28 the commissioner.

121.29 The information and advice furnished by the Minnesota Pollution Control
 121.30 Agency must include statements as to whether the equipment, device, or real property
 121.31 meets a standard, rule, criteria, guideline, policy, or order of the Minnesota Pollution
 121.32 Control Agency, and whether the equipment, device, or real property is installed or
 121.33 operated in accordance with it. On determining that property qualifies for exemption,
 121.34 the commissioner shall issue an order exempting the property from taxation. The

122.1 commissioner shall develop an electronic means to notify interested parties when
 122.2 the commissioner has issued an order exempting property from taxation under this
 122.3 subdivision. The equipment, device, or real property shall continue to be exempt from
 122.4 taxation as long as the order issued by the commissioner remains in effect.

122.5 Sec. 155. Minnesota Statutes 2014, section 273.032, is amended to read:

122.6 **273.032 MARKET VALUE DEFINITION.**

122.7 (a) Unless otherwise provided, for the purpose of determining any property tax
 122.8 levy limitation based on market value or any limit on net debt, the issuance of bonds,
 122.9 certificates of indebtedness, or capital notes based on market value, any qualification to
 122.10 receive state aid based on market value, or any state aid amount based on market value,
 122.11 the terms "market value," "estimated market value," and "market valuation," whether
 122.12 equalized or unequalized, mean the estimated market value of taxable property within the
 122.13 local unit of government before any of the following or similar adjustments for:

122.14 (1) the market value exclusions under:

122.15 (i) section 273.11, subdivisions 14a and 14c (vacant platted land);

122.16 (ii) section 273.11, subdivision 16 (certain improvements to homestead property);

122.17 (iii) section 273.11, subdivisions 19 and 20 (certain improvements to business
 122.18 properties);

122.19 (iv) section 273.11, subdivision 21 (homestead property damaged by mold);

122.20 (v) ~~section 273.11, subdivision 22 (qualifying lead hazardous reduction projects);~~

122.21 ~~(vi) section 273.13, subdivision 34 (homestead of a disabled veteran or family
 122.22 caregiver); or~~

122.23 (vii) section 273.13, subdivision 35 (homestead market value exclusion); or

122.24 (2) the deferment of value under:

122.25 (i) the Minnesota Agricultural Property Tax Law, section 273.111;

122.26 (ii) the Aggregate Resource Preservation Law, section 273.1115;

122.27 (iii) the Minnesota Open Space Property Tax Law, section 273.112;

122.28 (iv) the rural preserves property tax program, section 273.114; or

122.29 (v) the Metropolitan Agricultural Preserves Act, section 473H.10; or

122.30 (3) the adjustments to tax capacity for:

122.31 (i) tax increment financing under sections 469.174 to 469.1794;

122.32 (ii) fiscal disparities under chapter 276A or 473F; or

122.33 (iii) powerline credit under section 273.425.

123.1 (b) Estimated market value under paragraph (a) also includes the market value
 123.2 of tax-exempt property if the applicable law specifically provides that the limitation,
 123.3 qualification, or aid calculation includes tax-exempt property.

123.4 (c) Unless otherwise provided, "market value," "estimated market value," and
 123.5 "market valuation" for purposes of property tax levy limitations and calculation of state
 123.6 aid, refer to the estimated market value for the previous assessment year and for purposes
 123.7 of limits on net debt, the issuance of bonds, certificates of indebtedness, or capital notes
 123.8 refer to the estimated market value as last finally equalized.

123.9 (d) For purposes of a provision of a home rule charter or of any special law that is not
 123.10 codified in the statutes and that imposes a levy limitation based on market value or any limit
 123.11 on debt, the issuance of bonds, certificates of indebtedness, or capital notes based on market
 123.12 value, the terms "market value," "taxable market value," and "market valuation," whether
 123.13 equalized or unequalized, mean "estimated market value" as defined in paragraph (a).

123.14 Sec. 156. Minnesota Statutes 2014, section 287.29, subdivision 1, is amended to read:

123.15 Subdivision 1. **Appointment and payment of tax proceeds.** (a) The proceeds of the
 123.16 taxes levied and collected under sections 287.21 to ~~287.39~~ 287.385 must be apportioned,
 123.17 97 percent to the general fund of the state, and three percent to the county revenue fund.

123.18 (b) On or before the 20th day of each month, the county treasurer shall determine
 123.19 and pay to the commissioner of revenue for deposit in the state treasury and credit to the
 123.20 general fund the state's portion of the receipts for deed tax from the preceding month
 123.21 subject to the electronic transfer requirements of section 270C.42. The county treasurer
 123.22 shall provide any related reports requested by the commissioner of revenue.

123.23 (c) Counties must remit the state's portion of the June receipts collected through June
 123.24 25 and the estimated state's portion of the receipts to be collected during the remainder of
 123.25 the month to the commissioner of revenue two business days before June 30 of each year.
 123.26 The remaining amount of the June receipts is due on August 20.

123.27 Sec. 157. Minnesota Statutes 2014, section 290.01, subdivision 22, is amended to read:

123.28 Subd. 22. **Taxable net income.** For tax years beginning after December 31, 1986,
 123.29 the term "taxable net income" means:

123.30 (1) for resident individuals the same as net income;

123.31 (2) for individuals who were not residents of Minnesota for the entire year, the same
 123.32 as net income except that the tax is imposed only on the Minnesota apportioned share of
 123.33 that income as determined pursuant to section 290.06, subdivision 2c, paragraph (e);

124.1 (3) for all other taxpayers, the part of net income that is allocable to Minnesota by
124.2 assignment or apportionment under one or more of sections 290.17, 290.191, 290.20,
124.3 and 290.36.

124.4 ~~For tax years beginning before January 1, 1987, the term "taxable net income"~~
124.5 ~~means the net income assignable to this state pursuant to sections 290.17 to 290.20. For~~
124.6 ~~corporations, taxable net income is then reduced by the deductions contained in section~~
124.7 ~~290.21.~~

124.8 Sec. 158. Minnesota Statutes 2015 Supplement, section 290.0671, subdivision 1,
124.9 is amended to read:

124.10 Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is
124.11 allowed a credit against the tax imposed by this chapter equal to a percentage of earned
124.12 income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the
124.13 Internal Revenue Code.

124.14 (b) For individuals with no qualifying children, the credit equals 2.10 percent of the
124.15 first \$6,180 of earned income. The credit is reduced by 2.01 percent of earned income
124.16 or adjusted gross income, whichever is greater, in excess of \$8,130, but in no case is
124.17 the credit less than zero.

124.18 (c) For individuals with one qualifying child, the credit equals 9.35 percent of the
124.19 first \$11,120 of earned income. The credit is reduced by 6.02 percent of earned income
124.20 or adjusted gross income, whichever is greater, in excess of \$21,190, but in no case is
124.21 the credit less than zero.

124.22 (d) For individuals with two or more qualifying children, the credit equals 11 percent
124.23 of the first \$18,240 of earned income. The credit is reduced by 10.82 percent of earned
124.24 income or adjusted gross income, whichever is greater, in excess of \$25,130, but in no
124.25 case is the credit less than zero.

124.26 (e) For a part-year resident, the credit must be allocated based on the percentage
124.27 calculated under section 290.06, subdivision 2c, paragraph (e).

124.28 (f) For a person who was a resident for the entire tax year and has earned income
124.29 not subject to tax under this chapter, including income excluded under section 290.01,
124.30 subdivision 19b, clause (9), the credit must be allocated based on the ratio of federal
124.31 adjusted gross income reduced by the earned income not subject to tax under this chapter
124.32 over federal adjusted gross income. For purposes of this paragraph, the subtractions
124.33 for military pay under section 290.01, subdivision 19b, clauses (10) and (11), are not
124.34 considered "earned income not subject to tax under this chapter."

125.1 For the purposes of this paragraph, the exclusion of combat pay under section 112
125.2 of the Internal Revenue Code is not considered "earned income not subject to tax under
125.3 this chapter."

125.4 (g) For ~~tax years beginning after December 31, 2007, and before December 31,~~
125.5 ~~2010, and for tax years beginning after December 31, 2017,~~ the \$8,130 in paragraph (b),
125.6 the \$21,190 in paragraph (c), and the \$25,130 in paragraph (d), after being adjusted for
125.7 inflation under subdivision 7, are each increased by \$3,000 for married taxpayers filing joint
125.8 returns. For tax years beginning after December 31, 2008, the commissioner shall annually
125.9 adjust the \$3,000 by the percentage determined pursuant to the provisions of section 1(f)
125.10 of the Internal Revenue Code, except that in section 1(f)(3)(B), the word "2007" shall be
125.11 substituted for the word "1992." For 2009, the commissioner shall then determine the
125.12 percent change from the 12 months ending on August 31, 2007, to the 12 months ending on
125.13 August 31, 2008, and in each subsequent year, from the 12 months ending on August 31,
125.14 2007, to the 12 months ending on August 31 of the year preceding the taxable year. The
125.15 earned income thresholds as adjusted for inflation must be rounded to the nearest \$10. If the
125.16 amount ends in \$5, the amount is rounded up to the nearest \$10. The determination of the
125.17 commissioner under this subdivision is not a rule under the Administrative Procedure Act.

125.18 (h)(1) For ~~tax years beginning after December 31, 2012, and before January 1, 2014,~~
125.19 ~~the \$5,770 in paragraph (b), the \$15,080 in paragraph (c), and the \$17,890 in paragraph (d),~~
125.20 ~~after being adjusted for inflation under subdivision 7, are increased by \$5,340 for married~~
125.21 ~~taxpayers filing joint returns; and (2) for tax years beginning after December 31, 2013, and~~
125.22 ~~before January 1, 2018,~~ the \$8,130 in paragraph (b), the \$21,190 in paragraph (c), and the
125.23 \$25,130 in paragraph (d), after being adjusted for inflation under subdivision 7, are each
125.24 increased by \$5,000 for married taxpayers filing joint returns. For ~~tax years beginning~~
125.25 ~~after December 31, 2010, and before January 1, 2012, and for tax years beginning after~~
125.26 ~~December 31, 2013, and before January 1, 2018,~~ the commissioner shall annually adjust
125.27 the \$5,000 by the percentage determined pursuant to the provisions of section 1(f) of
125.28 the Internal Revenue Code, except that in section 1(f)(3)(B), the word "2008" shall be
125.29 substituted for the word "1992." For 2011, the commissioner shall then determine the
125.30 percent change from the 12 months ending on August 31, 2008, to the 12 months ending on
125.31 August 31, 2010, and in each subsequent year, from the 12 months ending on August 31,
125.32 2008, to the 12 months ending on August 31 of the year preceding the taxable year. The
125.33 earned income thresholds as adjusted for inflation must be rounded to the nearest \$10. If the
125.34 amount ends in \$5, the amount is rounded up to the nearest \$10. The determination of the
125.35 commissioner under this subdivision is not a rule under the Administrative Procedure Act.

126.1 (i) The commissioner shall construct tables showing the amount of the credit at
 126.2 various income levels and make them available to taxpayers. The tables shall follow
 126.3 the schedule contained in this subdivision, except that the commissioner may graduate
 126.4 the transition between income brackets.

126.5 Sec. 159. Minnesota Statutes 2014, section 290.0677, subdivision 1, is amended to read:

126.6 Subdivision 1. **Credit allowed; current military service.** ~~(a) An individual is~~
 126.7 ~~allowed a credit against the tax due under this chapter equal to \$59 for each month or~~
 126.8 ~~portion thereof that the individual was in active military service in a designated area after~~
 126.9 ~~September 11, 2001, and before January 1, 2009, while a Minnesota domiciliary.~~

126.10 ~~(b)~~ (a) An individual is allowed a credit against the tax due under this chapter equal
 126.11 to \$120 for each month or portion thereof that the individual was in active military service
 126.12 in a designated area after December 31, 2008, while a Minnesota domiciliary.

126.13 ~~(e) For active service performed after September 11, 2001, and before December 31,~~
 126.14 ~~2006, the individual may claim the credit in the taxable year beginning after December 31,~~
 126.15 ~~2005, and before January 1, 2007.~~

126.16 ~~(d) For active service performed after December 31, 2006,~~ (b) The individual may
 126.17 claim the credit for the taxable year in which the active service was performed.

126.18 ~~(e) If an individual entitled to the credit died prior to January 1, 2006, the individual's~~
 126.19 ~~estate or heirs at law, if the individual's probate estate has closed or the estate was not~~
 126.20 ~~probated, may claim the credit.~~

126.21 Sec. 160. Minnesota Statutes 2014, section 290.091, subdivision 3, is amended to read:

126.22 Subd. 3. **Exemption amount.** (a) For purposes of computing the alternative
 126.23 minimum tax, the exemption amount is, for taxable years beginning after December 31,
 126.24 2005, \$60,000 for married couples filing joint returns, \$30,000 for married individuals
 126.25 filing separate returns, estates, and trusts, and \$45,000 for unmarried individuals.

126.26 (b) The exemption amount determined under this subdivision is subject to the phase
 126.27 out under section 55(d)(3) of the Internal Revenue Code, except that alternative minimum
 126.28 taxable income as determined under this section must be substituted in the computation of
 126.29 the phase out.

126.30 (c) For taxable years beginning after December 31, 2006, the exemption amount
 126.31 under paragraph (a), ~~clause (2),~~ must be adjusted for inflation. The commissioner shall
 126.32 adjust the exemption amount by the percentage determined pursuant to the provisions of
 126.33 section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) the word "2005"
 126.34 shall be substituted for the word "1992." For 2007, the commissioner shall then determine

127.1 the percent change from the 12 months ending on August 31, 2005, to the 12 months
 127.2 ending on August 31, 2006, and in each subsequent year, from the 12 months ending on
 127.3 August 31, 2005, to the 12 months ending on August 31 of the year preceding the taxable
 127.4 year. The exemption amount as adjusted must be rounded to the nearest \$10. If the amount
 127.5 ends in \$5, it must be rounded up to the nearest \$10 amount. The determination of the
 127.6 commissioner under this subdivision is not a rule under the Administrative Procedure Act.

127.7 Sec. 161. Minnesota Statutes 2014, section 290.191, subdivision 2, is amended to read:

127.8 Subd. 2. **Apportionment formula of general application.** (a) Except for those
 127.9 trades or businesses required to use a different formula under subdivision 3 or section
 127.10 290.36, and for those trades or businesses that receive permission to use some other
 127.11 method under section 290.20 or under subdivision 4, a trade or business required to
 127.12 apportion its net income must apportion its income to this state on the basis of the
 127.13 percentage ~~obtained by taking the sum of:~~

127.14 ~~(1) the percent for the sales factor under paragraph (b) of the percentage which~~
 127.15 ~~the sales made within this state in connection with the trade or business during the tax~~
 127.16 ~~period are of the total sales wherever made in connection with the trade or business during~~
 127.17 ~~the tax period;~~

127.18 ~~(2) the percent for the property factor under paragraph (b) of the percentage which~~
 127.19 ~~the total tangible property used by the taxpayer in this state in connection with the trade or~~
 127.20 ~~business during the tax period is of the total tangible property, wherever located, used by~~
 127.21 ~~the taxpayer in connection with the trade or business during the tax period; and~~

127.22 ~~(3) the percent for the payroll factor under paragraph (b) of the percentage which the~~
 127.23 ~~taxpayer's total payrolls paid or incurred in this state or paid in respect to labor performed in~~
 127.24 ~~this state in connection with the trade or business during the tax period are of the taxpayer's~~
 127.25 ~~total payrolls paid or incurred in connection with the trade or business during the tax period.~~

127.26 ~~(b) For purposes of paragraph (a) and subdivision 3, the following percentages apply~~
 127.27 ~~for the taxable years specified:~~

| 127.28 Taxable years beginning | Sales factor | Property factor | Payroll factor |
|--------------------------------------|--------------|-----------------|----------------|
| 127.29 during calendar year | percent | percent | percent |
| 127.30 2007 | 78 | 11 | 11 |
| 127.31 2008 | 81 | 9.5 | 9.5 |
| 127.32 2009 | 84 | 8 | 8 |
| 127.33 2010 | 87 | 6.5 | 6.5 |
| 127.34 2011 | 90 | 5 | 5 |
| 127.35 2012 | 93 | 3.5 | 3.5 |
| 127.36 2013 | 96 | 2 | 2 |
| 127.37 2014 and later calendar years | 100 | 0 | 0 |

128.1 Sec. 162. Minnesota Statutes 2014, section 290.191, subdivision 3, is amended to read:

128.2 Subd. 3. **Apportionment formula for financial institutions.** Except for an
 128.3 investment company required to apportion its income under section 290.36, a financial
 128.4 institution that is required to apportion its net income must apportion its net income to this
 128.5 state on the basis of the percentage ~~obtained by taking the sum of:~~

128.6 ~~(1) the percent for the sales factor under subdivision 2, paragraph (b), of the~~
 128.7 ~~percentage which the receipts from within this state in connection with the trade or~~
 128.8 ~~business during the tax period are of the total receipts in connection with the trade or~~
 128.9 ~~business during the tax period, from wherever derived;~~

128.10 ~~(2) the percent for the property factor under subdivision 2, paragraph (b), of the~~
 128.11 ~~percentage which the sum of the total tangible property used by the taxpayer in this state~~
 128.12 ~~and the intangible property owned by the taxpayer and attributed to this state in connection~~
 128.13 ~~with the trade or business during the tax period is of the sum of the total tangible property,~~
 128.14 ~~wherever located, used by the taxpayer and the intangible property owned by the taxpayer~~
 128.15 ~~and attributed to all states in connection with the trade or business during the tax period; and~~

128.16 ~~(3) the percent for the payroll factor under subdivision 2, paragraph (b), of the~~
 128.17 ~~percentage which the taxpayer's total payrolls paid or incurred in this state or paid in~~
 128.18 ~~respect to labor performed in this state in connection with the trade or business during~~
 128.19 ~~the tax period are of the taxpayer's total payrolls paid or incurred in connection with~~
 128.20 ~~the trade or business during the tax period.~~

128.21 Sec. 163. Minnesota Statutes 2014, section 291.031, is amended to read:

128.22 **291.031 CREDIT.**

128.23 (a) The estate of a nonresident decedent that is subject to tax under this chapter on
 128.24 the value of Minnesota situs property held in a pass-through entity is allowed a credit
 128.25 against the tax due under section 291.03 equal to the lesser of:

128.26 (1) the amount of estate or inheritance tax paid to another state that is attributable to
 128.27 the Minnesota situs property held in the pass-through entity; or

128.28 (2) the amount of tax ~~paid under this section~~ due under section 291.03 attributable to
 128.29 the Minnesota situs property held in the pass-through entity.

128.30 (b) The amount of tax attributable to the Minnesota situs property held in the
 128.31 pass-through entity must be determined by the increase in the estate or inheritance tax that
 128.32 results from including the market value of the property in the estate or treating the value
 128.33 as a taxable inheritance to the recipient of the property.

128.34 Sec. 164. Minnesota Statutes 2014, section 297A.70, subdivision 11, is amended to read:

129.1 Subd. 11. **School tickets or admissions.** Tickets or admissions to regular season
129.2 school games, events, and activities, ~~and to games, events, and activities sponsored by the~~
129.3 ~~Minnesota State High School League under chapter 128C~~, are exempt. For purposes of
129.4 this subdivision, "school" has the meaning given it in section 120A.22, subdivision 4.

129.5 Sec. 165. Minnesota Statutes 2014, section 297B.01, subdivision 14, is amended to read:

129.6 Subd. 14. **Purchase price.** (a) "Purchase price" means the total consideration
129.7 valued in money for a sale, whether paid in money or otherwise. The purchase price
129.8 excludes the amount of a manufacturer's rebate paid or payable to the purchaser. If a motor
129.9 vehicle is taken in trade as a credit or as part payment on a motor vehicle taxable under
129.10 this chapter, the credit or trade-in value allowed by the person selling the motor vehicle
129.11 shall be deducted from the total selling price to establish the purchase price of the vehicle
129.12 being sold and the trade-in allowance allowed by the seller shall constitute the purchase
129.13 price of the motor vehicle accepted as a trade-in. The purchase price in those instances
129.14 where the motor vehicle is acquired by gift or by any other transfer for a nominal or no
129.15 monetary consideration shall also include the average value of similar motor vehicles,
129.16 established by standards and guides as determined by the motor vehicle registrar. The
129.17 purchase price in those instances where a motor vehicle is manufactured by a person who
129.18 registers it under the laws of this state shall mean the manufactured cost of such motor
129.19 vehicle and manufactured cost shall mean the amount expended for materials, labor,
129.20 and other properly allocable costs of manufacture, except that in the absence of actual
129.21 expenditures for the manufacture of a part or all of the motor vehicle, manufactured costs
129.22 shall mean the reasonable value of the completed motor vehicle.

129.23 (b) The term "purchase price" shall not include the portion of the value of a motor
129.24 vehicle due solely to modifications necessary to make the motor vehicle disability
129.25 accessible.

129.26 (c) The term "purchase price" shall not include the transfer of a motor vehicle by
129.27 way of gift between a husband and wife or parent and child, or to a nonprofit organization
129.28 as provided under subdivision 16, paragraph (c), clause (6), nor shall it include the transfer
129.29 of a motor vehicle by a guardian to a ward when there is no monetary consideration and
129.30 the title to such vehicle was registered in the name of the guardian, as guardian, only
129.31 because the ward was a minor.

129.32 (d) The term "purchase price" shall not include the transfer of a motor vehicle as a
129.33 gift between a foster parent and foster child. For purposes of this subdivision, a foster
129.34 relationship exists, regardless of the age of the child, if (1) a foster parent's home is or
129.35 was licensed as a foster family home under Minnesota Rules, parts ~~9545.0010~~ 2960.3000

130.1 to ~~9545.0260~~ 2960.3230, and (2) the county verifies that the child was a state ward or
 130.2 in permanent foster care.

130.3 (e) There shall not be included in "purchase price" the amount of any tax imposed by
 130.4 the United States upon or with respect to retail sales whether imposed upon the retailer or
 130.5 the consumer.

130.6 Sec. 166. Minnesota Statutes 2014, section 297E.01, subdivision 8, is amended to read:

130.7 Subd. 8. **Gross receipts.** "Gross receipts" means all receipts derived from lawful
 130.8 gambling activity including, but not limited to, the following items:

130.9 (1) gross sales of bingo hard cards, paper sheets, linked bingo paper sheets, and
 130.10 electronic linked bingo games before reduction for prizes, expenses, shortages, free plays,
 130.11 or any other charges or offsets;

130.12 (2) the ideal gross of pull-tab, electronic pull-tab games, and tipboard deals or games
 130.13 less the value of unsold and defective tickets and before reduction for prizes, expenses,
 130.14 shortages, free plays, or any other charges or offsets;

130.15 (3) gross sales of raffle tickets and paddle tickets before reduction for prizes,
 130.16 expenses, shortages, free plays, or any other charges or offsets;

130.17 (4) admission, commission, cover, or other charges imposed on participants in
 130.18 lawful gambling activity as a condition for or cost of participation; and

130.19 (5) interest, dividends, annuities, profit from transactions, or other income derived
 130.20 from the accumulation or use of gambling proceeds.

130.21 Gross receipts does not include rental proceeds from ~~rental under section 349.18,~~
 130.22 ~~subdivision 3~~ premises owned by an organization and leased to one or more other
 130.23 organizations for the purposes of conducting lawful gambling.

130.24 Sec. 167. Minnesota Statutes 2014, section 298.223, subdivision 1, is amended to read:

130.25 Subdivision 1. **Creation; purposes.** A fund called the taconite environmental
 130.26 protection fund is created for the purpose of reclaiming, restoring and enhancing those
 130.27 areas of northeast Minnesota located within the taconite assistance area defined in section
 130.28 273.1341, that are adversely affected by the environmentally damaging operations
 130.29 involved in mining taconite and iron ore and producing iron ore concentrate and for the
 130.30 purpose of promoting the economic development of northeast Minnesota. The taconite
 130.31 environmental protection fund shall be used for the following purposes:

130.32 (1) to initiate investigations into matters the Iron Range Resources and Rehabilitation
 130.33 Board determines are in need of study and which will determine the environmental
 130.34 problems requiring remedial action;

- 131.1 (2) reclamation, restoration, or reforestation of mine lands not otherwise provided
 131.2 for by state law;
- 131.3 (3) local economic development projects but only if those projects are approved by
 131.4 the board, and public works, including construction of sewer and water systems located
 131.5 within the taconite assistance area defined in section 273.1341;
- 131.6 (4) monitoring of mineral industry related health problems among mining
 131.7 employees; and
- 131.8 (5) local public works projects under section 298.227, paragraph (c); and.
- 131.9 ~~(6) local public works projects as provided under this clause. The following amounts~~
 131.10 ~~shall be distributed in 2009 based upon the taxable tonnage of production in 2008:~~
- 131.11 ~~(i) .4651 cent per ton to the city of Aurora for street repair and renovation;~~
 131.12 ~~(ii) .4264 cent per ton to the city of Biwabik for street and utility infrastructure~~
 131.13 ~~improvements to the south side industrial site;~~
 131.14 ~~(iii) .6460 cent per ton to the city of Buhl for street repair;~~
 131.15 ~~(iv) 1.0336 cents per ton to the city of Hoyt Lakes for public utility improvements;~~
 131.16 ~~(v) 1.1628 cents per ton to the city of Eveleth for water and sewer infrastructure~~
 131.17 ~~upgrades;~~
 131.18 ~~(vi) 1.0336 cents per ton to the city of Gilbert for water and sewer infrastructure~~
 131.19 ~~upgrades;~~
 131.20 ~~(vii) .7752 cent per ton to the city of Mountain Iron for water and sewer infrastructure;~~
 131.21 ~~(viii) 1.2920 cents per ton to the city of Virginia for utility upgrades and accessibility~~
 131.22 ~~modifications for the miners' memorial;~~
- 131.23 ~~(ix) .6460 cent per ton to the town of White for Highway 135 road upgrades;~~
 131.24 ~~(x) 1.9380 cents per ton to the city of Hibbing for public infrastructure projects;~~
 131.25 ~~(xi) 1.1628 cents per ton to the city of Chisholm for water and sewer repair;~~
 131.26 ~~(xii) .6460 cent per ton to the town of Balkan for community center repairs;~~
 131.27 ~~(xiii) .9044 cent per ton to the city of Babbitt for city garage construction;~~
 131.28 ~~(xiv) .5168 cent per ton to the city of Cook for public infrastructure projects;~~
 131.29 ~~(xv) .5168 cent per ton to the city of Ely for reconstruction of 2nd Avenue West;~~
 131.30 ~~(xvi) .6460 cent per ton to the city of Tower for water infrastructure upgrades;~~
 131.31 ~~(xvii) .1292 cent per ton to the city of Orr for water infrastructure upgrades;~~
 131.32 ~~(xviii) .1292 cent per ton to the city of Silver Bay for emergency cleanup;~~
 131.33 ~~(xix) .3230 cent per ton to Lake County for trail construction;~~
 131.34 ~~(xx) .1292 cent per ton to Cook County for construction of tennis courts in Grand~~
 131.35 ~~Marais;~~

- 132.1 ~~(xxi) .3101 cent per ton to the city of Two Harbors for water infrastructure~~
 132.2 ~~improvements;~~
 132.3 ~~(xxii) .1938 cent per ton for land acquisition for phase one of Cook Airport project;~~
 132.4 ~~(xxiii) 1.0336 cents per ton to the city of Coleraine for water and sewer~~
 132.5 ~~improvements along Gayley Avenue;~~
 132.6 ~~(xxiv) .3876 cent per ton to the city of Marble for construction of a city~~
 132.7 ~~administration facility;~~
 132.8 ~~(xxv) .1292 cent per ton to the city of Calumet for repairs at city hall and the~~
 132.9 ~~community center;~~
 132.10 ~~(xxvi) .6460 cent per ton to the city of Nashwauk for electrical infrastructure~~
 132.11 ~~upgrades;~~
 132.12 ~~(xxvii) 1.0336 cents per ton to the city of Keewatin for water and sewer upgrades~~
 132.13 ~~along Depot Street;~~
 132.14 ~~(xxviii) .2584 cent per ton to the city of Aitkin for water, sewer, street, and gutter~~
 132.15 ~~improvements;~~
 132.16 ~~(xxix) 1.1628 cents per ton to the city of Grand Rapids for water and sewer~~
 132.17 ~~infrastructure upgrades at Pokegema Golf Course and Park Place;~~
 132.18 ~~(xxx) .1809 cent per ton to the city of Grand Rapids for water and sewer upgrades~~
 132.19 ~~for 1st Avenue from River Road to 3rd Street SE; and~~
 132.20 ~~(xxxi) .9044 cent per ton to the city of Cohasset for upgrades to the railroad crossing~~
 132.21 ~~at Highway 2 and County Road 62.~~

132.22 Sec. 168. Minnesota Statutes 2014, section 298.28, subdivision 4, is amended to read:

132.23 Subd. 4. **School districts.** (a) 32.15 cents per taxable ton, plus the increase provided
 132.24 in paragraph (d), less the amount that would have been computed under Minnesota
 132.25 Statutes 2008, section 126C.21, subdivision 4, for the current year for that district, must be
 132.26 allocated to qualifying school districts to be distributed, based upon the certification of the
 132.27 commissioner of revenue, under paragraphs (b), (c), and (f).

132.28 (b)(i) 3.43 cents per taxable ton must be distributed to the school districts in which
 132.29 the lands from which taconite was mined or quarried were located or within which the
 132.30 concentrate was produced. The distribution must be based on the apportionment formula
 132.31 prescribed in subdivision 2.

132.32 (ii) Four cents per taxable ton from each taconite facility must be distributed to
 132.33 each affected school district for deposit in a fund dedicated to building maintenance
 132.34 and repairs, as follows:

133.1 (1) proceeds from Keewatin Taconite or its successor are distributed to Independent
 133.2 School Districts Nos. 316, Coleraine, and 319, Nashwauk-Keewatin, or their successor
 133.3 districts;

133.4 (2) proceeds from the Hibbing Taconite Company or its successor are distributed to
 133.5 Independent School Districts Nos. 695, Chisholm, and 701, Hibbing, or their successor
 133.6 districts;

133.7 (3) proceeds from the Mittal Steel Company and Minntac or their successors are
 133.8 distributed to Independent School Districts Nos. 712, Mountain Iron-Buhl, 706, Virginia,
 133.9 2711, Mesabi East, and 2154, Eveleth-Gilbert, or their successor districts;

133.10 (4) proceeds from the Northshore Mining Company or its successor are distributed
 133.11 to Independent School Districts Nos. 2142, St. Louis County, and 381, Lake Superior,
 133.12 or their successor districts; and

133.13 (5) proceeds from United Taconite or its successor are distributed to Independent
 133.14 School Districts Nos. 2142, St. Louis County, and 2154, Eveleth-Gilbert, or their
 133.15 successor districts.

133.16 Revenues that are required to be distributed to more than one district shall be
 133.17 apportioned according to the number of pupil units identified in section 126C.05,
 133.18 subdivision 1, enrolled in the second previous year.

133.19 (c)(i) 24.72 cents per taxable ton, less any amount distributed under paragraph (e),
 133.20 shall be distributed to a group of school districts comprised of those school districts which
 133.21 qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a
 133.22 qualifying municipality as defined by section 273.134, paragraph (a), in direct proportion
 133.23 to school district indexes as follows: for each school district, its pupil units determined
 133.24 under section 126C.05 for the prior school year shall be multiplied by the ratio of the
 133.25 average adjusted net tax capacity per pupil unit for school districts receiving aid under
 133.26 this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year
 133.27 ending prior to distribution to the adjusted net tax capacity per pupil unit of the district.
 133.28 Each district shall receive that portion of the distribution which its index bears to the sum
 133.29 of the indices for all school districts that receive the distributions.

133.30 (ii) Notwithstanding clause (i), each school district that receives a distribution under
 133.31 sections 298.018; ~~298.23~~ 298.24, and 298.25 to 298.28, exclusive of any amount received
 133.32 under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing
 133.33 a tax on severed mineral values after reduction for any portion distributed to cities and
 133.34 towns under section 126C.48, subdivision 8, paragraph (5), that is less than the amount
 133.35 of its levy reduction under section 126C.48, subdivision 8, for the second year prior to
 133.36 the year of the distribution shall receive a distribution equal to the difference; the amount

134.1 necessary to make this payment shall be derived from proportionate reductions in the
134.2 initial distribution to other school districts under clause (i). If there are insufficient tax
134.3 proceeds to make the distribution provided under this paragraph in any year, money must
134.4 be transferred from the taconite property tax relief account in subdivision 6, to the extent
134.5 of the shortfall in the distribution.

134.6 (d)(1) Any school district described in paragraph (c) where a levy increase pursuant
134.7 to section 126C.17, subdivision 9, was authorized by referendum for taxes payable in
134.8 2001, shall receive a distribution of 21.3 cents per ton. Each district shall receive \$175
134.9 times the pupil units identified in section 126C.05, subdivision 1, enrolled in the second
134.10 previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8
134.11 percent times the district's taxable net tax capacity in 2011.

134.12 (2) Districts qualifying under paragraph (c) must receive additional taconite aid each
134.13 year equal to 22.5 percent of the amount obtained by subtracting:

134.14 (i) 1.8 percent of the district's net tax capacity for 2011, from:

134.15 (ii) the district's weighted average daily membership for fiscal year 2012, multiplied
134.16 by the sum of:

134.17 (A) \$415, plus

134.18 (B) the district's referendum revenue allowance for fiscal year 2013.

134.19 If the total amount provided by paragraph (d) is insufficient to make the payments
134.20 herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly
134.21 so as not to exceed the funds available. Any amounts received by a qualifying school
134.22 district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general
134.23 education aid which the district receives pursuant to section 126C.13 or the permissible
134.24 levies of the district. Any amount remaining after the payments provided in this paragraph
134.25 shall be paid to the commissioner of Iron Range resources and rehabilitation who shall
134.26 deposit the same in the taconite environmental protection fund and the Douglas J. Johnson
134.27 economic protection trust fund as provided in subdivision 11.

134.28 Each district receiving money according to this paragraph shall reserve the lesser of
134.29 the amount received under this paragraph or \$25 times the number of pupil units served in
134.30 the district. It may use the money for early childhood programs.

134.31 (e) There shall be distributed to any school district the amount which the school
134.32 district was entitled to receive under section 298.32 in 1975.

134.33 (f) Four cents per taxable ton must be distributed to qualifying school districts
134.34 according to the distribution specified in paragraph (b), clause (ii), and 11 cents per
134.35 taxable ton must be distributed according to the distribution specified in paragraph (c).

135.1 These amounts are not subject to ~~sections 126C.21, subdivision 4, and section 126C.48,~~
 135.2 subdivision 8.

135.3 Sec. 169. Minnesota Statutes 2014, section 298.294, is amended to read:

135.4 **298.294 INVESTMENT OF FUND.**

135.5 (a) The trust fund established by section 298.292 shall be invested pursuant to law
 135.6 by the State Board of Investment and the net interest, dividends, and other earnings arising
 135.7 from the investments shall be transferred, except as provided in paragraph (b), on the first
 135.8 day of each month to the trust and shall be included and become part of the trust fund.
 135.9 The amounts transferred, ~~including the interest, dividends, and other earnings earned~~
 135.10 ~~prior to July 13, 1982, together with the additional amount of \$10,000,000 for fiscal year~~
 135.11 ~~1983, which is appropriated April 21, 1983,~~ are appropriated from the trust fund to the
 135.12 commissioner of Iron Range resources and rehabilitation for deposit in a separate account
 135.13 for expenditure for the purposes set forth in section 298.292. Amounts appropriated
 135.14 pursuant to this section shall not cancel but shall remain available unless expended.

135.15 ~~(b) For fiscal years 2010 and 2011 only, \$1,500,000 of the net interest, dividends,~~
 135.16 ~~and other earnings under paragraph (a) shall be transferred to a special account. Funds~~
 135.17 ~~in the special account are available for loans or grants to businesses, with priority given~~
 135.18 ~~to businesses with 25 or fewer employees. Funds may be used for wage subsidies for~~
 135.19 ~~up to 52 weeks of up to \$5 per hour or other activities, including, but not limited to,~~
 135.20 ~~short-term operating expenses and purchase of equipment and materials by businesses~~
 135.21 ~~under financial duress, that will create additional jobs in the taconite assistance area under~~
 135.22 ~~section 273.1341. Expenditures from the special account must be approved by the board.~~

135.23 ~~(e)~~ (b) To qualify for a grant or loan, a business must be currently operating and have
 135.24 been operating for one year immediately prior to its application for a loan or grant, and its
 135.25 corporate headquarters must be located in the taconite assistance area.

135.26 Sec. 170. Minnesota Statutes 2014, section 298.2961, subdivision 4, is amended to read:

135.27 Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions
 135.28 under section 298.28, subdivision 9b, and to make grants or loans as provided in this
 135.29 subdivision. Any grant or loan made under this subdivision must be approved by the
 135.30 board, established under section 298.22.

135.31 ~~(b) Distributions received in calendar year 2005 are allocated to the city of Virginia~~
 135.32 ~~for improvements and repairs to the city's steam heating system.~~

136.1 ~~(e) Distributions received in calendar year 2006 are allocated to a project of the~~
 136.2 ~~public utilities commissions of the cities of Hibbing and Virginia to convert their electrical~~
 136.3 ~~generating plants to the use of biomass products, such as wood.~~

136.4 ~~(d) Distributions received in calendar year 2007 must be paid to the city of Tower to~~
 136.5 ~~be used for the East Two Rivers project in or near the city of Tower.~~

136.6 ~~(e) For distributions received in 2008, the first \$2,000,000 of the 2008 distribution~~
 136.7 ~~must be paid to St. Louis County for deposit in its county road and bridge fund to be used~~
 136.8 ~~for relocation of St. Louis County Road 715, commonly referred to as Pike River Road.~~
 136.9 ~~The remainder of the 2008 distribution must be paid to St. Louis County for a grant to the~~
 136.10 ~~city of Virginia for connecting sewer and water lines to the St. Louis County maintenance~~
 136.11 ~~garage on Highway 135, further extending the lines to interconnect with the city of~~
 136.12 ~~Gilbert's sewer and water lines. (b) All distributions received in 2009 and subsequent~~
 136.13 ~~years are allocated for projects under section 298.223, subdivision 1.~~

136.14 Sec. 171. Minnesota Statutes 2014, section 303.16, subdivision 2, is amended to read:

136.15 Subd. 2. **Contents of application.** The application for withdrawal shall set forth:

136.16 (1) the name of the corporation and the state or country under the laws of which
 136.17 it is organized;

136.18 (2) that it has no property located in this state and has ceased to transact business
 136.19 therein;

136.20 (3) that its board of directors has duly determined to surrender its authority to
 136.21 transact business in this state;

136.22 (4) that it revokes the authority of its registered agent in this state to accept service
 136.23 of process;

136.24 (5) the address to which the secretary of state shall mail a copy of any process
 136.25 against the corporation that may be served upon the secretary of state; and

136.26 (6) that it will pay to the commissioner of management and budget the amount of
 136.27 any additional license fees properly found by the secretary of state to be then due from
 136.28 such corporation; and

136.29 ~~(7) additional information required or demanded to enable the secretary of state to~~
 136.30 ~~determine the additional license fees, if any, payable by the corporation, the determination~~
 136.31 ~~thereof to be made in the manner provided by section 303.07, subdivision 2.~~

136.32 Sec. 172. Minnesota Statutes 2014, section 319B.02, subdivision 19, is amended to read:

136.33 Subd. 19. **Professional services.** "Professional services" means services of the type
 136.34 required or permitted to be furnished by a professional under a license, registration, or

137.1 certificate issued by the state of Minnesota to practice medicine and surgery under sections
 137.2 147.01 to 147.22, as a physician assistant pursuant to sections 147A.01 to 147A.27,
 137.3 chiropractic under sections 148.01 to 148.105, registered nursing under sections 148.171 to
 137.4 148.285, optometry under sections 148.52 to 148.62, psychology under sections 148.88 to
 137.5 148.98, social work under chapter ~~148D~~ 148E, marriage and family therapy under sections
 137.6 148B.29 to 148B.39, professional counseling under sections 148B.50 to 148B.593,
 137.7 dentistry and dental hygiene under sections 150A.01 to 150A.12, pharmacy under sections
 137.8 151.01 to 151.40, podiatric medicine under sections 153.01 to 153.25, veterinary medicine
 137.9 under sections 156.001 to 156.14, architecture, engineering, surveying, landscape
 137.10 architecture, geoscience, and certified interior design under sections 326.02 to 326.15,
 137.11 accountancy under chapter 326A, or law under sections 481.01 to 481.17, or under a
 137.12 license or certificate issued by another state under similar laws. Professional services
 137.13 includes services of the type required to be furnished by a professional pursuant to a
 137.14 license or other authority to practice law under the laws of a foreign nation.

137.15 Sec. 173. Minnesota Statutes 2014, section 325E.34, subdivision 1, is amended to read:

137.16 Subdivision 1. **Definitions.** For the purposes of this section, the terms in paragraphs
 137.17 (a) and (b) have the meanings given them.

137.18 (a) "Newspaper" ~~has the meaning given in section 331A.01, subdivision 5~~ means a
 137.19 publication issued regularly by the same person or corporation, or a successor, whether the
 137.20 name of the publication is the same or different.

137.21 (b) "Place of public accommodation" has the meaning given in section 363A.03,
 137.22 subdivision 34.

137.23 Sec. 174. Minnesota Statutes 2014, section 326B.31, subdivision 15, is amended to read:

137.24 Subd. 15. **Demarcation.** "Demarcation" means listed equipment as identified in
 137.25 Minnesota Rules, part ~~3800.3619~~ 3801.3619, such as a transformer, uninterruptible
 137.26 power supply (UPS), battery, control panel, or other device that isolates technology
 137.27 circuits or systems from nontechnology circuits or systems, including plug or cord and
 137.28 plug connection.

137.29 Sec. 175. Minnesota Statutes 2014, section 326B.42, subdivision 6, is amended to read:

137.30 Subd. 6. **Plumber's apprentice.** A "plumber's apprentice" is any individual who
 137.31 is employed in the practical installation of plumbing under an apprenticeship agreement
 137.32 approved by the department under ~~Minnesota Rules, part 5200.0340~~ section 178.07.

138.1 Sec. 176. Minnesota Statutes 2014, section 326B.91, subdivision 8, is amended to read:

138.2 Subd. 8. **Pipefitter apprentice.** A "pipefitter apprentice" is an individual employed
138.3 in the trade of the practical construction and installation of high pressure piping and
138.4 appurtenances under an apprenticeship agreement approved by the department under
138.5 ~~Minnesota Rules, part 5200.0300~~ section 178.07.

138.6 Sec. 177. Minnesota Statutes 2014, section 326B.92, subdivision 2, is amended to read:

138.7 Subd. 2. **Permissive municipal regulation.** The commissioner may enter into an
138.8 agreement with a municipality, in which the municipality agrees to perform inspections
138.9 and issue permits for the construction and installation of high pressure piping systems
138.10 within the municipality's geographical area of jurisdiction, if:

138.11 (a) The municipality has adopted:

138.12 (1) the code for power piping systems, Minnesota Rules, parts 5230.0250 to
138.13 ~~5230.6200~~ 5230.5920;

138.14 (2) an ordinance that authorizes the municipality to issue permits to persons holding
138.15 a high pressure piping business license issued by the department and only for construction
138.16 or installation that would, if performed properly, fully comply with all Minnesota Statutes
138.17 and Minnesota Rules;

138.18 (3) an ordinance that authorizes the municipality to perform the inspections that are
138.19 required under Minnesota Statutes or Minnesota Rules governing the construction and
138.20 installation of high pressure piping systems; and

138.21 (4) an ordinance that authorizes the municipality to enforce the code for power
138.22 piping systems in its entirety.

138.23 (b) The municipality agrees to issue permits only to persons holding a high pressure
138.24 piping business license as required by law at the time of the permit issuance, and only for
138.25 construction or installation that would, if performed properly, comply with all Minnesota
138.26 Statutes and Minnesota Rules governing the construction or installation of high pressure
138.27 piping systems.

138.28 (c) The municipality agrees to issue permits only on forms approved by the
138.29 department.

138.30 (d) The municipality agrees that, for each permit issued by the municipality, the
138.31 municipality shall perform one or more inspections of the construction or installation to
138.32 determine whether the construction or installation complies with all Minnesota Statutes
138.33 and Minnesota Rules governing the construction or installation of high pressure piping
138.34 systems, and shall prepare a written report of each inspection.

139.1 (e) The municipality agrees to notify the commissioner within 24 hours after the
139.2 municipality discovers any violation of the licensing laws related to high pressure piping.

139.3 (f) The municipality agrees to notify the commissioner immediately if the
139.4 municipality discovers that any entity has failed to meet a deadline set by the municipality
139.5 for correction of a violation of the high pressure piping laws.

139.6 (g) The commissioner determines that the individuals who will conduct the
139.7 inspections for the municipality do not have any conflict of interest in conducting the
139.8 inspections.

139.9 (h) Individuals who will conduct the inspections for the municipality are permanent
139.10 employees of the municipality and are licensed contracting high pressure pipefitters or
139.11 licensed journeyman high pressure pipefitters.

139.12 (i) The municipality agrees to notify the commissioner within ten days of any
139.13 changes in the names or qualifications of the individuals who conduct the inspections
139.14 for the municipality.

139.15 (j) The municipality agrees to enforce in its entirety the code for power piping
139.16 systems on all projects.

139.17 (k) The municipality shall not approve any piping installation unless the installation
139.18 conforms to all applicable provisions of the high pressure piping laws in effect at the
139.19 time of the installation.

139.20 (l) The municipality agrees to promptly require compliance or revoke a permit that
139.21 it has issued if there is noncompliance with any of the applicable provisions of the high
139.22 pressure piping laws in connection with the work covered by the permit. The municipality
139.23 agrees to revoke the permit if any laws regulating the licensing of pipefitters have been
139.24 violated.

139.25 (m) The municipality agrees to keep official records of all documents received,
139.26 including permit applications, and of all permits issued, reports of inspections, and notices
139.27 issued in connection with inspections.

139.28 (n) The municipality agrees to maintain the records described in paragraph (m) in
139.29 the official records of the municipality for the period required for the retention of public
139.30 records under section 138.17, and shall make these records readily available for review
139.31 according to section 13.37.

139.32 (o) Not later than the tenth day of each month, the municipality shall submit to the
139.33 commissioner a report of all high pressure piping permits issued by the municipality during
139.34 the preceding month. This report shall be in a format approved by the commissioner
139.35 and shall include:

139.36 (1) the name of the contractor;

140.1 (2) the license number of the contractor's license issued by the commissioner;

140.2 (3) the permit number;

140.3 (4) the address of the job;

140.4 (5) the date the permit was issued;

140.5 (6) a brief description of the work; and

140.6 (7) the amount of the inspection fee.

140.7 (p) Not later than the 31st day of January of each year, the municipality shall submit
 140.8 a summary report to the commissioner identifying the status of each high pressure piping
 140.9 project for which the municipality issued a permit during the preceding year, and the
 140.10 status of high pressure piping projects for which the municipality issued a permit during a
 140.11 prior year where no final inspection had occurred by the first day of the preceding year.

140.12 This summary report shall include:

140.13 (1) the permit number;

140.14 (2) the date of any final inspection; and

140.15 (3) identification of any violation of high pressure piping laws related to work
 140.16 covered by the permit.

140.17 (q) The municipality and the commissioner agree that if at any time during the
 140.18 agreement the municipality does not have in effect the code for high pressure piping
 140.19 systems or any of the ordinances described in paragraph (a), or if the commissioner
 140.20 determines that the municipality is not properly administering and enforcing the code for
 140.21 high pressure piping or is otherwise not complying with the agreement:

140.22 (1) the commissioner may, effective 14 days after the municipality's receipt of
 140.23 written notice, terminate the agreement and have the administration and enforcement of
 140.24 the high pressure piping code in the involved municipality undertaken by the department;

140.25 (2) the municipality may challenge the termination in a contested case before the
 140.26 commissioner pursuant to the Administrative Procedure Act; and

140.27 (3) while any challenge under clause (2) is pending, the commissioner may exercise
 140.28 oversight of the municipality to the extent needed to ensure that high pressure piping
 140.29 inspections are performed and permits are issued in accordance with the high pressure
 140.30 piping laws.

140.31 (r) The municipality and the commissioner agree that the municipality may terminate
 140.32 the agreement with or without cause on 90 days' written notice to the commissioner.

140.33 (s) The municipality and the commissioner agree that no municipality shall
 140.34 revoke, suspend, or place restrictions on any high pressure piping license issued by the
 140.35 commissioner. If the municipality identifies during an inspection any violation that
 140.36 may warrant revocation, suspension, or placement of restrictions on a high pressure

141.1 piping license issued by the commissioner, the municipality shall promptly notify the
 141.2 commissioner of the violation and the commissioner shall determine whether revocation,
 141.3 suspension, or placement of restrictions on any high pressure piping license issued by
 141.4 the commissioner is appropriate.

141.5 Sec. 178. Minnesota Statutes 2014, section 327C.02, subdivision 5, is amended to read:

141.6 Subd. 5. **Written notice required.** A prospective resident, before being asked to
 141.7 sign a rental agreement, must be given the following notice printed verbatim in boldface
 141.8 type of a minimum size of ten points. The notice must be provided with the park residency
 141.9 application. The notice ~~and the safety feature disclosure form required under section~~
 141.10 ~~327C.07, subdivision 3a,~~ must be posted in a conspicuous and public location in the park:

141.11 "IMPORTANT NOTICE

141.12 State law provides special rules for the owners, residents, and prospective residents
 141.13 of manufactured home parks.

141.14 You may keep your home in the park as long as the park is in operation and you
 141.15 meet your financial obligations, obey state and local laws which apply to the park, obey
 141.16 reasonable park rules, do not substantially annoy or endanger the other residents or
 141.17 substantially endanger park personnel and do not substantially damage the park premises.
 141.18 You may not be evicted or have your rent increased or your services cut for complaining
 141.19 to the park owner or to a governmental official.

141.20 If you receive an eviction notice and do not leave the park, the park owner may take
 141.21 you to court. If you lose in court, a sheriff may remove you and your home from the park
 141.22 within seven days. Or, the court may require you to leave the park within seven days but
 141.23 give you 60 days to sell the home within the park.

141.24 If you receive an eviction notice for a new or amended rule and the court finds the
 141.25 rule to be reasonable and not a substantial modification of your original agreement, the
 141.26 court will not order you to leave but will order you to comply with the rule within ten
 141.27 days. If you do not comply within the time given or if you violate the rule at a later time,
 141.28 you will be subject to eviction.

141.29 All park rules and policies must be reasonable. Your rent may not be increased more
 141.30 than twice a year. Changes made in park rules after you become a park resident will not
 141.31 apply to you if they substantially change your original agreement.

141.32 The park may not charge you an entrance fee.

141.33 The park may require a security deposit, but the deposit must not amount to more
 141.34 than two months rent.

142.1 You have a right to sell the home in the park. But the sale is not final until the park
142.2 owner approves the buyer as a new resident, and you must advise in writing anyone who
142.3 wants to buy your home that the sale is subject to final approval by the park owner.

142.4 The park must provide to you, in writing, the procedures and criteria used to
142.5 evaluate a prospective resident. If your application is denied, you can request, in writing,
142.6 the reason why.

142.7 You must also disclose in writing certain safety information about your home to
142.8 anyone who wants to buy it in the park. You must give this information to the buyer before
142.9 the sale, in writing, on the form that is attached to this notice. You must completely and
142.10 accurately fill out the form and you and the buyer should each keep a copy.

142.11 Your rental agreement and the park rules contain important information about your
142.12 rights and duties. Read them carefully and keep a copy.

142.13 You must be given a copy of the shelter or evacuation plan for the park. This
142.14 document contains information on where to seek shelter in times of severe weather
142.15 conditions. You should carefully review the plan and keep a copy.

142.16 By February 1 of each year, the park must give you a certificate of rent constituting
142.17 property taxes as required by Minnesota Statutes, section 290A.19.

142.18 For further information concerning your rights, consult a private attorney. The state
142.19 law governing the rental of lots in manufactured home parks may also be enforced by
142.20 the Minnesota Attorney General."

142.21 ~~In addition, the safety feature disclosure form required under section 327C.07,~~
142.22 ~~subdivision 3a, must be attached to the notice.~~

142.23 Sec. 179. Minnesota Statutes 2014, section 349.12, subdivision 25, is amended to read:

142.24 Subd. 25. **Lawful purpose.** (a) "Lawful purpose" means one or more of the
142.25 following:

142.26 (1) any expenditure by or contribution to a 501(c)(3) or festival organization,
142.27 as defined in subdivision ~~15a~~ 15c, provided that the organization and expenditure or
142.28 contribution are in conformity with standards prescribed by the board under section
142.29 349.154, which standards must apply to both types of organizations in the same manner
142.30 and to the same extent;

142.31 (2) a contribution to or expenditure for goods and services for an individual or
142.32 family suffering from poverty, homelessness, or disability, which is used to relieve the
142.33 effects of that suffering;

142.34 (3) a contribution to a program recognized by the Minnesota Department of Human
142.35 Services for the education, prevention, or treatment of problem gambling;

- 143.1 (4) a contribution to or expenditure on a public or private nonprofit educational
143.2 institution registered with or accredited by this state or any other state;
- 143.3 (5) a contribution to an individual, public or private nonprofit educational institution
143.4 registered with or accredited by this state or any other state, or to a scholarship fund of a
143.5 nonprofit organization whose primary mission is to award scholarships, for defraying the
143.6 cost of education to individuals where the funds are awarded through an open and fair
143.7 selection process;
- 143.8 (6) activities by an organization or a government entity which recognize military
143.9 service to the United States, the state of Minnesota, or a community, subject to rules
143.10 of the board, provided that the rules must not include mileage reimbursements in the
143.11 computation of the per diem reimbursement limit and must impose no aggregate annual
143.12 limit on the amount of reasonable and necessary expenditures made to support:
- 143.13 (i) members of a military marching or color guard unit for activities conducted
143.14 within the state;
- 143.15 (ii) members of an organization solely for services performed by the members at
143.16 funeral services;
- 143.17 (iii) members of military marching, color guard, or honor guard units may be
143.18 reimbursed for participating in color guard, honor guard, or marching unit events within
143.19 the state or states contiguous to Minnesota at a per participant rate of up to \$50 per diem; or
- 143.20 (iv) active military personnel and their immediate family members in need of
143.21 support services;
- 143.22 (7) recreational, community, and athletic facilities and activities intended primarily
143.23 for persons under age 21, provided that such facilities and activities do not discriminate on
143.24 the basis of gender and the organization complies with section 349.154, subdivision 3a;
- 143.25 (8) payment of local taxes authorized under this chapter, taxes imposed by the
143.26 United States on receipts from lawful gambling, the taxes imposed by section 297E.02,
143.27 subdivisions 1, 5, and 6, and the tax imposed on unrelated business income by section
143.28 290.05, subdivision 3;
- 143.29 (9) payment of real estate taxes and assessments on permitted gambling premises
143.30 owned by the licensed organization paying the taxes, or wholly leased by a licensed
143.31 veterans organization under a national charter recognized under section 501(c)(19) of the
143.32 Internal Revenue Code;
- 143.33 (10) a contribution to the United States, this state or any of its political subdivisions,
143.34 or any agency or instrumentality thereof other than a direct contribution to a law
143.35 enforcement or prosecutorial agency;

144.1 (11) a contribution to or expenditure by a nonprofit organization which is a church
144.2 or body of communicants gathered in common membership for mutual support and
144.3 edification in piety, worship, or religious observances;

144.4 (12) an expenditure for citizen monitoring of surface water quality by individuals
144.5 or nongovernmental organizations that is consistent with section 115.06, subdivision 4,
144.6 and Minnesota Pollution Control Agency guidance on monitoring procedures, quality
144.7 assurance protocols, and data management, provided that the resulting data is submitted
144.8 to the Minnesota Pollution Control Agency for review and inclusion in the state water
144.9 quality database;

144.10 (13) a contribution to or expenditure on projects or activities approved by the
144.11 commissioner of natural resources for:

144.12 (i) wildlife management projects that benefit the public at large;

144.13 (ii) grant-in-aid trail maintenance and grooming established under sections 84.83
144.14 and 84.927, and other trails open to public use, including purchase or lease of equipment
144.15 for this purpose; and

144.16 (iii) supplies and materials for safety training and educational programs coordinated
144.17 by the Department of Natural Resources, including the Enforcement Division;

144.18 (14) conducting nutritional programs, food shelves, and congregate dining programs
144.19 primarily for persons who are age 62 or older or disabled;

144.20 (15) a contribution to a community arts organization, or an expenditure to sponsor
144.21 arts programs in the community, including but not limited to visual, literary, performing,
144.22 or musical arts;

144.23 (16) an expenditure by a licensed fraternal organization or a licensed veterans
144.24 organization for payment of water, fuel for heating, electricity, and sewer costs for:

144.25 (i) up to 100 percent for a building wholly owned or wholly leased by and used as
144.26 the primary headquarters of the licensed veteran or fraternal organization; or

144.27 (ii) a proportional amount subject to approval by the director and based on the
144.28 portion of a building used as the primary headquarters of the licensed veteran or fraternal
144.29 organization;

144.30 (17) expenditure by a licensed veterans organization of up to \$5,000 in a calendar
144.31 year in net costs to the organization for meals and other membership events, limited to
144.32 members and spouses, held in recognition of military service. No more than \$5,000 can be
144.33 expended in total per calendar year under this clause by all licensed veterans organizations
144.34 sharing the same veterans post home;

144.35 (18) payment of fees authorized under this chapter imposed by the state of Minnesota
144.36 to conduct lawful gambling in Minnesota;

145.1 (19) a contribution or expenditure to honor an individual's humanitarian service
145.2 as demonstrated through philanthropy or volunteerism to the United States, this state,
145.3 or local community;

145.4 (20) a contribution by a licensed organization to another licensed organization with
145.5 prior board approval, with the contribution designated to be used for one or more of the
145.6 following lawful purposes under this section: clauses (1) to (7), (11) to (15), (19), and (25);

145.7 (21) an expenditure that is a contribution to a parent organization, if the parent
145.8 organization: (i) has not provided to the contributing organization within one year of the
145.9 contribution any money, grants, property, or other thing of value, and (ii) has received
145.10 prior board approval for the contribution that will be used for a program that meets one or
145.11 more of the lawful purposes under subdivision 7a;

145.12 (22) an expenditure for the repair, maintenance, or improvement of real property
145.13 and capital assets owned by an organization, or for the replacement of a capital asset that
145.14 can no longer be repaired, with a fiscal year limit of five percent of gross profits from
145.15 the previous fiscal year, with no carryforward of unused allowances. The fiscal year is
145.16 July 1 through June 30. Total expenditures for the fiscal year may not exceed the limit
145.17 unless the board has specifically approved the expenditures that exceed the limit due to
145.18 extenuating circumstances beyond the organization's control. An expansion of a building
145.19 or bar-related expenditures are not allowed under this provision.

145.20 (i) The expenditure must be related to the portion of the real property or capital asset
145.21 that must be made available for use free of any charge to other nonprofit organizations,
145.22 community groups, or service groups, and is used for the organization's primary mission
145.23 or headquarters.

145.24 (ii) An expenditure may be made to bring an existing building that the organization
145.25 owns into compliance with the Americans with Disabilities Act.

145.26 (iii) An organization may apply the amount that is allowed under item (ii) to the
145.27 erection or acquisition of a replacement building that is in compliance with the Americans
145.28 with Disabilities Act if the board has specifically approved the amount. The cost of
145.29 the erection or acquisition of a replacement building may not be made from gambling
145.30 proceeds, except for the portion allowed under this item;

145.31 (23) an expenditure for the acquisition or improvement of a capital asset with a cost
145.32 greater than \$2,000, excluding real property, that will be used exclusively for lawful
145.33 purposes under this section if the board has specifically approved the amount;

145.34 (24) an expenditure for the acquisition, erection, improvement, or expansion of real
145.35 property, if the board has first specifically authorized the expenditure after finding that the
145.36 real property will be used exclusively for lawful purpose under this section;

146.1 (25) an expenditure, including a mortgage payment or other debt service payment,
146.2 for the erection or acquisition of a comparable building to replace an organization-owned
146.3 building that was destroyed or made uninhabitable by fire or catastrophe or to replace an
146.4 organization-owned building that was taken or sold under an eminent domain proceeding.
146.5 The expenditure may be only for that part of the replacement cost not reimbursed by
146.6 insurance for the fire or catastrophe or compensation not received from a governmental
146.7 unit under the eminent domain proceeding, if the board has first specifically authorized
146.8 the expenditure; or

146.9 (26) a contribution to a 501(c)(19) organization that does not have an organization
146.10 license under section 349.16 and is not affiliated with the contributing organization, and
146.11 whose owned or leased property is not a permitted premises under section 349.165. The
146.12 501(c)(19) organization may only use the contribution for lawful purposes under this
146.13 subdivision or for the organization's primary mission. The 501(c)(19) organization may
146.14 not use the contribution for expansion of a building or for bar-related expenditures. A
146.15 contribution may not be made to a statewide organization representing a consortia of
146.16 501(c)(19) organizations.

146.17 (b) Expenditures authorized by the board under clauses (24) and (25) must be
146.18 51 percent completed within two years of the date of board approval; otherwise the
146.19 organization must reapply to the board for approval of the project. "Fifty-one percent
146.20 completed" means that the work completed must represent at least 51 percent of the value
146.21 of the project as documented by the contractor or vendor.

146.22 (c) Notwithstanding paragraph (a), "lawful purpose" does not include:

146.23 (1) any expenditure made or incurred for the purpose of influencing the nomination
146.24 or election of a candidate for public office or for the purpose of promoting or defeating a
146.25 ballot question;

146.26 (2) any activity intended to influence an election or a governmental decision-making
146.27 process;

146.28 (3) a contribution to a statutory or home rule charter city, county, or town by a
146.29 licensed organization with the knowledge that the governmental unit intends to use the
146.30 contribution for a pension or retirement fund; or

146.31 (4) a contribution to a 501(c)(3) organization or other entity with the intent or effect
146.32 of not complying with lawful purpose restrictions or requirements.

146.33 Sec. 180. Minnesota Statutes 2014, section 355.01, subdivision 3e, is amended to read:

146.34 Subd. 3e. **Judge.** "Judge" means a judge as defined in section 490.121, subdivision
146.35 3 21b.

147.1 Sec. 181. Minnesota Statutes 2014, section 383B.213, is amended to read:

147.2 **383B.213 POWERS AND DUTIES.**

147.3 All powers and duties pertaining to health care and related services now or hereafter
147.4 exercisable or imposed by law upon Hennepin County shall be vested in the board of
147.5 commissioners. If, by general statute, provision is made for separate health boards, the
147.6 board of commissioners may assume the powers and duties of the boards or may create
147.7 separate health boards and make appointments to them as provided by statute. The board
147.8 may delegate authority and responsibility to the county administrator, who may designate
147.9 a person or persons to perform the tasks empowered or assigned. The powers and duties
147.10 of the board shall include, but not be limited to:

147.11 (a) Those provided in chapter 145.

147.12 (b) Those created by contract entered into with any other unit of government or the
147.13 University of Minnesota for health care and related services, ~~or by contract or affiliation~~
147.14 ~~agreement under section 383B.217, subdivision 5.~~

147.15 (c) Those relating to mental health in chapter 245.

147.16 (d) Those authorized under section 471.59.

147.17 (e) Those contained expressly or by necessary implication in special statutes
147.18 applicable to Hennepin County.

147.19 Sec. 182. Minnesota Statutes 2014, section 383D.65, subdivision 3, is amended to read:

147.20 Subd. 3. **Filed surveys are public; deadline.** Any ~~registered~~ licensed land surveyor
147.21 who shall perform a survey of land for an individual or corporation shall file a true
147.22 and correct copy of such survey in the office of the county surveyor within 30 days
147.23 after completion of the survey. The manner of filing, and all incidents thereof, shall be
147.24 determined by the county surveyor. All surveys so filed shall be public records and shall
147.25 be available at all reasonable times for inspection by any person.

147.26 Sec. 183. Minnesota Statutes 2014, section 389.03, is amended to read:

147.27 **389.03 COMPENSATION; RECORDS.**

147.28 (a) Except as otherwise provided by law, the county board shall fix the compensation
147.29 of county surveyors or their deputies, including their necessary expenses. All records of
147.30 surveys are public records and must be made available by the county surveyor at all
147.31 reasonable times to inspection by any person. The county board shall, at the expense of
147.32 the county, provide to the county surveyor all proper and necessary files for keeping these
147.33 records. The county survey records must be kept in the office of the county surveyor or
147.34 of the county recorder of the county. If an office for the county surveyor is maintained

148.1 in a building maintained by the county for county purposes on a full-time basis, then the
 148.2 records shall be kept in the office of the county surveyor.

148.3 (b) If a county closes an office of the county surveyor that the county maintained in a
 148.4 building maintained by the county for county purposes on a full-time basis, the county
 148.5 shall transfer all certificates of location of corners filed with that office under section
 148.6 ~~160.15, subdivision 4, or~~ 381.12, subdivisions 1 and 3, to be recorded in the office of
 148.7 the county recorder.

148.8 Sec. 184. Minnesota Statutes 2014, section 412.191, subdivision 1, is amended to read:

148.9 Subdivision 1. **Composition.** The city council in a standard plan city shall consist
 148.10 of the mayor, the clerk, and the three or five council members. In optional plan cities,
 148.11 except those cities having a larger council under ~~repealed~~ Minnesota Statutes 1994,
 148.12 section 412.023, subdivision 4, the council shall consist of the mayor and the four council
 148.13 members. A majority of all the members shall constitute a quorum although a smaller
 148.14 number may adjourn from time to time.

148.15 Sec. 185. Minnesota Statutes 2014, section 412.581, is amended to read:

148.16 **412.581 OFFICERS.**

148.17 In any city operating under Optional Plan A except a city having a larger council
 148.18 under ~~repealed~~ Minnesota Statutes 1994, section 412.023, subdivision 4, the council shall
 148.19 be composed of five or seven members consisting, except during the initial period of its
 148.20 operation as provided in section 412.571, of the mayor and four or six council members
 148.21 and, except as provided in that section, the clerk and treasurer or clerk-treasurer shall be
 148.22 appointed by the council for indefinite terms.

148.23 Sec. 186. Minnesota Statutes 2014, section 414.0325, subdivision 5, is amended to read:

148.24 Subd. 5. **Planning in orderly annexation area.** (a) An orderly annexation
 148.25 agreement may provide for the establishment of a board to exercise planning and land use
 148.26 control authority within any area designated as an orderly annexation area pursuant to this
 148.27 section, in the manner prescribed by section 471.59. The orderly annexation agreement
 148.28 may also delegate planning and land use authority to the municipalities or towns or may
 148.29 establish some other process within the orderly annexation agreement to accomplish
 148.30 planning and land use control of the designated area.

148.31 (b) A board or other planning authority designated or established pursuant to an
 148.32 orderly annexation agreement shall have all of the powers contained in sections 462.351 to

149.1 462.364, and shall have the authority to adopt and enforce the State Fire Code promulgated
 149.2 pursuant to section 326B.02, subdivision 5.

149.3 (c) The orderly annexation agreement may provide that joint planning and land use
 149.4 controls shall apply to any or all parts of the area designated for orderly annexation as
 149.5 well as to any adjacent unincorporated or incorporated area, provided that the area to be
 149.6 included shall be described in the joint resolution.

149.7 (d) If the orderly annexation agreement does not provide for joint planning and land
 149.8 use control, delegate planning and land use control to the municipalities or towns, or
 149.9 establish some other process for planning and land use authority, the following procedures
 149.10 shall govern:

149.11 (1) if the county and townships agree to exclude the area from their zoning
 149.12 and subdivision ordinances, the municipality may extend its zoning and subdivision
 149.13 regulations to include the entire orderly annexation area as provided in section 462.357,
 149.14 subdivision 1, and section 462.358, subdivision 1a; or

149.15 (2) if the county and township do not agree to such extraterritorial zoning and
 149.16 subdivision regulation by the municipality, zoning and subdivision regulation within
 149.17 the orderly annexation area shall be controlled by a three-member committee with one
 149.18 member appointed from each of the municipal, town, and county governing bodies.

149.19 (e) The committee under paragraph (d), clause (2), shall:

149.20 (1) serve as the "governing body" and "board of appeals and adjustments," for
 149.21 purposes of sections 462.357 and 462.358, within the orderly annexation area; and

149.22 (2) have all of the powers contained in sections 462.351 to 462.364, and the
 149.23 authority to adopt and enforce the State Fire Code promulgated pursuant to section
 149.24 326B.02, subdivision 5.

149.25 Sec. 187. Minnesota Statutes 2014, section 446A.072, subdivision 14, is amended to
 149.26 read:

149.27 Subd. 14. **Consistency with land use plans.** A governmental unit applying for a
 149.28 project in an unsewered area shall include in its application to the authority a certification
 149.29 from the county in which the project is located that:

149.30 (1) the project is consistent with the county comprehensive land use plan, if the
 149.31 county has adopted one;

149.32 (2) the project is consistent with the county water plan, if the county has adopted
 149.33 one; and

149.34 (3) the county has adopted specific land use ordinances or controls so as to meet or
 149.35 exceed the requirements of Minnesota Rules, part ~~7080.0305~~ 7082.0050.

150.1 Sec. 188. Minnesota Statutes 2014, section 469.056, subdivision 1, is amended to read:

150.2 Subdivision 1. **Employees, Social Security.** A port authority may employ or
150.3 contract for the engineering, legal, technical, clerical, stenographic, accounting, and other
150.4 assistance it considers advisable. An employee of a port authority under this chapter is an
150.5 "employee" under section 355.01, subdivision 4 2e, and by appropriate action of the port
150.6 authority is entitled to benefits under that section.

150.7 Sec. 189. Minnesota Statutes 2014, section 469.1734, subdivision 5, is amended to read:

150.8 Subd. 5. **Border city new industry credit.** (a) To provide a tax incentive for new
150.9 industry in border cities, a corporation may be allowed a credit against the tax imposed by
150.10 section 290.02. The commissioner shall prescribe the method in which the credit may
150.11 be claimed. This may include allowing the credit only as a separately processed claim
150.12 for refund.

150.13 (b) The credit equals one percent of the wages and salaries paid by the taxpayer
150.14 during the taxable year for employees whose principal place of work is located in a border
150.15 city but outside of a zone designated under section 469.1731. The credit applies for the
150.16 first three taxable years of the operation of the corporation in the border city. In the fourth
150.17 and fifth taxable years of the operation of the corporation in the border city, the credit
150.18 equals 0.5 percent of the wages and salaries. After the fifth year, no credit is allowed. The
150.19 city shall determine the amount of wages that qualify for the credit and issue tax credit
150.20 certificates in the correct amount.

150.21 (c) The credit under this subdivision applies only to a corporate enterprise engaged
150.22 in assembling, fabricating, manufacturing, mixing, or processing of any agricultural,
150.23 mineral, or manufactured product or combinations of them.

150.24 (d) The credit allowed under this subdivision may not exceed the lesser of:

150.25 (1) the tax liability of the taxpayer for the taxable year; or

150.26 (2) the amount of the tax credit certificates received by the taxpayer from the city,
150.27 less any tax credit certificates used under ~~subdivisions 4 and subdivision 6, and section~~
150.28 ~~469.1732, subdivision 2.~~

150.29 Sec. 190. Minnesota Statutes 2014, section 469.1734, subdivision 6, is amended to read:

150.30 Subd. 6. **Sales tax exemption; equipment; construction materials.** (a) The gross
150.31 receipts from the sale of machinery and equipment and repair parts are exempt from
150.32 taxation under chapter 297A, if the machinery and equipment:

150.33 (1) are used in connection with a trade or business;

151.1 (2) are placed in service in a city that is authorized to designate a zone under section
151.2 469.1731, regardless of whether the machinery and equipment are used in a zone; and

151.3 (3) have a useful life of 12 months or more.

151.4 (b) The gross receipts from the sale of construction materials are exempt, if they are
151.5 used to construct:

151.6 (1) a facility for use in a trade or business located in a city that is authorized to
151.7 designate a zone under section 469.1731, regardless of whether the facility is located in a
151.8 zone; or

151.9 (2) housing that is located in a zone.

151.10 The exemptions under this paragraph apply regardless of whether the purchase is made by
151.11 the owner, the user, or a contractor.

151.12 (c) A purchaser may claim an exemption under this subdivision for tax on the
151.13 purchases up to, but not exceeding:

151.14 (1) the amount of the tax credit certificates received from the city, less

151.15 (2) any tax credit certificates used under the provisions of ~~subdivisions 4 and~~
151.16 subdivision 5, ~~and section 469.1732, subdivision 2.~~

151.17 (d) The tax on sales of items exempted under this subdivision shall be imposed and
151.18 collected as if the applicable rate under section 297A.62 applied. Upon application by the
151.19 purchaser, on forms prescribed by the commissioner, a refund equal to the tax paid shall
151.20 be paid to the purchaser. The application must include sufficient information to permit
151.21 the commissioner to verify the sales tax paid and the eligibility of the claimant to receive
151.22 the credit. No more than two applications for refunds may be filed under this subdivision
151.23 in a calendar year. The provisions of section 289A.40 apply to the refunds payable
151.24 under this subdivision. There is annually appropriated to the commissioner of revenue
151.25 the amount required to make the refunds, which must be deducted from the amount of
151.26 the city's allocation under section 469.169, subdivision 12, that remains available and its
151.27 limitation under section 469.1735.

151.28 (e) The amount to be refunded shall bear interest at the rate in section 270C.405
151.29 from 90 days after the refund claim is filed with the commissioner.

151.30 Sec. 191. Minnesota Statutes 2014, section 469.1734, subdivision 7, is amended to read:

151.31 Subd. 7. **Notice to competitors.** (a) Before an exemption or other concession is
151.32 granted under subdivision 3 ~~or 4~~, the procedure under this subdivision applies.

151.33 (b) Unless the city council determines that no existing business within the city
151.34 would be a potential competitor of the project, the project operator shall publish two
151.35 notices to competitors of the application of the tax exemption or payments in lieu in the

152.1 official newspaper of the city. The city shall prescribe the form of the notice. The two
 152.2 notices must be published at least one week apart. The publications must be completed
 152.3 not less than 15 days nor more than 30 days before the city council approves the tax
 152.4 exemption or payments in lieu of taxes.

152.5 Sec. 192. Minnesota Statutes 2014, section 469.1735, subdivision 1, is amended to read:

152.6 Subdivision 1. **Businesses must apply.** To claim a tax credit under section
 152.7 ~~469.1732, subdivision 2, or 469.1734, subdivision 4 or 5,~~ or an exemption from sales tax
 152.8 under section 469.1734, subdivision 6, a business must apply to the city for a tax credit
 152.9 certificate. As a condition of its application, the business must agree to furnish information
 152.10 to the city that is sufficient to verify the eligibility for any credits or other tax reductions
 152.11 claimed. The total amount of the state tax reductions allowed for the specified period may
 152.12 not exceed the amount of the tax credit certificates provided by the city to the business. The
 152.13 city must verify the amount of tax reduction or credits for which each business is eligible.

152.14 Sec. 193. Minnesota Statutes 2014, section 469.1763, subdivision 2, is amended to read:

152.15 Subd. 2. **Expenditures outside district.** (a) For each tax increment financing
 152.16 district, an amount equal to at least 75 percent of the total revenue derived from tax
 152.17 increments paid by properties in the district must be expended on activities in the district
 152.18 or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities
 152.19 in the district or to pay, or secure payment of, debt service on credit enhanced bonds.
 152.20 For districts, other than redevelopment districts for which the request for certification
 152.21 was made after June 30, 1995, the in-district percentage for purposes of the preceding
 152.22 sentence is 80 percent. Not more than 25 percent of the total revenue derived from tax
 152.23 increments paid by properties in the district may be expended, through a development fund
 152.24 or otherwise, on activities outside of the district but within the defined geographic area of
 152.25 the project except to pay, or secure payment of, debt service on credit enhanced bonds.
 152.26 For districts, other than redevelopment districts for which the request for certification was
 152.27 made after June 30, 1995, the pooling percentage for purposes of the preceding sentence is
 152.28 20 percent. The revenue derived from tax increments for the district that are expended on
 152.29 costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before
 152.30 calculating the percentages that must be expended within and without the district.

152.31 (b) In the case of a housing district, a housing project, as defined in section 469.174,
 152.32 subdivision 11, is an activity in the district.

152.33 (c) All administrative expenses are for activities outside of the district, except that
 152.34 if the only expenses for activities outside of the district under this subdivision are for

153.1 the purposes described in paragraph (d), administrative expenses will be considered as
 153.2 expenditures for activities in the district.

153.3 (d) The authority may elect, in the tax increment financing plan for the district,
 153.4 to increase by up to ten percentage points the permitted amount of expenditures for
 153.5 activities located outside the geographic area of the district under paragraph (a). As
 153.6 permitted by section 469.176, subdivision 4k, the expenditures, including the permitted
 153.7 expenditures under paragraph (a), need not be made within the geographic area of the
 153.8 project. Expenditures that meet the requirements of this paragraph are legally permitted
 153.9 expenditures of the district, notwithstanding section 469.176, subdivisions 4b, 4c, and 4j.
 153.10 To qualify for the increase under this paragraph, the expenditures must:

153.11 (1) be used exclusively to assist housing that meets the requirement for a qualified
 153.12 low-income building, as that term is used in section 42 of the Internal Revenue Code; and

153.13 (2) not exceed the qualified basis of the housing, as defined under section 42(c) of
 153.14 the Internal Revenue Code, less the amount of any credit allowed under section 42 of
 153.15 the Internal Revenue Code; and

153.16 (3) be used to:

153.17 (i) acquire and prepare the site of the housing;

153.18 (ii) acquire, construct, or rehabilitate the housing; or

153.19 (iii) make public improvements directly related to the housing; or

153.20 (4) be used to develop housing:

153.21 (i) if the market value of the housing does not exceed the lesser of:

153.22 (A) 150 percent of the average market value of single-family homes in that
 153.23 municipality; or

153.24 (B) \$200,000 for municipalities located in the metropolitan area, as defined in
 153.25 section 473.121, or \$125,000 for all other municipalities; and

153.26 (ii) if the expenditures are used to pay the cost of site acquisition, relocation,
 153.27 demolition of existing structures, site preparation, and pollution abatement on one or
 153.28 more parcels, if the parcel contains a residence containing one to four family dwelling
 153.29 units that has been vacant for six or more months and is in foreclosure as defined in
 153.30 section 325N.10, subdivision 7, but without regard to whether the residence is the owner's
 153.31 principal residence, and only after the redemption period has expired.

153.32 ~~(e) For a district created within a biotechnology and health sciences industry zone~~
 153.33 ~~as defined in Minnesota Statutes 2012, section 469.330, subdivision 6, or for an existing~~
 153.34 ~~district located within such a zone, tax increment derived from such a district may be~~
 153.35 ~~expended outside of the district but within the zone only for expenditures required for the~~
 153.36 ~~construction of public infrastructure necessary to support the activities of the zone, land~~

154.1 ~~acquisition, and other redevelopment costs as defined in section 469.176, subdivision 4j.~~
 154.2 ~~These expenditures are considered as expenditures for activities within the district. The~~
 154.3 ~~authority provided by this paragraph expires for expenditures made after the later of (1)~~
 154.4 ~~December 31, 2015, or (2) the end of the five-year period beginning on the date the district~~
 154.5 ~~was certified, provided that date was before January 1, 2016.~~

154.6 (f) ~~(e)~~ The authority under paragraph (d), clause (4), expires on December 31, 2016.
 154.7 Increments may continue to be expended under this authority after that date, if they are
 154.8 used to pay bonds or binding contracts that would qualify under subdivision 3, paragraph
 154.9 (a), if December 31, 2016, is considered to be the last date of the five-year period after
 154.10 certification under that provision.

154.11 Sec. 194. Minnesota Statutes 2014, section 473.388, subdivision 4, is amended to read:

154.12 Subd. 4. **Financial assistance.** (a) The council must grant the requested financial
 154.13 assistance if it determines that the proposed service is intended to replace the service to
 154.14 the applying city or town or combination thereof by the council and that the proposed
 154.15 service will meet the needs of the applicant at least as efficiently and effectively as the
 154.16 existing service.

154.17 (b) The amount of assistance which the council must provide to a system under this
 154.18 section may not be less than the sum of the amounts determined for each municipality
 154.19 comprising the system as follows:

154.20 (1) the transit operating assistance grants received under this subdivision by the
 154.21 municipality in calendar year 2001 or the tax revenues for transit services levied by the
 154.22 municipality for taxes payable in 2001, including that portion of the levy derived from
 154.23 the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of
 154.24 the municipality's aid under Minnesota Statutes 2002, section 273.1398, subdivision 2,
 154.25 attributable to the transit levy; times

154.26 (2) the ratio of (i) an amount equal to 3.74 percent of the state revenues generated
 154.27 from the taxes imposed under chapter 297B for the current fiscal year to (ii) the total
 154.28 transit operating assistance grants received under this subdivision in calendar year 2001
 154.29 or the tax revenues for transit services levied by all replacement service municipalities
 154.30 under this section for taxes payable in 2001, including that portion of the levy derived
 154.31 from the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion
 154.32 of homestead and agricultural credit aid under Minnesota Statutes 2002, section 273.1398,
 154.33 subdivision 2, attributable to nondebt transit levies, times

154.34 (3) the ratio of (i) the municipality's total taxable market value for taxes payable
 154.35 in 2006 divided by the municipality's total taxable market value for taxes payable in

155.1 2001, to (ii) the total taxable market value of all property located in replacement service
155.2 municipalities for taxes payable in 2006 divided by the total taxable market value of all
155.3 property located in replacement service municipalities for taxes payable in 2001.

155.4 (c) The council shall pay the amount to be provided to the recipient from the funds
155.5 the council receives in the metropolitan area transit account under section 16A.88.

155.6 Sec. 195. Minnesota Statutes 2014, section 473.39, subdivision 1, is amended to read:

155.7 Subdivision 1. **General authority.** The council may issue general obligation bonds
155.8 subject to the volume limitations in this section to provide funds to implement the council's
155.9 transit capital improvement program and may issue general obligation bonds not subject to
155.10 the limitations for the refunding of outstanding bonds or certificates of indebtedness of the
155.11 council, the former regional transit board or the former metropolitan transit commission,
155.12 and judgments against the former regional transit board or the former metropolitan transit
155.13 commission or the council. The council may not issue obligations pursuant to this
155.14 subdivision, other than refunding bonds, in excess of the amount specifically authorized
155.15 by law. Except as otherwise provided in sections 473.371 to 473.449, the council shall
155.16 provide for the issuance, sale, and security of the bonds in the manner provided in chapter
155.17 475, and has the same powers and duties as a municipality issuing bonds under that law,
155.18 except that no election is required and the net debt limitations in chapter 475 do not apply
155.19 to the bonds. The obligations are not a debt of the state or any municipality or political
155.20 subdivision within the meaning of any debt limitation or requirement pertaining to those
155.21 entities. Neither the state, nor any municipality or political subdivision except the council,
155.22 nor any member or officer or employee of the council, is liable on the obligations. The
155.23 obligations may be secured by taxes levied without limitation of rate or amount upon
155.24 all taxable property in the transit taxing district and transit area as provided in section
155.25 473.446, subdivision 1, clause ~~(e)~~ (a). As part of its levy made under section 473.446,
155.26 subdivision 1, clause ~~(e)~~ (a), the council shall levy the amounts necessary to provide full
155.27 and timely payment of the obligations and transfer the proceeds to the appropriate council
155.28 account for payment of the obligations. The taxes must be levied, certified, and collected
155.29 in accordance with the terms and conditions of the indebtedness.

155.30 Sec. 196. Minnesota Statutes 2014, section 473.8441, subdivision 1, is amended to read:

155.31 Subdivision 1. **Definitions.** "Number of households" has the meaning given in
155.32 Minnesota Statutes 1992, section 477A.011, subdivision 3a.

155.33 Sec. 197. Minnesota Statutes 2014, section 480.35, subdivision 2, is amended to read:

156.1 Subd. 2. **Duties and responsibilities.** (a) The State Guardian Ad Litem Board shall
 156.2 create and administer a statewide, independent guardian ad litem program to advocate for
 156.3 the best interests of children, minor parents, and incompetent adults in juvenile and family
 156.4 court cases as defined in Rule 901.01 of the Rules of Guardian Ad Litem Procedure in
 156.5 Juvenile and Family Court matters.

156.6 (b) The board shall:

156.7 (1) approve and recommend to the legislature a budget for the board and the
 156.8 guardian ad litem program;

156.9 (2) establish procedures for distribution of funding under this section to the guardian
 156.10 ad litem program; and

156.11 (3) establish guardian ad litem program standards, administrative policies,
 156.12 procedures, and rules consistent with statute, rules of court, and laws that affect a
 156.13 volunteer or employee guardian ad litem's work, including the Minnesota Indian Family
 156.14 Preservation Act under sections 260.751 to 260.835; the federal Multiethnic Placement
 156.15 Act of 1994 under United States Code, title 42, section 662 and amendments; and the
 156.16 federal Indian Child Welfare Act under United States Code, title 25, section 1901 et seq.

156.17 (c) The board may:

156.18 (1) adopt standards, policies, or procedures necessary to ensure quality advocacy for
 156.19 the best interests of children; and

156.20 (2) propose statutory changes to the legislature and rule changes to the Supreme
 156.21 Court that are in the best interests of children and the operation of the guardian ad litem
 156.22 program; and.

156.23 ~~(3) appoint an advisory committee to make recommendations to assist the board in~~
 156.24 ~~its duties and to report to the board on issues related to the guardian ad litem program.~~
 156.25 ~~The advisory committee shall be subject to the provisions of section 15.059 and shall~~
 156.26 ~~expire on June 30, 2014.~~

156.27 Sec. 198. Minnesota Statutes 2014, section 484.87, subdivision 5, is amended to read:

156.28 Subd. 5. **Assistance of attorney general.** An attorney for a statutory or home
 156.29 rule charter city in the metropolitan area, as defined in section 473.121, subdivision 2,
 156.30 may request, and the attorney general may provide, assistance in prosecuting nonfelony
 156.31 violations of section 609.66, subdivision 1; 609.666; 624.713, subdivision 2; 624.7131,
 156.32 subdivision 11; 624.7132, subdivision 15; 624.714, subdivision ~~1~~ 1a or 10; 624.7162,
 156.33 subdivision 3; or 624.7181, subdivision 2.

157.1 Sec. 199. Minnesota Statutes 2015 Supplement, section 501C.0103, is amended to read:

157.2 **501C.0103 DEFINITIONS.**

157.3 In this chapter:

157.4 (a) "Action" with respect to an act of a trustee includes a failure to act.

157.5 (b) "Ascertainable standard" means a standard relating to an individual's health,
157.6 education, support, or maintenance within the meaning of section 2041(b)(1)(A) or
157.7 2514(c)(1) of the Internal Revenue Code of 1986, as in effect on January 1, 2016.

157.8 (c) "Beneficiary" means a person that:

157.9 (1) has a present or future beneficial interest in a trust, vested or contingent; or

157.10 (2) in a capacity other than that of trustee, holds a power of appointment over trust
157.11 property.

157.12 (d) "Charitable trust" means a trust, or portion of a trust, created for a charitable
157.13 purpose described in section 501B.35.

157.14 (e) "Conservator" means a person who is appointed by a court to manage the estate
157.15 of a protected person under sections 524.5-101 to 524.5-903.

157.16 (f) "Environmental law" means a federal, state, or local law, rule, regulation, or
157.17 ordinance relating to protection of the environment.

157.18 (g) "Guardian" means a person who has qualified as a guardian of a minor or
157.19 incapacitated person pursuant to testamentary or court appointment, but excludes one who
157.20 is a guardian ad litem, under sections 524.5-101 to 524.5-903.

157.21 (h) "Interests of the beneficiaries" means the beneficial interests provided in the
157.22 terms of the trust.

157.23 (i) "Jurisdiction," with respect to a geographic area, includes a state or country.

157.24 (j) "Person" means an individual, corporation, business trust, estate, trust,
157.25 partnership, limited liability company, association, joint venture, government,
157.26 governmental subdivision, agency, or instrumentality, public corporation, or any other
157.27 legal or commercial entity.

157.28 (k) "Power of withdrawal" means a presently exercisable general power of
157.29 appointment other than a power:

157.30 (1) exercisable by a trustee and limited by an ascertainable standard; or

157.31 (2) exercisable by another person only upon consent of the trustee or a person
157.32 holding an adverse interest.

157.33 (l) "Property" means anything that may be the subject of ownership, whether real or
157.34 personal, legal or equitable, or any interest therein.

157.35 (m) "Qualified beneficiary" means a beneficiary who, on the date the beneficiary's
157.36 qualification is determined:

158.1 (1) is a distributee or permissible distributee of trust income or principal;

158.2 (2) would be a distributee or permissible distributee of trust income or principal if
 158.3 the interests of the distributees described in clause (1) terminated on that date without
 158.4 causing the trust to terminate; or

158.5 (3) would be a distributee or permissible distributee of trust income or principal if
 158.6 the trust terminated on that date.

158.7 (n) "Revocable," as applied to a trust, means revocable by the settlor without the
 158.8 consent of the trustee or a person holding an adverse interest.

158.9 (o) "Settlor" means a person, including a testator, who creates or contributes property
 158.10 to a trust. If more than one person creates or contributes property to a trust, each person is
 158.11 a settlor of the portion of the trust property attributable to that person's contribution except
 158.12 to the extent another person has the power to revoke or withdraw that portion.

158.13 (p) "Spendthrift provision" means a term of a trust which restricts both voluntary
 158.14 and involuntary transfer of a beneficiary's interest.

158.15 (q) "State" means a state of the United States, the District of Columbia, Puerto
 158.16 Rico, the United States Virgin Islands, or any territory or insular possession subject to the
 158.17 jurisdiction of the United States. The term includes an Indian tribe or band recognized by
 158.18 federal law or formally acknowledged by a state.

158.19 (r) "Terms of a trust" means the manifestation of the settlor's intent regarding a
 158.20 trust's provisions as expressed in the trust instrument or as may be established by other
 158.21 evidence that would be admissible in a judicial proceeding.

158.22 (s) "Trust instrument" means an instrument executed by the settlor that contains
 158.23 terms of the trust, including any amendments thereto.

158.24 (t) "Trustee" includes an original, additional, and successor trustee, and a cotrustee,
 158.25 whether or not appointed or confirmed by a court.

158.26 Sec. 200. Minnesota Statutes 2015 Supplement, section 501C.0111, is amended to read:

158.27 **501C.0111 NONJUDICIAL SETTLEMENT AGREEMENTS.**

158.28 (a) For purposes of this section, "interested persons" means persons whose consent
 158.29 would be required in order to achieve a binding settlement were the settlement to be
 158.30 approved by the court.

158.31 (b) Except as otherwise provided in paragraph (c), interested persons may enter
 158.32 into a binding nonjudicial settlement agreement with respect to any matter involving a
 158.33 trust: including but not limited to:

158.34 (1) the interpretation or construction of the terms of the trust;

158.35 (2) the approval of a trustee's report or accounting;

159.1 (3) direction to a trustee to refrain from performing a particular act or the grant to a
 159.2 trustee of any necessary or desirable power;

159.3 (4) the resignation or appointment of a trustee and the determination of a trustee's
 159.4 compensation;

159.5 (5) transfer of a trust's principal place of administration; and

159.6 (6) liability of a trustee for an action relating to the trust.

159.7 (c) A nonjudicial settlement agreement is valid only to the extent it does not violate
 159.8 a material purpose of the trust and includes terms and conditions that could be properly
 159.9 approved by the court under this chapter or other applicable law.

159.10 ~~(d) Matters that may be resolved by a nonjudicial settlement agreement include:~~

159.11 ~~(1) the interpretation or construction of the terms of the trust;~~

159.12 ~~(2) the approval of a trustee's report or accounting;~~

159.13 ~~(3) direction to a trustee to refrain from performing a particular act or the grant to a~~
 159.14 ~~trustee of any necessary or desirable power;~~

159.15 ~~(4) the resignation or appointment of a trustee and the determination of a trustee's~~
 159.16 ~~compensation;~~

159.17 ~~(5) transfer of a trust's principal place of administration; and~~

159.18 ~~(6) liability of a trustee for an action relating to the trust.~~

159.19 ~~(e)~~ (d) Any interested person may request that the court approve a nonjudicial
 159.20 settlement agreement, to determine whether the representation as provided in sections
 159.21 501C.0301 to 501C.0305 was adequate, and to determine whether the agreement contains
 159.22 terms and conditions the court could have properly approved.

159.23 Sec. 201. Minnesota Statutes 2014, section 517.08, subdivision 4, is amended to read:

159.24 Subd. 4. **Report.** The local registrar of each county shall annually report to the
 159.25 Department of Health the number of civil marriage licenses issued in the county for which
 159.26 the fee in subdivision 1b, paragraph (a), was paid and the number for which the fee in
 159.27 subdivision 1b, paragraph ~~(b)~~ (c), was paid.

159.28 Sec. 202. Minnesota Statutes 2014, section 557.021, is amended to read:

159.29 **557.021 LIS PENDENS; NOTICE; LIMIT, TEN YEARS.**

159.30 ~~On and after January 1, 1948,~~ No lis pendens now of record or hereafter filed shall
 159.31 be notice, either actual or constructive, of the pendency of any action or of any of the
 159.32 matters referred to in the court files and records pertaining to the action noticed by such lis
 159.33 pendens, after such lis pendens has been of record for ten years unless a new notice of lis
 159.34 pendens in the same action is filed within said ten years.

160.1 Sec. 203. Minnesota Statutes 2015 Supplement, section 604.175, is amended to read:

160.2 **604.175 COMPLIANCE WITH DEBT COLLECTION REQUIREMENTS.**

160.3 (a) Any patient may bring an action to enjoin extraordinary collection actions taken
160.4 by a nonprofit hospital if the hospital has failed to provide a plain language summary of
160.5 the financial assistance policy. A prevailing patient is entitled to reasonable attorney
160.6 fees and costs.

160.7 (b) For the purposes of this section:

160.8 (1) "extraordinary collection actions" means an action described in Code of Federal
160.9 Regulations, title 26, section 1.501 (r)-6;

160.10 (2) "financial assistance policy" means a written policy that meets the requirements
160.11 described in Code of Federal Regulations, title 26, section 1.501 (r)-4;

160.12 (3) "nonprofit hospital" means a hospital that claims federal tax status under United
160.13 States Code, title 26, section 501(r); and

160.14 (4) "plain language summary" has the meaning given in Code of Federal Regulations,
160.15 title 26, section ~~501(r)-1~~ 1.501(r)-1.

160.16 Sec. 204. Minnesota Statutes 2014, section 609.232, subdivision 3, is amended to read:

160.17 Subd. 3. **Facility.** (a) "Facility" means a hospital or other entity required to be
160.18 licensed under sections 144.50 to 144.58; a nursing home required to be licensed to serve
160.19 adults under section 144A.02; a home care provider licensed or required to be licensed
160.20 under ~~section 144A.46~~ sections 144A.43 to 144A.482; a residential or nonresidential
160.21 facility required to be licensed to serve adults under sections 245A.01 to 245A.16; or a
160.22 person or organization that exclusively offers, provides, or arranges for personal care
160.23 assistance services under the medical assistance program as authorized under sections
160.24 256B.0625, subdivision 19a, 256B.0651, 256B.0653, and 256B.0654.

160.25 (b) For home care providers and personal care attendants, the term "facility" refers
160.26 to the provider or person or organization that exclusively offers, provides, or arranges for
160.27 personal care services, and does not refer to the client's home or other location at which
160.28 services are rendered.

160.29 Sec. 205. Minnesota Statutes 2014, section 609.232, subdivision 11, is amended to read:

160.30 Subd. 11. **Vulnerable adult.** "Vulnerable adult" means any person 18 years of
160.31 age or older who:

160.32 (1) is a resident inpatient of a facility;

160.33 (2) receives services at or from a facility required to be licensed to serve adults
160.34 under sections 245A.01 to 245A.15, except that a person receiving outpatient services for

161.1 treatment of chemical dependency or mental illness, or one who is committed as a sexual
 161.2 psychopathic personality or as a sexually dangerous person under chapter 253B, is not
 161.3 considered a vulnerable adult unless the person meets the requirements of clause (4);

161.4 (3) receives services from a home care provider required to be licensed under
 161.5 ~~section 144A.46~~ sections 144A.43 to 144A.482; or from a person or organization that
 161.6 exclusively offers, provides, or arranges for personal care assistance services under the
 161.7 medical assistance program as authorized under sections 256B.0625, subdivision 19a,
 161.8 256B.0651 to 256B.0654, and 256B.0659; or

161.9 (4) regardless of residence or whether any type of service is received, possesses a
 161.10 physical or mental infirmity or other physical, mental, or emotional dysfunction:

161.11 (i) that impairs the individual's ability to provide adequately for the individual's
 161.12 own care without assistance, including the provision of food, shelter, clothing, health
 161.13 care, or supervision; and

161.14 (ii) because of the dysfunction or infirmity and the need for assistance, the individual
 161.15 has an impaired ability to protect the individual from maltreatment.

161.16 Sec. 206. Minnesota Statutes 2014, section 609.495, subdivision 1, is amended to read:

161.17 Subdivision 1. **Definition of crime.** (a) Whoever harbors, conceals, aids, or assists
 161.18 by word or acts another whom the actor knows or has reason to know has committed
 161.19 a crime under the laws of this or another state or of the United States with intent that
 161.20 such offender shall avoid or escape from arrest, trial, conviction, or punishment, may be
 161.21 sentenced to imprisonment for not more than three years or to payment of a fine of not more
 161.22 than \$5,000, or both if the crime committed or attempted by the other person is a felony.

161.23 (b) Whoever knowingly harbors, conceals, or aids a person who is on probation,
 161.24 parole, or supervised release because of a felony level conviction and for whom an
 161.25 arrest and detention order has been issued, with intent that the person evade or escape
 161.26 being taken into custody under the order, may be sentenced to imprisonment for not
 161.27 more than three years or to payment of a fine of not more than \$5,000, or both. As
 161.28 used in this paragraph, "arrest and detention order" means a written order to take and
 161.29 detain a probationer, parolee, or supervised releasee that is issued under section 243.05,
 161.30 subdivision 1; ~~244.19, subdivision 4~~ 244.195; or ~~401.02, subdivision 4~~ 401.025.

161.31 Sec. 207. Minnesota Statutes 2014, section 609B.127, is amended to read:

161.32 **609B.127 HOME CARE EMPLOYMENT; DISQUALIFICATION.**

161.33 Under section ~~144A.46~~ 144A.476:

- 162.1 (1) no person may be involved in the management, operation, or control of a home
 162.2 care provider if the person has been disqualified under the provisions of chapter 245C; and
 162.3 (2) employees, contractors, and volunteers of a home care provider or hospice with
 162.4 prior criminal convictions shall be disqualified under the provisions of chapter 245C.

162.5 Sec. 208. Minnesota Statutes 2014, section 609B.132, is amended to read:

162.6 **609B.132 TRANSPORTATION; COLLATERAL SANCTIONS.**

162.7 Sections 609B.133 to ~~609B.137~~ 609B.136 provide references to collateral sanctions
 162.8 related to transportation.

162.9 Sec. 209. Minnesota Statutes 2014, section 611A.52, subdivision 8, is amended to read:

162.10 Subd. 8. **Economic loss.** (a) "Economic loss" means actual economic detriment
 162.11 incurred as a direct result of injury or death.

162.12 (b) In the case of injury the term is limited to:

162.13 (1) reasonable expenses incurred for necessary medical, chiropractic, hospital,
 162.14 rehabilitative, and dental products, services, or accommodations, including ambulance
 162.15 services, drugs, appliances, and prosthetic devices;

162.16 (2) reasonable expenses associated with recreational therapy where a claimant has
 162.17 suffered amputation of a limb;

162.18 (3) reasonable expenses incurred for psychological or psychiatric products, services,
 162.19 or accommodations, not to exceed an amount to be set by the board, where the nature of
 162.20 the injury or the circumstances of the crime are such that the treatment is necessary to
 162.21 the rehabilitation of the victim;

162.22 (4) loss of income that the victim would have earned had the victim not been injured;

162.23 (5) reasonable expenses incurred for substitute child care or household services to
 162.24 replace those the victim or claimant would have performed had the victim or the claimant's
 162.25 child not been injured. As used in this clause, "child care services" means services
 162.26 provided by facilities licensed under and in compliance with either Minnesota Rules,
 162.27 parts 9502.0315 to 9502.0445, or ~~9545.0510 to 9545.0670~~ 9503.0005 to 9503.0170, or
 162.28 exempted from licensing requirements pursuant to section 245A.03. Licensed facilities
 162.29 must be paid at a rate not to exceed their standard rate of payment. Facilities exempted
 162.30 from licensing requirements must be paid at a rate not to exceed \$3 an hour per child for
 162.31 daytime child care or \$4 an hour per child for evening child care;

162.32 (6) reasonable expenses actually incurred to return a child who was a victim of a
 162.33 crime under section 609.25 or 609.26 to the child's parents or lawful custodian. These

163.1 expenses are limited to transportation costs, meals, and lodging from the time the child
163.2 was located until the child was returned home; and

163.3 (7) the claimant's moving expenses, storage fees, and phone and utility installation
163.4 fees, up to a maximum of \$1,000 per claim, if the move is necessary due to a reasonable
163.5 fear of danger related to the crime for which the claim was filed.

163.6 (c) In the case of death the term is limited to:

163.7 (1) reasonable expenses actually incurred for funeral, burial, or cremation, not to
163.8 exceed an amount to be determined by the board on the first day of each fiscal year;

163.9 (2) reasonable expenses for medical, chiropractic, hospital, rehabilitative,
163.10 psychological and psychiatric services, products or accommodations which were incurred
163.11 prior to the victim's death and for which the victim's survivors or estate are liable;

163.12 (3) loss of support, including contributions of money, products or goods, but
163.13 excluding services which the victim would have supplied to dependents if the victim
163.14 had lived; and

163.15 (4) reasonable expenses incurred for substitute child care and household services
163.16 to replace those which the victim or claimant would have performed for the benefit of
163.17 dependents if the victim or the claimant's child had lived.

163.18 Claims for loss of support for minor children made under clause (3) must be paid for
163.19 three years or until the child reaches 18 years old, whichever is the shorter period. After
163.20 three years, if the child is younger than 18 years old a claim for loss of support may be
163.21 resubmitted to the board, and the board staff shall evaluate the claim giving consideration
163.22 to the child's financial need and to the availability of funds to the board. Claims for loss
163.23 of support for a spouse made under clause (3) shall also be reviewed at least once every
163.24 three years. The board staff shall evaluate the claim giving consideration to the spouse's
163.25 financial need and to the availability of funds to the board.

163.26 Claims for substitute child care services made under clause (4) must be limited to
163.27 the actual care that the deceased victim would have provided to enable surviving family
163.28 members to pursue economic, educational, and other activities other than recreational
163.29 activities.

163.30 Sec. 210. Minnesota Statutes 2015 Supplement, section 624.713, subdivision 1,
163.31 is amended to read:

163.32 Subdivision 1. **Ineligible persons.** The following persons shall not be entitled to
163.33 possess ammunition or a pistol or semiautomatic military-style assault weapon or, except
163.34 for clause (1), any other firearm:

164.1 (1) a person under the age of 18 years except that a person under 18 may possess
164.2 ammunition designed for use in a firearm that the person may lawfully possess and may
164.3 carry or possess a pistol or semiautomatic military-style assault weapon (i) in the actual
164.4 presence or under the direct supervision of the person's parent or guardian, (ii) for the
164.5 purpose of military drill under the auspices of a legally recognized military organization
164.6 and under competent supervision, (iii) for the purpose of instruction, competition, or target
164.7 practice on a firing range approved by the chief of police or county sheriff in whose
164.8 jurisdiction the range is located and under direct supervision; or (iv) if the person has
164.9 successfully completed a course designed to teach marksmanship and safety with a pistol
164.10 or semiautomatic military-style assault weapon and approved by the commissioner of
164.11 natural resources;

164.12 (2) except as otherwise provided in clause (9), a person who has been convicted of,
164.13 or adjudicated delinquent or convicted as an extended jurisdiction juvenile for committing,
164.14 in this state or elsewhere, a crime of violence. For purposes of this section, crime of
164.15 violence includes crimes in other states or jurisdictions which would have been crimes of
164.16 violence as herein defined if they had been committed in this state;

164.17 (3) a person who is or has ever been committed in Minnesota or elsewhere by
164.18 a judicial determination that the person is mentally ill, developmentally disabled, or
164.19 mentally ill and dangerous to the public, as defined in section 253B.02, to a treatment
164.20 facility, or who has ever been found incompetent to stand trial or not guilty by reason of
164.21 mental illness, unless the person's ability to possess a firearm and ammunition has been
164.22 restored under subdivision 4;

164.23 (4) a person who has been convicted in Minnesota or elsewhere of a misdemeanor or
164.24 gross misdemeanor violation of chapter 152, unless three years have elapsed since the
164.25 date of conviction and, during that time, the person has not been convicted of any other
164.26 such violation of chapter 152 or a similar law of another state; or a person who is or has
164.27 ever been committed by a judicial determination for treatment for the habitual use of a
164.28 controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the
164.29 person's ability to possess a firearm and ammunition has been restored under subdivision 4;

164.30 (5) a person who has been committed to a treatment facility in Minnesota or
164.31 elsewhere by a judicial determination that the person is chemically dependent as defined
164.32 in section 253B.02, unless the person has completed treatment or the person's ability to
164.33 possess a firearm and ammunition has been restored under subdivision 4. Property rights
164.34 may not be abated but access may be restricted by the courts;

164.35 (6) a peace officer who is informally admitted to a treatment facility pursuant to
164.36 section 253B.04 for chemical dependency, unless the officer possesses a certificate from

165.1 the head of the treatment facility discharging or provisionally discharging the officer from
165.2 the treatment facility. Property rights may not be abated but access may be restricted
165.3 by the courts;

165.4 (7) a person, including a person under the jurisdiction of the juvenile court, who
165.5 has been charged with committing a crime of violence and has been placed in a pretrial
165.6 diversion program by the court before disposition, until the person has completed the
165.7 diversion program and the charge of committing the crime of violence has been dismissed;

165.8 (8) except as otherwise provided in clause (9), a person who has been convicted in
165.9 another state of committing an offense similar to the offense described in section 609.224,
165.10 subdivision 3, against a family or household member or section 609.2242, subdivision
165.11 3, unless three years have elapsed since the date of conviction and, during that time, the
165.12 person has not been convicted of any other violation of section 609.224, subdivision 3, or
165.13 609.2242, subdivision 3, or a similar law of another state;

165.14 (9) a person who has been convicted in this state or elsewhere of assaulting a family
165.15 or household member and who was found by the court to have used a firearm in any way
165.16 during commission of the assault is prohibited from possessing any type of firearm or
165.17 ammunition for the period determined by the sentencing court;

165.18 (10) a person who:

165.19 (i) has been convicted in any court of a crime punishable by imprisonment for a
165.20 term exceeding one year;

165.21 (ii) is a fugitive from justice as a result of having fled from any state to avoid
165.22 prosecution for a crime or to avoid giving testimony in any criminal proceeding;

165.23 (iii) is an unlawful user of any controlled substance as defined in chapter 152;

165.24 (iv) has been judicially committed to a treatment facility in Minnesota or elsewhere
165.25 as a person who is mentally ill, developmentally disabled, or mentally ill and dangerous to
165.26 the public, as defined in section 253B.02;

165.27 (v) is an alien who is illegally or unlawfully in the United States;

165.28 (vi) has been discharged from the armed forces of the United States under
165.29 dishonorable conditions;

165.30 (vii) has renounced the person's citizenship having been a citizen of the United
165.31 States; or

165.32 (viii) is disqualified from possessing a firearm under United States Code, title 18,
165.33 section 922(g)(8) or (9), as amended through March 1, 2014;

165.34 (11) a person who has been convicted of the following offenses at the gross
165.35 misdemeanor level, unless three years have elapsed since the date of conviction and, during
165.36 that time, the person has not been convicted of any other violation of these sections: section

166.1 609.229 (crimes committed for the benefit of a gang); 609.2231, subdivision 4 (assaults
166.2 motivated by bias); 609.255 (false imprisonment); 609.378 (neglect or endangerment of a
166.3 child); 609.582, subdivision 4 (burglary in the fourth degree); 609.665 (setting a spring
166.4 gun); 609.71 (riot); or 609.749 (stalking). For purposes of this paragraph, the specified
166.5 gross misdemeanor convictions include crimes committed in other states or jurisdictions
166.6 which would have been gross misdemeanors if conviction occurred in this state;

166.7 (12) a person who has been convicted of a violation of section 609.224 if the court
166.8 determined that the assault was against a family or household member in accordance with
166.9 section 609.2242, subdivision 8 3 (domestic assault), unless three years have elapsed since
166.10 the date of conviction and, during that time, the person has not been convicted of another
166.11 violation of section 609.224 or a violation of a section listed in clause (11); or

166.12 (13) a person who is subject to an order for protection as described in section
166.13 260C.201, subdivision 3, paragraph (d), or 518B.01, subdivision 6, paragraph (g).

166.14 A person who issues a certificate pursuant to this section in good faith is not
166.15 liable for damages resulting or arising from the actions or misconduct with a firearm or
166.16 ammunition committed by the individual who is the subject of the certificate.

166.17 The prohibition in this subdivision relating to the possession of firearms other than
166.18 pistols and semiautomatic military-style assault weapons does not apply retroactively
166.19 to persons who are prohibited from possessing a pistol or semiautomatic military-style
166.20 assault weapon under this subdivision before August 1, 1994.

166.21 The lifetime prohibition on possessing, receiving, shipping, or transporting firearms
166.22 and ammunition for persons convicted or adjudicated delinquent of a crime of violence
166.23 in clause (2), applies only to offenders who are discharged from sentence or court
166.24 supervision for a crime of violence on or after August 1, 1993.

166.25 For purposes of this section, "judicial determination" means a court proceeding
166.26 pursuant to sections 253B.07 to 253B.09 or a comparable law from another state.

166.27 Sec. 211. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 3c,
166.28 is amended to read:

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

167.1 to personal care provider organizations under section 256B.0659 must be forwarded to
167.2 the Department of Human Services provider enrollment.

167.3 (b) The Department of Human Services is the agency responsible for assessing or
167.4 investigating allegations of maltreatment in facilities licensed under chapters 245A and
167.5 245D, except for child foster care and family child care.

167.6 (c) The Department of Health is the agency responsible for assessing or investigating
167.7 allegations of child maltreatment in facilities licensed under sections 144.50 to 144.58 and
167.8 ~~144A.46~~ 144A.43 to 144A.482.

167.9 Sec. 212. Minnesota Statutes 2015 Supplement, section 626.5572, subdivision 6,
167.10 is amended to read:

167.11 Subd. 6. **Facility.** (a) "Facility" means a hospital or other entity required to be
167.12 licensed under sections 144.50 to 144.58; a nursing home required to be licensed to serve
167.13 adults under section 144A.02; a facility or service required to be licensed under chapter
167.14 245A; a home care provider licensed or required to be licensed under ~~section 144A.46~~
167.15 sections 144A.43 to 144A.482; a hospice provider licensed under sections 144A.75 to
167.16 144A.755; or a person or organization that offers, provides, or arranges for personal care
167.17 assistance services under the medical assistance program as authorized under section
167.18 256B.0625, subdivision 19a, sections 256B.0651 to 256B.0654, section 256B.0659, or
167.19 section 256B.85.

167.20 (b) For services identified in paragraph (a) that are provided in the vulnerable adult's
167.21 own home or in another unlicensed location, the term "facility" refers to the provider,
167.22 person, or organization that offers, provides, or arranges for personal care services, and does
167.23 not refer to the vulnerable adult's home or other location at which services are rendered.

167.24 Sec. 213. Minnesota Statutes 2015 Supplement, section 626.5572, subdivision 21,
167.25 is amended to read:

167.26 Subd. 21. **Vulnerable adult.** (a) "Vulnerable adult" means any person 18 years of
167.27 age or older who:

167.28 (1) is a resident or inpatient of a facility;

167.29 (2) receives services required to be licensed under chapter 245A, except that a
167.30 person receiving outpatient services for treatment of chemical dependency or mental
167.31 illness, or one who is served in the Minnesota sex offender program on a court-hold order
167.32 for commitment, or is committed as a sexual psychopathic personality or as a sexually
167.33 dangerous person under chapter 253B, is not considered a vulnerable adult unless the
167.34 person meets the requirements of clause (4);

168.1 (3) receives services from a home care provider required to be licensed under section
 168.2 ~~144A.46~~ sections 144A.43 to 144A.482; or from a person or organization that offers,
 168.3 provides, or arranges for personal care assistance services under the medical assistance
 168.4 program as authorized under section 256B.0625, subdivision 19a, 256B.0651, 256B.0653,
 168.5 256B.0654, 256B.0659, or 256B.85; or

168.6 (4) regardless of residence or whether any type of service is received, possesses a
 168.7 physical or mental infirmity or other physical, mental, or emotional dysfunction:

168.8 (i) that impairs the individual's ability to provide adequately for the individual's
 168.9 own care without assistance, including the provision of food, shelter, clothing, health
 168.10 care, or supervision; and

168.11 (ii) because of the dysfunction or infirmity and the need for care or services, the
 168.12 individual has an impaired ability to protect the individual's self from maltreatment.

168.13 (b) For purposes of this subdivision, "care or services" means care or services for the
 168.14 health, safety, welfare, or maintenance of an individual.

168.15 Sec. 214. Laws 2015, chapter 77, article 1, section 11, subdivision 4, is amended to read:

| | | |
|-------------------------------------|------------|------------|
| 168.16 Subd. 4. Fiscal Agent | 12,957,000 | 11,737,000 |
|-------------------------------------|------------|------------|

168.17 The appropriations under this section are to
 168.18 the commissioner of administration for the
 168.19 purposes specified.

168.20 **In-Lieu of Rent.** \$8,158,000 the first year
 168.21 and \$8,158,000 the second year are for
 168.22 space costs of the legislature and veterans
 168.23 organizations, ceremonial space, and
 168.24 statutorily free space. In-lieu of rent may be
 168.25 used for rent loss and relocation expenses
 168.26 related to the Capitol restoration in the fiscal
 168.27 year 2014-2015 biennium and fiscal year
 168.28 2016-2017 biennium.

168.29 **Relocation Expenses.** \$1,380,000 the first
 168.30 year and \$960,000 the second year are for
 168.31 rent loss and relocation expenses related
 168.32 to the Capitol renovation project. This is a
 168.33 onetime appropriation.

169.1 **Public Broadcasting.** (a) \$1,550,000 the
169.2 first year and \$1,550,000 the second year are
169.3 for matching grants for public television.

169.4 (b) \$550,000 the first year and \$250,000
169.5 the second year are for public television
169.6 equipment grants under Minnesota Statutes,
169.7 section 129D.13.

169.8 (c) The commissioner of administration
169.9 must consider the recommendations of the
169.10 Minnesota Public Television Association
169.11 before allocating the amount appropriated
169.12 in paragraphs (a) and (b) for equipment or
169.13 matching grants.

169.14 (d) \$592,000 the first year and \$392,000 the
169.15 second year are for community service grants
169.16 to public educational radio stations. This
169.17 appropriation may be used to disseminate
169.18 emergency information in foreign languages.

169.19 (e) \$167,000 the first year and \$117,000
169.20 the second year are for equipment grants
169.21 to public educational radio stations. This
169.22 appropriation may be used for the repair,
169.23 rental, and purchase of equipment including
169.24 equipment under \$500.

169.25 (f) \$560,000 the first year and \$310,000
169.26 the second year are for equipment grants
169.27 to Minnesota Public Radio, Inc., including
169.28 upgrades to Minnesota's Emergency Alert
169.29 and AMBER Alert Systems.

169.30 (g) The appropriations in paragraphs (d),
169.31 (e), and (f), may not be used for indirect
169.32 costs claimed by an institution or governing
169.33 body. The commissioner of administration
169.34 must consider the recommendations of
169.35 the Minnesota Public Educational Radio

170.1 Stations before awarding grants under
 170.2 Minnesota Statutes, section 129D.14, using
 170.3 the appropriations in paragraphs (d), and (e);
 170.4 ~~and (f)~~. No grantee is eligible for a grant of
 170.5 the appropriations in paragraph (d) and (e)
 170.6 unless they are a member of the Association
 170.7 of Minnesota Public Educational Radio
 170.8 Stations on or before July 1, 2015.

170.9 (h) Any unencumbered balance remaining
 170.10 the first year for grants to public television or
 170.11 radio stations does not cancel and is available
 170.12 for the second year.

170.13 **EFFECTIVE DATE.** This section is effective July 1, 2015.

170.14 Sec. 215. **REVISOR'S INSTRUCTION.**

170.15 Subdivision 1. **Terminology.** In Minnesota Statutes, sections 289A.55, subdivision
 170.16 6; 290A.09; 296A.15, subdivision 3; 297A.84; 297E.14, subdivision 5; 297F.18,
 170.17 subdivision 5; and 297G.17, subdivision 5, the revisor of statutes shall delete the words
 170.18 "the department" and insert the words "the commissioner."

170.19 Subd. 2. **Erroneous reference.** In Minnesota Statutes, section 326B.43, the revisor
 170.20 of statutes shall replace references to "Minnesota Rules, part 4715.3130" with "Minnesota
 170.21 Rules, part 1300.0215, subpart 6."

170.22 Subd. 3. **Erroneous range reference.** In Minnesota Statutes, sections 245.462,
 170.23 subdivisions 16 and 23; 245.472, subdivision 2; 245.802, subdivision 2a; 245A.095,
 170.24 subdivision 2; 256B.25, subdivision 3; 256L.05, subdivision 2; and 295.50, subdivision 9b,
 170.25 the revisor of statutes shall change the range reference "Minnesota Rules, parts 9520.0500
 170.26 to 9520.0690" to "Minnesota Rules, parts 9520.0500 to 9520.0670."

170.27 Subd. 4. **Erroneous range reference.** In Minnesota Statutes, sections 252.41,
 170.28 subdivision 3; 252.42; 252.44; 252.45; and 252.50, subdivision 5, the revisor of statutes
 170.29 shall replace the range reference to "Minnesota Rules, parts 9525.0015 to 9525.0165" to
 170.30 "Minnesota Rules, parts 9525.0004 to 9525.0036."

170.31 Subd. 5. **Erroneous range reference.** In Minnesota Statutes, sections 62N.25,
 170.32 subdivision 5; 62Q.1055; 62Q.47; 256L.03, subdivision 2; and 256L.12, subdivision 8,
 170.33 the revisor of statutes shall replace references to "Minnesota Rules, parts 9530.6600 to
 170.34 9530.6660" to "Minnesota Rules, parts 9530.6600 to 9530.6655."

171.1 Subd. 6. **Erroneous range reference.** In Minnesota Statutes, sections 184.21 and
 171.2 184.24, the revisor of statutes shall replace references to Minnesota Statutes, section
 171.3 184.40, with Minnesota Statutes, section 184.41.

171.4 Subd. 7. **Erroneous reference.** The revisor of statutes shall change references to
 171.5 "176.101, subdivision 3" to "176.101, subdivision 2a" where it appears in Minnesota
 171.6 Statutes, sections 176.011, subdivision 18, and 176.105, subdivision 2.

171.7 Subd. 8. **Erroneous reference.** In Minnesota Rules, part 2955.0090, subpart 3, item
 171.8 A, the revisor of statutes shall change references to "148B.21" to "148E.055."

171.9 Subd. 9. **Erroneous reference.** The revisor of statutes shall delete ", has provided a
 171.10 certification under section 326.107, subdivision 5, to the board," where it appears in
 171.11 Minnesota Statutes, section 326.10, subdivisions 8 and 9.

171.12 Sec. 216. **REPEALER.**

171.13 Subdivision 1. **Obsolete section.** Minnesota Statutes 2014, section 40A.03, is
 171.14 repealed.

171.15 Subd. 2. **Obsolete subdivision.** Minnesota Statutes 2014, section 93.223,
 171.16 subdivision 2, is repealed.

171.17 Subd. 3. **Obsolete section.** Minnesota Statutes 2014, section 147.031, is repealed.

171.18 Subd. 4. **Obsolete section.** Minnesota Statutes 2014, section 148.232, is repealed.

171.19 Subd. 5. **Obsolete subdivision.** Minnesota Statutes 2014, section 245.482,
 171.20 subdivision 5, is repealed.

171.21 Subd. 6. **Obsolete subdivision.** Minnesota Statutes 2014, section 256.966,
 171.22 subdivision 1, is repealed.

171.23 Subd. 7. **Obsolete subdivision.** Minnesota Statutes 2014, section 259.24,
 171.24 subdivision 8, is repealed.

171.25 Subd. 8. **Obsolete section.** Minnesota Statutes 2014, section 290.0692, is repealed.

171.26 Subd. 9. **Obsolete subdivisions.** Minnesota Statutes 2014, section 290.191,
 171.27 subdivisions 9, 10, 11, and 12, are repealed.

171.28 Subd. 10. **Obsolete subdivision.** Minnesota Statutes 2014, section 297A.71,
 171.29 subdivision 42, is repealed.

171.30 Subd. 11. **Obsolete subdivision.** Minnesota Statutes 2014, section 297A.71,
 171.31 subdivision 46, is repealed.

171.32 Subd. 12. **Obsolete subdivision.** Minnesota Statutes 2014, section 297A.71,
 171.33 subdivision 47, is repealed.

171.34 Subd. 13. **Obsolete subdivisions.** Minnesota Statutes 2014, section 298.2961,
 171.35 subdivisions 5, 6, and 7, are repealed.

172.1 Subd. 14. **Obsolete section.** Minnesota Statutes 2014, section 386.23, is repealed.

172.2 Subd. 15. **Obsolete section.** Minnesota Statutes 2014, section 507.30, is repealed.

172.3 Subd. 16. **Obsolete section.** Minnesota Statutes 2014, section 507.37, is repealed.

172.4 Subd. 17. **Obsolete section.** Minnesota Statutes 2014, section 557.07, is repealed.

172.5 Subd. 18. **Conflict resolution.** Laws 2014, chapter 286, article 6, section 2, is
 172.6 repealed.

172.7 Subd. 19. **Conflict resolution.** Laws 2015, chapter 45, section 17, is repealed.

172.8 Subd. 20. **Conflict resolution.** Laws 2015, chapter 68, article 14, section 8, is
 172.9 repealed.

172.10 Subd. 21. **Obsolete subdivision.** Minnesota Statutes 2014, section 127A.48,
 172.11 subdivision 9, is repealed.

172.12 Sec. 217. **SUPERSEDING ACTS.**

172.13 Any amendments or repeals enacted in the 2016 session of the legislature to sections
 172.14 also amended or repealed in this act supersede the amendments or repeals in this act,
 172.15 regardless of order of enactment.

172.16 **ARTICLE 2**

172.17 **GENERAL ASSISTANCE MEDICAL CARE**

172.18 Section 1. Minnesota Statutes 2014, section 3.739, subdivision 2a, is amended to read:

172.19 Subd. 2a. **Limitations.** Compensation paid under this section is limited to
 172.20 reimbursement for medical expenses and compensation for permanent total disability,
 172.21 permanent partial disability, or death. Reimbursement for medical expenses under this
 172.22 section is limited to the amount which would be payable for the same expenses under the
 172.23 medical assistance program authorized under chapter 256B. No compensation shall be
 172.24 paid under this section for pain and suffering. Payments made under this section shall be
 172.25 reduced by any proceeds received by the claimant or the medical care provider from any
 172.26 insurance policy covering the loss. For the purposes of this section, "insurance policy"
 172.27 does not include the medical assistance program authorized under chapter 256B ~~or the~~
 172.28 ~~general assistance medical care program authorized under chapter 256D.~~

172.29 Sec. 2. Minnesota Statutes 2014, section 3.7394, subdivision 3, is amended to read:

172.30 Subd. 3. **Payments from other sources.** (a) Notwithstanding any statutory or
 172.31 common law or agreement to the contrary, a person who is not a third-party tortfeasor and
 172.32 who is required to make payments, including future payments, to a survivor may eliminate
 172.33 or reduce those payments as a result of compensation paid to the survivor under section

173.1 3.7393 or from the emergency relief fund only to the extent those payments represent
173.2 damages for future losses for which the survivor received compensation under section
173.3 3.7393 or from the emergency relief fund. The obligation of any person other than the
173.4 state to make payments to a survivor is primary as compared to any payment made or to
173.5 be made under section 3.7393 or from the emergency relief fund. The persons referenced
173.6 in and covered by this subdivision and subdivision 4 include, without limitation:

173.7 (1) reparation obligors, as defined in section 65B.43, subdivision 9, whether they are
173.8 insurers or self-insurers;

173.9 (2) health plan companies, as defined in section 62Q.01, subdivision 4, including the
173.10 Minnesota Comprehensive Health Association created under section 62E.10;

173.11 (3) insurance companies, as defined in section 60A.02, subdivision 4;

173.12 (4) self-insured pools of political subdivisions organized under section 471.617 or
173.13 471.981, including service cooperatives pools organized under section 123A.21;

173.14 (5) risk retention groups, as defined in section 60E.02, subdivision 12;

173.15 (6) joint self-insurance plans governed by chapter 60F;

173.16 (7) workers' compensation insurers and private self-insurers, as defined in section
173.17 79.01;

173.18 (8) the Minnesota Life and Health Insurance Guaranty Association governed by
173.19 chapter 61B;

173.20 (9) the Minnesota Insurance Guaranty Association governed by chapter 60C;

173.21 (10) the Minnesota Joint Underwriting Association governed by chapter 62I;

173.22 (11) all insurers providing credit life, credit accident and health, and credit
173.23 involuntary unemployment insurance under chapter 62B, but also including those
173.24 coverages written in connection with real estate mortgage loans and those provided to
173.25 borrowers at no additional cost;

173.26 (12) the Minnesota unemployment insurance program provided under chapter 268;

173.27 (13) coverage offered by the state under medical assistance, ~~general assistance~~
173.28 ~~medical care~~, and MinnesotaCare; and

173.29 (14) any other plan providing health, life, disability income, or long-term care
173.30 coverage.

173.31 (b) A third-party tortfeasor who is required to make payments, including future
173.32 payments, to a survivor may not eliminate or reduce those payments as a result of
173.33 compensation paid to a survivor under section 3.7393 or from the emergency relief fund
173.34 or as a result of the survivor's release of claims against the state, a municipality, or their
173.35 employees under section 3.7393.

174.1 Sec. 3. Minnesota Statutes 2014, section 13.46, subdivision 1, is amended to read:

174.2 Subdivision 1. **Definitions.** As used in this section:

174.3 (a) "Individual" means an individual according to section 13.02, subdivision 8,
174.4 but does not include a vendor of services.

174.5 (b) "Program" includes all programs for which authority is vested in a component of
174.6 the welfare system according to statute or federal law, including, but not limited to, the
174.7 aid to families with dependent children program formerly codified in sections 256.72 to
174.8 256.87, Minnesota family investment program, temporary assistance for needy families
174.9 program, medical assistance, general assistance, general assistance medical care formerly
174.10 codified in chapter 256D, child care assistance program, and child support collections.

174.11 (c) "Welfare system" includes the Department of Human Services, local social
174.12 services agencies, county welfare agencies, private licensing agencies, the public authority
174.13 responsible for child support enforcement, human services boards, community mental
174.14 health center boards, state hospitals, state nursing homes, the ombudsman for mental health
174.15 and developmental disabilities, and persons, agencies, institutions, organizations, and other
174.16 entities under contract to any of the above agencies to the extent specified in the contract.

174.17 (d) "Mental health data" means data on individual clients and patients of community
174.18 mental health centers, established under section 245.62, mental health divisions of
174.19 counties and other providers under contract to deliver mental health services, or the
174.20 ombudsman for mental health and developmental disabilities.

174.21 (e) "Fugitive felon" means a person who has been convicted of a felony and who has
174.22 escaped from confinement or violated the terms of probation or parole for that offense.

174.23 (f) "Private licensing agency" means an agency licensed by the commissioner of
174.24 human services under chapter 245A to perform the duties under section 245A.16.

174.25 Sec. 4. Minnesota Statutes 2015 Supplement, section 13.46, subdivision 2, is amended
174.26 to read:

174.27 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or
174.28 disseminated by the welfare system are private data on individuals, and shall not be
174.29 disclosed except:

174.30 (1) according to section 13.05;

174.31 (2) according to court order;

174.32 (3) according to a statute specifically authorizing access to the private data;

174.33 (4) to an agent of the welfare system and an investigator acting on behalf of a county,
174.34 the state, or the federal government, including a law enforcement person or attorney in the

175.1 investigation or prosecution of a criminal, civil, or administrative proceeding relating to
 175.2 the administration of a program;

175.3 (5) to personnel of the welfare system who require the data to verify an individual's
 175.4 identity; determine eligibility, amount of assistance, and the need to provide services
 175.5 to an individual or family across programs; coordinate services for an individual or
 175.6 family; evaluate the effectiveness of programs; assess parental contribution amounts;
 175.7 and investigate suspected fraud;

175.8 (6) to administer federal funds or programs;

175.9 (7) between personnel of the welfare system working in the same program;

175.10 (8) to the Department of Revenue to assess parental contribution amounts for
 175.11 purposes of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit
 175.12 programs and to identify individuals who may benefit from these programs. The following
 175.13 information may be disclosed under this paragraph: an individual's and their dependent's
 175.14 names, dates of birth, Social Security numbers, income, addresses, and other data as
 175.15 required, upon request by the Department of Revenue. Disclosures by the commissioner
 175.16 of revenue to the commissioner of human services for the purposes described in this clause
 175.17 are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include,
 175.18 but are not limited to, the dependent care credit under section 290.067, the Minnesota
 175.19 working family credit under section 290.0671, the property tax refund and rental credit
 175.20 under section 290A.04, and the Minnesota education credit under section 290.0674;

175.21 (9) between the Department of Human Services, the Department of Employment
 175.22 and Economic Development, and when applicable, the Department of Education, for
 175.23 the following purposes:

175.24 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
 175.25 employment or training program administered, supervised, or certified by that agency;

175.26 (ii) to administer any rehabilitation program or child care assistance program,
 175.27 whether alone or in conjunction with the welfare system;

175.28 (iii) to monitor and evaluate the Minnesota family investment program or the child
 175.29 care assistance program by exchanging data on recipients and former recipients of food
 175.30 support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance
 175.31 under chapter 119B, ~~or~~ medical programs under chapter 256B, ~~256D~~, or 256L, or a
 175.32 medical program formerly codified under chapter 256D; and

175.33 (iv) to analyze public assistance employment services and program utilization,
 175.34 cost, effectiveness, and outcomes as implemented under the authority established in Title
 175.35 II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of
 175.36 1999. Health records governed by sections 144.291 to 144.298 and "protected health

176.1 information" as defined in Code of Federal Regulations, title 45, section 160.103, and
176.2 governed by Code of Federal Regulations, title 45, parts 160-164, including health care
176.3 claims utilization information, must not be exchanged under this clause;

176.4 (10) to appropriate parties in connection with an emergency if knowledge of
176.5 the information is necessary to protect the health or safety of the individual or other
176.6 individuals or persons;

176.7 (11) data maintained by residential programs as defined in section 245A.02 may
176.8 be disclosed to the protection and advocacy system established in this state according
176.9 to Part C of Public Law 98-527 to protect the legal and human rights of persons with
176.10 developmental disabilities or other related conditions who live in residential facilities for
176.11 these persons if the protection and advocacy system receives a complaint by or on behalf
176.12 of that person and the person does not have a legal guardian or the state or a designee of
176.13 the state is the legal guardian of the person;

176.14 (12) to the county medical examiner or the county coroner for identifying or locating
176.15 relatives or friends of a deceased person;

176.16 (13) data on a child support obligor who makes payments to the public agency
176.17 may be disclosed to the Minnesota Office of Higher Education to the extent necessary to
176.18 determine eligibility under section 136A.121, subdivision 2, clause (5);

176.19 (14) participant Social Security numbers and names collected by the telephone
176.20 assistance program may be disclosed to the Department of Revenue to conduct an
176.21 electronic data match with the property tax refund database to determine eligibility under
176.22 section 237.70, subdivision 4a;

176.23 (15) the current address of a Minnesota family investment program participant
176.24 may be disclosed to law enforcement officers who provide the name of the participant
176.25 and notify the agency that:

176.26 (i) the participant:

176.27 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
176.28 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
176.29 jurisdiction from which the individual is fleeing; or

176.30 (B) is violating a condition of probation or parole imposed under state or federal law;

176.31 (ii) the location or apprehension of the felon is within the law enforcement officer's
176.32 official duties; and

176.33 (iii) the request is made in writing and in the proper exercise of those duties;

176.34 (16) the current address of a recipient of general assistance ~~or general assistance~~
176.35 ~~medical care~~ may be disclosed to probation officers and corrections agents who are

177.1 supervising the recipient and to law enforcement officers who are investigating the
177.2 recipient in connection with a felony level offense;

177.3 (17) information obtained from food support applicant or recipient households may
177.4 be disclosed to local, state, or federal law enforcement officials, upon their written request,
177.5 for the purpose of investigating an alleged violation of the Food Stamp Act, according
177.6 to Code of Federal Regulations, title 7, section 272.1(c);

177.7 (18) the address, Social Security number, and, if available, photograph of any
177.8 member of a household receiving food support shall be made available, on request, to a
177.9 local, state, or federal law enforcement officer if the officer furnishes the agency with the
177.10 name of the member and notifies the agency that:

177.11 (i) the member:

177.12 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
177.13 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

177.14 (B) is violating a condition of probation or parole imposed under state or federal
177.15 law; or

177.16 (C) has information that is necessary for the officer to conduct an official duty related
177.17 to conduct described in subitem (A) or (B);

177.18 (ii) locating or apprehending the member is within the officer's official duties; and

177.19 (iii) the request is made in writing and in the proper exercise of the officer's official
177.20 duty;

177.21 (19) the current address of a recipient of Minnesota family investment program,
177.22 general assistance, ~~general assistance medical care~~, or food support may be disclosed to
177.23 law enforcement officers who, in writing, provide the name of the recipient and notify the
177.24 agency that the recipient is a person required to register under section 243.166, but is not
177.25 residing at the address at which the recipient is registered under section 243.166;

177.26 (20) certain information regarding child support obligors who are in arrears may be
177.27 made public according to section 518A.74;

177.28 (21) data on child support payments made by a child support obligor and data on
177.29 the distribution of those payments excluding identifying information on obligees may be
177.30 disclosed to all obligees to whom the obligor owes support, and data on the enforcement
177.31 actions undertaken by the public authority, the status of those actions, and data on the
177.32 income of the obligor or obligee may be disclosed to the other party;

177.33 (22) data in the work reporting system may be disclosed under section 256.998,
177.34 subdivision 7;

177.35 (23) to the Department of Education for the purpose of matching Department of
177.36 Education student data with public assistance data to determine students eligible for free

178.1 and reduced-price meals, meal supplements, and free milk according to United States
178.2 Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and
178.3 state funds that are distributed based on income of the student's family; and to verify
178.4 receipt of energy assistance for the telephone assistance plan;

178.5 (24) the current address and telephone number of program recipients and emergency
178.6 contacts may be released to the commissioner of health or a community health board as
178.7 defined in section 145A.02, subdivision 5, when the commissioner or community health
178.8 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
178.9 or at risk of illness, and the data are necessary to locate the person;

178.10 (25) to other state agencies, statewide systems, and political subdivisions of this
178.11 state, including the attorney general, and agencies of other states, interstate information
178.12 networks, federal agencies, and other entities as required by federal regulation or law for
178.13 the administration of the child support enforcement program;

178.14 (26) to personnel of public assistance programs as defined in section 256.741, for
178.15 access to the child support system database for the purpose of administration, including
178.16 monitoring and evaluation of those public assistance programs;

178.17 (27) to monitor and evaluate the Minnesota family investment program by
178.18 exchanging data between the Departments of Human Services and Education, on recipients
178.19 and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or
178.20 256K, child care assistance under chapter 119B, ~~or~~ medical programs under chapter 256B,
178.21 ~~256D~~, or 256L, or a medical program formerly codified under chapter 256D;

178.22 (28) to evaluate child support program performance and to identify and prevent
178.23 fraud in the child support program by exchanging data between the Department of Human
178.24 Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a)
178.25 and (b), without regard to the limitation of use in paragraph (c), Department of Health,
178.26 Department of Employment and Economic Development, and other state agencies as is
178.27 reasonably necessary to perform these functions;

178.28 (29) counties operating child care assistance programs under chapter 119B may
178.29 disseminate data on program participants, applicants, and providers to the commissioner
178.30 of education;

178.31 (30) child support data on the child, the parents, and relatives of the child may be
178.32 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
178.33 Security Act, as authorized by federal law; or

178.34 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
178.35 necessary to coordinate services.

179.1 (b) Information on persons who have been treated for drug or alcohol abuse may
179.2 only be disclosed according to the requirements of Code of Federal Regulations, title
179.3 42, sections 2.1 to 2.67.

179.4 (c) Data provided to law enforcement agencies under paragraph (a), clause (15),
179.5 (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected
179.6 nonpublic while the investigation is active. The data are private after the investigation
179.7 becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

179.8 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
179.9 not subject to the access provisions of subdivision 10, paragraph (b).

179.10 For the purposes of this subdivision, a request will be deemed to be made in writing
179.11 if made through a computer interface system.

179.12 Sec. 5. Minnesota Statutes 2014, section 16A.124, subdivision 4a, is amended to read:

179.13 Subd. 4a. **Invoice errors; Department of Human Services.** For purposes of
179.14 Department of Human Services payments to hospitals receiving reimbursement under the
179.15 medical assistance and ~~general assistance medical care programs~~ program, if an invoice
179.16 is incorrect, defective, or otherwise improper, the Department of Human Services must
179.17 notify the hospital of all errors, within 30 days of discovery of the errors.

179.18 Sec. 6. Minnesota Statutes 2014, section 16A.124, subdivision 4b, is amended to read:

179.19 Subd. 4b. **Health care payments.** (a) The commissioner of human services must
179.20 pay or deny a valid vendor obligation for health services under the medical assistance,
179.21 ~~general assistance medical care~~, or MinnesotaCare program within 30 days after receipt.
179.22 A "valid vendor obligation" means a clean claim submitted directly to the commissioner
179.23 by an eligible health care provider for health services provided to an eligible recipient.
179.24 A "clean claim" means an original paper or electronic claim with correct data elements,
179.25 prepared in accordance with the commissioner's published specifications for claim
179.26 preparation, that does not require an attachment or text information to pay or deny the
179.27 claim. Adjustment claims, claims with attachments and text information, and claims
179.28 submitted to the commissioner as the secondary or tertiary payer, that have been prepared
179.29 in accordance with the commissioner's published specifications, must be adjudicated
179.30 within 90 days after receipt.

179.31 For purposes of this subdivision, paragraphs (b) and (c) apply.

179.32 (b) The agency is not required to make an interest penalty payment on claims for
179.33 which payment has been delayed for purposes of reviewing potentially fraudulent or
179.34 abusive billing practices, if there is an eventual finding by the agency of fraud or abuse.

180.1 (c) The agency is not required to make an interest penalty payment of less than \$2.

180.2 Sec. 7. Minnesota Statutes 2015 Supplement, section 62A.045, is amended to read:

180.3 **62A.045 PAYMENTS ON BEHALF OF ENROLLEES IN GOVERNMENT**
 180.4 **HEALTH PROGRAMS.**

180.5 (a) As a condition of doing business in Minnesota or providing coverage to
 180.6 residents of Minnesota covered by this section, each health insurer shall comply with the
 180.7 requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171, including
 180.8 any federal regulations adopted under that act, to the extent that it imposes a requirement
 180.9 that applies in this state and that is not also required by the laws of this state. This section
 180.10 does not require compliance with any provision of the federal act prior to the effective date
 180.11 provided for that provision in the federal act. The commissioner shall enforce this section.

180.12 For the purpose of this section, "health insurer" includes self-insured plans, group
 180.13 health plans (as defined in section 607(1) of the Employee Retirement Income Security
 180.14 Act of 1974), service benefit plans, managed care organizations, pharmacy benefit
 180.15 managers, or other parties that are by contract legally responsible to pay a claim for a
 180.16 health-care item or service for an individual receiving benefits under paragraph (b).

180.17 (b) No plan offered by a health insurer issued or renewed to provide coverage to
 180.18 a Minnesota resident shall contain any provision denying or reducing benefits because
 180.19 services are rendered to a person who is eligible for or receiving medical benefits pursuant
 180.20 to title XIX of the Social Security Act (Medicaid) in this or any other state; chapter 256~~;~~ or
 180.21 256B; ~~or 256D~~ or services pursuant to section 252.27; 256L.01 to 256L.10; 260B.331,
 180.22 subdivision 2; 260C.331, subdivision 2; or 393.07, subdivision 1 or 2. No health insurer
 180.23 providing benefits under plans covered by this section shall use eligibility for medical
 180.24 programs named in this section as an underwriting guideline or reason for nonacceptance
 180.25 of the risk.

180.26 (c) If payment for covered expenses has been made under state medical programs for
 180.27 health care items or services provided to an individual, and a third party has a legal liability
 180.28 to make payments, the rights of payment and appeal of an adverse coverage decision for the
 180.29 individual, or in the case of a child their responsible relative or caretaker, will be subrogated
 180.30 to the state agency. The state agency may assert its rights under this section within three
 180.31 years of the date the service was rendered. For purposes of this section, "state agency"
 180.32 includes prepaid health plans under contract with the commissioner according to sections
 180.33 256B.69, ~~256D.03, subdivision 4, paragraph (c),~~ and 256L.12; children's mental health
 180.34 collaboratives under section 245.493; demonstration projects for persons with disabilities

181.1 under section 256B.77; nursing homes under the alternative payment demonstration project
181.2 under section 256B.434; and county-based purchasing entities under section 256B.692.

181.3 (d) Notwithstanding any law to the contrary, when a person covered by a plan
181.4 offered by a health insurer receives medical benefits according to any statute listed in this
181.5 section, payment for covered services or notice of denial for services billed by the provider
181.6 must be issued directly to the provider. If a person was receiving medical benefits through
181.7 the Department of Human Services at the time a service was provided, the provider must
181.8 indicate this benefit coverage on any claim forms submitted by the provider to the health
181.9 insurer for those services. If the commissioner of human services notifies the health
181.10 insurer that the commissioner has made payments to the provider, payment for benefits or
181.11 notices of denials issued by the health insurer must be issued directly to the commissioner.
181.12 Submission by the department to the health insurer of the claim on a Department of
181.13 Human Services claim form is proper notice and shall be considered proof of payment of
181.14 the claim to the provider and supersedes any contract requirements of the health insurer
181.15 relating to the form of submission. Liability to the insured for coverage is satisfied to the
181.16 extent that payments for those benefits are made by the health insurer to the provider or
181.17 the commissioner as required by this section.

181.18 (e) When a state agency has acquired the rights of an individual eligible for medical
181.19 programs named in this section and has health benefits coverage through a health insurer,
181.20 the health insurer shall not impose requirements that are different from requirements
181.21 applicable to an agent or assignee of any other individual covered.

181.22 (f) A health insurer must process a clean claim made by a state agency for covered
181.23 expenses paid under state medical programs within 90 business days of the claim's
181.24 submission. A health insurer must process all other claims made by a state agency for
181.25 covered expenses paid under a state medical program within the timeline set forth in Code
181.26 of Federal Regulations, title 42, section 447.45(d)(4).

181.27 (g) A health insurer may request a refund of a claim paid in error to the Department
181.28 of Human Services within two years of the date the payment was made to the department.
181.29 A request for a refund shall not be honored by the department if the health insurer makes
181.30 the request after the time period has lapsed.

181.31 Sec. 8. Minnesota Statutes 2014, section 62A.046, subdivision 4, is amended to read:

181.32 Subd. 4. **Deductible provision.** Payments made by an enrollee or by the
181.33 commissioner on behalf of an enrollee in the MinnesotaCare program under sections
181.34 256L.01 to 256L.10, or a person receiving benefits under chapter 256B or ~~256D~~, for

182.1 services that are covered by the policy or plan of health insurance shall, for purposes of
182.2 the deductible, be treated as if made by the insured.

182.3 Sec. 9. Minnesota Statutes 2014, section 62A.095, subdivision 1, is amended to read:

182.4 Subdivision 1. **Applicability.** (a) A health plan may not be offered, sold, or issued to
182.5 a resident of this state, or to cover a resident of this state, unless the health plan complies
182.6 with subdivision 2.

182.7 (b) Health plans providing benefits under health care programs administered by the
182.8 commissioner of human services are not subject to the limits described in subdivision
182.9 2 but are subject to the right of subrogation provisions under section 256B.37 and the
182.10 lien provisions under section 256.015; 256B.042; Minnesota Statutes 2010, 256D.03,
182.11 subdivision 8; or 256L.03, subdivision 6.

182.12 For purposes of this section, "health plan" includes coverage that is excluded under
182.13 section 62A.011, subdivision 3, clauses (4), (6), (7), (8), (9), and (10).

182.14 Sec. 10. Minnesota Statutes 2014, section 62D.04, subdivision 5, is amended to read:

182.15 Subd. 5. **Participation; government programs.** Health maintenance organizations
182.16 shall, as a condition of receiving and retaining a certificate of authority, participate in
182.17 the medical assistance, ~~general assistance medical care,~~ and MinnesotaCare programs.
182.18 A health maintenance organization is required to submit proposals in good faith that
182.19 meet the requirements of the request for proposal provided that the requirements can
182.20 be reasonably met by a health maintenance organization to serve individuals eligible
182.21 for the above programs in a geographic region of the state if, at the time of publication
182.22 of a request for proposal, the percentage of recipients in the public programs in the
182.23 region who are enrolled in the health maintenance organization is less than the health
182.24 maintenance organization's percentage of the total number of individuals enrolled in health
182.25 maintenance organizations in the same region. Geographic regions shall be defined by the
182.26 commissioner of human services in the request for proposals.

182.27 Sec. 11. Minnesota Statutes 2014, section 62D.09, subdivision 8, is amended to read:

182.28 Subd. 8. **Membership cards; summary of complaints.** Each health maintenance
182.29 organization shall issue a membership card to its enrollees. The membership card must:

182.30 (1) identify the health maintenance organization;

182.31 (2) include the name, address, and telephone number to call if the enrollee has a
182.32 complaint;

183.1 (3) include the telephone number to call or the instruction on how to receive
 183.2 authorization for emergency care; and

183.3 (4) include one of the following:

183.4 (i) the telephone number to call to appeal to or file a complaint with the
 183.5 commissioner of health; or

183.6 (ii) for persons enrolled under section 256B.69, 256B.77, ~~256D.03~~, or 256L.12, the
 183.7 telephone number to call to file a complaint with the ombudsperson designated by the
 183.8 commissioner of human services under section 256B.69 or the Office of Ombudsman for
 183.9 Mental Health and Developmental Disabilities under section 256B.77 and the address to
 183.10 appeal to the commissioner of human services. The ombudsperson shall annually provide
 183.11 the commissioner of health with a summary of complaints and actions taken.

183.12 Sec. 12. Minnesota Statutes 2014, section 62E.02, subdivision 13, is amended to read:

183.13 Subd. 13. **Eligible person.** (a) "Eligible person" means an individual who:

183.14 (1) is currently and has been a resident of Minnesota for the six months immediately
 183.15 preceding the date of receipt by the association or its writing carrier of a completed
 183.16 certificate of eligibility;

183.17 (2) meets the enrollment requirements of section 62E.14; and

183.18 (3) is not otherwise ineligible under this subdivision.

183.19 For purposes of eligibility under section 62E.14, subdivision 4c, paragraph (b), this
 183.20 definition is modified as provided in that paragraph.

183.21 (b) No individual is eligible for coverage under a qualified or a Medicare supplement
 183.22 plan issued by the association for whom a premium is paid or reimbursed by the medical
 183.23 assistance program or ~~general assistance medical care program~~ as of the first day of any
 183.24 term for which a premium amount is paid or reimbursed.

183.25 Sec. 13. Minnesota Statutes 2014, section 62E.11, subdivision 5, is amended to read:

183.26 Subd. 5. **Allocation of losses.** Each contributing member of the association shall
 183.27 share the losses due to claims expenses of the comprehensive health insurance plan for
 183.28 plans issued or approved for issuance by the association, and shall share in the operating
 183.29 and administrative expenses incurred or estimated to be incurred by the association
 183.30 incident to the conduct of its affairs. Claims expenses of the state plan which exceed
 183.31 the premium payments allocated to the payment of benefits shall be the liability of the
 183.32 contributing members. Contributing members shall share in the claims expense of the
 183.33 state plan and operating and administrative expenses of the association in an amount equal
 183.34 to the ratio of the contributing member's total accident and health insurance premium,

184.1 received from or on behalf of Minnesota residents as divided by the total accident and
184.2 health insurance premium, received by all contributing members from or on behalf of
184.3 Minnesota residents, as determined by the commissioner. Payments made by the state to
184.4 a contributing member for medical assistance, or MinnesotaCare, ~~or general assistance~~
184.5 ~~medical care~~ services according to chapters 256, and 256B, ~~and 256D~~ shall be excluded
184.6 when determining a contributing member's total premium.

184.7 Sec. 14. Minnesota Statutes 2014, section 62E.14, subdivision 4e, is amended to read:

184.8 Subd. 4e. **Waiver of preexisting conditions; persons covered by publicly funded**
184.9 **health programs.** A person may enroll in the comprehensive plan with a waiver of the
184.10 preexisting condition limitation in subdivision 3, provided that:

184.11 (1) the person was formerly enrolled in the medical assistance, ~~general assistance~~
184.12 ~~medical care~~, or MinnesotaCare program;

184.13 (2) the person is a Minnesota resident; and

184.14 (3) the person submits an application for coverage that is received by the writing
184.15 carrier no later than 90 days after termination from medical assistance, ~~general assistance~~
184.16 ~~medical care~~, or MinnesotaCare program.

184.17 Sec. 15. Minnesota Statutes 2014, section 62J.60, subdivision 2a, is amended to read:

184.18 Subd. 2a. **Issuance.** A new Minnesota uniform health care identification card must
184.19 be issued to individuals upon enrollment. Except for the medical assistance, ~~general~~
184.20 ~~assistance medical care~~, and MinnesotaCare programs, a new card must be issued upon any
184.21 change in an individual's health care coverage that impacts the content or format of the data
184.22 included on the card or no later than 24 months after adoption of any change in the NCPDP
184.23 implementation guide or successor document that affects the content or format of the data
184.24 included on the card. Anytime that a card is issued upon enrollment or replaced by the
184.25 medical assistance, ~~general assistance medical care~~, or MinnesotaCare program, the card
184.26 must conform to the adopted NCPDP standards in effect and to the implementation guide
184.27 in use at the time of issuance. Newly issued cards must conform to the adopted NCPDP
184.28 standards in effect at the time of issuance and to the implementation guide in use at the
184.29 time of issuance. Stickers or other methodologies may be used to update cards temporarily.

184.30 Sec. 16. Minnesota Statutes 2014, section 62J.60, subdivision 3, is amended to read:

184.31 Subd. 3. **Human readable data elements.** (a) The following are the minimum
184.32 human readable data elements that must be present on the front side of the Minnesota
184.33 uniform health care identification card:

185.1 (1) card issuer name or logo, which is the name or logo that identifies the card issuer.
185.2 The card issuer name or logo may be located at the top of the card. No standard label
185.3 is required for this data element;

185.4 (2) complete electronic transaction routing information including, at a minimum,
185.5 the international identification number. The standardized label of this data element
185.6 is "RxBIN." Processor control numbers and group numbers are required if needed to
185.7 electronically process a prescription drug claim. The standardized label for the process
185.8 control numbers data element is "RxPCN" and the standardized label for the group
185.9 numbers data element is "RxGrp," except that if the group number data element is a
185.10 universal element to be used by all health care providers, the standardized label may be
185.11 "Grp." To conserve vertical space on the card, the international identification number and
185.12 the processor control number may be printed on the same line;

185.13 (3) cardholder (insured) identification number, which is the unique identification
185.14 number of the individual cardholder established and defined under this section. The
185.15 standardized label for the data element is "ID";

185.16 (4) cardholder (insured) identification name, which is the name of the individual
185.17 cardholder. The identification name must be formatted as follows: first name, space,
185.18 optional middle initial, space, last name, optional space and name suffix. The standardized
185.19 label for this data element is "Name";

185.20 (5) care type, which is the description of the group purchaser's plan product under
185.21 which the beneficiary is covered. The description shall include the health plan company
185.22 name and the plan or product name. The standardized label for this data element is
185.23 "Care Type";

185.24 (6) service type, which is the description of coverage provided such as hospital,
185.25 dental, vision, prescription, or mental health. The standard label for this data element
185.26 is "Svc Type"; and

185.27 (7) provider/clinic name, which is the name of the primary care clinic the cardholder
185.28 is assigned to by the health plan company. The standard label for this field is "PCP." This
185.29 information is mandatory only if the health plan company assigns a specific primary
185.30 care provider to the cardholder.

185.31 (b) The following human readable data elements shall be present on the back side
185.32 of the Minnesota uniform health care identification card. These elements must be left
185.33 justified, and no optional data elements may be interspersed between them:

185.34 (1) claims submission names and addresses, which are the names and addresses of
185.35 the entity or entities to which claims should be submitted. If different destinations are
185.36 required for different types of claims, this must be labeled;

186.1 (2) telephone numbers and names that pharmacies and other health care providers
 186.2 may call for assistance. These telephone numbers and names are required on the back
 186.3 side of the card only if one of the contacts listed in clause (3) cannot provide pharmacies
 186.4 or other providers with assistance or with the telephone numbers and names of contacts
 186.5 for assistance; and

186.6 (3) telephone numbers and names; which are the telephone numbers and names of the
 186.7 following contacts with a standardized label describing the service function as applicable:

186.8 (i) eligibility and benefit information;

186.9 (ii) utilization review;

186.10 (iii) precertification; or

186.11 (iv) customer services.

186.12 (c) The following human readable data elements are mandatory on the back side of
 186.13 the Minnesota uniform health care identification card for health maintenance organizations:

186.14 (1) emergency care authorization telephone number or instruction on how to receive
 186.15 authorization for emergency care. There is no standard label required for this information;
 186.16 and

186.17 (2) one of the following:

186.18 (i) telephone number to call to appeal to or file a complaint with the commissioner of
 186.19 health; or

186.20 (ii) for persons enrolled under section 256B.69, ~~256D.03~~, or 256L.12, the telephone
 186.21 number to call to file a complaint with the ombudsperson designated by the commissioner
 186.22 of human services under section 256B.69 and the address to appeal to the commissioner of
 186.23 human services. There is no standard label required for this information.

186.24 (d) All human readable data elements not required under paragraphs (a) to (c) are
 186.25 optional and may be used at the issuer's discretion.

186.26 Sec. 17. Minnesota Statutes 2015 Supplement, section 62J.692, subdivision 4, is
 186.27 amended to read:

186.28 Subd. 4. **Distribution of funds.** (a) The commissioner shall annually distribute the
 186.29 available medical education funds to all qualifying applicants based on a public program
 186.30 volume factor, which is determined by the total volume of public program revenue
 186.31 received by each training site as a percentage of all public program revenue received by
 186.32 all training sites in the fund pool.

186.33 Public program revenue for the distribution formula includes revenue from medical
 186.34 assistance, and prepaid medical assistance, ~~general assistance medical care, and prepaid~~
 186.35 ~~general assistance medical care~~. Training sites that receive no public program revenue

187.1 are ineligible for funds available under this subdivision. For purposes of determining
187.2 training-site level grants to be distributed under this paragraph, total statewide average
187.3 costs per trainee for medical residents is based on audited clinical training costs per trainee
187.4 in primary care clinical medical education programs for medical residents. Total statewide
187.5 average costs per trainee for dental residents is based on audited clinical training costs
187.6 per trainee in clinical medical education programs for dental students. Total statewide
187.7 average costs per trainee for pharmacy residents is based on audited clinical training
187.8 costs per trainee in clinical medical education programs for pharmacy students. Training
187.9 sites whose training site level grant is less than \$5,000, based on the formula described
187.10 in this paragraph, or that train fewer than 0.1 FTE eligible trainees, are ineligible for
187.11 funds available under this subdivision. No training sites shall receive a grant per FTE
187.12 trainee that is in excess of the 95th percentile grant per FTE across all eligible training
187.13 sites; grants in excess of this amount will be redistributed to other eligible sites based on
187.14 the formula described in this paragraph.

187.15 (b) For funds distributed in fiscal years 2014 and 2015, the distribution formula shall
187.16 include a supplemental public program volume factor, which is determined by providing
187.17 a supplemental payment to training sites whose public program revenue accounted for
187.18 at least 0.98 percent of the total public program revenue received by all eligible training
187.19 sites. The supplemental public program volume factor shall be equal to ten percent of each
187.20 training site's grant for funds distributed in fiscal year 2014 and for funds distributed in
187.21 fiscal year 2015. Grants to training sites whose public program revenue accounted for less
187.22 than 0.98 percent of the total public program revenue received by all eligible training sites
187.23 shall be reduced by an amount equal to the total value of the supplemental payment. For
187.24 fiscal year 2016 and beyond, the distribution of funds shall be based solely on the public
187.25 program volume factor as described in paragraph (a).

187.26 (c) Funds distributed shall not be used to displace current funding appropriations
187.27 from federal or state sources.

187.28 (d) Funds shall be distributed to the sponsoring institutions indicating the amount to
187.29 be distributed to each of the sponsor's clinical medical education programs based on the
187.30 criteria in this subdivision and in accordance with the commissioner's approval letter. Each
187.31 clinical medical education program must distribute funds allocated under paragraphs (a)
187.32 and (b) to the training sites as specified in the commissioner's approval letter. Sponsoring
187.33 institutions, which are accredited through an organization recognized by the Department
187.34 of Education or the Centers for Medicare and Medicaid Services, may contract directly
187.35 with training sites to provide clinical training. To ensure the quality of clinical training,
187.36 those accredited sponsoring institutions must:

188.1 (1) develop contracts specifying the terms, expectations, and outcomes of the clinical
188.2 training conducted at sites; and

188.3 (2) take necessary action if the contract requirements are not met. Action may include
188.4 the withholding of payments under this section or the removal of students from the site.

188.5 (e) Use of funds is limited to expenses related to clinical training program costs for
188.6 eligible programs.

188.7 (f) Any funds not distributed in accordance with the commissioner's approval letter
188.8 must be returned to the medical education and research fund within 30 days of receiving
188.9 notice from the commissioner. The commissioner shall distribute returned funds to the
188.10 appropriate training sites in accordance with the commissioner's approval letter.

188.11 (g) A maximum of \$150,000 of the funds dedicated to the commissioner under
188.12 section 297F.10, subdivision 1, clause (2), may be used by the commissioner for
188.13 administrative expenses associated with implementing this section.

188.14 Sec. 18. Minnesota Statutes 2014, section 62J.70, subdivision 2, is amended to read:

188.15 Subd. 2. **Health care provider or provider.** "Health care provider" or "provider"
188.16 means:

188.17 (1) a physician, nurse, or other provider as defined under section 62J.03;

188.18 (2) a hospital as defined under section 144.696, subdivision 3;

188.19 (3) an individual or entity that provides health care services under the medical
188.20 assistance, ~~general assistance medical care~~, MinnesotaCare, or state employee group
188.21 insurance program; and

188.22 (4) an association, partnership, corporation, limited liability corporation, or other
188.23 organization of persons or entities described in clause (1) or (2) organized for the purposes
188.24 of providing, arranging, or administering health care services or treatment.

188.25 This section does not apply to trade associations, membership associations of
188.26 health care professionals, or other organizations that do not directly provide, arrange, or
188.27 administer health care services or treatment.

188.28 Sec. 19. Minnesota Statutes 2014, section 62J.701, is amended to read:

188.29 **62J.701 GOVERNMENTAL PROGRAMS.**

188.30 Beginning January 1, 1999, the provisions in paragraphs (a) to (d) apply.

188.31 (a) For purposes of sections 62J.695 to 62J.80, the requirements and other provisions
188.32 that apply to health plan companies also apply to governmental programs.

188.33 (b) For purposes of this section, "governmental programs" means the medical
188.34 assistance program, the MinnesotaCare program, ~~the general assistance medical care~~

189.1 ~~program~~, the state employee group insurance program, the public employees insurance
 189.2 program under section 43A.316, and coverage provided by political subdivisions under
 189.3 section 471.617.

189.4 (c) Notwithstanding paragraph (a), section 62J.72 does not apply to the
 189.5 fee-for-service programs under medical assistance, and MinnesotaCare, ~~and general~~
 189.6 ~~assistance medical care~~.

189.7 (d) If a state commissioner or local unit of government contracts with a health plan
 189.8 company or a third-party administrator, the contract may assign any obligations under
 189.9 paragraph (a) to the health plan company or third-party administrator. Nothing in this
 189.10 paragraph shall be construed to remove or diminish any enforcement responsibilities of
 189.11 the commissioners of health or commerce provided in sections 62J.695 to 62J.80.

189.12 Sec. 20. Minnesota Statutes 2014, section 62J.81, subdivision 2, is amended to read:

189.13 Subd. 2. **Applicability.** For purposes of this section, "consumer" does not include
 189.14 a medical assistance, or MinnesotaCare, ~~or general assistance medical care~~ enrollee, for
 189.15 services covered under those programs.

189.16 Sec. 21. Minnesota Statutes 2014, section 62L.03, subdivision 3, is amended to read:

189.17 Subd. 3. **Minimum participation and contribution.** (a) A small employer that has
 189.18 at least 75 percent of its eligible employees who have not waived coverage participating in
 189.19 a health benefit plan and that contributes at least 50 percent toward the cost of coverage of
 189.20 each eligible employee must be guaranteed coverage on a guaranteed issue basis from
 189.21 any health carrier participating in the small employer market. The participation level
 189.22 of eligible employees must be determined at the initial offering of coverage and at the
 189.23 renewal date of coverage. A health carrier must not increase the participation requirements
 189.24 applicable to a small employer at any time after the small employer has been accepted for
 189.25 coverage. For the purposes of this subdivision, waiver of coverage includes only waivers
 189.26 due to: (1) coverage under another group health plan; (2) coverage under Medicare
 189.27 Parts A and B; or (3) coverage under medical assistance under chapter 256B ~~or general~~
 189.28 ~~assistance medical care under chapter 256D~~.

189.29 (b) If a small employer does not satisfy the contribution or participation requirements
 189.30 under this subdivision, a health carrier may voluntarily issue or renew individual health
 189.31 plans, or a health benefit plan which must fully comply with this chapter. A health carrier
 189.32 that provides a health benefit plan to a small employer that does not meet the contribution
 189.33 or participation requirements of this subdivision must maintain this information in its files
 189.34 for audit by the commissioner. A health carrier may not offer an individual health plan,

190.1 purchased through an arrangement between the employer and the health carrier, to any
190.2 employee unless the health carrier also offers the individual health plan, on a guaranteed
190.3 issue basis, to all other employees of the same employer. An arrangement permitted under
190.4 section 62L.12, subdivision 2, paragraph (1), is not an arrangement between the employer
190.5 and the health carrier for purposes of this paragraph.

190.6 (c) Nothing in this section obligates a health carrier to issue coverage to a small
190.7 employer that currently offers coverage through a health benefit plan from another health
190.8 carrier, unless the new coverage will replace the existing coverage and not serve as one
190.9 of two or more health benefit plans offered by the employer. This paragraph does not
190.10 apply if the small employer will meet the required participation level with respect to
190.11 the new coverage.

190.12 (d) If a small employer cannot meet either the participation or contribution
190.13 requirement, the small employer may purchase coverage only during an open enrollment
190.14 period each year between November 15 and December 15.

190.15 Sec. 22. Minnesota Statutes 2014, section 62M.07, is amended to read:

190.16 **62M.07 PRIOR AUTHORIZATION OF SERVICES.**

190.17 (a) Utilization review organizations conducting prior authorization of services must
190.18 have written standards that meet at a minimum the following requirements:

190.19 (1) written procedures and criteria used to determine whether care is appropriate,
190.20 reasonable, or medically necessary;

190.21 (2) a system for providing prompt notification of its determinations to enrollees
190.22 and providers and for notifying the provider, enrollee, or enrollee's designee of appeal
190.23 procedures under clause (4);

190.24 (3) compliance with section 62M.05, subdivisions 3a and 3b, regarding time frames
190.25 for approving and disapproving prior authorization requests;

190.26 (4) written procedures for appeals of denials of prior authorization which specify the
190.27 responsibilities of the enrollee and provider, and which meet the requirements of sections
190.28 62M.06 and 72A.285, regarding release of summary review findings; and

190.29 (5) procedures to ensure confidentiality of patient-specific information, consistent
190.30 with applicable law.

190.31 (b) No utilization review organization, health plan company, or claims administrator
190.32 may conduct or require prior authorization of emergency confinement or emergency
190.33 treatment. The enrollee or the enrollee's authorized representative may be required to
190.34 notify the health plan company, claims administrator, or utilization review organization

191.1 as soon after the beginning of the emergency confinement or emergency treatment as
 191.2 reasonably possible.

191.3 (c) If prior authorization for a health care service is required, the utilization review
 191.4 organization, health plan company, or claim administrator must allow providers to submit
 191.5 requests for prior authorization of the health care services without unreasonable delay
 191.6 by telephone, facsimile, or voice mail or through an electronic mechanism 24 hours a
 191.7 day, seven days a week. This paragraph does not apply to dental service covered under
 191.8 MinnesotaCare, ~~general assistance medical care~~, or medical assistance.

191.9 Sec. 23. Minnesota Statutes 2014, section 62Q.03, subdivision 5a, is amended to read:

191.10 Subd. 5a. **Public programs.** (a) A separate risk adjustment system must be
 191.11 developed for state-run public programs, including medical assistance, ~~general assistance~~
 191.12 ~~medical care~~, and MinnesotaCare. The system must be developed in accordance with the
 191.13 general risk adjustment methodologies described in this section, must include factors in
 191.14 addition to age and sex adjustment, and may include additional demographic factors,
 191.15 different targeted conditions, and/or different payment amounts for conditions. The risk
 191.16 adjustment system for public programs must attempt to reflect the special needs related to
 191.17 poverty, cultural, or language barriers and other needs of the public program population.

191.18 (b) The commissioner of human services shall phase in risk adjustment according to
 191.19 the following schedule:

191.20 (1) for the first contract year, no more than ten percent of reimbursements shall be
 191.21 risk adjusted; and

191.22 (2) for the second contract year, no more than 30 percent of reimbursements shall be
 191.23 risk adjusted.

191.24 Sec. 24. Minnesota Statutes 2014, section 62Q.19, subdivision 2a, is amended to read:

191.25 Subd. 2a. **Definition of health plan company.** For purposes of this section, "health
 191.26 plan company" does not include a health plan company as defined in section 62Q.01 with
 191.27 fewer than 50,000 enrollees, all of whose enrollees are covered under medical assistance,
 191.28 ~~general assistance medical care~~, or MinnesotaCare.

191.29 Sec. 25. Minnesota Statutes 2014, section 62Q.22, subdivision 8, is amended to read:

191.30 Subd. 8. **Public assistance program eligibility.** A community health clinic may
 191.31 require an individual or family enrolled in the clinic's prepaid option to apply for medical
 191.32 assistance, ~~general assistance medical care~~, or the MinnesotaCare program. The clinic must
 191.33 assist the individual or family in filing the application for the appropriate public program.

192.1 If, upon the request of the clinic, an individual or family refuses to apply for these programs,
192.2 the clinic may disenroll the individual or family from the prepaid option at any time.

192.3 Sec. 26. Minnesota Statutes 2014, section 62Q.37, subdivision 1, is amended to read:

192.4 Subdivision 1. **Applicability.** This section applies only to (i) a nonprofit health
192.5 service plan corporation operating under chapter 62C; (ii) a health maintenance
192.6 organization operating under chapter 62D; (iii) a community integrated service network
192.7 operating under chapter 62N; and (iv) managed care organizations operating under chapter
192.8 256B, ~~256D~~, or 256L.

192.9 Sec. 27. Minnesota Statutes 2015 Supplement, section 62Q.37, subdivision 2, is
192.10 amended to read:

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

192.13 (a) "Commissioner" means the commissioner of health for purposes of regulating
192.14 health maintenance organizations and community integrated service networks, the
192.15 commissioner of commerce for purposes of regulating nonprofit health service plan
192.16 corporations, or the commissioner of human services for the purpose of contracting with
192.17 managed care organizations serving persons enrolled in programs under chapter 256B;
192.18 ~~256D~~, or 256L.

192.19 (b) "Health plan company" means (i) a nonprofit health service plan corporation
192.20 operating under chapter 62C; (ii) a health maintenance organization operating under
192.21 chapter 62D; (iii) a community integrated service network operating under chapter 62N;
192.22 or (iv) a managed care organization operating under chapter 256B, ~~256D~~, or 256L.

192.23 (c) "Nationally recognized independent organization" means (i) an organization
192.24 that sets specific national standards governing health care quality assurance processes,
192.25 utilization review, provider credentialing, marketing, and other topics covered by
192.26 this chapter and other chapters and audits and provides accreditation to those health
192.27 plan companies that meet those standards. The American Accreditation Health Care
192.28 Commission (URAC), the National Committee for Quality Assurance (NCQA), the
192.29 Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and the
192.30 Accreditation Association for Ambulatory Health Care (AAAHC) are, at a minimum,
192.31 defined as nationally recognized independent organizations; and (ii) the Centers for
192.32 Medicare and Medicaid Services for purposes of reviews or audits conducted of health
192.33 plan companies under Part C of Title XVIII of the Social Security Act or under section
192.34 1876 of the Social Security Act.

193.1 (d) "Performance standard" means those standards relating to quality management
 193.2 and improvement, access and availability of service, utilization review, provider selection,
 193.3 provider credentialing, marketing, member rights and responsibilities, complaints, appeals,
 193.4 grievance systems, enrollee information and materials, enrollment and disenrollment,
 193.5 subcontractual relationships and delegation, confidentiality, continuity and coordination of
 193.6 care, assurance of adequate capacity and services, coverage and authorization of services,
 193.7 practice guidelines, health information systems, and financial solvency.

193.8 Sec. 28. Minnesota Statutes 2014, section 62Q.73, subdivision 2, is amended to read:

193.9 Subd. 2. **Exception.** (a) This section does not apply to governmental programs
 193.10 except as permitted under paragraph (b). For purposes of this subdivision, "governmental
 193.11 programs" means the prepaid medical assistance program, the MinnesotaCare program,
 193.12 ~~the prepaid general assistance medical care program~~, the demonstration project for people
 193.13 with disabilities, and the federal Medicare program.

193.14 (b) In the course of a recipient's appeal of a medical determination to the
 193.15 commissioner of human services under section 256.045, the recipient may request an
 193.16 expert medical opinion be arranged by the external review entity under contract to provide
 193.17 independent external reviews under this section. If such a request is made, the cost of the
 193.18 review shall be paid by the commissioner of human services. Any medical opinion obtained
 193.19 under this paragraph shall only be used by a state human services judge as evidence in the
 193.20 recipient's appeal to the commissioner of human services under section 256.045.

193.21 (c) Nothing in this subdivision shall be construed to limit or restrict the appeal rights
 193.22 provided in section 256.045 for governmental program recipients.

193.23 Sec. 29. Minnesota Statutes 2014, section 62Q.80, subdivision 5, is amended to read:

193.24 Subd. 5. **Qualifying employees.** To be eligible for the community-based health
 193.25 care coverage program, an individual must:

193.26 (1) reside in or work within the designated community-based geographic area
 193.27 served by the program;

193.28 (2) be employed by a qualifying employer, be an employee's dependent, or be
 193.29 self-employed on a full-time basis;

193.30 (3) not be enrolled in or have currently available health coverage, except for
 193.31 catastrophic health care coverage; and

193.32 (4) not be eligible for or enrolled in medical assistance ~~or general assistance medical~~
 193.33 ~~care~~, and not be enrolled in MinnesotaCare or Medicare.

194.1 Sec. 30. Minnesota Statutes 2014, section 62U.01, subdivision 12, is amended to read:

194.2 Subd. 12. **State health care program.** "State health care program" means the
194.3 medical assistance, and MinnesotaCare, ~~and general assistance medical care~~ programs.

194.4 Sec. 31. Minnesota Statutes 2014, section 62U.10, subdivision 5, is amended to read:

194.5 Subd. 5. **Definitions.** (a) For purposes of this section, the following definitions apply.

194.6 (b) "Public health care spending" means spending for a state-administered health
194.7 care program.

194.8 (c) "State-administered health care program" means medical assistance,
194.9 MinnesotaCare, ~~general assistance medical care~~, and the state employee group insurance
194.10 program.

194.11 Sec. 32. Minnesota Statutes 2014, section 144.225, subdivision 2, is amended to read:

194.12 Subd. 2. **Data about births.** (a) Except as otherwise provided in this subdivision,
194.13 data pertaining to the birth of a child to a woman who was not married to the child's father
194.14 when the child was conceived nor when the child was born, including the original record of
194.15 birth and the certified vital record, are confidential data. At the time of the birth of a child to
194.16 a woman who was not married to the child's father when the child was conceived nor when
194.17 the child was born, the mother may designate demographic data pertaining to the birth as
194.18 public. Notwithstanding the designation of the data as confidential, it may be disclosed:

194.19 (1) to a parent or guardian of the child;

194.20 (2) to the child when the child is 16 years of age or older;

194.21 (3) under paragraph (b) or (e); or

194.22 (4) pursuant to a court order. For purposes of this section, a subpoena does not
194.23 constitute a court order.

194.24 (b) Unless the child is adopted, data pertaining to the birth of a child that are not
194.25 accessible to the public become public data if 100 years have elapsed since the birth of
194.26 the child who is the subject of the data, or as provided under section 13.10, whichever
194.27 occurs first.

194.28 (c) If a child is adopted, data pertaining to the child's birth are governed by the
194.29 provisions relating to adoption records, including sections 13.10, subdivision 5; 144.218,
194.30 subdivision 1; 144.2252; and 259.89.

194.31 (d) The name and address of a mother under paragraph (a) and the child's date of
194.32 birth may be disclosed to the county social services or public health member of a family
194.33 services collaborative for purposes of providing services under section 124D.23.

194.34 (e) The commissioner of human services shall have access to birth records for:

- 195.1 (1) the purposes of administering medical assistance, ~~general assistance medical~~
 195.2 ~~care~~, and the MinnesotaCare program;
- 195.3 (2) child support enforcement purposes; and
- 195.4 (3) other public health purposes as determined by the commissioner of health.

195.5 Sec. 33. Minnesota Statutes 2014, section 144.225, subdivision 2a, is amended to read:

195.6 Subd. 2a. **Health data associated with birth registration.** Information from which
 195.7 an identification of risk for disease, disability, or developmental delay in a mother or
 195.8 child can be made, that is collected in conjunction with birth registration or fetal death
 195.9 reporting, is private data as defined in section 13.02, subdivision 12. The commissioner
 195.10 may disclose to a community health board, as defined in section 145A.02, subdivision 5,
 195.11 health data associated with birth registration which identifies a mother or child at high
 195.12 risk for serious disease, disability, or developmental delay in order to assure access to
 195.13 appropriate health, social, or educational services. Notwithstanding the designation of
 195.14 the private data, the commissioner of human services shall have access to health data
 195.15 associated with birth registration for:

- 195.16 (1) purposes of administering medical assistance, ~~general assistance medical care~~,
 195.17 and the MinnesotaCare program; and
- 195.18 (2) for other public health purposes as determined by the commissioner of health.

195.19 Sec. 34. Minnesota Statutes 2014, section 144.4812, is amended to read:

195.20 **144.4812 COSTS OF CARE.**

195.21 The costs incurred by the treatment facility and other providers of services to
 195.22 diagnose or treat the carrier for tuberculosis must be borne by the carrier, the carrier's
 195.23 health plan, or public programs. During the period of insurance coverage, a health plan
 195.24 may direct the implementation of the care required by the health order or court order
 195.25 and shall pay at the contracted rate of payment, which shall be considered payment in
 195.26 full. Inpatient hospital services required by the health order or court order and covered
 195.27 by medical assistance or ~~general assistance medical care~~ are not billable to any other
 195.28 governmental entity. If the carrier cannot pay for treatment, and the carrier does not have
 195.29 public or private health insurance coverage, the carrier shall apply for financial assistance
 195.30 with the aid of the county. For persons not otherwise eligible for public assistance, the
 195.31 commissioner of human services shall determine what, if any, costs the carrier shall pay.
 195.32 The commissioner of human services shall make payments at the ~~general assistance~~
 195.33 ~~medical care~~ medical assistance rate, which will be considered payment in full.

196.1 Sec. 35. Minnesota Statutes 2015 Supplement, section 144.551, subdivision 1, is
196.2 amended to read:

196.3 Subdivision 1. **Restricted construction or modification.** (a) The following
196.4 construction or modification may not be commenced:

196.5 (1) any erection, building, alteration, reconstruction, modernization, improvement,
196.6 extension, lease, or other acquisition by or on behalf of a hospital that increases the bed
196.7 capacity of a hospital, relocates hospital beds from one physical facility, complex, or site
196.8 to another, or otherwise results in an increase or redistribution of hospital beds within
196.9 the state; and

196.10 (2) the establishment of a new hospital.

196.11 (b) This section does not apply to:

196.12 (1) construction or relocation within a county by a hospital, clinic, or other health
196.13 care facility that is a national referral center engaged in substantial programs of patient
196.14 care, medical research, and medical education meeting state and national needs that
196.15 receives more than 40 percent of its patients from outside the state of Minnesota;

196.16 (2) a project for construction or modification for which a health care facility held
196.17 an approved certificate of need on May 1, 1984, regardless of the date of expiration of
196.18 the certificate;

196.19 (3) a project for which a certificate of need was denied before July 1, 1990, if a
196.20 timely appeal results in an order reversing the denial;

196.21 (4) a project exempted from certificate of need requirements by Laws 1981, chapter
196.22 200, section 2;

196.23 (5) a project involving consolidation of pediatric specialty hospital services within
196.24 the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the
196.25 number of pediatric specialty hospital beds among the hospitals being consolidated;

196.26 (6) a project involving the temporary relocation of pediatric-orthopedic hospital beds
196.27 to an existing licensed hospital that will allow for the reconstruction of a new philanthropic,
196.28 pediatric-orthopedic hospital on an existing site and that will not result in a net increase in
196.29 the number of hospital beds. Upon completion of the reconstruction, the licenses of both
196.30 hospitals must be reinstated at the capacity that existed on each site before the relocation;

196.31 (7) the relocation or redistribution of hospital beds within a hospital building or
196.32 identifiable complex of buildings provided the relocation or redistribution does not result
196.33 in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds
196.34 from one physical site or complex to another; or (iii) redistribution of hospital beds within
196.35 the state or a region of the state;

197.1 (8) relocation or redistribution of hospital beds within a hospital corporate system
197.2 that involves the transfer of beds from a closed facility site or complex to an existing site
197.3 or complex provided that: (i) no more than 50 percent of the capacity of the closed facility
197.4 is transferred; (ii) the capacity of the site or complex to which the beds are transferred
197.5 does not increase by more than 50 percent; (iii) the beds are not transferred outside of a
197.6 federal health systems agency boundary in place on July 1, 1983; and (iv) the relocation or
197.7 redistribution does not involve the construction of a new hospital building;

197.8 (9) a construction project involving up to 35 new beds in a psychiatric hospital in
197.9 Rice County that primarily serves adolescents and that receives more than 70 percent of its
197.10 patients from outside the state of Minnesota;

197.11 (10) a project to replace a hospital or hospitals with a combined licensed capacity
197.12 of 130 beds or less if: (i) the new hospital site is located within five miles of the current
197.13 site; and (ii) the total licensed capacity of the replacement hospital, either at the time of
197.14 construction of the initial building or as the result of future expansion, will not exceed 70
197.15 licensed hospital beds, or the combined licensed capacity of the hospitals, whichever is less;

197.16 (11) the relocation of licensed hospital beds from an existing state facility operated
197.17 by the commissioner of human services to a new or existing facility, building, or complex
197.18 operated by the commissioner of human services; from one regional treatment center
197.19 site to another; or from one building or site to a new or existing building or site on the
197.20 same campus;

197.21 (12) the construction or relocation of hospital beds operated by a hospital having a
197.22 statutory obligation to provide hospital and medical services for the indigent that does not
197.23 result in a net increase in the number of hospital beds, notwithstanding section 144.552, 27
197.24 beds, of which 12 serve mental health needs, may be transferred from Hennepin County
197.25 Medical Center to Regions Hospital under this clause;

197.26 (13) a construction project involving the addition of up to 31 new beds in an existing
197.27 nonfederal hospital in Beltrami County;

197.28 (14) a construction project involving the addition of up to eight new beds in an
197.29 existing nonfederal hospital in Otter Tail County with 100 licensed acute care beds;

197.30 (15) a construction project involving the addition of 20 new hospital beds
197.31 used for rehabilitation services in an existing hospital in Carver County serving the
197.32 southwest suburban metropolitan area. Beds constructed under this clause shall not be
197.33 eligible for reimbursement under medical assistance, ~~general assistance medical care,~~
197.34 or MinnesotaCare;

198.1 (16) a project for the construction or relocation of up to 20 hospital beds for the
198.2 operation of up to two psychiatric facilities or units for children provided that the operation
198.3 of the facilities or units have received the approval of the commissioner of human services;

198.4 (17) a project involving the addition of 14 new hospital beds to be used for
198.5 rehabilitation services in an existing hospital in Itasca County;

198.6 (18) a project to add 20 licensed beds in existing space at a hospital in Hennepin
198.7 County that closed 20 rehabilitation beds in 2002, provided that the beds are used only
198.8 for rehabilitation in the hospital's current rehabilitation building. If the beds are used for
198.9 another purpose or moved to another location, the hospital's licensed capacity is reduced
198.10 by 20 beds;

198.11 (19) a critical access hospital established under section 144.1483, clause (9), and
198.12 section 1820 of the federal Social Security Act, United States Code, title 42, section
198.13 1395i-4, that delicensed beds since enactment of the Balanced Budget Act of 1997, Public
198.14 Law 105-33, to the extent that the critical access hospital does not seek to exceed the
198.15 maximum number of beds permitted such hospital under federal law;

198.16 (20) notwithstanding section 144.552, a project for the construction of a new hospital
198.17 in the city of Maple Grove with a licensed capacity of up to 300 beds provided that:

198.18 (i) the project, including each hospital or health system that will own or control the
198.19 entity that will hold the new hospital license, is approved by a resolution of the Maple
198.20 Grove City Council as of March 1, 2006;

198.21 (ii) the entity that will hold the new hospital license will be owned or controlled by
198.22 one or more not-for-profit hospitals or health systems that have previously submitted a
198.23 plan or plans for a project in Maple Grove as required under section 144.552, and the
198.24 plan or plans have been found to be in the public interest by the commissioner of health
198.25 as of April 1, 2005;

198.26 (iii) the new hospital's initial inpatient services must include, but are not limited
198.27 to, medical and surgical services, obstetrical and gynecological services, intensive
198.28 care services, orthopedic services, pediatric services, noninvasive cardiac diagnostics,
198.29 behavioral health services, and emergency room services;

198.30 (iv) the new hospital:

198.31 (A) will have the ability to provide and staff sufficient new beds to meet the growing
198.32 needs of the Maple Grove service area and the surrounding communities currently being
198.33 served by the hospital or health system that will own or control the entity that will hold
198.34 the new hospital license;

198.35 (B) will provide uncompensated care;

198.36 (C) will provide mental health services, including inpatient beds;

- 199.1 (D) will be a site for workforce development for a broad spectrum of
199.2 health-care-related occupations and have a commitment to providing clinical training
199.3 programs for physicians and other health care providers;
- 199.4 (E) will demonstrate a commitment to quality care and patient safety;
- 199.5 (F) will have an electronic medical records system, including physician order entry;
- 199.6 (G) will provide a broad range of senior services;
- 199.7 (H) will provide emergency medical services that will coordinate care with regional
199.8 providers of trauma services and licensed emergency ambulance services in order to
199.9 enhance the continuity of care for emergency medical patients; and
- 199.10 (I) will be completed by December 31, 2009, unless delayed by circumstances
199.11 beyond the control of the entity holding the new hospital license; and
- 199.12 (v) as of 30 days following submission of a written plan, the commissioner of health
199.13 has not determined that the hospitals or health systems that will own or control the entity
199.14 that will hold the new hospital license are unable to meet the criteria of this clause;
- 199.15 (21) a project approved under section 144.553;
- 199.16 (22) a project for the construction of a hospital with up to 25 beds in Cass County
199.17 within a 20-mile radius of the state Ah-Gwah-Ching facility, provided the hospital's
199.18 license holder is approved by the Cass County Board;
- 199.19 (23) a project for an acute care hospital in Fergus Falls that will increase the bed
199.20 capacity from 108 to 110 beds by increasing the rehabilitation bed capacity from 14 to 16
199.21 and closing a separately licensed 13-bed skilled nursing facility;
- 199.22 (24) notwithstanding section 144.552, a project for the construction and expansion
199.23 of a specialty psychiatric hospital in Hennepin County for up to 50 beds, exclusively for
199.24 patients who are under 21 years of age on the date of admission. The commissioner
199.25 conducted a public interest review of the mental health needs of Minnesota and the Twin
199.26 Cities metropolitan area in 2008. No further public interest review shall be conducted for
199.27 the construction or expansion project under this clause;
- 199.28 (25) a project for a 16-bed psychiatric hospital in the city of Thief River Falls, if
199.29 the commissioner finds the project is in the public interest after the public interest review
199.30 conducted under section 144.552 is complete; or
- 199.31 (26)(i) a project for a 20-bed psychiatric hospital, within an existing facility in the
199.32 city of Maple Grove, exclusively for patients who are under 21 years of age on the date of
199.33 admission, if the commissioner finds the project is in the public interest after the public
199.34 interest review conducted under section 144.552 is complete;

200.1 (ii) this project shall serve patients in the continuing care benefit program under
 200.2 section 256.9693. The project may also serve patients not in the continuing care benefit
 200.3 program; and

200.4 (iii) if the project ceases to participate in the continuing care benefit program, the
 200.5 commissioner must complete a subsequent public interest review under section 144.552.
 200.6 If the project is found not to be in the public interest, the license must be terminated six
 200.7 months from the date of that finding. If the commissioner of human services terminates the
 200.8 contract without cause or reduces per diem payment rates for patients under the continuing
 200.9 care benefit program below the rates in effect for services provided on December 31, 2015,
 200.10 the project may cease to participate in the continuing care benefit program and continue to
 200.11 operate without a subsequent public interest review.

200.12 Sec. 36. Minnesota Statutes 2014, section 145.4133, is amended to read:

200.13 **145.4133 REPORTING OUT-OF-STATE ABORTIONS.**

200.14 The commissioner of human services shall report to the commissioner by April 1
 200.15 each year the following information regarding abortions paid for with state funds and
 200.16 performed out of state in the previous calendar year:

200.17 (1) the total number of abortions performed out of state and partially or fully paid
 200.18 for with state funds through the medical assistance, ~~general assistance medical care~~, or
 200.19 MinnesotaCare program, or any other program;

200.20 (2) the total amount of state funds used to pay for the abortions and expenses
 200.21 incidental to the abortions; and

200.22 (3) the gestational age at the time of abortion.

200.23 Sec. 37. Minnesota Statutes 2014, section 145.61, subdivision 5, is amended to read:

200.24 Subd. 5. **Review organization.** "Review organization" means a nonprofit
 200.25 organization acting according to clause (l), a committee as defined under section 144E.32,
 200.26 subdivision 2, or a committee whose membership is limited to professionals, administrative
 200.27 staff, and consumer directors, except where otherwise provided for by state or federal law,
 200.28 and which is established by one or more of the following: a hospital, a clinic, a nursing
 200.29 home, an ambulance service or first responder service regulated under chapter 144E, one
 200.30 or more state or local associations of professionals, an organization of professionals from
 200.31 a particular area or medical institution, a health maintenance organization as defined
 200.32 in chapter 62D, a community integrated service network as defined in chapter 62N, a
 200.33 nonprofit health service plan corporation as defined in chapter 62C, a preferred provider
 200.34 organization, a professional standards review organization established pursuant to United

201.1 States Code, title 42, section 1320c-1 et seq., a medical review agent established to meet
201.2 the requirements of section 256B.04, subdivision 15, ~~or 256D.03, subdivision 7, paragraph~~
201.3 ~~(b)~~; the Department of Human Services, or a nonprofit corporation that owns, operates,
201.4 or is established by one or more of the above referenced entities, to gather and review
201.5 information relating to the care and treatment of patients for the purposes of:

201.6 (a) evaluating and improving the quality of health care;

201.7 (b) reducing morbidity or mortality;

201.8 (c) obtaining and disseminating statistics and information relative to the treatment
201.9 and prevention of diseases, illness and injuries;

201.10 (d) developing and publishing guidelines showing the norms of health care in the
201.11 area or medical institution or in the entity or organization that established the review
201.12 organization;

201.13 (e) developing and publishing guidelines designed to keep within reasonable bounds
201.14 the cost of health care;

201.15 (f) developing and publishing guidelines designed to improve the safety of care
201.16 provided to individuals;

201.17 (g) reviewing the safety, quality, or cost of health care services provided to enrollees
201.18 of health maintenance organizations, community integrated service networks, health
201.19 service plans, preferred provider organizations, and insurance companies;

201.20 (h) acting as a professional standards review organization pursuant to United States
201.21 Code, title 42, section 1320c-1 et seq.;

201.22 (i) determining whether a professional shall be granted staff privileges in a medical
201.23 institution, membership in a state or local association of professionals, or participating
201.24 status in a nonprofit health service plan corporation, health maintenance organization,
201.25 community integrated service network, preferred provider organization, or insurance
201.26 company, or whether a professional's staff privileges, membership, or participation status
201.27 should be limited, suspended or revoked;

201.28 (j) reviewing, ruling on, or advising on controversies, disputes or questions between:

201.29 (1) health insurance carriers, nonprofit health service plan corporations, health
201.30 maintenance organizations, community integrated service networks, self-insurers and their
201.31 insureds, subscribers, enrollees, or other covered persons;

201.32 (2) professional licensing boards and health providers licensed by them;

201.33 (3) professionals and their patients concerning diagnosis, treatment or care, or the
201.34 charges or fees therefor;

201.35 (4) professionals and health insurance carriers, nonprofit health service plan
201.36 corporations, health maintenance organizations, community integrated service networks,

202.1 or self-insurers concerning a charge or fee for health care services provided to an insured,
 202.2 subscriber, enrollee, or other covered person;

202.3 (5) professionals or their patients and the federal, state, or local government, or
 202.4 agencies thereof;

202.5 (k) providing underwriting assistance in connection with professional liability
 202.6 insurance coverage applied for or obtained by dentists, or providing assistance to
 202.7 underwriters in evaluating claims against dentists;

202.8 (l) acting as a medical review agent under section 256B.04, subdivision 15, ~~or~~
 202.9 ~~256D.03, subdivision 7, paragraph (b);~~

202.10 (m) providing recommendations on the medical necessity of a health service, or the
 202.11 relevant prevailing community standard for a health service;

202.12 (n) providing quality assurance as required by United States Code, title 42, sections
 202.13 1396r(b)(1)(b) and 1395i-3(b)(1)(b) of the Social Security Act;

202.14 (o) providing information to group purchasers of health care services when that
 202.15 information was originally generated within the review organization for a purpose
 202.16 specified by this subdivision;

202.17 (p) providing information to other, affiliated or nonaffiliated review organizations,
 202.18 when that information was originally generated within the review organization for a
 202.19 purpose specified by this subdivision, and as long as that information will further the
 202.20 purposes of a review organization as specified by this subdivision; or

202.21 (q) participating in a standardized incident reporting system, including Internet-based
 202.22 applications, to share information for the purpose of identifying and analyzing trends in
 202.23 medical error and iatrogenic injury.

202.24 Sec. 38. Minnesota Statutes 2014, section 146A.11, subdivision 1, is amended to read:

202.25 Subdivision 1. **Scope.** (a) All unlicensed complementary and alternative health
 202.26 care practitioners shall provide to each complementary and alternative health care
 202.27 client prior to providing treatment a written copy of the complementary and alternative
 202.28 health care client bill of rights. A copy must also be posted in a prominent location
 202.29 in the office of the unlicensed complementary and alternative health care practitioner.
 202.30 Reasonable accommodations shall be made for those clients who cannot read or who
 202.31 have communication disabilities and those who do not read or speak English. The
 202.32 complementary and alternative health care client bill of rights shall include the following:

202.33 (1) the name, complementary and alternative health care title, business address, and
 202.34 telephone number of the unlicensed complementary and alternative health care practitioner;

203.1 (2) the degrees, training, experience, or other qualifications of the practitioner
203.2 regarding the complementary and alternative health care being provided, followed by the
203.3 following statement in bold print:

203.4 "THE STATE OF MINNESOTA HAS NOT ADOPTED ANY EDUCATIONAL
203.5 AND TRAINING STANDARDS FOR UNLICENSED COMPLEMENTARY AND
203.6 ALTERNATIVE HEALTH CARE PRACTITIONERS. THIS STATEMENT OF
203.7 CREDENTIALS IS FOR INFORMATION PURPOSES ONLY.

203.8 Under Minnesota law, an unlicensed complementary and alternative health care
203.9 practitioner may not provide a medical diagnosis or recommend discontinuance of
203.10 medically prescribed treatments. If a client desires a diagnosis from a licensed physician,
203.11 chiropractor, or acupuncture practitioner, or services from a physician, chiropractor, nurse,
203.12 osteopath, physical therapist, dietitian, nutritionist, acupuncture practitioner, athletic
203.13 trainer, or any other type of health care provider, the client may seek such services at
203.14 any time.";

203.15 (3) the name, business address, and telephone number of the practitioner's
203.16 supervisor, if any;

203.17 (4) notice that a complementary and alternative health care client has the right to file a
203.18 complaint with the practitioner's supervisor, if any, and the procedure for filing complaints;

203.19 (5) the name, address, and telephone number of the office of unlicensed
203.20 complementary and alternative health care practice and notice that a client may file
203.21 complaints with the office;

203.22 (6) the practitioner's fees per unit of service, the practitioner's method of billing
203.23 for such fees, the names of any insurance companies that have agreed to reimburse the
203.24 practitioner, or health maintenance organizations with whom the practitioner contracts
203.25 to provide service, whether the practitioner accepts Medicare, or medical assistance, ~~or~~
203.26 ~~general assistance medical care~~, and whether the practitioner is willing to accept partial
203.27 payment, or to waive payment, and in what circumstances;

203.28 (7) a statement that the client has a right to reasonable notice of changes in services
203.29 or charges;

203.30 (8) a brief summary, in plain language, of the theoretical approach used by the
203.31 practitioner in providing services to clients;

203.32 (9) notice that the client has a right to complete and current information concerning
203.33 the practitioner's assessment and recommended service that is to be provided, including
203.34 the expected duration of the service to be provided;

203.35 (10) a statement that clients may expect courteous treatment and to be free from
203.36 verbal, physical, or sexual abuse by the practitioner;

204.1 (11) a statement that client records and transactions with the practitioner are
 204.2 confidential, unless release of these records is authorized in writing by the client, or
 204.3 otherwise provided by law;

204.4 (12) a statement of the client's right to be allowed access to records and written
 204.5 information from records in accordance with sections 144.291 to 144.298;

204.6 (13) a statement that other services may be available in the community, including
 204.7 where information concerning services is available;

204.8 (14) a statement that the client has the right to choose freely among available
 204.9 practitioners and to change practitioners after services have begun, within the limits of
 204.10 health insurance, medical assistance, or other health programs;

204.11 (15) a statement that the client has a right to coordinated transfer when there will
 204.12 be a change in the provider of services;

204.13 (16) a statement that the client may refuse services or treatment, unless otherwise
 204.14 provided by law; and

204.15 (17) a statement that the client may assert the client's rights without retaliation.

204.16 (b) This section does not apply to an unlicensed complementary and alternative
 204.17 health care practitioner who is employed by or is a volunteer in a hospital or hospice who
 204.18 provides services to a client in a hospital or under an appropriate hospice plan of care.
 204.19 Patients receiving complementary and alternative health care services in an inpatient
 204.20 hospital or under an appropriate hospice plan of care shall have and be made aware of
 204.21 the right to file a complaint with the hospital or hospice provider through which the
 204.22 practitioner is employed or registered as a volunteer.

204.23 (c) This section does not apply to a health care practitioner licensed or registered by
 204.24 the commissioner of health or a health-related licensing board who utilizes complementary
 204.25 and alternative health care practices within the scope of practice of the health care
 204.26 practitioner's professional license.

204.27 Sec. 39. Minnesota Statutes 2014, section 150A.06, subdivision 2d, is amended to read:

204.28 Subd. 2d. **Continuing education and professional development waiver.** (a) The
 204.29 board shall grant a waiver to the continuing education requirements under this chapter for
 204.30 a licensed dentist, licensed dental therapist, licensed dental hygienist, or licensed dental
 204.31 assistant who documents to the satisfaction of the board that the dentist, dental therapist,
 204.32 dental hygienist, or licensed dental assistant has retired from active practice in the state
 204.33 and limits the provision of dental care services to those offered without compensation
 204.34 in a public health, community, or tribal clinic or a nonprofit organization that provides

205.1 services to the indigent or to recipients of medical assistance, ~~general assistance medical~~
205.2 ~~care~~, or MinnesotaCare programs.

205.3 (b) The board may require written documentation from the volunteer and retired
205.4 dentist, dental therapist, dental hygienist, or licensed dental assistant prior to granting
205.5 this waiver.

205.6 (c) The board shall require the volunteer and retired dentist, dental therapist, dental
205.7 hygienist, or licensed dental assistant to meet the following requirements:

205.8 (1) a licensee seeking a waiver under this subdivision must complete and document
205.9 at least five hours of approved courses in infection control, medical emergencies, and
205.10 medical management for the continuing education cycle; and

205.11 (2) provide documentation of current CPR certification from completion of the
205.12 American Heart Association healthcare provider course or the American Red Cross
205.13 professional rescuer course.

205.14 Sec. 40. Minnesota Statutes 2014, section 151.55, subdivision 6, is amended to read:

205.15 Subd. 6. **Dispensing requirements.** (a) Drugs and supplies must be dispensed by a
205.16 licensed pharmacist pursuant to a prescription by a practitioner or may be dispensed or
205.17 administered by a practitioner according to the requirements of chapter 151 and within the
205.18 practitioner's scope of practice.

205.19 (b) Cancer drugs and supplies shall be visually inspected by the pharmacist or
205.20 practitioner before being dispensed or administered for adulteration, misbranding, and
205.21 date of expiration. Drugs or supplies that have expired or appear upon visual inspection
205.22 to be adulterated, misbranded, or tampered with in any way may not be dispensed or
205.23 administered.

205.24 (c) Before a cancer drug or supply may be dispensed or administered to an
205.25 individual, the individual must sign a cancer drug repository recipient form provided by
205.26 the board acknowledging that the individual understands the information stated on the
205.27 form. The form shall include the following information:

205.28 (1) that the drug or supply being dispensed or administered has been donated and
205.29 may have been previously dispensed;

205.30 (2) that a visual inspection has been conducted by the pharmacist or practitioner
205.31 to ensure that the drug has not expired, has not been adulterated or misbranded, and is
205.32 in its original, unopened packaging; and

205.33 (3) that the dispensing pharmacist, the dispensing or administering practitioner,
205.34 the cancer drug repository, the Board of Pharmacy, and any other participant of the
205.35 cancer drug repository program cannot guarantee the safety of the drug or supply being

206.1 dispensed or administered and that the pharmacist or practitioner has determined that the
206.2 drug or supply is safe to dispense or administer based on the accuracy of the donor's
206.3 form submitted with the donated drug or supply and the visual inspection required to be
206.4 performed by the pharmacist or practitioner before dispensing or administering.

206.5 The board shall make the cancer drug repository form available on the Board of
206.6 Pharmacy's Web site.

206.7 (d) Drugs and supplies shall only be dispensed or administered to individuals who
206.8 meet the eligibility requirements in subdivision 4 and in the following order of priority:

206.9 (1) individuals who are uninsured;

206.10 (2) individuals who are enrolled in medical assistance, ~~general assistance medical~~
206.11 ~~care~~, MinnesotaCare, Medicare, or other public assistance health care; and

206.12 (3) all other individuals who are otherwise eligible under subdivision 4 to receive
206.13 drugs or supplies from a cancer drug repository.

206.14 Sec. 41. Minnesota Statutes 2014, section 168B.07, subdivision 3, is amended to read:

206.15 Subd. 3. **Retrieval of contents.** (a) For purposes of this subdivision:

206.16 (1) "contents" does not include any permanently affixed mechanical or
206.17 nonmechanical automobile parts; automobile body parts; or automobile accessories,
206.18 including audio or video players; and

206.19 (2) "relief based on need" includes, but is not limited to, receipt of MFIP and
206.20 Diversionary Work Program, medical assistance, general assistance, ~~general assistance~~
206.21 ~~medical care~~, emergency general assistance, Minnesota supplemental aid, MSA-emergency
206.22 assistance, MinnesotaCare, Supplemental Security Income, energy assistance, emergency
206.23 assistance, food stamps, earned income tax credit, or Minnesota working family tax credit.

206.24 (b) A unit of government or impound lot operator shall establish reasonable
206.25 procedures for retrieval of vehicle contents, and may establish reasonable procedures to
206.26 protect the safety and security of the impound lot and its personnel.

206.27 (c) At any time before the expiration of the waiting periods provided in section
206.28 168B.051, a registered owner who provides documentation from a government or
206.29 nonprofit agency or legal aid office that the registered owner is homeless, receives relief
206.30 based on need, or is eligible for legal aid services, has the unencumbered right to retrieve
206.31 any and all contents without charge and regardless of whether the registered owner pays
206.32 incurred charges or fees, transfers title, or reclaims the vehicle.

206.33 Sec. 42. Minnesota Statutes 2014, section 244.05, subdivision 8, is amended to read:

207.1 Subd. 8. **Conditional medical release.** Notwithstanding subdivisions 4 and 5, the
207.2 commissioner may order that any offender be placed on conditional medical release before
207.3 the offender's scheduled supervised release date or target release date if the offender
207.4 suffers from a grave illness or medical condition and the release poses no threat to the
207.5 public. In making the decision to release an offender on this status, the commissioner must
207.6 consider the offender's age and medical condition, the health care needs of the offender,
207.7 the offender's custody classification and level of risk of violence, the appropriate level
207.8 of community supervision, and alternative placements that may be available for the
207.9 offender. An inmate may not be released under this provision unless the commissioner
207.10 has determined that the inmate's health costs are likely to be borne by medical assistance,
207.11 Medicaid, ~~general assistance medical care~~, veteran's benefits, or by any other federal or state
207.12 medical assistance programs or by the inmate. Conditional medical release is governed by
207.13 provisions relating to supervised release except that it may be rescinded without hearing
207.14 by the commissioner if the offender's medical condition improves to the extent that the
207.15 continuation of the conditional medical release presents a more serious risk to the public.

207.16 Sec. 43. Minnesota Statutes 2014, section 244.054, subdivision 2, is amended to read:

207.17 Subd. 2. **Content of plan.** If an offender chooses to have a discharge plan
207.18 developed, the commissioner of human services shall develop and implement a discharge
207.19 plan, which must include at least the following:

207.20 (1) at least 90 days before the offender is due to be discharged, the commissioner
207.21 of human services shall designate an agent of the Department of Human Services with
207.22 mental health training to serve as the primary person responsible for carrying out discharge
207.23 planning activities;

207.24 (2) at least 75 days before the offender is due to be discharged, the offender's
207.25 designated agent shall:

207.26 (i) obtain informed consent and releases of information from the offender that are
207.27 needed for transition services;

207.28 (ii) contact the county human services department in the community where the
207.29 offender expects to reside following discharge, and inform the department of the offender's
207.30 impending discharge and the planned date of the offender's return to the community;
207.31 determine whether the county or a designated contracted provider will provide case
207.32 management services to the offender; refer the offender to the case management services
207.33 provider; and confirm that the case management services provider will have opened the
207.34 offender's case prior to the offender's discharge; and

208.1 (iii) refer the offender to appropriate staff in the county human services department
208.2 in the community where the offender expects to reside following discharge, for enrollment
208.3 of the offender if eligible in medical assistance ~~or general assistance medical care~~, using
208.4 special procedures established by process and Department of Human Services bulletin;

208.5 (3) at least 2-1/2 months before discharge, the offender's designated agent shall
208.6 secure timely appointments for the offender with a psychiatrist no later than 30 days
208.7 following discharge, and with other program staff at a community mental health provider
208.8 that is able to serve former offenders with serious and persistent mental illness;

208.9 (4) at least 30 days before discharge, the offender's designated agent shall convene a
208.10 pre-discharge assessment and planning meeting of key staff from the programs in which
208.11 the offender has participated while in the correctional facility, the offender, the supervising
208.12 agent, and the mental health case management services provider assigned to the offender.

208.13 At the meeting, attendees shall provide background information and continuing care
208.14 recommendations for the offender, including information on the offender's risk for relapse;
208.15 current medications, including dosage and frequency; therapy and behavioral goals;
208.16 diagnostic and assessment information, including results of a chemical dependency
208.17 evaluation; confirmation of appointments with a psychiatrist and other program staff in
208.18 the community; a relapse prevention plan; continuing care needs; needs for housing,
208.19 employment, and finance support and assistance; and recommendations for successful
208.20 community integration, including chemical dependency treatment or support if chemical
208.21 dependency is a risk factor. Immediately following this meeting, the offender's designated
208.22 agent shall summarize this background information and continuing care recommendations
208.23 in a written report;

208.24 (5) immediately following the pre-discharge assessment and planning meeting, the
208.25 provider of mental health case management services who will serve the offender following
208.26 discharge shall offer to make arrangements and referrals for housing, financial support,
208.27 benefits assistance, employment counseling, and other services required in sections
208.28 245.461 to 245.486;

208.29 (6) at least ten days before the offender's first scheduled postdischarge appointment
208.30 with a mental health provider, the offender's designated agent shall transfer the following
208.31 records to the offender's case management services provider and psychiatrist: the
208.32 pre-discharge assessment and planning report, medical records, and pharmacy records.
208.33 These records may be transferred only if the offender provides informed consent for
208.34 their release;

209.1 (7) upon discharge, the offender's designated agent shall ensure that the offender
 209.2 leaves the correctional facility with at least a ten-day supply of all necessary medications;
 209.3 and

209.4 (8) upon discharge, the prescribing authority at the offender's correctional facility
 209.5 shall telephone in prescriptions for all necessary medications to a pharmacy in the
 209.6 community where the offender plans to reside. The prescriptions must provide at least a
 209.7 30-day supply of all necessary medications, and must be able to be refilled once for one
 209.8 additional 30-day supply.

209.9 Sec. 44. Minnesota Statutes 2014, section 245.466, subdivision 7, is amended to read:

209.10 Subd. 7. **IMD downsizing flexibility.** (a) If a county presents a budget-neutral
 209.11 plan for a net reduction in the number of institution for mental disease (IMD) beds
 209.12 funded under group residential housing, the commissioner may transfer the net savings
 209.13 from group residential housing and general assistance medical care to medical assistance
 209.14 and mental health grants to provide appropriate services in non-IMD settings. For the
 209.15 purposes of this subdivision, "a budget neutral plan" means a plan that does not increase
 209.16 the state share of costs.

209.17 ~~(b) The provisions of paragraph (a) do not apply to a facility that has its~~
 209.18 ~~reimbursement rate established under section 256B.431, subdivision 4, paragraph (c).~~

209.19 Sec. 45. Minnesota Statutes 2015 Supplement, section 245.4661, subdivision 6,
 209.20 is amended to read:

209.21 Subd. 6. **Duties of commissioner.** (a) For purposes of the pilot projects, the
 209.22 commissioner shall facilitate integration of funds or other resources as needed and
 209.23 requested by each project. These resources may include:

209.24 (1) community support services funds administered under Minnesota Rules, parts
 209.25 9535.1700 to 9535.1760;

209.26 (2) other mental health special project funds;

209.27 (3) medical assistance, ~~general assistance medical care~~, MinnesotaCare₂ and group
 209.28 residential housing if requested by the project's managing entity, and if the commissioner
 209.29 determines this would be consistent with the state's overall health care reform efforts; and

209.30 (4) regional treatment center resources consistent with section 246.0136, subdivision
 209.31 1.

209.32 (b) The commissioner shall consider the following criteria in awarding start-up and
 209.33 implementation grants for the pilot projects:

210.1 (1) the ability of the proposed projects to accomplish the objectives described in
210.2 subdivision 2;

210.3 (2) the size of the target population to be served; and

210.4 (3) geographical distribution.

210.5 (c) The commissioner shall review overall status of the projects initiatives at least
210.6 every two years and recommend any legislative changes needed by January 15 of each
210.7 odd-numbered year.

210.8 (d) The commissioner may waive administrative rule requirements which are
210.9 incompatible with the implementation of the pilot project.

210.10 (e) The commissioner may exempt the participating counties from fiscal sanctions
210.11 for noncompliance with requirements in laws and rules which are incompatible with the
210.12 implementation of the pilot project.

210.13 (f) The commissioner may award grants to an entity designated by a county board or
210.14 group of county boards to pay for start-up and implementation costs of the pilot project.

210.15 Sec. 46. Minnesota Statutes 2014, section 245.467, subdivision 2, is amended to read:

210.16 Subd. 2. **Diagnostic assessment.** All providers of residential, acute care hospital
210.17 inpatient, and regional treatment centers must complete a diagnostic assessment for each
210.18 of their clients within five days of admission. Providers of outpatient and day treatment
210.19 services must complete a diagnostic assessment within five days after the adult's second
210.20 visit or within 30 days after intake, whichever occurs first. In cases where a diagnostic
210.21 assessment is available and has been completed within three years preceding admission,
210.22 only an adult diagnostic assessment update is necessary. An "adult diagnostic assessment
210.23 update" means a written summary by a mental health professional of the adult's current
210.24 mental health status and service needs and includes a face-to-face interview with the adult.
210.25 If the adult's mental health status has changed markedly since the adult's most recent
210.26 diagnostic assessment, a new diagnostic assessment is required. Compliance with the
210.27 provisions of this subdivision does not ensure eligibility for medical assistance or general
210.28 assistance medical care reimbursement under ~~chapters~~ chapter 256B and ~~256D~~.

210.29 Sec. 47. Minnesota Statutes 2014, section 245.4682, subdivision 3, is amended to read:

210.30 Subd. 3. **Projects for coordination of care.** (a) Consistent with section 256B.69
210.31 and ~~chapters 256D and~~ chapter 256L, the commissioner is authorized to solicit, approve,
210.32 and implement up to three projects to demonstrate the integration of physical and mental
210.33 health services within prepaid health plans and their coordination with social services.
210.34 The commissioner shall require that each project be based on locally defined partnerships

211.1 that include at least one health maintenance organization, community integrated service
 211.2 network, or accountable provider network authorized and operating under chapter 62D,
 211.3 62N, or 62T, or county-based purchasing entity under section 256B.692 that is eligible to
 211.4 contract with the commissioner as a prepaid health plan, and the county or counties within
 211.5 the service area. Counties shall retain responsibility and authority for social services in
 211.6 these locally defined partnerships.

211.7 (b) The commissioner, in consultation with consumers, families, and their
 211.8 representatives, shall:

211.9 (1) determine criteria for approving the projects and use those criteria to solicit
 211.10 proposals for preferred integrated networks. The commissioner must develop criteria to
 211.11 evaluate the partnership proposed by the county and prepaid health plan to coordinate
 211.12 access and delivery of services. The proposal must at a minimum address how the
 211.13 partnership will coordinate the provision of:

211.14 (i) client outreach and identification of health and social service needs paired with
 211.15 expedited access to appropriate resources;

211.16 (ii) activities to maintain continuity of health care coverage;

211.17 (iii) children's residential mental health treatment and treatment foster care;

211.18 (iv) court-ordered assessments and treatments;

211.19 (v) prepetition screening and commitments under chapter 253B;

211.20 (vi) assessment and treatment of children identified through mental health screening
 211.21 of child welfare and juvenile corrections cases;

211.22 (vii) home and community-based waiver services;

211.23 (viii) assistance with finding and maintaining employment;

211.24 (ix) housing; and

211.25 (x) transportation;

211.26 (2) determine specifications for contracts with prepaid health plans to improve the
 211.27 plan's ability to serve persons with mental health conditions, including specifications
 211.28 addressing:

211.29 (i) early identification and intervention of physical and behavioral health problems;

211.30 (ii) communication between the enrollee and the health plan;

211.31 (iii) facilitation of enrollment for persons who are also eligible for a Medicare
 211.32 special needs plan offered by the health plan;

211.33 (iv) risk screening procedures;

211.34 (v) health care coordination;

211.35 (vi) member services and access to applicable protections and appeal processes;

211.36 (vii) specialty provider networks;

- 212.1 (viii) transportation services;
- 212.2 (ix) treatment planning; and
- 212.3 (x) administrative simplification for providers;
- 212.4 (3) begin implementation of the projects no earlier than January 1, 2009, with not
- 212.5 more than 40 percent of the statewide population included during calendar year 2009 and
- 212.6 additional counties included in subsequent years;
- 212.7 (4) waive any administrative rule not consistent with the implementation of the
- 212.8 projects;
- 212.9 (5) allow potential bidders at least 90 days to respond to the request for proposals; and
- 212.10 (6) conduct an independent evaluation to determine if mental health outcomes have
- 212.11 improved in that county or counties according to measurable standards designed in
- 212.12 consultation with the advisory body established under this subdivision and reviewed by
- 212.13 the State Advisory Council on Mental Health.
- 212.14 (c) Notwithstanding any statute or administrative rule to the contrary, the
- 212.15 commissioner may enroll all persons eligible for medical assistance with serious mental
- 212.16 illness or emotional disturbance in the prepaid plan of their choice within the project
- 212.17 service area unless:
- 212.18 (1) the individual is eligible for home and community-based services for persons
- 212.19 with developmental disabilities and related conditions under section 256B.092; or
- 212.20 (2) the individual has a basis for exclusion from the prepaid plan under section
- 212.21 256B.69, subdivision 4, other than disability, mental illness, or emotional disturbance.
- 212.22 (d) The commissioner shall involve organizations representing persons with mental
- 212.23 illness and their families in the development and distribution of information used to
- 212.24 educate potential enrollees regarding their options for health care and mental health
- 212.25 service delivery under this subdivision.
- 212.26 (e) If the person described in paragraph (c) does not elect to remain in fee-for-service
- 212.27 medical assistance, or declines to choose a plan, the commissioner may preferentially
- 212.28 assign that person to the prepaid plan participating in the preferred integrated network.
- 212.29 The commissioner shall implement the enrollment changes within a project's service area
- 212.30 on the timeline specified in that project's approved application.
- 212.31 (f) A person enrolled in a prepaid health plan under paragraphs (c) and (d) may
- 212.32 disenroll from the plan at any time.
- 212.33 (g) The commissioner, in consultation with consumers, families, and their
- 212.34 representatives, shall evaluate the projects begun in 2009, and shall refine the design of the
- 212.35 service integration projects before expanding the projects. The commissioner shall report
- 212.36 to the chairs of the legislative committees with jurisdiction over mental health services

213.1 by March 1, 2008, on plans for evaluation of preferred integrated networks established
 213.2 under this subdivision.

213.3 (h) The commissioner shall apply for any federal waivers necessary to implement
 213.4 these changes.

213.5 (i) Payment for Medicaid service providers under this subdivision for the months of
 213.6 May and June will be made no earlier than July 1 of the same calendar year.

213.7 Sec. 48. Minnesota Statutes 2014, section 245.4712, subdivision 3, is amended to read:

213.8 Subd. 3. **Benefits assistance.** The county board must offer to help adults with
 213.9 serious and persistent mental illness in applying for state and federal benefits, including
 213.10 Supplemental Security Income, medical assistance, Medicare, general assistance, ~~general~~
 213.11 ~~assistance-medical care~~, and Minnesota supplemental aid. The help must be offered as
 213.12 part of the community support program available to adults with serious and persistent
 213.13 mental illness for whom the county is financially responsible and who may qualify for
 213.14 these benefits.

213.15 Sec. 49. Minnesota Statutes 2014, section 245.4876, subdivision 2, is amended to read:

213.16 Subd. 2. **Diagnostic assessment.** All residential treatment facilities and acute care
 213.17 hospital inpatient treatment facilities that provide mental health services for children
 213.18 must complete a diagnostic assessment for each of their child clients within five working
 213.19 days of admission. Providers of outpatient and day treatment services for children must
 213.20 complete a diagnostic assessment within five days after the child's second visit or 30 days
 213.21 after intake, whichever occurs first. In cases where a diagnostic assessment is available
 213.22 and has been completed within 180 days preceding admission, only updating is necessary.
 213.23 "Updating" means a written summary by a mental health professional of the child's current
 213.24 mental health status and service needs. If the child's mental health status has changed
 213.25 markedly since the child's most recent diagnostic assessment, a new diagnostic assessment
 213.26 is required. Compliance with the provisions of this subdivision does not ensure eligibility
 213.27 for medical assistance or ~~general assistance-medical care~~ reimbursement under ~~chapters~~
 213.28 chapter 256B and 256D.

213.29 Sec. 50. Minnesota Statutes 2014, section 253B.03, subdivision 10, is amended to read:

213.30 Subd. 10. **Notification.** All persons admitted or committed to a treatment facility
 213.31 shall be notified in writing of their rights regarding hospitalization and other treatment
 213.32 at the time of admission. This notification must include:

214.1 (1) patient rights specified in this section and section 144.651, including nursing
214.2 home discharge rights;

214.3 (2) the right to obtain treatment and services voluntarily under this chapter;

214.4 (3) the right to voluntary admission and release under section 253B.04;

214.5 (4) rights in case of an emergency admission under section 253B.05, including
214.6 the right to documentation in support of an emergency hold and the right to a summary
214.7 hearing before a judge if the patient believes an emergency hold is improper;

214.8 (5) the right to request expedited review under section 62M.05 if additional days of
214.9 inpatient stay are denied;

214.10 (6) the right to continuing benefits pending appeal and to an expedited administrative
214.11 hearing under section 256.045 if the patient is a recipient of medical assistance, ~~general~~
214.12 ~~assistance medical care~~, or MinnesotaCare; and

214.13 (7) the right to an external appeal process under section 62Q.73, including the right
214.14 to a second opinion.

214.15 Sec. 51. Minnesota Statutes 2014, section 254B.03, subdivision 4, is amended to read:

214.16 Subd. 4. **Division of costs.** Except for services provided by a county under
214.17 section 254B.09, subdivision 1, or services provided under section 256B.69 ~~or 256D.03,~~
214.18 ~~subdivision 4, paragraph (b),~~ the county shall, out of local money, pay the state for 22.95
214.19 percent of the cost of chemical dependency services, including those services provided to
214.20 persons eligible for medical assistance under chapter 256B ~~and general assistance medical~~
214.21 ~~care under chapter 256D.~~ Counties may use the indigent hospitalization levy for treatment
214.22 and hospital payments made under this section. 22.95 percent of any state collections from
214.23 private or third-party pay, less 15 percent for the cost of payment and collections, must be
214.24 distributed to the county that paid for a portion of the treatment under this section.

214.25 Sec. 52. Minnesota Statutes 2014, section 254B.04, subdivision 1, is amended to read:

214.26 Subdivision 1. **Eligibility.** (a) Persons eligible for benefits under Code of Federal
214.27 Regulations, title 25, part 20, and persons eligible for medical assistance benefits under
214.28 sections 256B.055, 256B.056, and 256B.057, subdivisions 1, 5, and 6, or who meet the
214.29 income standards of section 256B.056, subdivision 4, ~~and persons eligible for general~~
214.30 ~~assistance medical care under section 256D.03, subdivision 3,~~ are entitled to chemical
214.31 dependency fund services. State money appropriated for this paragraph must be placed in
214.32 a separate account established for this purpose.

214.33 Persons with dependent children who are determined to be in need of chemical
214.34 dependency treatment pursuant to an assessment under section 626.556, subdivision 10, or

215.1 a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the
215.2 local agency to access needed treatment services. Treatment services must be appropriate
215.3 for the individual or family, which may include long-term care treatment or treatment in a
215.4 facility that allows the dependent children to stay in the treatment facility. The county
215.5 shall pay for out-of-home placement costs, if applicable.

215.6 (b) A person not entitled to services under paragraph (a), but with family income
215.7 that is less than 215 percent of the federal poverty guidelines for the applicable family
215.8 size, shall be eligible to receive chemical dependency fund services within the limit
215.9 of funds appropriated for this group for the fiscal year. If notified by the state agency
215.10 of limited funds, a county must give preferential treatment to persons with dependent
215.11 children who are in need of chemical dependency treatment pursuant to an assessment
215.12 under section 626.556, subdivision 10, or a case plan under section 260C.201, subdivision
215.13 6, or 260C.212. A county may spend money from its own sources to serve persons under
215.14 this paragraph. State money appropriated for this paragraph must be placed in a separate
215.15 account established for this purpose.

215.16 (c) Persons whose income is between 215 percent and 412 percent of the federal
215.17 poverty guidelines for the applicable family size shall be eligible for chemical dependency
215.18 services on a sliding fee basis, within the limit of funds appropriated for this group for the
215.19 fiscal year. Persons eligible under this paragraph must contribute to the cost of services
215.20 according to the sliding fee scale established under subdivision 3. A county may spend
215.21 money from its own sources to provide services to persons under this paragraph. State
215.22 money appropriated for this paragraph must be placed in a separate account established
215.23 for this purpose.

215.24 Sec. 53. Minnesota Statutes 2014, section 256.01, subdivision 2b, is amended to read:

215.25 Subd. 2b. **Performance payments.** The commissioner shall develop and implement
215.26 a pay-for-performance system to provide performance payments to eligible medical
215.27 groups and clinics that demonstrate optimum care in serving individuals with chronic
215.28 diseases who are enrolled in health care programs administered by the commissioner under
215.29 chapters ~~256B, 256D,~~ and 256L. The commissioner may receive any federal matching
215.30 money that is made available through the medical assistance program for managed care
215.31 oversight contracted through vendors, including consumer surveys, studies, and external
215.32 quality reviews as required by the federal Balanced Budget Act of 1997, Code of Federal
215.33 Regulations, title 42, part 438-managed care, subpart E-external quality review. Any
215.34 federal money received for managed care oversight is appropriated to the commissioner

216.1 for this purpose. The commissioner may expend the federal money received in either
 216.2 year of the biennium.

216.3 Sec. 54. Minnesota Statutes 2014, section 256.01, subdivision 18, is amended to read:

216.4 Subd. 18. **Immigration status verifications.** (a) Notwithstanding any waiver of
 216.5 this requirement by the secretary of the United States Department of Health and Human
 216.6 Services, effective July 1, 2001, the commissioner shall utilize the Systematic Alien
 216.7 Verification for Entitlements (SAVE) program to conduct immigration status verifications:

216.8 (1) as required under United States Code, title 8, section 1642;

216.9 (2) for all applicants for food assistance benefits, whether under the federal food stamp
 216.10 program, the MFIP or work first program, or the Minnesota food assistance program; and

216.11 ~~(3) for all applicants for general assistance medical care, except assistance for an
 216.12 emergency medical condition, for immunization with respect to an immunizable disease,
 216.13 or for testing and treatment of symptoms of a communicable disease; and~~

216.14 ~~(4)~~ (3) for all applicants for general assistance, Minnesota supplemental aid,
 216.15 MinnesotaCare, or group residential housing, when the benefits provided by these
 216.16 programs would fall under the definition of "federal public benefit" under United States
 216.17 Code, title 8, section 1642, if federal funds were used to pay for all or part of the benefits.

216.18 (b) The commissioner shall comply with the reporting requirements under United
 216.19 States Code, title 42, section 611a, and any federal regulation or guidance adopted under
 216.20 that law.

216.21 Sec. 55. Minnesota Statutes 2014, section 256.01, subdivision 18a, is amended to read:

216.22 Subd. 18a. **Public Assistance Reporting Information System.** (a) Effective
 216.23 October 1, 2009, the commissioner shall comply with the federal requirements in Public
 216.24 Law 110-379 in implementing the Public Assistance Reporting Information System
 216.25 (PARIS) to determine eligibility for all individuals applying for:

216.26 (1) health care benefits under chapters 256B, ~~256D~~, and 256L; and

216.27 (2) public benefits under chapters 119B, 256D, and 256I, and the supplemental
 216.28 nutrition assistance program.

216.29 (b) The commissioner shall determine eligibility under paragraph (a) by performing
 216.30 data matches, including matching with medical assistance, cash, child care, and
 216.31 supplemental assistance programs operated by other states.

216.32 Sec. 56. Minnesota Statutes 2014, section 256.014, subdivision 1, is amended to read:

217.1 Subdivision 1. **Establishment of systems.** (a) The commissioner of human services
217.2 shall establish and enhance computer systems necessary for the efficient operation of the
217.3 programs the commissioner supervises, including:

217.4 (1) management and administration of the food stamp, food support, and income
217.5 maintenance programs, including the electronic distribution of benefits;

217.6 (2) management and administration of the child support enforcement program; and

217.7 (3) administration of medical assistance ~~and general assistance medical care~~.

217.8 (b) The commissioner's development costs incurred by computer systems for
217.9 statewide programs administered by that computer system and mandated by state or
217.10 federal law must not be assessed against county agencies. The commissioner may
217.11 charge a county for development and operating costs incurred by computer systems for
217.12 functions requested by the county and not mandated by state or federal law for programs
217.13 administered by the computer system incurring the cost.

217.14 (c) The commissioner shall distribute the nonfederal share of the costs of operating
217.15 and maintaining the systems to the commissioner and to the counties participating in the
217.16 system in a manner that reflects actual system usage, except that the nonfederal share of
217.17 the costs of the MAXIS computer system and child support enforcement systems for
217.18 statewide programs administered by those systems and mandated by state or federal law
217.19 shall be borne entirely by the commissioner.

217.20 The commissioner may enter into contractual agreements with federally recognized
217.21 Indian tribes with a reservation in Minnesota to participate in state-operated computer
217.22 systems related to the management and administration of the food stamp, food support,
217.23 income maintenance, child support enforcement, and medical assistance ~~and general
217.24 assistance medical care~~ programs to the extent necessary for the tribe to operate a federally
217.25 approved family assistance program or any other program under the supervision of the
217.26 commissioner.

217.27 Sec. 57. Minnesota Statutes 2014, section 256.015, subdivision 1, is amended to read:

217.28 Subdivision 1. **State agency has lien.** When the state agency provides, pays for, or
217.29 becomes liable for medical care or furnishes subsistence or other payments to a person,
217.30 the agency shall have a lien for the cost of the care and payments on any and all causes of
217.31 action or recovery rights under any policy, plan, or contract providing benefits for health
217.32 care or injury which accrue to the person to whom the care or payments were furnished,
217.33 or to the person's legal representatives, as a result of the occurrence that necessitated
217.34 the medical care, subsistence, or other payments. For purposes of this section, "state
217.35 agency" includes prepaid health plans under contract with the commissioner according

218.1 to sections 256B.69, ~~256D.03, subdivision 4, paragraph (e)~~, 256L.01, subdivision 7,
 218.2 256L.03, subdivision 6, and 256L.12 and Minnesota Statutes 2009 Supplement, section
 218.3 256D.03, subdivision 4, paragraph (c); children's mental health collaboratives under
 218.4 section 245.493; demonstration projects for persons with disabilities under section
 218.5 256B.77; nursing homes under the alternative payment demonstration project under
 218.6 section 256B.434; and county-based purchasing entities under section 256B.692.

218.7 Sec. 58. Minnesota Statutes 2014, section 256.015, subdivision 3, is amended to read:

218.8 Subd. 3. **Prosecutor.** The attorney general shall represent the commissioner to
 218.9 enforce the lien created under this section or, if no action has been brought, may initiate
 218.10 and prosecute an independent action on behalf of the commissioner against a person, firm,
 218.11 or corporation that may be liable to the person to whom the care or payment was furnished.

218.12 Any prepaid health plan providing services under sections 256B.69, ~~256D.03,~~
 218.13 ~~subdivision 4, paragraph (e)~~, and 256L.12 and Minnesota Statutes 2009 Supplement,
 218.14 section 256D.03, subdivision 4, paragraph (c); children's mental health collaboratives
 218.15 under section 245.493; demonstration projects for persons with disabilities under section
 218.16 256B.77; nursing homes under the alternative payment demonstration project under
 218.17 section 256B.434; or the county-based purchasing entity providing services under section
 218.18 256B.692 may retain legal representation to enforce their lien created under this section
 218.19 or, if no action has been brought, may initiate and prosecute an independent action on their
 218.20 behalf against a person, firm, or corporation that may be liable to the person to whom the
 218.21 care or payment was furnished.

218.22 Sec. 59. Minnesota Statutes 2014, section 256.019, subdivision 1, is amended to read:

218.23 Subdivision 1. **Retention rates.** When an assistance recovery amount is collected
 218.24 and posted by a county agency under the provisions governing public assistance programs
 218.25 including general assistance medical care formerly codified in chapter 256D, general
 218.26 assistance, and Minnesota supplemental aid, the county may keep one-half of the recovery
 218.27 made by the county agency using any method other than recoupment. For medical
 218.28 assistance, if the recovery is made by a county agency using any method other than
 218.29 recoupment, the county may keep one-half of the nonfederal share of the recovery. For
 218.30 MinnesotaCare, if the recovery is collected and posted by the county agency, the county
 218.31 may keep one-half of the nonfederal share of the recovery.

218.32 This does not apply to recoveries from medical providers or to recoveries begun
 218.33 by the Department of Human Services' Surveillance and Utilization Review Division,
 218.34 State Hospital Collections Unit, and the Benefit Recoveries Division or, by the attorney

219.1 general's office, or child support collections. In the food stamp or food support program,
 219.2 the nonfederal share of recoveries in the federal tax offset program only will be divided
 219.3 equally between the state agency and the involved county agency.

219.4 Sec. 60. Minnesota Statutes 2014, section 256.029, is amended to read:

219.5 **256.029 DOMESTIC VIOLENCE INFORMATIONAL BROCHURE.**

219.6 (a) The commissioner shall provide a domestic violence informational brochure that
 219.7 provides information about the existence of domestic violence waivers for eligible public
 219.8 assistance applicants to all applicants of general assistance, ~~general assistance medical~~
 219.9 ~~care~~, Minnesota family investment program, medical assistance, and MinnesotaCare. The
 219.10 brochure must explain that eligible applicants may be temporarily waived from certain
 219.11 program requirements due to domestic violence. The brochure must provide information
 219.12 about services and other programs to help victims of domestic violence.

219.13 (b) The brochure must be funded with TANF funds.

219.14 Sec. 61. Minnesota Statutes 2014, section 256.045, subdivision 3a, is amended to read:

219.15 Subd. 3a. **Prepaid health plan appeals.** (a) All prepaid health plans under contract
 219.16 to the commissioner under chapter 256B ~~or 256D~~ must provide for a complaint system
 219.17 according to section 62D.11. When a prepaid health plan denies, reduces, or terminates a
 219.18 health service or denies a request to authorize a previously authorized health service, the
 219.19 prepaid health plan must notify the recipient of the right to file a complaint or an appeal.
 219.20 The notice must include the name and telephone number of the ombudsman and notice of
 219.21 the recipient's right to request a hearing under paragraph (b). Recipients may request the
 219.22 assistance of the ombudsman in the complaint system process. The prepaid health plan
 219.23 must issue a written resolution of the complaint to the recipient within 30 days after the
 219.24 complaint is filed with the prepaid health plan. A recipient is not required to exhaust the
 219.25 complaint system procedures in order to request a hearing under paragraph (b).

219.26 (b) Recipients enrolled in a prepaid health plan under chapter 256B ~~or 256D~~ may
 219.27 contest a prepaid health plan's denial, reduction, or termination of health services, a
 219.28 prepaid health plan's denial of a request to authorize a previously authorized health
 219.29 service, or the prepaid health plan's written resolution of a complaint by submitting a
 219.30 written request for a hearing according to subdivision 3. A state human services judge
 219.31 shall conduct a hearing on the matter and shall recommend an order to the commissioner
 219.32 of human services. The commissioner need not grant a hearing if the sole issue raised
 219.33 by a recipient is the commissioner's authority to require mandatory enrollment in a
 219.34 prepaid health plan in a county where prepaid health plans are under contract with the

220.1 commissioner. The state human services judge may order a second medical opinion
 220.2 from the prepaid health plan or may order a second medical opinion from a nonprepaid
 220.3 health plan provider at the expense of the prepaid health plan. Recipients may request
 220.4 the assistance of the ombudsman in the appeal process.

220.5 (c) In the written request for a hearing to appeal from a prepaid health plan's denial,
 220.6 reduction, or termination of a health service, a prepaid health plan's denial of a request to
 220.7 authorize a previously authorized service, or the prepaid health plan's written resolution
 220.8 to a complaint, a recipient may request an expedited hearing. If an expedited appeal is
 220.9 warranted, the state human services judge shall hear the appeal and render a decision
 220.10 within a time commensurate with the level of urgency involved, based on the individual
 220.11 circumstances of the case.

220.12 Sec. 62. Minnesota Statutes 2014, section 256.045, subdivision 10, is amended to read:

220.13 Subd. 10. **Payments pending appeal.** If the commissioner of human services
 220.14 or district court orders monthly assistance or aid or services paid or provided in any
 220.15 proceeding under this section, it shall be paid or provided pending appeal to the
 220.16 commissioner of human services, district court, Court of Appeals, or Supreme Court. The
 220.17 human services judge may order the local human services agency to reduce or terminate
 220.18 medical assistance or ~~general assistance medical care~~ to a recipient before a final order is
 220.19 issued under this section if: (1) the human services judge determines at the hearing that the
 220.20 sole issue on appeal is one of a change in state or federal law; and (2) the commissioner or
 220.21 the local agency notifies the recipient before the action. The state or county agency has a
 220.22 claim for food stamps, food support, cash payments, medical assistance, ~~general assistance~~
 220.23 ~~medical care~~, and MinnesotaCare program payments made to or on behalf of a recipient or
 220.24 former recipient while an appeal is pending if the recipient or former recipient is determined
 220.25 ineligible for the food stamps, food support, cash payments, medical assistance, ~~general~~
 220.26 ~~assistance medical care~~, or MinnesotaCare as a result of the appeal, except for medical
 220.27 assistance and ~~general assistance medical care~~ made on behalf of a recipient pursuant to a
 220.28 court order. In enforcing a claim on MinnesotaCare program payments, the state or county
 220.29 agency shall reduce the claim amount by the value of any premium payments made by a
 220.30 recipient or former recipient during the period for which the recipient or former recipient
 220.31 has been determined to be ineligible. Provision of a health care service by the state agency
 220.32 under medical assistance, ~~general assistance medical care~~, or MinnesotaCare pending
 220.33 appeal shall not render moot the state agency's position in a court of law.

220.34 Sec. 63. Minnesota Statutes 2014, section 256.046, subdivision 1, is amended to read:

221.1 Subdivision 1. **Hearing authority.** A local agency must initiate an administrative
 221.2 fraud disqualification hearing for individuals, including child care providers caring for
 221.3 children receiving child care assistance, accused of wrongfully obtaining assistance or
 221.4 intentional program violations, in lieu of a criminal action when it has not been pursued,
 221.5 in the Minnesota family investment program and any affiliated program to include the
 221.6 diversionary work program and the work participation cash benefit program, child care
 221.7 assistance programs, general assistance, family general assistance program formerly
 221.8 codified in section 256D.05, subdivision 1, clause (15), Minnesota supplemental aid,
 221.9 food stamp programs, ~~general assistance medical care~~, MinnesotaCare for adults without
 221.10 children, and upon federal approval, all categories of medical assistance and remaining
 221.11 categories of MinnesotaCare except for children through age 18. The Department
 221.12 of Human Services, in lieu of a local agency, may initiate an administrative fraud
 221.13 disqualification hearing when the state agency is directly responsible for administration or
 221.14 investigation of the program for which benefits were wrongfully obtained. The hearing is
 221.15 subject to the requirements of section 256.045 and the requirements in Code of Federal
 221.16 Regulations, title 7, section 273.16.

221.17 Sec. 64. Minnesota Statutes 2014, section 256.9365, subdivision 3, is amended to read:

221.18 Subd. 3. **Cost-effective coverage.** Requirements for the payment of individual
 221.19 plan premiums under subdivision 2, clause (5), must be designed to ensure that the state
 221.20 cost of paying an individual plan premium does not exceed the estimated state cost that
 221.21 would otherwise be incurred in the medical assistance ~~or general assistance medical care~~
 221.22 program. The commissioner shall purchase the most cost-effective coverage available
 221.23 for eligible individuals.

221.24 Sec. 65. Minnesota Statutes 2014, section 256.962, subdivision 1, is amended to read:

221.25 Subdivision 1. **Public awareness and education.** The commissioner, in consultation
 221.26 with community organizations, health plans, and other public entities experienced in
 221.27 outreach to the uninsured, shall design and implement a statewide campaign to raise public
 221.28 awareness on the availability of health coverage through medical assistance, ~~general~~
 221.29 ~~assistance medical care~~, and MinnesotaCare and to educate the public on the importance of
 221.30 obtaining and maintaining health care coverage. The campaign shall include multimedia
 221.31 messages directed to the general population.

221.32 Sec. 66. Minnesota Statutes 2014, section 256.962, subdivision 5, is amended to read:

222.1 Subd. 5. **Incentive program.** Beginning January 1, 2008, the commissioner shall
 222.2 establish an incentive program for organizations and licensed insurance producers under
 222.3 chapter 60K that directly identify and assist potential enrollees in filling out and submitting
 222.4 an application. For each applicant who is successfully enrolled in MinnesotaCare, or
 222.5 medical assistance, ~~or general assistance medical care~~, the commissioner, within the
 222.6 available appropriation, shall pay the organization or licensed insurance producer a \$25
 222.7 application assistance bonus. The organization or licensed insurance producer may
 222.8 provide an applicant a gift certificate or other incentive upon enrollment.

222.9 Sec. 67. Minnesota Statutes 2014, section 256.9655, subdivision 1, is amended to read:

222.10 Subdivision 1. **Duties of commissioner.** The commissioner shall establish
 222.11 procedures to analyze and correct problems associated with medical care claims
 222.12 preparation and processing under the medical assistance, ~~general assistance medical care~~,
 222.13 and MinnesotaCare programs. At a minimum, the commissioner shall:

222.14 (1) designate a full-time position as a liaison between the Department of Human
 222.15 Services and providers;

222.16 (2) analyze impediments to timely processing of claims, provide information and
 222.17 consultation to providers, and develop methods to resolve or reduce problems;

222.18 (3) provide to each acute care hospital a quarterly listing of claims received and
 222.19 identify claims that have been suspended and the reason the claims were suspended;

222.20 (4) provide education and information on reasons for rejecting and suspending
 222.21 claims and identify methods that would avoid multiple submissions of claims; and

222.22 (5) for each acute care hospital, identify and prioritize claims that are in jeopardy of
 222.23 exceeding time factors that eliminate payment.

222.24 Sec. 68. Minnesota Statutes 2014, section 256.9686, subdivision 7, is amended to read:

222.25 Subd. 7. **Medical assistance.** "Medical assistance" means the program established
 222.26 under chapter 256B and Title XIX of the Social Security Act. ~~Medical assistance includes~~
 222.27 ~~general assistance medical care established under chapter 256D, unless otherwise~~
 222.28 ~~specifically stated.~~

222.29 Sec. 69. Minnesota Statutes 2014, section 256.98, subdivision 3, is amended to read:

222.30 Subd. 3. **Amount of assistance incorrectly paid.** The amount of the assistance
 222.31 incorrectly paid under this section is:

222.32 (1) the difference between the amount of assistance actually received on the basis
 222.33 of misrepresented or concealed facts and the amount to which the recipient would have

223.1 been entitled had the specific concealment or misrepresentation not occurred. Unless
223.2 required by law, rule, or regulation, earned income disregards shall not be applied to
223.3 earnings not reported by the recipient; or

223.4 (2) equal to all payments for health care services, including capitation payments
223.5 made to a health plan, made on behalf of a person enrolled in MinnesotaCare, medical
223.6 assistance, or general assistance medical care formerly codified in chapter 256D, for which
223.7 the person was not entitled due to the concealment or misrepresentation of facts.

223.8 Sec. 70. Minnesota Statutes 2014, section 256.98, subdivision 8, is amended to read:

223.9 Subd. 8. **Disqualification from program.** (a) Any person found to be guilty of
223.10 wrongfully obtaining assistance by a federal or state court or by an administrative hearing
223.11 determination, or waiver thereof, through a disqualification consent agreement, or as part
223.12 of any approved diversion plan under section 401.065, or any court-ordered stay which
223.13 carries with it any probationary or other conditions, in the Minnesota family investment
223.14 program and any affiliated program to include the diversionary work program and the
223.15 work participation cash benefit program, the food stamp or food support program, the
223.16 general assistance program, the group residential housing program, or the Minnesota
223.17 supplemental aid program shall be disqualified from that program. In addition, any person
223.18 disqualified from the Minnesota family investment program shall also be disqualified from
223.19 the food stamp or food support program. The needs of that individual shall not be taken
223.20 into consideration in determining the grant level for that assistance unit:

- 223.21 (1) for one year after the first offense;
223.22 (2) for two years after the second offense; and
223.23 (3) permanently after the third or subsequent offense.

223.24 The period of program disqualification shall begin on the date stipulated on the
223.25 advance notice of disqualification without possibility of postponement for administrative
223.26 stay or administrative hearing and shall continue through completion unless and until the
223.27 findings upon which the sanctions were imposed are reversed by a court of competent
223.28 jurisdiction. The period for which sanctions are imposed is not subject to review. The
223.29 sanctions provided under this subdivision are in addition to, and not in substitution
223.30 for, any other sanctions that may be provided for by law for the offense involved. A
223.31 disqualification established through hearing or waiver shall result in the disqualification
223.32 period beginning immediately unless the person has become otherwise ineligible for
223.33 assistance. If the person is ineligible for assistance, the disqualification period begins
223.34 when the person again meets the eligibility criteria of the program from which they were
223.35 disqualified and makes application for that program.

224.1 (b) A family receiving assistance through child care assistance programs
224.2 under chapter 119B with a family member who is found to be guilty of wrongfully
224.3 obtaining child care assistance by a federal court, state court, or an administrative
224.4 hearing determination or waiver, through a disqualification consent agreement, as part
224.5 of an approved diversion plan under section 401.065, or a court-ordered stay with
224.6 probationary or other conditions, is disqualified from child care assistance programs. The
224.7 disqualifications must be for periods of one year and two years for the first and second
224.8 offenses, respectively. Subsequent violations must result in permanent disqualification.
224.9 During the disqualification period, disqualification from any child care program must
224.10 extend to all child care programs and must be immediately applied.

224.11 (c) A provider caring for children receiving assistance through child care assistance
224.12 programs under chapter 119B is disqualified from receiving payment for child care
224.13 services from the child care assistance program under chapter 119B when the provider is
224.14 found to have wrongfully obtained child care assistance by a federal court, state court,
224.15 or an administrative hearing determination or waiver under section 256.046, through
224.16 a disqualification consent agreement, as part of an approved diversion plan under
224.17 section 401.065, or a court-ordered stay with probationary or other conditions. The
224.18 disqualification must be for a period of one year for the first offense and two years for
224.19 the second offense. Any subsequent violation must result in permanent disqualification.
224.20 The disqualification period must be imposed immediately after a determination is made
224.21 under this paragraph. During the disqualification period, the provider is disqualified from
224.22 receiving payment from any child care program under chapter 119B.

224.23 (d) Any person found to be guilty of wrongfully obtaining ~~general assistance~~
224.24 ~~medical care~~, MinnesotaCare for adults without children; and upon federal approval, all
224.25 categories of medical assistance and remaining categories of MinnesotaCare, except
224.26 for children through age 18, by a federal or state court or by an administrative hearing
224.27 determination, or waiver thereof, through a disqualification consent agreement, or as part
224.28 of any approved diversion plan under section 401.065, or any court-ordered stay which
224.29 carries with it any probationary or other conditions, is disqualified from that program. The
224.30 period of disqualification is one year after the first offense, two years after the second
224.31 offense, and permanently after the third or subsequent offense. The period of program
224.32 disqualification shall begin on the date stipulated on the advance notice of disqualification
224.33 without possibility of postponement for administrative stay or administrative hearing
224.34 and shall continue through completion unless and until the findings upon which the
224.35 sanctions were imposed are reversed by a court of competent jurisdiction. The period for
224.36 which sanctions are imposed is not subject to review. The sanctions provided under this

225.1 subdivision are in addition to, and not in substitution for, any other sanctions that may be
225.2 provided for by law for the offense involved.

225.3 Sec. 71. Minnesota Statutes 2014, section 256.99, is amended to read:

225.4 **256.99 REVERSE MORTGAGE PROCEEDS DISREGARDED.**

225.5 All reverse mortgage loan proceeds received, including interest or earnings thereon,
225.6 shall be disregarded and shall not be considered available to the borrower for purposes
225.7 of determining initial or continuing eligibility for, or amount of, medical assistance,
225.8 Minnesota supplemental assistance, general assistance, ~~general assistance medical care~~, or
225.9 a federal or state low interest loan or grant. This section applies regardless of the time
225.10 elapsed since the loan was made or the disposition of the proceeds.

225.11 For purposes of medical assistance eligibility provided under sections 256B.055,
225.12 256B.056, and 256B.06, proceeds from a reverse mortgage must be disregarded as income
225.13 in the month of receipt but are a resource if retained after the month of receipt.

225.14 Sec. 72. Minnesota Statutes 2014, section 256.991, is amended to read:

225.15 **256.991 RULES.**

225.16 The commissioner of human services may promulgate rules as necessary to
225.17 implement sections 256.01, subdivision 2; 256.82, subdivision 3; 256.966, subdivision 1;
225.18 ~~256D.03, subdivisions 3, 4, 6, and 7;~~ and 261.23. The commissioner shall promulgate
225.19 rules to establish standards and criteria for deciding which medical assistance services
225.20 require prior authorization and for deciding whether a second medical opinion is required
225.21 for an elective surgery. The commissioner shall promulgate rules as necessary to establish
225.22 the methods and standards for determining inappropriate utilization of medical assistance
225.23 services.

225.24 Sec. 73. Minnesota Statutes 2014, section 256.997, subdivision 4, is amended to read:

225.25 Subd. 4. **Injury protection for work experience participants.** (a) This subdivision
225.26 applies to payment of any claims resulting from an alleged injury or death of a child
225.27 support obligor participating in a community work experience program established and
225.28 operated by a county or a judicial district department of corrections under this section.

225.29 (b) Claims that are subject to this section must be investigated by the county agency
225.30 responsible for supervising the work to determine whether the claimed injury occurred,
225.31 whether the claimed medical expenses are reasonable, and whether the loss is covered
225.32 by the claimant's insurance. If insurance coverage is established, the county agency shall
225.33 submit the claim to the appropriate insurance entity for payment. The investigating county

226.1 agency shall submit all valid claims, in the amount net of any insurance payments, to the
226.2 commissioner of human services.

226.3 (c) The commissioner of human services shall submit all claims for impairment
226.4 compensation to the commissioner of labor and industry. The commissioner of labor and
226.5 industry shall review all submitted claims and recommend to the commissioner of human
226.6 services an amount of compensation comparable to what would be provided under the
226.7 impairment compensation schedule of section 176.101, subdivision 3b.

226.8 (d) The commissioner of human services shall approve a claim of \$1,000 or less
226.9 for payment if appropriated funds are available, if the county agency responsible for
226.10 supervising the work has made the determinations required by this section, and if the
226.11 work program was operated in compliance with the safety provisions of this section.
226.12 The commissioner shall pay the portion of an approved claim of \$1,000 or less that is
226.13 not covered by the claimant's insurance within three months of the date of submission.
226.14 On or before February 1 of each year, the commissioner shall submit to the appropriate
226.15 committees of the senate and the house of representatives a list of claims of \$1,000
226.16 or less paid during the preceding calendar year and shall be reimbursed by legislative
226.17 appropriation for any claims that exceed the original appropriation provided to the
226.18 commissioner to operate this program. Unspent money from this appropriation carries
226.19 over to the second year of the biennium, and any unspent money remaining at the end
226.20 of the second year must be returned to the general fund. On or before February 1 of
226.21 each year, the commissioner shall submit to the appropriate committees of the senate
226.22 and the house of representatives a list of claims in excess of \$1,000 and a list of claims
226.23 of \$1,000 or less that were submitted to but not paid by the commissioner of human
226.24 services, together with any recommendations of appropriate compensation. These claims
226.25 shall be heard and determined by the appropriate committees of the senate and house of
226.26 representatives and, if approved, paid under the legislative claims procedure.

226.27 (e) Compensation paid under this section is limited to reimbursement for reasonable
226.28 medical expenses and impairment compensation for disability in like amounts as allowed
226.29 in section 176.101, subdivision 3b. Compensation for injuries resulting in death shall
226.30 include reasonable medical expenses and burial expenses in addition to payment to the
226.31 participant's estate in an amount not to exceed the limits set forth in section 466.04.
226.32 Compensation may not be paid under this section for pain and suffering, lost wages, or
226.33 other benefits provided in chapter 176. Payments made under this section must be reduced
226.34 by any proceeds received by the claimant from any insurance policy covering the loss. For
226.35 the purposes of this section, "insurance policy" does not include the medical assistance

227.1 program authorized under chapter 256B ~~or the general assistance medical care program~~
 227.2 ~~authorized under chapter 256D.~~

227.3 (f) The procedure established by this section is exclusive of all other legal, equitable,
 227.4 and statutory remedies against the state, its political subdivisions, or employees of the
 227.5 state or its political subdivisions. The claimant may not seek damages from any state or
 227.6 county insurance policy or self-insurance program.

227.7 (g) A claim is not valid for purposes of this subdivision if the local agency
 227.8 responsible for supervising the work cannot verify to the commissioner of human services:

227.9 (1) that appropriate safety training and information is provided to all persons being
 227.10 supervised by the agency under this subdivision; and

227.11 (2) that all programs involving work by those persons comply with federal
 227.12 Occupational Safety and Health Administration and state Department of Labor and
 227.13 Industry safety standards.

227.14 A claim that is not valid because of failure to verify safety training or compliance
 227.15 with safety standards may not be paid by the commissioner of human services or through
 227.16 the legislative claims process and must be heard, decided, and paid, if appropriate, by the
 227.17 local government unit responsible for supervising the work of the claimant.

227.18 Sec. 74. Minnesota Statutes 2014, section 256B.02, subdivision 9, is amended to read:

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

227.25 Sec. 75. Minnesota Statutes 2014, section 256B.03, subdivision 3, is amended to read:

227.26 Subd. 3. **Tribal purchasing model.** (a) Notwithstanding subdivision 1 and ~~sections~~
 227.27 ~~section 256B.0625 and 256D.03, subdivision 4, paragraph (1),~~ the commissioner may make
 227.28 payments to federally recognized Indian tribes with a reservation in the state to provide
 227.29 medical assistance ~~and general assistance medical care~~ to Indians, as defined under federal
 227.30 law, who reside on or near the reservation. The payments may be made in the form of a
 227.31 block grant or other payment mechanism determined in consultation with the tribe. Any
 227.32 alternative payment mechanism agreed upon by the tribes and the commissioner under
 227.33 this subdivision is not dependent upon county or health plan agreement but is intended to
 227.34 create a direct payment mechanism between the state and the tribe for the administration

228.1 of the medical assistance ~~and general assistance medical care programs~~ program, and
 228.2 for covered services.

228.3 (b) A tribe that implements a purchasing model under this subdivision shall report to
 228.4 the commissioner at least annually on the operation of the model. The commissioner and the
 228.5 tribe shall cooperatively determine the data elements, format, and timetable for the report.

228.6 (c) For purposes of this subdivision, "Indian tribe" means a tribe, band, or nation,
 228.7 or other organized group or community of Indians that is recognized as eligible for the
 228.8 special programs and services provided by the United States to Indians because of their
 228.9 status as Indians and for which a reservation exists as is consistent with Public Law
 228.10 100-485, as amended.

228.11 (d) Payments under this subdivision may not result in an increase in expenditures
 228.12 that would not otherwise occur in the medical assistance program under this chapter ~~or the~~
 228.13 ~~general assistance medical care program under chapter 256D.~~

228.14 Sec. 76. Minnesota Statutes 2014, section 256B.035, is amended to read:

228.15 **256B.035 MANAGED CARE.**

228.16 The commissioner of human services may contract with public or private entities or
 228.17 operate a preferred provider program to deliver health care services to medical assistance,
 228.18 ~~general assistance medical care~~, and MinnesotaCare program recipients. The commissioner
 228.19 may enter into risk-based and non-risk-based contracts. Contracts may be for the full
 228.20 range of health services, or a portion thereof, for medical assistance ~~and general assistance~~
 228.21 ~~medical care~~ populations to determine the effectiveness of various provider reimbursement
 228.22 and care delivery mechanisms. The commissioner may seek necessary federal waivers and
 228.23 implement projects when approval of the waivers is obtained from the Centers for Medicare
 228.24 and Medicaid Services of the United States Department of Health and Human Services.

228.25 Sec. 77. Minnesota Statutes 2014, section 256B.037, subdivision 1, is amended to read:

228.26 Subdivision 1. **Contract for dental services.** The commissioner may conduct a
 228.27 demonstration project to contract, on a prospective per capita payment basis, with an
 228.28 organization or organizations licensed under chapter 62C, 62D, or 62N for the provision
 228.29 of all dental care services beginning July 1, 1994, under the medical assistance, ~~general~~
 228.30 ~~assistance medical care~~, and MinnesotaCare programs, or when necessary waivers
 228.31 are granted by the secretary of health and human services, whichever occurs later.
 228.32 The commissioner shall identify a geographic area or areas, including both urban and
 228.33 rural areas, where access to dental services has been inadequate, in which to conduct

229.1 demonstration projects. The commissioner shall seek any federal waivers or approvals
229.2 necessary to implement this section from the secretary of health and human services.

229.3 The commissioner may exclude from participation in the demonstration project any
229.4 or all groups currently excluded from participation in the prepaid medical assistance
229.5 program under section 256B.69. Except for persons excluded from participation in
229.6 the demonstration project, all persons who have been determined eligible for medical
229.7 assistance, ~~general assistance medical care~~ and, if applicable, MinnesotaCare and reside
229.8 in the designated geographic areas are required to enroll in a dental plan to receive their
229.9 dental care services. Except for emergency services or out-of-plan services authorized by
229.10 the dental plan, recipients must receive their dental services from dental care providers
229.11 who are part of the dental plan provider network.

229.12 The commissioner shall select either multiple dental plans or a single dental plan
229.13 in a designated area. A dental plan under contract with the department must serve
229.14 ~~both medical assistance recipients and general assistance medical care recipients~~ in a
229.15 designated geographic area and may serve MinnesotaCare recipients. The commissioner
229.16 may limit the number of dental plans with which the department contracts within a
229.17 designated geographic area, taking into consideration the number of recipients within the
229.18 designated geographic area; the number of potential dental plan contractors; the size of the
229.19 provider network offered by dental plans; the dental care services offered by a dental plan;
229.20 qualifications of dental plan personnel; accessibility of services to recipients; dental plan
229.21 assurances of recipient confidentiality; dental plan marketing and enrollment activities;
229.22 dental plan compliance with this section; dental plan performance under other contracts
229.23 with the department to serve medical assistance, ~~general assistance medical care~~, or
229.24 MinnesotaCare recipients; or any other factors necessary to provide the most economical
229.25 care consistent with high standards of dental care.

229.26 For purposes of this section, "dental plan" means an organization licensed under
229.27 chapter 62C, 62D, or 62N that contracts with the department to provide covered dental
229.28 care services to recipients on a prepaid capitation basis. "Emergency services" has the
229.29 meaning given in section 256B.0625, subdivision 4. "Multiple dental plan area" means a
229.30 designated area in which more than one dental plan is offered. "Participating provider"
229.31 means a dentist or dental clinic who is employed by or under contract with a dental plan to
229.32 provide dental care services to recipients. "Single dental plan area" means a designated
229.33 area in which only one dental plan is available.

229.34 Sec. 78. Minnesota Statutes 2014, section 256B.037, subdivision 5, is amended to read:

230.1 Subd. 5. **Other contracts permitted.** Nothing in this section prohibits the
 230.2 commissioner from contracting with an organization for comprehensive health services,
 230.3 including dental services, under section 256B.035, or 256B.69, or 256D.03, subdivision 4,
 230.4 ~~paragraph (c).~~

230.5 Sec. 79. Minnesota Statutes 2015 Supplement, section 256B.038, is amended to read:

230.6 **256B.038 PROVIDER RATE INCREASES AFTER JUNE 30, 1999.**

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

230.15 (b) Within the limits of appropriations specifically for this purpose, the commissioner
 230.16 shall apply the rate increases in paragraph (a) to home and community-based waiver
 230.17 services for persons with developmental disabilities under section 256B.501; home and
 230.18 community-based waiver services for the elderly under section 256B.0915; waived
 230.19 services under community access for disability inclusion under section 256B.49;
 230.20 community alternative care waived services under section 256B.49; brain injury waived
 230.21 services under section 256B.49; nursing services and home health services under section
 230.22 256B.0625, subdivision 6a; personal care services and nursing supervision of personal
 230.23 care services under section 256B.0625, subdivision 19a; home care nursing services under
 230.24 section 256B.0625, subdivision 7; day training and habilitation services for adults with
 230.25 developmental disabilities under sections 252.41 to 252.46; physical therapy services
 230.26 under ~~sections~~ section 256B.0625, subdivision 8, ~~and 256D.03, subdivision 4;~~ occupational
 230.27 therapy services under ~~sections~~ section 256B.0625, subdivision 8a, ~~and 256D.03,~~
 230.28 ~~subdivision 4;~~ speech-language therapy services under ~~section 256D.03, subdivision 4,~~
 230.29 ~~and~~ Minnesota Rules, part 9505.0390; respiratory therapy services under ~~section 256D.03,~~
 230.30 ~~subdivision 4, and~~ Minnesota Rules, part 9505.0295; physician services under section
 230.31 256B.0625, subdivision 3; dental services under ~~sections~~ section 256B.0625, subdivision
 230.32 9, ~~and 256D.03, subdivision 4;~~ alternative care services under section 256B.0913; adult
 230.33 residential program grants under Minnesota Rules, parts 9535.2000 to 9535.3000;
 230.34 adult and family community support grants under Minnesota Rules, parts 9535.1700 to

231.1 9535.1760; and semi-independent living services under section 252.275, including SILS
 231.2 funding under county social services grants formerly funded under chapter 256I.

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

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

231.7 Sec. 80. Minnesota Statutes 2014, section 256B.04, subdivision 14, is amended to read:

231.8 Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical,
 231.9 and feasible, the commissioner may utilize volume purchase through competitive bidding
 231.10 and negotiation under the provisions of chapter 16C, to provide items under the medical
 231.11 assistance program including but not limited to the following:

231.12 (1) eyeglasses;

231.13 (2) oxygen. The commissioner shall provide for oxygen needed in an emergency
 231.14 situation on a short-term basis, until the vendor can obtain the necessary supply from
 231.15 the contract dealer;

231.16 (3) hearing aids and supplies; and

231.17 (4) durable medical equipment, including but not limited to:

231.18 (i) hospital beds;

231.19 (ii) commodes;

231.20 (iii) glide-about chairs;

231.21 (iv) patient lift apparatus;

231.22 (v) wheelchairs and accessories;

231.23 (vi) oxygen administration equipment;

231.24 (vii) respiratory therapy equipment;

231.25 (viii) electronic diagnostic, therapeutic and life-support systems;

231.26 (5) nonemergency medical transportation level of need determinations, disbursement
 231.27 of public transportation passes and tokens, and volunteer and recipient mileage and
 231.28 parking reimbursements; and

231.29 (6) drugs.

231.30 (b) Rate changes and recipient cost-sharing under this chapter and ~~chapters 256D and~~
 231.31 chapter 256L do not affect contract payments under this subdivision unless specifically
 231.32 identified.

231.33 (c) The commissioner may not utilize volume purchase through competitive bidding
 231.34 and negotiation for special transportation services under the provisions of chapter 16C.

232.1 Sec. 81. Minnesota Statutes 2014, section 256B.042, subdivision 1, is amended to read:

232.2 Subdivision 1. **Lien for cost of care.** When the state agency provides, pays for, or
 232.3 becomes liable for medical care, it shall have a lien for the cost of the care upon any and
 232.4 all causes of action or recovery rights under any policy, plan, or contract providing benefits
 232.5 for health care or injury, which accrue to the person to whom the care was furnished, or to
 232.6 the person's legal representatives, as a result of the illness or injuries which necessitated
 232.7 the medical care. For purposes of this section, "state agency" includes prepaid health
 232.8 plans under contract with the commissioner according to sections 256B.69, ~~256D.03,~~
 232.9 ~~subdivision 4, paragraph (e),~~ and 256L.12 and Minnesota Statutes 2009 Supplement,
 232.10 section 256D.03, subdivision 4, paragraph (c); children's mental health collaboratives
 232.11 under section 245.493; demonstration projects for persons with disabilities under section
 232.12 256B.77; nursing facilities under the alternative payment demonstration project under
 232.13 section 256B.434; and county-based purchasing entities under section 256B.692.

232.14 Sec. 82. Minnesota Statutes 2014, section 256B.042, subdivision 3, is amended to read:

232.15 Subd. 3. **Attorney general representation.** The attorney general shall represent
 232.16 the commissioner to enforce the lien created under this section or, if no action has been
 232.17 brought, may initiate and prosecute an independent action on behalf of the commissioner
 232.18 against a person, firm, or corporation that may be liable to the person to whom the care
 232.19 was furnished.

232.20 Any prepaid health plan providing services under sections 256B.69, ~~256D.03,~~
 232.21 ~~subdivision 4, paragraph (e),~~ and 256L.12 and Minnesota Statutes 2009 Supplement,
 232.22 section 256D.03, subdivision 4, paragraph (c); children's mental health collaboratives
 232.23 under section 245.493; demonstration projects for persons with disabilities under section
 232.24 256B.77; nursing homes under the alternative payment demonstration project under
 232.25 section 256B.434; or the county-based purchasing entity providing services under section
 232.26 256B.692 may retain legal representation to enforce their lien created under this section
 232.27 or, if no action has been brought, may initiate and prosecute an independent action on their
 232.28 behalf against a person, firm, or corporation that may be liable to the person to whom the
 232.29 care or payment was furnished.

232.30 Sec. 83. Minnesota Statutes 2014, section 256B.043, subdivision 1, is amended to read:

232.31 Subdivision 1. **Alternative and complementary health care.** The commissioner
 232.32 of human services, through the medical director and in consultation with the Health
 232.33 Services Policy Committee established under section 256B.0625, subdivision 3c, as
 232.34 part of the commissioner's ongoing duties, shall consider the potential for improving

233.1 quality and obtaining cost savings through greater use of alternative and complementary
 233.2 treatment methods and clinical practice; shall incorporate these methods into the medical
 233.3 assistance, and MinnesotaCare, and general assistance medical care programs; and shall
 233.4 make related legislative recommendations as appropriate. The commissioner shall post
 233.5 the recommendations required under this subdivision on agency Web sites.

233.6 Sec. 84. Minnesota Statutes 2014, section 256B.056, subdivision 6, is amended to read:

233.7 Subd. 6. **Assignment of benefits.** To be eligible for medical assistance a person
 233.8 must have applied or must agree to apply all proceeds received or receivable by the person
 233.9 or the person's legal representative from any third party liable for the costs of medical care.
 233.10 By accepting or receiving assistance, the person is deemed to have assigned the person's
 233.11 rights to medical support and third-party payments as required by title 19 of the Social
 233.12 Security Act. Persons must cooperate with the state in establishing paternity and obtaining
 233.13 third-party payments. By accepting medical assistance, a person assigns to the Department
 233.14 of Human Services all rights the person may have to medical support or payments for
 233.15 medical expenses from any other person or entity on their own or their dependent's behalf
 233.16 and agrees to cooperate with the state in establishing paternity and obtaining third-party
 233.17 payments. Any rights or amounts so assigned shall be applied against the cost of medical
 233.18 care paid for under this chapter. Any assignment takes effect upon the determination that
 233.19 the applicant is eligible for medical assistance and up to three months prior to the date
 233.20 of application if the applicant is determined eligible for and receives medical assistance
 233.21 benefits. The application must contain a statement explaining this assignment. For the
 233.22 purposes of this section, "the Department of Human Services or the state" includes prepaid
 233.23 health plans under contract with the commissioner according to sections 256B.69, ~~256D.03,~~
 233.24 ~~subdivision 4, paragraph (c),~~ and 256L.12 and Minnesota Statutes 2009 Supplement,
 233.25 section 256D.03, subdivision 4, paragraph (c); children's mental health collaboratives
 233.26 under section 245.493; demonstration projects for persons with disabilities under section
 233.27 256B.77; nursing facilities under the alternative payment demonstration project under
 233.28 section 256B.434; and the county-based purchasing entities under section 256B.692.

233.29 Sec. 85. Minnesota Statutes 2014, section 256B.0625, subdivision 3, is amended to read:

233.30 Subd. 3. **Physicians' services.** (a) Medical assistance covers physicians' services.

233.31 (b) Rates paid for anesthesiology services provided by physicians shall be according
 233.32 to the formula utilized in the Medicare program and shall use a conversion factor "at
 233.33 percentile of calendar year set by legislature, "except that rates paid to physicians for the

234.1 medical direction of a certified registered nurse anesthetist shall be the same as the rate
234.2 paid to the certified registered nurse anesthetist under medical direction.

234.3 (c) Medical assistance does not cover physicians' services related to the provision of
234.4 care related to a treatment reportable under section 144.7065, subdivision 2, clauses (1),
234.5 (2), (3), and (5), and subdivision 7, clause (1).

234.6 (d) Medical assistance does not cover physicians' services related to the provision of
234.7 care (1) for which hospital reimbursement is prohibited under section 256.969, subdivision
234.8 3b, paragraph (c), or (2) reportable under section 144.7065, subdivisions 2 to 7, if the
234.9 physicians' services are billed by a physician who delivered care that contributed to or
234.10 caused the adverse health care event or hospital-acquired condition.

234.11 (e) The payment limitations in this subdivision shall also apply to MinnesotaCare
234.12 ~~and general assistance medical care.~~

234.13 (f) A physician shall not bill a recipient of services for any payment disallowed
234.14 under this subdivision.

234.15 Sec. 86. Minnesota Statutes 2014, section 256B.0625, subdivision 3c, is amended to
234.16 read:

234.17 Subd. 3c. **Health Services Policy Committee.** (a) The commissioner, after
234.18 receiving recommendations from professional physician associations, professional
234.19 associations representing licensed nonphysician health care professionals, and consumer
234.20 groups, shall establish a 13-member Health Services Policy Committee, which consists of
234.21 12 voting members and one nonvoting member. The Health Services Policy Committee
234.22 shall advise the commissioner regarding health services pertaining to the administration
234.23 of health care benefits covered under the medical assistance, ~~general assistance medical~~
234.24 ~~care,~~ and MinnesotaCare programs. The Health Services Policy Committee shall meet at
234.25 least quarterly. The Health Services Policy Committee shall annually elect a physician
234.26 chair from among its members, who shall work directly with the commissioner's medical
234.27 director, to establish the agenda for each meeting. The Health Services Policy Committee
234.28 shall also recommend criteria for verifying centers of excellence for specific aspects of
234.29 medical care where a specific set of combined services, a volume of patients necessary to
234.30 maintain a high level of competency, or a specific level of technical capacity is associated
234.31 with improved health outcomes.

234.32 (b) The commissioner shall establish a dental subcommittee to operate under the
234.33 Health Services Policy Committee. The dental subcommittee consists of general dentists,
234.34 dental specialists, safety net providers, dental hygienists, health plan company and county

235.1 and public health representatives, health researchers, consumers, and a designee of the
 235.2 commissioner of health. The dental subcommittee shall advise the commissioner regarding:

235.3 (1) the critical access dental program under section 256B.76, subdivision 4, including
 235.4 but not limited to criteria for designating and terminating critical access dental providers;

235.5 (2) any changes to the critical access dental provider program necessary to comply
 235.6 with program expenditure limits;

235.7 (3) dental coverage policy based on evidence, quality, continuity of care, and best
 235.8 practices;

235.9 (4) the development of dental delivery models; and

235.10 (5) dental services to be added or eliminated from subdivision 9, paragraph (b).

235.11 (c) The Health Services Policy Committee shall study approaches to making
 235.12 provider reimbursement under the medical assistance, and MinnesotaCare, ~~and general~~
 235.13 ~~assistance medical care~~ programs contingent on patient participation in a patient-centered
 235.14 decision-making process, and shall evaluate the impact of these approaches on health
 235.15 care quality, patient satisfaction, and health care costs. The committee shall present
 235.16 findings and recommendations to the commissioner and the legislative committees with
 235.17 jurisdiction over health care by January 15, 2010.

235.18 (d) The Health Services Policy Committee shall monitor and track the practice
 235.19 patterns of physicians providing services to medical assistance, and MinnesotaCare,
 235.20 ~~and general assistance medical care~~ enrollees under fee-for-service, managed care, and
 235.21 county-based purchasing. The committee shall focus on services or specialties for
 235.22 which there is a high variation in utilization across physicians, or which are associated
 235.23 with high medical costs. The commissioner, based upon the findings of the committee,
 235.24 shall regularly notify physicians whose practice patterns indicate higher than average
 235.25 utilization or costs. Managed care and county-based purchasing plans shall provide the
 235.26 commissioner with utilization and cost data necessary to implement this paragraph, and
 235.27 the commissioner shall make this data available to the committee.

235.28 (e) The Health Services Policy Committee shall review caesarean section rates
 235.29 for the fee-for-service medical assistance population. The committee may develop best
 235.30 practices policies related to the minimization of caesarean sections, including but not
 235.31 limited to standards and guidelines for health care providers and health care facilities.

235.32 Sec. 87. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 20,
 235.33 is amended to read:

235.34 Subd. 20. **Mental health case management.** (a) To the extent authorized by rule
 235.35 of the state agency, medical assistance covers case management services to persons with

236.1 serious and persistent mental illness and children with severe emotional disturbance.
236.2 Services provided under this section must meet the relevant standards in sections 245.461
236.3 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota
236.4 Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

236.5 (b) Entities meeting program standards set out in rules governing family community
236.6 support services as defined in section 245.4871, subdivision 17, are eligible for medical
236.7 assistance reimbursement for case management services for children with severe
236.8 emotional disturbance when these services meet the program standards in Minnesota
236.9 Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

236.10 (c) Medical assistance and MinnesotaCare payment for mental health case
236.11 management shall be made on a monthly basis. In order to receive payment for an eligible
236.12 child, the provider must document at least a face-to-face contact with the child, the child's
236.13 parents, or the child's legal representative. To receive payment for an eligible adult, the
236.14 provider must document:

236.15 (1) at least a face-to-face contact with the adult or the adult's legal representative; or

236.16 (2) at least a telephone contact with the adult or the adult's legal representative and
236.17 document a face-to-face contact with the adult or the adult's legal representative within
236.18 the preceding two months.

236.19 (d) Payment for mental health case management provided by county or state staff
236.20 shall be based on the monthly rate methodology under section 256B.094, subdivision 6,
236.21 paragraph (b), with separate rates calculated for child welfare and mental health, and
236.22 within mental health, separate rates for children and adults.

236.23 (e) Payment for mental health case management provided by Indian health services
236.24 or by agencies operated by Indian tribes may be made according to this section or other
236.25 relevant federally approved rate setting methodology.

236.26 (f) Payment for mental health case management provided by vendors who contract
236.27 with a county or Indian tribe shall be based on a monthly rate negotiated by the host county
236.28 or tribe. The negotiated rate must not exceed the rate charged by the vendor for the same
236.29 service to other payers. If the service is provided by a team of contracted vendors, the
236.30 county or tribe may negotiate a team rate with a vendor who is a member of the team. The
236.31 team shall determine how to distribute the rate among its members. No reimbursement
236.32 received by contracted vendors shall be returned to the county or tribe, except to reimburse
236.33 the county or tribe for advance funding provided by the county or tribe to the vendor.

236.34 (g) If the service is provided by a team which includes contracted vendors, tribal
236.35 staff, and county or state staff, the costs for county or state staff participation in the team
236.36 shall be included in the rate for county-provided services. In this case, the contracted

237.1 vendor, the tribal agency, and the county may each receive separate payment for services
237.2 provided by each entity in the same month. In order to prevent duplication of services,
237.3 each entity must document, in the recipient's file, the need for team case management and
237.4 a description of the roles of the team members.

237.5 (h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs
237.6 for mental health case management shall be provided by the recipient's county of
237.7 responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal
237.8 funds or funds used to match other federal funds. If the service is provided by a tribal
237.9 agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this
237.10 service is paid by the state without a federal share through fee-for-service, 50 percent of
237.11 the cost shall be provided by the recipient's county of responsibility.

237.12 (i) Notwithstanding any administrative rule to the contrary, prepaid medical
237.13 assistance, ~~general assistance medical care~~, and MinnesotaCare include mental health case
237.14 management. When the service is provided through prepaid capitation, the nonfederal
237.15 share is paid by the state and the county pays no share.

237.16 (j) The commissioner may suspend, reduce, or terminate the reimbursement to a
237.17 provider that does not meet the reporting or other requirements of this section. The county
237.18 of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal
237.19 agency, is responsible for any federal disallowances. The county or tribe may share this
237.20 responsibility with its contracted vendors.

237.21 (k) The commissioner shall set aside a portion of the federal funds earned for county
237.22 expenditures under this section to repay the special revenue maximization account under
237.23 section 256.01, subdivision 2, paragraph (o). The repayment is limited to:

- 237.24 (1) the costs of developing and implementing this section; and
237.25 (2) programming the information systems.

237.26 (l) Payments to counties and tribal agencies for case management expenditures
237.27 under this section shall only be made from federal earnings from services provided
237.28 under this section. When this service is paid by the state without a federal share through
237.29 fee-for-service, 50 percent of the cost shall be provided by the state. Payments to
237.30 county-contracted vendors shall include the federal earnings, the state share, and the
237.31 county share.

237.32 (m) Case management services under this subdivision do not include therapy,
237.33 treatment, legal, or outreach services.

237.34 (n) If the recipient is a resident of a nursing facility, intermediate care facility, or
237.35 hospital, and the recipient's institutional care is paid by medical assistance, payment for
237.36 case management services under this subdivision is limited to the lesser of:

238.1 (1) the last 180 days of the recipient's residency in that facility and may not exceed
238.2 more than six months in a calendar year; or

238.3 (2) the limits and conditions which apply to federal Medicaid funding for this service.

238.4 (o) Payment for case management services under this subdivision shall not duplicate
238.5 payments made under other program authorities for the same purpose.

238.6 Sec. 88. Minnesota Statutes 2014, section 256B.0625, subdivision 25a, is amended to
238.7 read:

238.8 Subd. 25a. **Prior authorization of diagnostic imaging services.** (a) Effective
238.9 January 1, 2010, the commissioner shall require prior authorization or decision support
238.10 for the ordering providers at the time the service is ordered for the following outpatient
238.11 diagnostic imaging services: computerized tomography (CT), magnetic resonance
238.12 imaging (MRI), magnetic resonance angiography (MRA), positive emission tomography
238.13 (PET), cardiac imaging, and ultrasound diagnostic imaging.

238.14 (b) Prior authorization under this subdivision is not required for diagnostic imaging
238.15 services performed as part of a hospital emergency room visit, inpatient hospitalization, or
238.16 if concurrent with or on the same day as an urgent care facility visit.

238.17 (c) This subdivision does not apply to services provided to recipients who are
238.18 enrolled in Medicare, the prepaid medical assistance program, ~~the prepaid general~~
238.19 ~~assistance medical care program~~, or the MinnesotaCare program.

238.20 (d) The commissioner may contract with a private entity to provide the prior
238.21 authorization or decision support required under this subdivision. The contracting entity
238.22 must incorporate clinical guidelines that are based on evidence-based medical literature, if
238.23 available. By January 1, 2012, the contracting entity shall report to the commissioner the
238.24 results of prior authorization or decision support.

238.25 Sec. 89. Minnesota Statutes 2014, section 256B.0625, subdivision 34, is amended to
238.26 read:

238.27 Subd. 34. **Indian health services facilities.** Medical assistance payments and
238.28 MinnesotaCare payments to facilities of the Indian health service and facilities operated
238.29 by a tribe or tribal organization under funding authorized by United States Code, title
238.30 25, sections 450f to 450n, or title III of the Indian Self-Determination and Education
238.31 Assistance Act, Public Law 93-638, for enrollees who are eligible for federal financial
238.32 participation, shall be at the option of the facility in accordance with the rate published by
238.33 the United States Assistant Secretary for Health under the authority of United States Code,
238.34 title 42, sections 248(a) and 249(b). ~~General assistance medical care payments to facilities~~

239.1 ~~of the Indian health services and facilities operated by a tribe or tribal organization for~~
 239.2 ~~the provision of outpatient medical care services billed after June 30, 1990, must be in~~
 239.3 ~~accordance with the general assistance medical care rates paid for the same services~~
 239.4 ~~when provided in a facility other than a facility of the Indian health service or a facility~~
 239.5 ~~operated by a tribe or tribal organization.~~ MinnesotaCare payments for enrollees who are
 239.6 not eligible for federal financial participation at facilities of the Indian health service and
 239.7 facilities operated by a tribe or tribal organization for the provision of outpatient medical
 239.8 services must be in accordance with the medical assistance rates paid for the same services
 239.9 when provided in a facility other than a facility of the Indian health service or a facility
 239.10 operated by a tribe or tribal organization.

239.11 Sec. 90. Minnesota Statutes 2014, section 256B.0636, is amended to read:

239.12 **256B.0636 CONTROLLED SUBSTANCE PRESCRIPTIONS; ABUSE**
 239.13 **PREVENTION.**

239.14 The commissioner of human services shall develop and implement a plan to:

239.15 (1) review utilization patterns of Minnesota health care program enrollees for

239.16 controlled substances listed in section 152.02, subdivisions 3 and 4, and those substances
 239.17 defined by the Board of Pharmacy under section 152.02, subdivisions 8 and 12;

239.18 (2) develop a mechanism to address abuses both for fee-for-service Minnesota health
 239.19 care program enrollees and those enrolled in managed care plans; and

239.20 (3) provide education to Minnesota health care program enrollees on the proper use
 239.21 of controlled substances.

239.22 For purposes of this section, "Minnesota health care program" means medical
 239.23 assistance, or MinnesotaCare, ~~or general assistance medical care.~~

239.24 Sec. 91. Minnesota Statutes 2014, section 256B.075, subdivision 2, is amended to read:

239.25 Subd. 2. **Fee-for-service.** (a) The commissioner shall develop and implement
 239.26 a disease management program for medical assistance ~~and general assistance medical~~
 239.27 ~~care~~ recipients who are not enrolled in the prepaid medical assistance ~~or prepaid~~
 239.28 ~~general assistance medical care programs~~ program and who are receiving services on
 239.29 a fee-for-service basis. The commissioner may contract with an outside organization
 239.30 to provide these services.

239.31 (b) The commissioner shall seek any federal approval necessary to implement this
 239.32 section and to obtain federal matching funds.

239.33 (c) The commissioner shall develop and implement a pilot intensive care management
 239.34 program for medical assistance children with complex and chronic medical issues.

240.1 Sec. 92. Minnesota Statutes 2014, section 256B.075, subdivision 3, is amended to read:

240.2 Subd. 3. **Prepaid managed care programs.** For the prepaid medical assistance,
 240.3 ~~prepaid general assistance medical care,~~ and MinnesotaCare programs, the commissioner
 240.4 shall ensure that contracting health plans implement disease management programs that
 240.5 are appropriate for Minnesota health care program recipients and have been designed by
 240.6 the health plan to improve patient care and health outcomes and reduce health care costs
 240.7 by managing the care provided to recipients with chronic conditions.

240.8 Sec. 93. Minnesota Statutes 2014, section 256B.0751, subdivision 1, is amended to read:

240.9 Subdivision 1. **Definitions.** (a) For purposes of sections 256B.0751 to 256B.0753,
 240.10 the following definitions apply.

240.11 (b) "Commissioner" means the commissioner of human services.

240.12 (c) "Commissioners" means the commissioner of human services and the
 240.13 commissioner of health, acting jointly.

240.14 (d) "Health plan company" has the meaning provided in section 62Q.01, subdivision
 240.15 4.

240.16 (e) "Personal clinician" means a physician licensed under chapter 147, a physician
 240.17 assistant licensed and practicing under chapter 147A, or an advanced practice nurse
 240.18 licensed and registered to practice under chapter 148.

240.19 (f) "State health care program" means the medical assistance, and MinnesotaCare,
 240.20 ~~and general assistance medical care~~ programs.

240.21 Sec. 94. Minnesota Statutes 2014, section 256B.15, subdivision 1, is amended to read:

240.22 Subdivision 1. **Policy and applicability.** (a) It is the policy of this state that
 240.23 individuals or couples, either or both of whom participate in the medical assistance
 240.24 program, use their own assets to pay their share of the total cost of their care during or
 240.25 after their enrollment in the program according to applicable federal law and the laws of
 240.26 this state. The following provisions apply:

240.27 (1) subdivisions 1c to 1k shall not apply to claims arising under this section which
 240.28 are presented under section 525.313;

240.29 (2) the provisions of subdivisions 1c to 1k expanding the interests included in an
 240.30 estate for purposes of recovery under this section give effect to the provisions of United
 240.31 States Code, title 42, section 1396p, governing recoveries, but do not give rise to any
 240.32 express or implied liens in favor of any other parties not named in these provisions;

240.33 (3) the continuation of a recipient's life estate or joint tenancy interest in real
 240.34 property after the recipient's death for the purpose of recovering medical assistance under

241.1 this section modifies common law principles holding that these interests terminate on
241.2 the death of the holder;

241.3 (4) all laws, rules, and regulations governing or involved with a recovery of medical
241.4 assistance shall be liberally construed to accomplish their intended purposes;

241.5 (5) a deceased recipient's life estate and joint tenancy interests continued under
241.6 this section shall be owned by the remainderpersons or surviving joint tenants as their
241.7 interests may appear on the date of the recipient's death. They shall not be merged into the
241.8 remainder interest or the interests of the surviving joint tenants by reason of ownership.
241.9 They shall be subject to the provisions of this section. Any conveyance, transfer, sale,
241.10 assignment, or encumbrance by a remainderperson, a surviving joint tenant, or their heirs,
241.11 successors, and assigns shall be deemed to include all of their interest in the deceased
241.12 recipient's life estate or joint tenancy interest continued under this section; and

241.13 (6) the provisions of subdivisions 1c to 1k continuing a recipient's joint tenancy
241.14 interests in real property after the recipient's death do not apply to a homestead owned of
241.15 record, on the date the recipient dies, by the recipient and the recipient's spouse as joint
241.16 tenants with a right of survivorship. Homestead means the real property occupied by the
241.17 surviving joint tenant spouse as their sole residence on the date the recipient dies and
241.18 classified and taxed to the recipient and surviving joint tenant spouse as homestead property
241.19 for property tax purposes in the calendar year in which the recipient dies. For purposes of
241.20 this exemption, real property the recipient and their surviving joint tenant spouse purchase
241.21 solely with the proceeds from the sale of their prior homestead, own of record as joint
241.22 tenants, and qualify as homestead property under section 273.124 in the calendar year
241.23 in which the recipient dies and prior to the recipient's death shall be deemed to be real
241.24 property classified and taxed to the recipient and their surviving joint tenant spouse as
241.25 homestead property in the calendar year in which the recipient dies. The surviving spouse,
241.26 or any person with personal knowledge of the facts, may provide an affidavit describing
241.27 the homestead property affected by this clause and stating facts showing compliance with
241.28 this clause. The affidavit shall be prima facie evidence of the facts it states.

241.29 (b) For purposes of this section, "medical assistance" includes the medical assistance
241.30 program under this chapter ~~and~~₂ the general assistance medical care program formerly
241.31 codified under chapter 256D₂ and alternative care for nonmedical assistance recipients
241.32 under section 256B.0913.

241.33 (c) For purposes of this section, beginning January 1, 2010, "medical assistance"
241.34 does not include Medicare cost-sharing benefits in accordance with United States Code,
241.35 title 42, section 1396p.

242.1 (d) All provisions in this subdivision, and subdivisions 1d, 1f, 1g, 1h, 1i, and 1j,
 242.2 related to the continuation of a recipient's life estate or joint tenancy interests in real
 242.3 property after the recipient's death for the purpose of recovering medical assistance, are
 242.4 effective only for life estates and joint tenancy interests established on or after August 1,
 242.5 2003. For purposes of this paragraph, medical assistance does not include alternative care.

242.6 Sec. 95. Minnesota Statutes 2014, section 256B.15, subdivision 1a, is amended to read:

242.7 Subd. 1a. **Estates subject to claims.** (a) If a person receives any medical assistance
 242.8 hereunder, on the person's death, if single, or on the death of the survivor of a married
 242.9 couple, either or both of whom received medical assistance, or as otherwise provided
 242.10 for in this section, the total amount paid for medical assistance rendered for the person
 242.11 and spouse shall be filed as a claim against the estate of the person or the estate of the
 242.12 surviving spouse in the court having jurisdiction to probate the estate or to issue a decree
 242.13 of descent according to sections 525.31 to 525.313.

242.14 (b) For the purposes of this section, the person's estate must consist of:

242.15 (1) the person's probate estate;

242.16 (2) all of the person's interests or proceeds of those interests in real property the
 242.17 person owned as a life tenant or as a joint tenant with a right of survivorship at the time of
 242.18 the person's death;

242.19 (3) all of the person's interests or proceeds of those interests in securities the person
 242.20 owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time
 242.21 of the person's death, to the extent the interests or proceeds of those interests become part
 242.22 of the probate estate under section 524.6-307;

242.23 (4) all of the person's interests in joint accounts, multiple-party accounts, and
 242.24 pay-on-death accounts, brokerage accounts, investment accounts, or the proceeds of
 242.25 those accounts, as provided under sections 524.6-201 to 524.6-214 at the time of the
 242.26 person's death to the extent the interests become part of the probate estate under section
 242.27 524.6-207; and

242.28 (5) assets conveyed to a survivor, heir, or assign of the person through survivorship,
 242.29 living trust, or other arrangements.

242.30 (c) For the purpose of this section and recovery in a surviving spouse's estate for
 242.31 medical assistance paid for a predeceased spouse, the estate must consist of all of the legal
 242.32 title and interests the deceased individual's predeceased spouse had in jointly owned or
 242.33 marital property at the time of the spouse's death, as defined in subdivision 2b, and the
 242.34 proceeds of those interests, that passed to the deceased individual or another individual, a
 242.35 survivor, an heir, or an assign of the predeceased spouse through a joint tenancy, tenancy

243.1 in common, survivorship, life estate, living trust, or other arrangement. A deceased
243.2 recipient who, at death, owned the property jointly with the surviving spouse shall have
243.3 an interest in the entire property.

243.4 (d) For the purpose of recovery in a single person's estate or the estate of a survivor
243.5 of a married couple, "other arrangement" includes any other means by which title to all or
243.6 any part of the jointly owned or marital property or interest passed from the predeceased
243.7 spouse to another including, but not limited to, transfers between spouses which are
243.8 permitted, prohibited, or penalized for purposes of medical assistance.

243.9 (e) A claim shall be filed if medical assistance was rendered for either or both
243.10 persons under one of the following circumstances:

243.11 (1) the person was over 55 years of age, and received services under this chapter;

243.12 (2) the person resided in a medical institution for six months or longer, received
243.13 services under this chapter, and, at the time of institutionalization or application for
243.14 medical assistance, whichever is later, the person could not have reasonably been expected
243.15 to be discharged and returned home, as certified in writing by the person's treating
243.16 physician. For purposes of this section only, a "medical institution" means a skilled
243.17 nursing facility, intermediate care facility, intermediate care facility for persons with
243.18 developmental disabilities, nursing facility, or inpatient hospital; or

243.19 (3) the person received general assistance medical care services under the program
243.20 formerly codified under chapter 256D.

243.21 (f) The claim shall be considered an expense of the last illness of the decedent for
243.22 the purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a
243.23 state or county agency with a claim under this section must be a creditor under section
243.24 524.6-307. Any statute of limitations that purports to limit any county agency or the state
243.25 agency, or both, to recover for medical assistance granted hereunder shall not apply to any
243.26 claim made hereunder for reimbursement for any medical assistance granted hereunder.
243.27 Notice of the claim shall be given to all heirs and devisees of the decedent, and to other
243.28 persons with an ownership interest in the real property owned by the decedent at the time
243.29 of the decedent's death, whose identity can be ascertained with reasonable diligence. The
243.30 notice must include procedures and instructions for making an application for a hardship
243.31 waiver under subdivision 5; time frames for submitting an application and determination;
243.32 and information regarding appeal rights and procedures. Counties are entitled to one-half
243.33 of the nonfederal share of medical assistance collections from estates that are directly
243.34 attributable to county effort. Counties are entitled to ten percent of the collections for
243.35 alternative care directly attributable to county effort.

244.1 Sec. 96. Minnesota Statutes 2014, section 256B.15, subdivision 2, is amended to read:

244.2 Subd. 2. **Limitations on claims.** The claim shall include only the total amount of
244.3 medical assistance rendered after age 55 or during a period of institutionalization described
244.4 in subdivision 1a, paragraph (e), and the total amount of general assistance medical care
244.5 rendered under the program formerly codified under chapter 256D, and shall not include
244.6 interest. Claims that have been allowed but not paid shall bear interest according to section
244.7 524.3-806, paragraph (d). A claim against the estate of a surviving spouse who did not
244.8 receive medical assistance, for medical assistance rendered for the predeceased spouse,
244.9 shall be payable from the full value of all of the predeceased spouse's assets and interests
244.10 which are part of the surviving spouse's estate under subdivisions 1a and 2b. Recovery of
244.11 medical assistance expenses in the nonrecipient surviving spouse's estate is limited to the
244.12 value of the assets of the estate that were marital property or jointly owned property at any
244.13 time during the marriage. The claim is not payable from the value of assets or proceeds of
244.14 assets in the estate attributable to a predeceased spouse whom the individual married after
244.15 the death of the predeceased recipient spouse for whom the claim is filed or from assets
244.16 and the proceeds of assets in the estate which the nonrecipient decedent spouse acquired
244.17 with assets which were not marital property or jointly owned property after the death of
244.18 the predeceased recipient spouse. Claims for alternative care shall be net of all premiums
244.19 paid under section 256B.0913, subdivision 12, on or after July 1, 2003, and shall be
244.20 limited to services provided on or after July 1, 2003. Claims against marital property shall
244.21 be limited to claims against recipients who died on or after July 1, 2009.

244.22 Sec. 97. Minnesota Statutes 2014, section 256B.19, subdivision 2c, is amended to read:

244.23 Subd. 2c. **Obligation of local agency to investigate eligibility for medical**
244.24 **assistance.** (a) When the commissioner receives information that indicates that a ~~general~~
244.25 ~~assistance medical care recipient~~ or MinnesotaCare program enrollee may be eligible
244.26 for medical assistance, the commissioner may notify the appropriate local agency of
244.27 that fact. The local agency must investigate eligibility for medical assistance and take
244.28 appropriate action and notify the commissioner of that action within 90 days from the date
244.29 notice is issued. If the person is eligible for medical assistance, the local agency must find
244.30 eligibility retroactively to the date on which the person met all eligibility requirements.

244.31 (b) When a prepaid health plan under a contract with the state to provide medical
244.32 assistance services notifies the commissioner that an infant has been or will be born to an
244.33 enrollee under the contract, the commissioner may notify the appropriate local agency
244.34 of that fact. The local agency must investigate eligibility for medical assistance for the
244.35 infant, take appropriate action, and notify the commissioner of that action within 90 days

245.1 from the date notice is issued. If the infant would have been eligible on the date of birth,
 245.2 the local agency must establish eligibility retroactively to that month.

245.3 (c) For ~~general assistance medical care recipients and MinnesotaCare program~~
 245.4 enrollees, if the local agency fails to comply with paragraph (a), the local agency is
 245.5 responsible for the entire cost of ~~general assistance medical care or MinnesotaCare~~
 245.6 program services provided from the date the commissioner issues the notice until the
 245.7 date the local agency takes appropriate action on the case and notifies the commissioner
 245.8 of the action. For infants, if the local agency fails to comply with paragraph (b), the
 245.9 commissioner may determine eligibility for medical assistance for the infant for a period
 245.10 of two months, and the local agency shall be responsible for the entire cost of medical
 245.11 assistance services provided for that infant, in addition to a fee of \$100 for processing the
 245.12 case. The commissioner shall deduct any obligation incurred under this paragraph from
 245.13 the amount due to the local agency under subdivision 1.

245.14 Sec. 98. Minnesota Statutes 2014, section 256B.37, subdivision 2, is amended to read:

245.15 Subd. 2. **Civil action for recovery.** To recover under this section, the attorney
 245.16 general may institute or join a civil action to enforce the subrogation rights of the
 245.17 commissioner established under this section.

245.18 Any prepaid health plan providing services under sections 256B.69, ~~256D.03,~~
 245.19 ~~subdivision 4, paragraph (e), and 256L.12~~ and Minnesota Statutes 2009 Supplement,
 245.20 section 256D.03, subdivision 4, paragraph (c); children's mental health collaboratives
 245.21 under section 245.493; demonstration projects for persons with disabilities under section
 245.22 256B.77; nursing homes under the alternative payment demonstration project under
 245.23 section 256B.434; or the county-based purchasing entity providing services under section
 245.24 256B.692 may retain legal representation to enforce the subrogation rights created under
 245.25 this section or, if no action has been brought, may initiate and prosecute an independent
 245.26 action on their behalf against a person, firm, or corporation that may be liable to the person
 245.27 to whom the care or payment was furnished.

245.28 Sec. 99. Minnesota Statutes 2014, section 256B.691, is amended to read:

245.29 **256B.691 RISK-BASED TRANSPORTATION PAYMENTS.**

245.30 Any contract with a prepaid health plan under the medical assistance, ~~general~~
 245.31 ~~assistance medical care,~~ or MinnesotaCare program that requires the health plan to
 245.32 cover transportation services for obtaining medical care for eligible individuals who are
 245.33 ambulatory must provide for payment for those services on a risk basis.

246.1 Sec. 100. Minnesota Statutes 2014, section 256B.73, subdivision 4, is amended to read:

246.2 Subd. 4. **Enrollee eligibility requirements.** To be eligible for participation in the
246.3 demonstration project, an enrollee must:

246.4 (1) not be eligible for Medicare, or medical assistance, ~~or general assistance medical~~
246.5 ~~care~~; and

246.6 (2) have no medical insurance or health benefits plan available through employment
246.7 or other means that would provide coverage for the same medical services as provided by
246.8 this demonstration.

246.9 Sec. 101. Minnesota Statutes 2014, section 256B.73, subdivision 8, is amended to read:

246.10 Subd. 8. **Medical assistance and general assistance medical care coordination.**

246.11 To assure enrollees of uninterrupted delivery of health care services, the commissioner
246.12 may pay the premium to the demonstration provider for persons who become eligible for
246.13 medical assistance ~~or general assistance medical care~~. To determine eligibility for medical
246.14 assistance, any medical expenses for eligible services incurred by the demonstration
246.15 provider shall be considered as evidence of satisfying the medical expense requirements
246.16 of section 256B.056, subdivisions 4 and 5. ~~To determine eligibility for general assistance~~
246.17 ~~medical care, any medical expenses for eligible services incurred by the demonstration~~
246.18 ~~provider shall be considered as evidence of satisfying the medical expense requirements~~
246.19 ~~of section 256D.03, subdivision 3.~~

246.20 Sec. 102. Minnesota Statutes 2015 Supplement, section 256B.765, is amended to read:

246.21 **256B.765 PROVIDER RATE INCREASES.**

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

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

247.1 (c) The annual adjustment under paragraph (a) shall be provided for home and
 247.2 community-based waiver services for persons with developmental disabilities under
 247.3 section 256B.501; home and community-based waiver services for the elderly under
 247.4 section 256B.0915; waived services under community access for disability inclusion
 247.5 under section 256B.49; community alternative care waived services under section
 247.6 256B.49; brain injury waived services under section 256B.49; nursing services and
 247.7 home health services under section 256B.0625, subdivision 6a; personal care services and
 247.8 nursing supervision of personal care services under section 256B.0625, subdivision 19a;
 247.9 home care nursing services under section 256B.0625, subdivision 7; day training and
 247.10 habilitation services for adults with developmental disabilities under sections 252.41 to
 247.11 252.46; physical therapy services under ~~sections~~ section 256B.0625, subdivision 8, ~~and~~
 247.12 ~~256D.03, subdivision 4~~; occupational therapy services under ~~sections~~ section 256B.0625,
 247.13 subdivision 8a, ~~and 256D.03, subdivision 4~~; speech-language therapy services under
 247.14 ~~section 256D.03, subdivision 4~~, and Minnesota Rules, part 9505.0390; respiratory therapy
 247.15 services under ~~section 256D.03, subdivision 4~~, and Minnesota Rules, part 9505.0295;
 247.16 alternative care services under section 256B.0913; adult residential program grants under
 247.17 Minnesota Rules, parts 9535.2000 to 9535.3000; adult and family community support
 247.18 grants under Minnesota Rules, parts 9535.1700 to 9535.1760; semi-independent living
 247.19 services under section 252.275 including SILS funding under county social services
 247.20 grants formerly funded under chapter 256I; and community support services for deaf
 247.21 and hard-of-hearing adults with mental illness who use or wish to use sign language as
 247.22 their primary means of communication.

247.23 Sec. 103. Minnesota Statutes 2014, section 256B.77, subdivision 26, is amended to read:

247.24 Subd. 26. **Southern Minnesota health initiative pilot project.** When the
 247.25 commissioner contracts under subdivisions 1 and 6, paragraph (a), with the joint
 247.26 powers board for the southern Minnesota health initiative (SMHI) to participate in the
 247.27 demonstration project for persons with disabilities under subdivision 5, the commissioner
 247.28 shall also require health plans serving counties participating in the southern Minnesota
 247.29 health initiative under this section to contract with the southern Minnesota Health
 247.30 Initiative Joint Powers Board to provide covered mental health and chemical dependency
 247.31 services for the nonelderly/nondisabled persons who reside in one of the counties and
 247.32 who are required or elect to participate in the prepaid medical assistance ~~and general~~
 247.33 ~~assistance medical care programs~~ program. Enrollees may obtain covered mental health
 247.34 and chemical dependency services through the SMHI or through other health plan
 247.35 contractors. Participation of the nonelderly/nondisabled with the SMHI is voluntary. The

248.1 commissioner shall identify a monthly per capita payment amount that health plans are
 248.2 required to pay to the SMHI for all nonelderly/nondisabled recipients who choose the
 248.3 SMHI for their mental health and chemical dependency services.

248.4 Sec. 104. Minnesota Statutes 2014, section 256G.01, subdivision 4, is amended to read:

248.5 Subd. 4. **Additional coverage.** The provisions in sections 256G.02, subdivision
 248.6 4, paragraphs (a) to (d); 256G.02, subdivisions 5 to 8; 256G.03; 256G.04; 256G.05; and
 248.7 256G.07, subdivisions 1 to 3, apply to the following programs: the aid to families with
 248.8 dependent children program formerly codified in sections 256.72 to 256.87, Minnesota
 248.9 family investment program; medical assistance; general assistance; the family general
 248.10 assistance program formerly codified in sections 256D.01 to 256D.23; general assistance
 248.11 medical care formerly codified in chapter 256D; and Minnesota supplemental aid.

248.12 Sec. 105. Minnesota Statutes 2014, section 256J.01, subdivision 5, is amended to read:

248.13 Subd. 5. **Compliance system.** The commissioner shall administer a compliance
 248.14 system for the state's temporary assistance for needy families (TANF) program, the
 248.15 food stamp or food support program, general assistance, medical assistance, ~~general~~
 248.16 ~~assistance medical care~~, emergency general assistance, Minnesota supplemental aid,
 248.17 preadmission screening, child support program, and alternative care grants under the
 248.18 powers and authorities named in section 256.01, subdivision 2. The purpose of the
 248.19 compliance system is to permit the commissioner to supervise the administration of
 248.20 public assistance programs and to enforce timely and accurate distribution of benefits,
 248.21 completeness of service and efficient and effective program management and operations,
 248.22 to increase uniformity and consistency in the administration and delivery of public
 248.23 assistance programs throughout the state, and to reduce the possibility of sanction and
 248.24 fiscal disallowances for noncompliance with federal regulations and state statutes.

248.25 Sec. 106. Minnesota Statutes 2014, section 256J.396, subdivision 1, is amended to read:

248.26 Subdivision 1. **General provisions.** A minor caregiver and the minor's dependent
 248.27 child living outside of the home of the adult parent must meet the criteria in section
 248.28 256J.14, to be eligible for assistance in the MFIP program. A parent who lives outside the
 248.29 home of a minor child who is an unemancipated minor caregiver of an assistance unit is
 248.30 financially responsible for that minor caregiver unless the parent is a recipient of public
 248.31 assistance, SSI, MSA, medical assistance, or general assistance, ~~or general assistance~~
 248.32 ~~medical care~~, and a court order does not otherwise provide a support obligation.

249.1 Sec. 107. Minnesota Statutes 2014, section 256J.68, subdivision 6, is amended to read:

249.2 Subd. 6. **Compensation for certain costs.** Compensation paid under this section is
249.3 limited to reimbursement for reasonable medical expenses and permanent partial disability
249.4 compensation for disability in like amounts as allowed in section 176.101, subdivision 2a.
249.5 Compensation for injuries resulting in death shall include reasonable medical expenses
249.6 and burial expenses in addition to payment to the participant's estate in an amount up to
249.7 \$200,000. No compensation shall be paid under this section for pain and suffering, lost
249.8 wages, or other benefits provided in chapter 176. Payments made under this section shall
249.9 be reduced by any proceeds received by the claimant from any insurance policy covering
249.10 the loss. For the purposes of this section, "insurance policy" does not include the medical
249.11 assistance program authorized under chapter 256B ~~or the general assistance medical care~~
249.12 ~~program authorized under chapter 256D.~~

249.13 Sec. 108. Minnesota Statutes 2014, section 256L.09, subdivision 1, is amended to read:

249.14 Subdivision 1. **Findings and purpose.** The legislature finds that the enactment
249.15 of a comprehensive health plan for uninsured Minnesotans creates a risk that persons
249.16 needing medical care will migrate to the state for the primary purpose of obtaining
249.17 medical care subsidized by the state. The risk of migration undermines the state's ability
249.18 to provide to legitimate state residents a valuable and necessary health care program
249.19 which is an important component of the state's comprehensive cost containment and
249.20 health care system reform plan. Intent-based residency requirements, which are expressly
249.21 authorized under decisions of the United States Supreme Court, are an unenforceable and
249.22 ineffective method of denying benefits to those persons the Supreme Court has stated
249.23 may legitimately be denied eligibility for state programs. If the state is unable to limit
249.24 eligibility to legitimate permanent residents of the state, the state faces a significant risk
249.25 that it will be forced to reduce the eligibility and benefits it would otherwise provide to
249.26 Minnesotans. The legislature finds that a durational residence requirement is a legitimate,
249.27 objective, enforceable standard for determining whether a person is a permanent resident
249.28 of the state. The legislature also finds low-income persons who have not lived in the state
249.29 for the required time period will have access to necessary health care services through
249.30 ~~the general assistance medical care program;~~ the medical assistance program; and public
249.31 and private charity care programs.

249.32 Sec. 109. Minnesota Statutes 2014, section 256L.12, subdivision 4, is amended to read:

249.33 Subd. 4. **Exemptions to limitations on choice.** All contracts between the
249.34 Department of Human Services and prepaid health plans to serve medical assistance;

250.1 ~~general assistance medical care~~, and MinnesotaCare recipients must comply with the
 250.2 requirements of United States Code, title 42, section 1396a (a)(23)(B), notwithstanding
 250.3 any waivers authorized by the United States Department of Health and Human Services
 250.4 pursuant to United States Code, title 42, section 1315.

250.5 Sec. 110. Minnesota Statutes 2014, section 256L.12, subdivision 5, is amended to read:

250.6 Subd. 5. **Eligibility for other state programs.** MinnesotaCare enrollees who
 250.7 become eligible for medical assistance will remain in the same managed care plan if
 250.8 the managed care plan has a contract for that population. ~~MinnesotaCare enrollees who~~
 250.9 ~~were formerly eligible for general assistance medical care pursuant to section 256D.03,~~
 250.10 ~~subdivision 3, within six months of MinnesotaCare enrollment and were enrolled in a~~
 250.11 ~~prepaid health plan pursuant to section 256D.03, subdivision 4, paragraph (c), must~~
 250.12 ~~remain in the same managed care plan if the managed care plan has a contract for that~~
 250.13 ~~population.~~ Managed care plans must participate in the MinnesotaCare program under a
 250.14 contract with the Department of Human Services in service areas where they participate in
 250.15 the medical assistance program.

250.16 Sec. 111. Minnesota Statutes 2014, section 256M.10, subdivision 2, is amended to read:

250.17 Subd. 2. **Vulnerable children and adults services.** (a) "Vulnerable children and
 250.18 adults services" means services provided or arranged for by county boards for vulnerable
 250.19 children under chapter 260C, and sections 626.556 and 626.5561, and adults under section
 250.20 626.557 who experience dependency, abuse, or neglect, as well as services for family
 250.21 members to support those individuals. These services may be provided by professionals
 250.22 or nonprofessionals, including the person's natural supports in the community. For the
 250.23 purpose of this chapter, "vulnerable children" means children and adolescents.

250.24 (b) Vulnerable children and adults services do not include services under the public
 250.25 assistance programs known as the Minnesota family investment program, Minnesota
 250.26 supplemental aid, medical assistance, general assistance, ~~general assistance medical care~~,
 250.27 MinnesotaCare, or community health services.

250.28 Sec. 112. Minnesota Statutes 2014, section 260.795, subdivision 2, is amended to read:

250.29 Subd. 2. **Inappropriate expenditures.** Indian child welfare grant money must
 250.30 not be used for:

- 250.31 (1) child day care necessary solely because of employment or training for
 250.32 employment of a parent or other relative with whom the child is living;
 250.33 (2) foster care maintenance or difficulty of care payments;

- 251.1 (3) residential facility payments;
- 251.2 (4) adoption assistance payments;
- 251.3 (5) public assistance payments for Minnesota family investment program assistance,
- 251.4 supplemental aid, medical assistance, general assistance, ~~general assistance medical care,~~
- 251.5 or community health services authorized by sections 145A.01 to 145A.14; or
- 251.6 (6) administrative costs for income maintenance staff.

251.7 Sec. 113. Minnesota Statutes 2014, section 260B.188, subdivision 1, is amended to read:

251.8 Subdivision 1. **Medical aid.** If a child is taken into custody as provided in section

251.9 260B.175 and detained in a local juvenile secure detention facility or shelter care facility,

251.10 or if a child is sentenced by the juvenile court to a local correctional facility as defined in

251.11 section 241.021, subdivision 1, paragraph (f), the child's county of residence shall pay

251.12 the costs of medical services provided to the child during the period of time the child is

251.13 residing in the facility. The county of residence is entitled to reimbursement from the

251.14 child or the child's family for payment of medical bills to the extent that the child or the

251.15 child's family has the ability to pay for the medical services. If there is a disagreement

251.16 between the county and the child or the child's family concerning the ability to pay or

251.17 whether the medical services were necessary, the court with jurisdiction over the child

251.18 shall determine the extent, if any, of the child's or the family's ability to pay for the

251.19 medical services or whether the services are necessary. If the child is covered by health or

251.20 medical insurance or a health plan when medical services are provided, the county paying

251.21 the costs of medical services has a right of subrogation to be reimbursed by the insurance

251.22 carrier or health plan for all amounts spent by it for medical services to the child that are

251.23 covered by the insurance policy or health plan, in accordance with the benefits, limitations,

251.24 exclusions, provider restrictions, and other provisions of the policy or health plan. The

251.25 county may maintain an action to enforce this subrogation right. The county does not have

251.26 a right of subrogation against the medical assistance program; or the MinnesotaCare

251.27 program; ~~or the general assistance medical care program.~~

251.28 Sec. 114. Minnesota Statutes 2014, section 260C.188, subdivision 1, is amended to read:

251.29 Subdivision 1. **Medical aid.** If a child is taken into custody as provided in section

251.30 260C.175 and detained in a local juvenile secure detention facility or a shelter care

251.31 facility, the child's county of residence shall pay the costs of medical services provided

251.32 to the child during the period of time the child is residing in the facility. The county of

251.33 residence is entitled to reimbursement from the child or the child's family for payment of

251.34 medical bills to the extent that the child or the child's family has the ability to pay for the

252.1 medical services. If there is a disagreement between the county and the child or the child's
 252.2 family concerning the ability to pay or whether the medical services were necessary, the
 252.3 court with jurisdiction over the child shall determine the extent, if any, of the child's or the
 252.4 family's ability to pay for the medical services or whether the services are necessary. If the
 252.5 child is covered by health or medical insurance or a health plan when medical services are
 252.6 provided, the county paying the costs of medical services has a right of subrogation to be
 252.7 reimbursed by the insurance carrier or health plan for all amounts spent by it for medical
 252.8 services to the child that are covered by the insurance policy or health plan, in accordance
 252.9 with the benefits, limitations, exclusions, provider restrictions, and other provisions of the
 252.10 policy or health plan. The county may maintain an action to enforce this subrogation right.
 252.11 The county does not have a right of subrogation against the medical assistance program;
 252.12 or the MinnesotaCare program, or the general assistance medical care program.

252.13 Sec. 115. Minnesota Statutes 2015 Supplement, section 261.23, is amended to read:

252.14 **261.23 COSTS OF HOSPITALIZATION.**

252.15 The costs of hospitalization of such indigent persons exclusive of medical and
 252.16 surgical care and treatment shall not exceed in amount the full rates fixed and charged
 252.17 by the Minnesota general hospital for the hospitalization of such indigent patients. For
 252.18 indigent persons hospitalized pursuant to sections 261.21 to 261.232, the state shall pay 90
 252.19 percent of the cost allowable under the ~~general assistance medical care~~ medical assistance
 252.20 program and ten percent of the allowable cost of hospitalization shall be paid by the
 252.21 county of the residence of the indigent persons at the times provided for in the contract;
 252.22 and in case of an injury or emergency requiring immediate surgical or medical treatment,
 252.23 for a period not to exceed 72 hours, 90 percent of the cost allowable under the ~~general~~
 252.24 ~~assistance medical care~~ medical assistance program shall be paid by the state and ten
 252.25 percent of the cost shall be paid by the county from which the patient, if indigent, is
 252.26 certified. State payments for services rendered pursuant to this section shall be ratably
 252.27 reduced to the same extent and during the same time period as payments are reduced
 252.28 under ~~section 256D.03, subdivision 4, paragraph (e)~~ medical assistance. If the county of
 252.29 residence of the patient is not the county in which the patient has legal settlement for the
 252.30 purposes of poor relief, then the county of residence may seek reimbursement from the
 252.31 county in which the patient has settlement for the purposes of poor relief for all costs it has
 252.32 necessarily incurred and paid in connection with the hospitalization of said patient.

252.33 Sec. 116. Minnesota Statutes 2014, section 268.19, subdivision 1, is amended to read:

253.1 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered
253.2 from any person under the administration of the Minnesota Unemployment Insurance Law
253.3 are private data on individuals or nonpublic data not on individuals as defined in section
253.4 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court
253.5 order or section 13.05. A subpoena is not considered a district court order. These data
253.6 may be disseminated to and used by the following agencies without the consent of the
253.7 subject of the data:

253.8 (1) state and federal agencies specifically authorized access to the data by state
253.9 or federal law;

253.10 (2) any agency of any other state or any federal agency charged with the
253.11 administration of an unemployment insurance program;

253.12 (3) any agency responsible for the maintenance of a system of public employment
253.13 offices for the purpose of assisting individuals in obtaining employment;

253.14 (4) the public authority responsible for child support in Minnesota or any other
253.15 state in accordance with section 256.978;

253.16 (5) human rights agencies within Minnesota that have enforcement powers;

253.17 (6) the Department of Revenue to the extent necessary for its duties under Minnesota
253.18 laws;

253.19 (7) public and private agencies responsible for administering publicly financed
253.20 assistance programs for the purpose of monitoring the eligibility of the program's recipients;

253.21 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the
253.22 Department of Commerce for uses consistent with the administration of their duties under
253.23 Minnesota law;

253.24 (9) the Department of Human Services and the Office of Inspector General and its
253.25 agents within the Department of Human Services, including county fraud investigators,
253.26 for investigations related to recipient or provider fraud and employees of providers when
253.27 the provider is suspected of committing public assistance fraud;

253.28 (10) local and state welfare agencies for monitoring the eligibility of the data subject
253.29 for assistance programs, or for any employment or training program administered by those
253.30 agencies, whether alone, in combination with another welfare agency, or in conjunction
253.31 with the department or to monitor and evaluate the statewide Minnesota family investment
253.32 program by providing data on recipients and former recipients of food stamps or food
253.33 support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance
253.34 under chapter 119B, or medical programs under chapter 256B, ~~256D~~, or 256L or formerly
253.35 codified under chapter 256D;

254.1 (11) local and state welfare agencies for the purpose of identifying employment,
254.2 wages, and other information to assist in the collection of an overpayment debt in an
254.3 assistance program;

254.4 (12) local, state, and federal law enforcement agencies for the purpose of
254.5 ascertaining the last known address and employment location of an individual who is the
254.6 subject of a criminal investigation;

254.7 (13) the United States Immigration and Customs Enforcement has access to data on
254.8 specific individuals and specific employers provided the specific individual or specific
254.9 employer is the subject of an investigation by that agency;

254.10 (14) the Department of Health for the purposes of epidemiologic investigations;

254.11 (15) the Department of Corrections for the purpose of case planning for preprobation
254.12 and postprobation employment tracking of offenders sentenced to probation and
254.13 preconfinement and postconfinement employment tracking of committed offenders;

254.14 (16) the state auditor to the extent necessary to conduct audits of job opportunity
254.15 building zones as required under section 469.3201; and

254.16 (17) the Office of Higher Education for purposes of supporting program
254.17 improvement, system evaluation, and research initiatives including the Statewide
254.18 Longitudinal Education Data System.

254.19 (b) Data on individuals and employers that are collected, maintained, or used by
254.20 the department in an investigation under section 268.182 are confidential as to data
254.21 on individuals and protected nonpublic data not on individuals as defined in section
254.22 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district
254.23 court order or to a party named in a criminal proceeding, administrative or judicial, for
254.24 preparation of a defense.

254.25 (c) Data gathered by the department in the administration of the Minnesota
254.26 unemployment insurance program must not be made the subject or the basis for any
254.27 suit in any civil proceedings, administrative or judicial, unless the action is initiated by
254.28 the department.

254.29 Sec. 117. Minnesota Statutes 2014, section 290A.03, subdivision 8, is amended to read:

254.30 Subd. 8. **Claimant.** (a) "Claimant" means a person, other than a dependent, as
254.31 defined under sections 151 and 152 of the Internal Revenue Code disregarding section
254.32 152(b)(3) of the Internal Revenue Code, who filed a claim authorized by this chapter
254.33 and who was a resident of this state as provided in chapter 290 during the calendar year
254.34 for which the claim for relief was filed.

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

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

255.13 If only a portion of the rent constituting property taxes is paid by these programs, the
255.14 resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant
255.15 to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as
255.16 defined in subdivision 3, paragraphs (1) and (2), reduced by the total amount of income
255.17 from the above sources other than vendor payments under the medical assistance program
255.18 ~~or the general assistance medical care program~~ and the denominator of which is income as
255.19 defined in subdivision 3, paragraphs (1) and (2), plus vendor payments under the medical
255.20 assistance program ~~or the general assistance medical care program~~, to determine the
255.21 allowable refund pursuant to this chapter.

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

255.30 (e) In the case of a claim for rent constituting property taxes of a part-year Minnesota
255.31 resident, the income and rental reflected in this computation shall be for the period of
255.32 Minnesota residency only. Any rental expenses paid which may be reflected in arriving
255.33 at federal adjusted gross income cannot be utilized for this computation. When two
255.34 individuals of a household are able to meet the qualifications for a claimant, they may
255.35 determine among them as to who the claimant shall be. If they are unable to agree, the
255.36 matter shall be referred to the commissioner of revenue whose decision shall be final. If a

256.1 homestead property owner was a part-year Minnesota resident, the income reflected in
256.2 the computation made pursuant to section 290A.04 shall be for the entire calendar year,
256.3 including income not assignable to Minnesota.

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

256.8 Sec. 118. Minnesota Statutes 2014, section 295.53, subdivision 1, is amended to read:

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

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

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

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

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

256.26 (5) amounts paid for legend drugs, other than nutritional products and blood and
256.27 blood components, to a wholesale drug distributor who is subject to tax under section
256.28 295.52, subdivision 3, reduced by reimbursements received for legend drugs otherwise
256.29 exempt under this chapter;

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

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

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

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

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

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

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

257.15 (13) payments received by an educational institution from student tuition, student
 257.16 activity fees, health care service fees, government appropriations, donations, or grants,
 257.17 and for services identified in and provided under an individualized education program
 257.18 as defined in section 256B.0625 or Code of Federal Regulations, chapter 34, section
 257.19 300.340(a). Fee for service payments and payments for extended coverage are taxable;

257.20 (14) payments received under the federal Employees Health Benefits Act, United
 257.21 States Code, title 5, section 8909(f), as amended by the Omnibus Reconciliation Act of
 257.22 1990. Enrollee deductibles, coinsurance, and co-payments are subject to tax; and

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

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

257.29 Sec. 119. Minnesota Statutes 2014, section 297I.15, subdivision 4, is amended to read:

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

258.1 Sec. 120. Minnesota Statutes 2014, section 524.2-215, is amended to read:

258.2 **524.2-215 SURVIVING SPOUSE RECEIVING MEDICAL ASSISTANCE.**

258.3 (a) Notwithstanding any law to the contrary, if a surviving spouse is receiving
258.4 medical assistance under chapter 256B, ~~or general assistance medical care under chapter~~
258.5 ~~256D~~, when the person's spouse dies, then the provisions in paragraphs (b) to (f) apply.

258.6 (b) Any time before an order or decree is entered under section 524.3-1001 or
258.7 524.3-1002 or a closing statement is filed under section 524.3-1003 the surviving spouse
258.8 may:

258.9 (1) exercise the right to take an elective share amount of the decedent's estate
258.10 under section 524.2-211, in which case the decedent's nonprobate transfers to others
258.11 shall be included in the augmented estate for purposes of computing the elective share
258.12 and supplemental elective share amounts;

258.13 (2) petition the court for an extension of time for exercising the right to an elective
258.14 share amount under section 524.2-211, in which case the decedent's nonprobate transfers
258.15 to others shall be included in the augmented estate for purposes of computing the elective
258.16 share and supplemental elective share amounts; or

258.17 (3) elect statutory rights in the homestead or petition the court for an extension of
258.18 time to make the election as provided in section 524.2-211, paragraph (f).

258.19 (c) Notwithstanding any law or rule to the contrary, the personal representative of
258.20 the estate of the surviving spouse may exercise the surviving spouse's right of election
258.21 and statutory right to the homestead in the manner provided for making those elections or
258.22 petition for an extension of time as provided for in this section.

258.23 (d) If choosing the elective share will result in the surviving spouse receiving a share
258.24 of the decedent's estate greater in value than the share of the estate under the will or intestate
258.25 succession, then the guardian or conservator for the surviving spouse shall exercise the
258.26 surviving spouse's right to an elective share amount and a court order is not required.

258.27 (e) A party petitioning to establish a guardianship or conservatorship for the surviving
258.28 spouse may file a certified copy of the petition in the decedent's estate proceedings and
258.29 serve a copy of the petition on the personal representative or the personal representative's
258.30 attorney. The filing of the petition shall toll all of the limitations provided in this section
258.31 until the entry of a final order granting or denying the petition. The decedent's estate may
258.32 not close until the entry of a final order granting or denying the petition.

258.33 (1) Distributees of the decedent's estate shall be personally liable to account for and
258.34 turn over to the ward, the conservatee, or the estate of the ward or conservatee any and all
258.35 amounts which the ward or conservatee is entitled to receive from the decedent's estate.

259.1 (2) No distributee shall be liable for an amount in excess of the value of the
259.2 distributee's distribution as of the time of the distribution.

259.3 (3) The ward, conservatee, guardian, conservator, or personal representative may
259.4 bring proceedings in district court to enforce the rights in this section.

259.5 (f) Notwithstanding any oral or written contract, agreement, or waiver made by the
259.6 surviving spouse to waive in whole or in part the surviving spouse's right of election
259.7 against the decedent's will, statutory right to the homestead, exempt property, or family
259.8 allowance, the surviving spouse or the surviving spouse's guardian or conservator may
259.9 exercise these rights to the full extent permitted by law. The surviving spouse's rights
259.10 under this paragraph do not apply to the extent there is a valid antenuptial agreement
259.11 between the surviving spouse and the decedent under which the surviving spouse has
259.12 waived some or all of these rights.

259.13 Sec. 121. Minnesota Statutes 2014, section 525.313, is amended to read:

259.14 **525.313 CLEARANCE FOR MEDICAL ASSISTANCE CLAIMS.**

259.15 (a) The court shall not enter a decree of descent until the petitioner has filed a
259.16 clearance for medical assistance claims under this section, and until any medical assistance
259.17 claims filed under this section have been paid, settled, or otherwise finally disposed of.

259.18 (b) After filing the petition, the petitioner or the petitioner's attorney shall apply to
259.19 the county agency in the county in which the petition is pending for a clearance of medical
259.20 assistance claims. The application must state the decedent's name, date of birth, and Social
259.21 Security number; the name, date of birth, and Social Security number of any predeceased
259.22 spouse of the decedent; the names and addresses of the devisees and heirs; and the name,
259.23 address, and telephone number of the petitioner or the attorney making the application on
259.24 behalf of the petitioner, and include a copy of the notice of hearing.

259.25 (c) The county agency shall determine whether the decedent or any of the decedent's
259.26 predeceased spouses received medical assistance under chapter 256B or general assistance
259.27 medical care formerly codified under chapter 256D giving rise to a claim under section
259.28 256B.15. If there are no claims, the county agency shall issue the petitioner a clearance for
259.29 medical assistance claims stating no medical assistance claims exist. If there is a claim,
259.30 the county agency shall issue the petitioner a clearance for medical assistance claims
259.31 stating that a claim exists and the total amount of the claim. The county agency shall mail
259.32 the completed clearance for medical assistance claims to the applicant within 15 working
259.33 days after receiving the application without cost to the applicant or others.

259.34 (d) The petitioner or attorney shall file the certificate in the proceedings for the
259.35 decree of descent as soon as practicable after it is received. Notwithstanding any rule

260.1 or law to the contrary, if a medical assistance claim appears in a clearance for medical
260.2 assistance claims, then:

260.3 (1) the claim shall be a claim against the decedent's property which is the subject of
260.4 the petition. The county agency issuing the certificate shall be the claimant. The filing
260.5 of the clearance for medical assistance claims in the proceeding for a decree of descent
260.6 constitutes presentation of the claim;

260.7 (2) the claim shall be an unbarred and undischarged claim and shall be payable, in
260.8 whole or in part, from the decedent's property which is the subject of the petition, including
260.9 the net sale proceeds from any sale of property free and clear of the claim under this section;

260.10 (3) the claim may be allowed, denied, appealed, and bear interest as provided for
260.11 claims in estates under chapter 524; and

260.12 (4) the county agency may collect, compromise, or otherwise settle the claim with
260.13 the estate, the petitioner, or the assignees of the property on whatever terms and conditions
260.14 are deemed appropriate.

260.15 (e) Any of the decedent's devisees, heirs, successors, assigns, or their successors
260.16 and assigns, may apply for a partial decree of descent to facilitate the good faith sale
260.17 of their interest in any real or personal property described in the petition free and clear
260.18 of any medical assistance claim any time before the entry of a decree of descent under
260.19 section 525.312. The applicant must prove an interest in the property as provided under
260.20 section 525.312. The court may enter a partial decree of descent any time after it could
260.21 hear and decide the petition for a decree of descent. A partial decree of descent shall
260.22 assign the interests in the real and personal property described in the application to the
260.23 parties entitled to the property free and clear of any and all medical assistance claims. The
260.24 net sale proceeds from the sale shall be:

260.25 (1) substituted in the estate according to this section for the property sold;

260.26 (2) paid over to and held by the petitioner pending the entry of a decree of descent;

260.27 (3) used for payment of medical assistance claims; and

260.28 (4) distributed according to the decree of descent after any medical assistance claims
260.29 are paid.

260.30 (f) The clearance for medical assistance claims must:

260.31 (1) include the case name, case number, and district court in which the proceeding
260.32 for a decree of descent is pending;

260.33 (2) include the name, date of birth, and Social Security number of the decedent and
260.34 any of the decedent's predeceased spouses;

260.35 (3) state whether there are medical assistance claims against the decedent, or a
260.36 predeceased spouse, and the total amount of each claim; and

261.1 (4) include the name, address, and telephone number of the county agency giving the
 261.2 clearance for medical assistance claims. The certificate shall be signed by the director of
 261.3 the county agency or the director's designee. The signature of the director or the director's
 261.4 designee does not require an acknowledgment.

261.5 (g) All recoveries under this section are recoveries under section 256B.15.

261.6 (h) For purposes of this section and chapter 256B, all property identified in the
 261.7 petition and all subsequent amendments to the petition shall constitute an estate.

261.8 (i) No clearance for medical assistance claims is required under this section and
 261.9 section 525.312 in an action for a decree of descent proceeding in which all of the
 261.10 following apply to the decedent whose property is the subject of the proceeding:

261.11 (1) the decedent's estate was previously probated in this state;

261.12 (2) the previous probate was not a special administration or summary proceeding; and

261.13 (3) the decedent's property, which is the subject of the petition for a decree of
 261.14 descent, was omitted from the previous probate.

261.15 Sec. 122. Minnesota Statutes 2014, section 550.37, subdivision 14, is amended to read:

261.16 Subd. 14. **Public assistance.** All government assistance based on need, and
 261.17 the earnings or salary of a person who is a recipient of government assistance based
 261.18 on need, shall be exempt from all claims of creditors including any contractual setoff
 261.19 or security interest asserted by a financial institution. For the purposes of this chapter,
 261.20 government assistance based on need includes but is not limited to Minnesota family
 261.21 investment program, ~~general assistance medical care~~, Supplemental Security Income,
 261.22 medical assistance, MinnesotaCare, payment of Medicare part B premiums or receipt of
 261.23 part D extra help, MFIP diversionary work program, work participation cash benefit,
 261.24 Minnesota supplemental assistance, emergency Minnesota supplemental assistance,
 261.25 general assistance, emergency general assistance, emergency assistance or county crisis
 261.26 funds, energy or fuel assistance, and food support. The salary or earnings of any debtor
 261.27 who is or has been an eligible recipient of government assistance based on need, or an
 261.28 inmate of a correctional institution shall, upon the debtor's return to private employment or
 261.29 farming after having been an eligible recipient of government assistance based on need, or
 261.30 an inmate of a correctional institution, be exempt from attachment, garnishment, or levy
 261.31 of execution for a period of six months after the debtor's return to employment or farming
 261.32 and after all public assistance for which eligibility existed has been terminated. The
 261.33 exemption provisions contained in this subdivision also apply for 60 days after deposit
 261.34 in any financial institution, whether in a single or joint account. In tracing the funds, the
 261.35 first-in first-out method of accounting shall be used. The burden of establishing that funds

262.1 are exempt rests upon the debtor. Agencies distributing government assistance and the
262.2 correctional institutions shall, at the request of creditors, inform them whether or not any
262.3 debtor has been an eligible recipient of government assistance based on need, or an inmate
262.4 of a correctional institution, within the preceding six months.

262.5 Sec. 123. Minnesota Statutes 2014, section 609B.425, subdivision 2, is amended to read:

262.6 Subd. 2. **Benefit eligibility.** (a) A person convicted of a drug offense after July 1,
262.7 1997, is ineligible for general assistance benefits, ~~general assistance medical care,~~ and
262.8 Supplemental Security Income under chapter 256D until:

262.9 (1) five years after completing the terms of a court-ordered sentence; or

262.10 (2) unless the person is participating in a drug treatment program, has successfully
262.11 completed a program, or has been determined not to be in need of a drug treatment program.

262.12 (b) A person who becomes eligible for assistance under chapter 256D is subject to
262.13 random drug testing and shall lose eligibility for benefits for five years beginning the
262.14 month following:

262.15 (1) any positive test for an illegal controlled substance; or

262.16 (2) discharge of sentence for conviction of another drug felony.

262.17 (c) Parole violators and fleeing felons are ineligible for benefits and persons
262.18 fraudulently misrepresenting eligibility are also ineligible to receive benefits for ten years.

262.19 Sec. 124. Minnesota Statutes 2014, section 641.15, subdivision 2, is amended to read:

262.20 Subd. 2. **Medical aid.** Except as provided in section 466.101, the county board
262.21 shall pay the costs of medical services provided to prisoners pursuant to this section.

262.22 The amount paid by the county board for a medical service shall not exceed the
262.23 maximum allowed medical assistance payment rate for the service, as determined by the
262.24 commissioner of human services. In the absence of a health or medical insurance or
262.25 health plan that has a contractual obligation with the provider or the prisoner, medical
262.26 providers shall charge no higher than the rate negotiated between the county and the
262.27 provider. In the absence of an agreement between the county and the provider, the
262.28 provider may not charge an amount that exceeds the maximum allowed medical assistance
262.29 payment rate for the service, as determined by the commissioner of human services. The
262.30 county is entitled to reimbursement from the prisoner for payment of medical bills to the
262.31 extent that the prisoner to whom the medical aid was provided has the ability to pay the
262.32 bills. The prisoner shall, at a minimum, incur co-payment obligations for health care
262.33 services provided by a county correctional facility. The county board shall determine the
262.34 co-payment amount. Notwithstanding any law to the contrary, the co-payment shall be

263.1 deducted from any of the prisoner's funds held by the county, to the extent possible. If
 263.2 there is a disagreement between the county and a prisoner concerning the prisoner's ability
 263.3 to pay, the court with jurisdiction over the defendant shall determine the extent, if any, of
 263.4 the prisoner's ability to pay for the medical services. If a prisoner is covered by health or
 263.5 medical insurance or other health plan when medical services are provided, the medical
 263.6 provider shall bill that health or medical insurance or other plan. If the county providing
 263.7 the medical services for a prisoner that has coverage under health or medical insurance or
 263.8 other plan, that county has a right of subrogation to be reimbursed by the insurance carrier
 263.9 for all sums spent by it for medical services to the prisoner that are covered by the policy of
 263.10 insurance or health plan, in accordance with the benefits, limitations, exclusions, provider
 263.11 restrictions, and other provisions of the policy or health plan. The county may maintain an
 263.12 action to enforce this subrogation right. The county does not have a right of subrogation
 263.13 against the medical assistance program ~~or the general assistance medical care program.~~

263.14 Sec. 125. Minnesota Statutes 2014, section 641.155, is amended to read:

263.15 **641.155 DISCHARGE PLANS; OFFENDERS WITH SERIOUS AND**
 263.16 **PERSISTENT MENTAL ILLNESS.**

263.17 The commissioner of corrections shall develop a model discharge planning process
 263.18 for every offender with a serious and persistent mental illness, as defined in section
 263.19 245.462, subdivision 20, paragraph (c), who has been convicted and sentenced to serve
 263.20 three or more months and is being released from a county jail or county regional jail.

263.21 An offender with a serious and persistent mental illness, as defined in section
 263.22 245.462, subdivision 20, paragraph (c), who has been convicted and sentenced to serve
 263.23 three or more months and is being released from a county jail or county regional jail
 263.24 shall be referred to the appropriate staff in the county human services department at least
 263.25 60 days before being released. The county human services department may carry out
 263.26 provisions of the model discharge planning process such as:

263.27 (1) providing assistance in filling out an application for medical assistance, ~~general~~
 263.28 ~~assistance medical care~~, or MinnesotaCare;

263.29 (2) making a referral for case management as outlined under section 245.467,
 263.30 subdivision 4;

263.31 (3) providing assistance in obtaining a state photo identification;

263.32 (4) securing a timely appointment with a psychiatrist or other appropriate community
 263.33 mental health providers; and

263.34 (5) providing prescriptions for a 30-day supply of all necessary medications.

264.1 Sec. 126. **REPEALER.**264.2 Minnesota Statutes 2014, sections 256B.0645; and 383B.926, are repealed.264.3 **ARTICLE 3**264.4 **REPEAL AND REENACTMENT; RENUMBERING; CROSS-REFERENCE**
264.5 **AND CONFORMING CHANGES: ADDITIONS AND SUBTRACTIONS**
264.6 **TO FEDERAL TAXABLE INCOME**264.7 Section 1. **PURPOSE.**264.8 This article simplifies Minnesota's income tax laws by consolidating, recodifying,
264.9 and renumbering the individual and corporate additions and subtractions to federal taxable
264.10 income now contained in Minnesota Statutes, section 290.01, subdivisions 19a to 19d,
264.11 19f, and 19h. Due to the complexity of the recodification, prior provisions are repealed
264.12 on the effective date of the new provisions. The repealed provisions, however, remain in
264.13 effect until superseded by the analogous provision in the new law.

264.14 Sec. 2. Minnesota Statutes 2014, section 289A.08, subdivision 1, is amended to read:

264.15 Subdivision 1. **Generally; individuals.** (a) A taxpayer must file a return for each
264.16 taxable year the taxpayer is required to file a return under section 6012 of the Internal
264.17 Revenue Code, except that:264.18 (1) an individual who is not a Minnesota resident for any part of the year is not
264.19 required to file a Minnesota income tax return if the individual's gross income derived
264.20 from Minnesota sources as determined under sections 290.081, paragraph (a), and 290.17,
264.21 is less than the filing requirements for a single individual who is a full year resident of
264.22 Minnesota; and264.23 (2) an individual who is a Minnesota resident is not required to file a Minnesota
264.24 income tax return if the individual's gross income derived from Minnesota sources as
264.25 determined under section 290.17, less the ~~subtraction~~ subtractions allowed under section
264.26 ~~290.01, subdivision 19b, clauses (11) and (14)~~ 290.0132, subdivisions 12 and 15, is less
264.27 than the filing requirements for a single individual who is a full-year resident of Minnesota.264.28 (b) The decedent's final income tax return, and other income tax returns for prior
264.29 years where the decedent had gross income in excess of the minimum amount at which
264.30 an individual is required to file and did not file, must be filed by the decedent's personal
264.31 representative, if any. If there is no personal representative, the return or returns must
264.32 be filed by the transferees, as defined in section 270C.58, subdivision 3, who receive
264.33 property of the decedent.

265.1 (c) The term "gross income," as it is used in this section, has the same meaning
265.2 given it in section 290.01, subdivision 20.

265.3 Sec. 3. Minnesota Statutes 2014, section 289A.08, subdivision 7, is amended to read:

265.4 Subd. 7. **Composite income tax returns for nonresident partners, shareholders,**
265.5 **and beneficiaries.** (a) The commissioner may allow a partnership with nonresident
265.6 partners to file a composite return and to pay the tax on behalf of nonresident partners who
265.7 have no other Minnesota source income. This composite return must include the names,
265.8 addresses, Social Security numbers, income allocation, and tax liability for the nonresident
265.9 partners electing to be covered by the composite return.

265.10 (b) The computation of a partner's tax liability must be determined by multiplying
265.11 the income allocated to that partner by the highest rate used to determine the tax liability
265.12 for individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard
265.13 deductions, or personal exemptions are not allowed.

265.14 (c) The partnership must submit a request to use this composite return filing method
265.15 for nonresident partners. The requesting partnership must file a composite return in the
265.16 form prescribed by the commissioner of revenue. The filing of a composite return is
265.17 considered a request to use the composite return filing method.

265.18 (d) The electing partner must not have any Minnesota source income other than the
265.19 income from the partnership and other electing partnerships. If it is determined that the
265.20 electing partner has other Minnesota source income, the inclusion of the income and tax
265.21 liability for that partner under this provision will not constitute a return to satisfy the
265.22 requirements of subdivision 1. The tax paid for the individual as part of the composite return
265.23 is allowed as a payment of the tax by the individual on the date on which the composite
265.24 return payment was made. If the electing nonresident partner has no other Minnesota
265.25 source income, filing of the composite return is a return for purposes of subdivision 1.

265.26 (e) This subdivision does not negate the requirement that an individual pay estimated
265.27 tax if the individual's liability would exceed the requirements set forth in section 289A.25.
265.28 The individual's liability to pay estimated tax is, however, satisfied when the partnership
265.29 pays composite estimated tax in the manner prescribed in section 289A.25.

265.30 (f) If an electing partner's share of the partnership's gross income from Minnesota
265.31 sources is less than the filing requirements for a nonresident under this subdivision, the tax
265.32 liability is zero. However, a statement showing the partner's share of gross income must
265.33 be included as part of the composite return.

265.34 (g) The election provided in this subdivision is only available to a partner who has
265.35 no other Minnesota source income and who is either (1) a full-year nonresident individual

266.1 or (2) a trust or estate that does not claim a deduction under either section 651 or 661 of
 266.2 the Internal Revenue Code.

266.3 (h) A corporation defined in section 290.9725 and its nonresident shareholders may
 266.4 make an election under this paragraph. The provisions covering the partnership apply to
 266.5 the corporation and the provisions applying to the partner apply to the shareholder.

266.6 (i) Estates and trusts distributing current income only and the nonresident individual
 266.7 beneficiaries of the estates or trusts may make an election under this paragraph. The
 266.8 provisions covering the partnership apply to the estate or trust. The provisions applying to
 266.9 the partner apply to the beneficiary.

266.10 (j) For the purposes of this subdivision, "income" means the partner's share of
 266.11 federal adjusted gross income from the partnership modified by the additions provided in
 266.12 section ~~290.01, subdivision 19a, clauses (6) to (9)~~ 290.0131, subdivisions 8 to 11, and
 266.13 the subtractions provided in: (i) section ~~290.01, subdivision 19b, clause (8)~~ 290.0132,
 266.14 subdivision 9, to the extent the amount is assignable or allocable to Minnesota under
 266.15 section 290.17; and (ii) section ~~290.01, subdivision 19b, clause (13)~~ 290.0132, subdivision
 266.16 14. The subtraction allowed under section ~~290.01, subdivision 19b, clause (8)~~ 290.0132,
 266.17 subdivision 9, is only allowed on the composite tax computation to the extent the electing
 266.18 partner would have been allowed the subtraction.

266.19 Sec. 4. Minnesota Statutes 2014, section 289A.12, subdivision 14, is amended to read:

266.20 Subd. 14. **Regulated investment companies; reporting exempt-interest**
 266.21 **dividends.** (a) A regulated investment company paying \$10 or more in exempt-interest
 266.22 dividends to an individual who is a resident of Minnesota must make a return indicating
 266.23 the amount of the exempt-interest dividends, the name, address, and Social Security
 266.24 number of the recipient, and any other information that the commissioner specifies. The
 266.25 return must be provided to the shareholder by February 15 of the year following the year
 266.26 of the payment. The return provided to the shareholder must include a clear statement,
 266.27 in the form prescribed by the commissioner, that the exempt-interest dividends must be
 266.28 included in the computation of Minnesota taxable income. By June 1 of each year, the
 266.29 regulated investment company must file a copy of the return with the commissioner.

266.30 (b) For purposes of this subdivision, the following definitions apply.

266.31 (1) "Exempt-interest dividends" mean exempt-interest dividends as defined in
 266.32 section 852(b)(5) of the Internal Revenue Code, but does not include the portion of
 266.33 exempt-interest dividends that are not required to be added to federal taxable income under
 266.34 section ~~290.01, subdivision 19a, clause (1)(ii)~~ 290.0131, subdivision 2, paragraph (b).

267.1 (2) "Regulated investment company" means regulated investment company as
267.2 defined in section 851(a) of the Internal Revenue Code or a fund of the regulated
267.3 investment company as defined in section 851(g) of the Internal Revenue Code.

267.4 Sec. 5. Minnesota Statutes 2014, section 289A.50, subdivision 10, is amended to read:

267.5 Subd. 10. **Limitation on refund.** (a) If an addition to federal taxable income
267.6 under section ~~290.01, subdivision 19a, clause (1)~~ 290.0131, subdivision 2, is judicially
267.7 determined to discriminate against interstate commerce with respect to obligations of
267.8 a certain character or type, the legislature intends that the discrimination be remedied
267.9 by adding to federal taxable income interest on comparable obligations of Minnesota
267.10 governmental units and Indian tribes. For purposes of this subdivision, "comparable
267.11 obligation" means obligations of the character or type that the court found to be
267.12 unconstitutionally favored by section ~~290.01, subdivision 19a, clause (1)~~ 290.0131,
267.13 subdivision 2, whether based on the security for payment, use of the proceeds, or any other
267.14 factor identified as determinative by the court.

267.15 (b) This subdivision applies beginning with the taxable years that begin during the
267.16 calendar year in which the court's decision is final. Other remedies apply for previous
267.17 taxable years.

267.18 Sec. 6. Minnesota Statutes 2015 Supplement, section 290.01, subdivision 19, is
267.19 amended to read:

267.20 Subd. 19. **Net income.** The term "net income" means the federal taxable income,
267.21 as defined in section 63 of the Internal Revenue Code of 1986, as amended through the
267.22 date named in this subdivision, incorporating the federal effective dates of changes to
267.23 the Internal Revenue Code and any elections made by the taxpayer in accordance with
267.24 the Internal Revenue Code in determining federal taxable income for federal income
267.25 tax purposes, and with the modifications provided in ~~subdivisions 19a to 19f~~ sections
267.26 290.0131 to 290.0136.

267.27 In the case of a regulated investment company or a fund thereof, as defined in section
267.28 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment
267.29 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,
267.30 except that:

267.31 (1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal
267.32 Revenue Code does not apply;

267.33 (2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal
267.34 Revenue Code must be applied by allowing a deduction for capital gain dividends and

268.1 exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal
268.2 Revenue Code; and

268.3 (3) the deduction for dividends paid must also be applied in the amount of any
268.4 undistributed capital gains which the regulated investment company elects to have treated
268.5 as provided in section 852(b)(3)(D) of the Internal Revenue Code.

268.6 The net income of a real estate investment trust as defined and limited by section
268.7 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust
268.8 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

268.9 The net income of a designated settlement fund as defined in section 468B(d) of
268.10 the Internal Revenue Code means the gross income as defined in section 468B(b) of the
268.11 Internal Revenue Code.

268.12 The Internal Revenue Code of 1986, as amended through December 31, 2014, shall
268.13 be in effect for taxable years beginning after December 31, 1996.

268.14 Except as otherwise provided, references to the Internal Revenue Code in
268.15 ~~subdivisions 19 to 19f~~ sections 290.0131 to 290.0136 mean the code in effect for purposes
268.16 of determining net income for the applicable year.

268.17 Sec. 7. Minnesota Statutes 2014, section 290.01, subdivision 29a, is amended to read:

268.18 Subd. 29a. **State itemized deduction.** "State itemized deduction" means federal
268.19 itemized deductions, as defined in section 63(d) of the Internal Revenue Code, disregarding
268.20 any limitation under section 68 of the Internal Revenue Code, and reduced by the amount of
268.21 the addition required under ~~subdivision 19a, clause (15)~~ section 290.0131, subdivision 13.

268.22 Sec. 8. **[290.0131] INDIVIDUALS; ADDITIONS TO FEDERAL TAXABLE**
268.23 **INCOME.**

268.24 Subdivision 1. **Definition; scope.** (a) For the purposes of this section, "addition"
268.25 means an amount that must be added to federal taxable income in computing net income
268.26 for the taxable year to which the amounts relate.

268.27 (b) The additions in this section apply to individuals, estates, and trusts.

268.28 (c) Unless specifically indicated or unless the context clearly indicates otherwise,
268.29 only amounts that were deducted or excluded in computing federal taxable income are an
268.30 addition under this section.

268.31 Subd. 2. **Federally exempt interest income.** (a) Interest income on obligations of
268.32 any state other than Minnesota or a political or governmental subdivision, municipality,
268.33 or governmental agency or instrumentality of any state other than Minnesota exempt

269.1 from federal income taxes under the Internal Revenue Code or any other federal statute
269.2 is an addition.

269.3 (b) Exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue
269.4 Code, are an addition, except the portion of the exempt-interest dividends:

269.5 (1) exempt from state taxation under the laws of the United States; or

269.6 (2) derived from interest income on obligations of the state of Minnesota or its
269.7 political or governmental subdivisions, municipalities, or governmental agencies or
269.8 instrumentalities, but only if the portion of the exempt-interest dividends from those
269.9 Minnesota sources paid to all shareholders represents 95 percent or more of the
269.10 exempt-interest dividends, including any dividends exempt under clause (1), that are paid
269.11 by the regulated investment company as defined in section 851(a) of the Internal Revenue
269.12 Code, or the fund of the regulated investment company as defined in section 851(g) of the
269.13 Internal Revenue Code, making the payment.

269.14 (c) For the purposes of paragraphs (a) and (b), interest on obligations of an Indian
269.15 tribal government described in section 7871(c) of the Internal Revenue Code is treated as
269.16 interest income on obligations of the state in which the tribe is located.

269.17 Subd. 3. **Income, sales and use, motor vehicle sales, or excise taxes paid.** (a)
269.18 The amount of income, sales and use, motor vehicle sales, or excise taxes paid or accrued
269.19 within the taxable year under this chapter and the amount of taxes based on net income,
269.20 sales and use, motor vehicle sales, or excise taxes paid to any other state or to any province
269.21 or territory of Canada is an addition to the extent deducted under section 63(d) of the
269.22 Internal Revenue Code.

269.23 (b) The addition under paragraph (a) may not be more than the amount by which
269.24 the state itemized deduction exceeds the amount of the standard deduction as defined
269.25 in section 63(c) of the Internal Revenue Code. For the purpose of this subdivision,
269.26 income, sales and use, motor vehicle sales, or excise taxes are the last itemized deductions
269.27 disallowed under subdivision 12.

269.28 Subd. 4. **Capital gain on lump-sum distribution.** The capital gain amount of a
269.29 lump-sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax
269.30 Reform Act of 1986, Public Law 99-514, applies is an addition.

269.31 Subd. 5. **Income taxes deducted in computing federal adjusted gross income.** (a)
269.32 The amount of income taxes paid or accrued within the taxable year under this chapter and
269.33 taxes based on net income paid to any other state or any province or territory of Canada is an
269.34 addition to the extent allowed as a deduction in determining federal adjusted gross income.

269.35 (b) For the purpose of this subdivision, income taxes do not include the taxes imposed
269.36 by sections 290.0922, subdivision 1, paragraph (b); 290.9727; 290.9728; and 290.9729.

270.1 Subd. 6. **Disallowed expense, interest, or taxes.** The amount of expense, interest,
270.2 or taxes disallowed under section 290.10, subdivision 1, other than expenses or interest
270.3 used in computing net interest income for the subtraction allowed under section 290.0132,
270.4 subdivision 2, is an addition.

270.5 Subd. 7. **Fines, fees, and penalties.** The amount of expenses disallowed under
270.6 section 290.10, subdivision 2, is an addition.

270.7 Subd. 8. **Partner's pro rata share of net income.** The amount of a partner's
270.8 pro rata share of net income which does not flow through to the partner because the
270.9 partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal
270.10 Revenue Code is an addition.

270.11 Subd. 9. **Bonus depreciation.** (a) Eighty percent of the depreciation deduction
270.12 allowed under section 168(k) of the Internal Revenue Code is an addition.

270.13 (b) For the purposes of this subdivision, if the taxpayer has an activity that in the
270.14 taxable year generates a deduction for depreciation under section 168(k) of the Internal
270.15 Revenue Code and the activity generates a loss for the taxable year that the taxpayer is not
270.16 allowed to claim for the taxable year, "the depreciation deduction allowed under section
270.17 168(k)" for the taxable year is limited to excess of the depreciation claimed by the activity
270.18 under section 168(k) over the amount of the loss from the activity that is not allowed in
270.19 the taxable year. In succeeding taxable years when the losses not allowed in the taxable
270.20 year are allowed, the depreciation under section 168(k) is allowed.

270.21 Subd. 10. **Section 179 expensing.** Eighty percent of the amount by which the
270.22 deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction
270.23 allowable by section 179 of the Internal Revenue Code, as amended through December
270.24 31, 2003, is an addition.

270.25 Subd. 11. **Income attributable to domestic production activities.** The amount of
270.26 the deduction allowable under section 199 of the Internal Revenue Code is an addition.

270.27 Subd. 12. **Disallowed itemized deductions.** (a) The amount of disallowed itemized
270.28 deductions is an addition. The amount of disallowed itemized deductions, plus the addition
270.29 required under subdivision 3, may not be more than the amount by which the itemized
270.30 deductions, as allowed under section 63(d) of the Internal Revenue Code, exceeds the
270.31 amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code.

270.32 (b) The amount of disallowed itemized deductions is equal to the lesser of:

270.33 (1) three percent of the excess of the taxpayer's federal adjusted gross income over
270.34 the applicable amount; or

270.35 (2) 80 percent of the amount of the itemized deductions otherwise allowable to the
270.36 taxpayer under the Internal Revenue Code for the taxable year.

271.1 (c) "Applicable amount" means \$100,000, or \$50,000 for a married individual filing
 271.2 a separate return. Each dollar amount is increased by an amount equal to:

271.3 (1) that dollar amount, multiplied by

271.4 (2) the cost-of-living adjustment determined under section 1(f)(3) of the Internal
 271.5 Revenue Code for the calendar year in which the taxable year begins, by substituting
 271.6 "calendar year 1990" for "calendar year 1992" in subparagraph (B) of section 1(f)(3).

271.7 (d) "Itemized deductions" excludes:

271.8 (1) the deduction for medical expenses under section 213 of the Internal Revenue
 271.9 Code;

271.10 (2) any deduction for investment interest as defined in section 163(d) of the Internal
 271.11 Revenue Code; and

271.12 (3) the deduction under section 165(a) of the Internal Revenue Code for casualty or
 271.13 theft losses described in paragraph (2) or (3) of section 165(c) of the Internal Revenue
 271.14 Code or for losses described in section 165(d) of the Internal Revenue Code.

271.15 Subd. 13. **Disallowed personal exemption amount.** (a) The amount of disallowed
 271.16 personal exemptions for taxpayers with federal adjusted gross income over the threshold
 271.17 amount is an addition.

271.18 (b) The disallowed personal exemption amount is equal to the number of personal
 271.19 exemptions allowed under section 151(b) and (c) of the Internal Revenue Code multiplied
 271.20 by the dollar amount for personal exemptions under section 151(d)(1) and (2) of the
 271.21 Internal Revenue Code, as adjusted for inflation by section 151(d)(4) of the Internal
 271.22 Revenue Code, and by the applicable percentage.

271.23 (c) For a married individual filing a separate return, "applicable percentage" means
 271.24 two percentage points for each \$1,250, or fraction of that amount, by which the taxpayer's
 271.25 federal adjusted gross income for the taxable year exceeds the threshold amount. For all
 271.26 other filers, applicable percentage means two percentage points for each \$2,500, or fraction
 271.27 of that amount, by which the taxpayer's federal adjusted gross income for the taxable year
 271.28 exceeds the threshold amount. The applicable percentage must not exceed 100 percent.

271.29 (d) "Threshold amount" means:

271.30 (1) \$150,000 for a joint return or a surviving spouse;

271.31 (2) \$125,000 for a head of a household;

271.32 (3) \$100,000 for an individual who is not married and who is not a surviving spouse
 271.33 or head of a household; and

271.34 (4) \$75,000 for a married individual filing a separate return.

271.35 (e) The thresholds must be increased by an amount equal to:

271.36 (1) the threshold dollar amount, multiplied by

272.1 (2) the cost-of-living adjustment determined under section 1(f)(3) of the Internal
 272.2 Revenue Code for the calendar year in which the taxable year begins, by substituting
 272.3 "calendar year 1990" for "calendar year 1992" in subparagraph (B) of section 1(f)(3).

272.4 **Sec. 9. [290.0132] INDIVIDUALS; SUBTRACTIONS FROM FEDERAL**
 272.5 **TAXABLE INCOME.**

272.6 Subdivision 1. **Definition; scope.** (a) For the purposes of this section, "subtraction"
 272.7 means an amount that shall be subtracted from federal taxable income in computing net
 272.8 income for the taxable year to which the amounts relate.

272.9 (b) The subtractions in this section apply to individuals, estates, and trusts.

272.10 (c) Unless specifically indicated or unless the context clearly indicates otherwise,
 272.11 no amount deducted, subtracted, or otherwise excluded in computing federal taxable
 272.12 income is a subtraction under this section.

272.13 Subd. 2. **Exempt interest.** Net interest income on obligations of any authority,
 272.14 commission, or instrumentality of the United States to the extent includable in taxable
 272.15 income for federal income tax purposes, but exempt from state income tax under the
 272.16 laws of the United States, is a subtraction.

272.17 Subd. 3. **Overpayment of income tax.** The amount of any overpayment of income
 272.18 tax to Minnesota or to any other state, for any previous taxable year, is a subtraction,
 272.19 whether the amount is received as a refund or as a credit to another taxable year's income
 272.20 tax liability.

272.21 Subd. 4. **Education expenses.** (a) Subject to the limits in paragraph (b), the
 272.22 following amounts paid to others for each qualifying child are a subtraction:

272.23 (1) education-related expenses; plus

272.24 (2) tuition and fees paid to attend a school described in section 290.0674, subdivision
 272.25 1, clause (4), that are not included in education-related expenses; less

272.26 (3) any amount used to claim the credit under section 290.0674.

272.27 (b) The maximum subtraction allowed under this subdivision is:

272.28 (1) \$1,625 for each qualifying child in kindergarten through grade 6; and

272.29 (2) \$2,500 for each qualifying child in grades 7 through 12.

272.30 (c) The definitions in section 290.0674, subdivision 1, apply to this subdivision.

272.31 Subd. 5. **Elderly and disabled.** The subtraction base amount allowed under section
 272.32 290.0802 is a subtraction.

272.33 Subd. 6. **Gain on forced sale of farm property; foreclosure.** Income realized on
 272.34 disposition of property exempt from tax under section 290.491 is a subtraction.

273.1 Subd. 7. Charitable contributions for taxpayers who do not itemize. To the
273.2 extent not deducted or not deductible under section 408(d)(8)(E) of the Internal Revenue
273.3 Code in determining federal taxable income by an individual who does not itemize
273.4 deductions for federal income tax purposes for the taxable year, an amount equal to 50
273.5 percent of the excess of charitable contributions over \$500 allowable as a deduction for
273.6 the taxable year under section 170(a) of the Internal Revenue Code is a subtraction.

273.7 Subd. 8. Subnational foreign taxes. (a) For individuals who are allowed a
273.8 federal foreign tax credit for taxes that do not qualify for a credit under section 290.06,
273.9 subdivision 22, an amount equal to the carryover of subnational foreign taxes for the
273.10 taxable year is a subtraction, but not to exceed the total subnational foreign taxes reported
273.11 in claiming the foreign tax credit.

273.12 (b) For purposes of this subdivision, "federal foreign tax credit" means the credit
273.13 allowed under section 27 of the Internal Revenue Code, and "carryover of subnational
273.14 foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue
273.15 Code minus national level foreign taxes to the extent they exceed the federal foreign
273.16 tax credit.

273.17 Subd. 9. Delayed bonus depreciation. (a) In each of the five taxable years
273.18 immediately following the taxable year in which an addition is required under section
273.19 290.0131, subdivision 9, or 290.0133, subdivision 11, for a shareholder of a corporation
273.20 that is an S corporation, an amount equal to one-fifth of the delayed depreciation is
273.21 a subtraction.

273.22 (b) For purposes of this subdivision, "delayed depreciation" means the amount of
273.23 the addition made by the taxpayer under section 290.0131, subdivision 9, or 290.0133,
273.24 subdivision 11, for a shareholder of an S corporation, minus the positive value of any net
273.25 operating loss under section 172 of the Internal Revenue Code generated for the taxable
273.26 year of the addition. The resulting delayed depreciation cannot be less than zero.

273.27 Subd. 10. Job opportunity building zone income. (a) Job opportunity building
273.28 zone income as provided under section 469.316 is a subtraction.

273.29 (b) This subdivision expires beginning with taxable years beginning after December
273.30 31, 2020.

273.31 Subd. 11. National Guard and reserve compensation. (a) Compensation paid
273.32 to members of the Minnesota National Guard or other reserve components of the United
273.33 States military for active service, including compensation for services performed under
273.34 the Active Guard Reserve (AGR) program, is a subtraction.

273.35 (b) For purposes of this subdivision, "active service" means:

273.36 (1) state active service as defined in section 190.05, subdivision 5a, clause (1); or

274.1 (2) federally funded state active service as defined in section 190.05, subdivision 5b,
 274.2 and includes service performed under section 190.08, subdivision 3.

274.3 Subd. 12. **Armed forces active duty compensation paid to Minnesota residents.**
 274.4 Compensation paid to Minnesota residents who are members of the armed forces of the
 274.5 United States or United Nations for active duty performed under United States Code, title
 274.6 10, or the authority of the United Nations, is a subtraction.

274.7 Subd. 13. **Organ donation expenses.** (a) An amount, not to exceed \$10,000, equal
 274.8 to qualified expenses related to a qualified donor's donation, while living, of one or more
 274.9 of the qualified donor's organs to another person for human organ transplantation, is
 274.10 a subtraction.

274.11 (b) For purposes of this subdivision:

274.12 (1) "organ" means all or part of an individual's liver, pancreas, kidney, intestine,
 274.13 lung, or bone marrow;

274.14 (2) "human organ transplantation" means the medical procedure by which transfer of
 274.15 a human organ is made from the body of one person to the body of another person;

274.16 (3) "qualified expenses" means unreimbursed expenses for both the individual and
 274.17 the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except
 274.18 that the expenses may be subtracted under this subdivision only once; and

274.19 (4) "qualified donor" means the individual or the individual's dependent, as defined
 274.20 in section 152 of the Internal Revenue Code.

274.21 (c) An individual may claim the subtraction in this subdivision for each instance
 274.22 of organ donation for transplantation during the taxable year in which the qualified
 274.23 expenses occur.

274.24 Subd. 14. **Section 179 expensing.** In each of the five taxable years immediately
 274.25 following the taxable year in which an addition is required under section 290.0131,
 274.26 subdivision 10, or 290.0133, subdivision 12, for a shareholder of a corporation that is an
 274.27 S corporation, an amount equal to one-fifth of the addition made by the taxpayer under
 274.28 section 290.0131, subdivision 10, or 290.0133, subdivision 12, for a shareholder of a
 274.29 corporation that is an S corporation, minus the positive value of any net operating loss
 274.30 under section 172 of the Internal Revenue Code generated for the taxable year of the
 274.31 addition, is a subtraction. If the net operating loss exceeds the addition for the taxable
 274.32 year, a subtraction is not allowed under this subdivision.

274.33 Subd. 15. **Nonresident military service compensation.** For nonresidents of
 274.34 Minnesota, compensation paid to a service member as defined in United States Code, title
 274.35 10, section 101(a)(5), for military service as defined in United States Code, Appendix,
 274.36 title 50, section 511(2), is a subtraction.

275.1 Subd. 16. **National service educational awards.** National service educational
 275.2 awards received from the National Service Trust under United States Code, title 42,
 275.3 sections 12601 to 12604, for service in an approved Americorps National Service program
 275.4 are a subtraction.

275.5 Subd. 17. **Discharge of indebtedness income; reacquisition of business**
 275.6 **indebtedness.** (a) Discharge of indebtedness income resulting from reacquisition of
 275.7 business indebtedness included in federal taxable income under section 108(i) of the
 275.8 Internal Revenue Code is a subtraction. This subtraction applies only to the extent that
 275.9 the income was included in net income in a prior year as a result of the addition under
 275.10 Minnesota Statutes 2014, section 290.01, subdivision 19a, clause (13), and is recognized
 275.11 for the taxable year under the federal income tax.

275.12 (b) This subdivision expires beginning with taxable years beginning after December
 275.13 31, 2019.

275.14 Subd. 18. **Net operating losses.** The amount of the net operating loss allowed under
 275.15 section 290.095, subdivision 11, paragraph (c), is a subtraction.

275.16 Subd. 19. **Disallowed itemized deductions.** The amount of the limitation on
 275.17 itemized deductions under section 68(b) of the Internal Revenue Code is a subtraction.

275.18 Subd. 20. **Disallowed personal exemption.** The amount of the phaseout of personal
 275.19 exemptions under section 151(d) of the Internal Revenue Code is a subtraction.

275.20 Subd. 21. **Transportation fringe benefits.** (a) To the extent included in federal
 275.21 taxable income, the amount of qualified transportation fringe benefits described in section
 275.22 132(f)(1)(A) and (B) of the Internal Revenue Code is a subtraction.

275.23 (b) The subtraction is limited to the lesser of the amount of qualified transportation
 275.24 fringe benefits received in excess of the limitations under section 132(f)(2)(A) of the
 275.25 Internal Revenue Code for the year or the difference between the maximum qualified
 275.26 parking benefits excludable under section 132(f)(2)(B) of the Internal Revenue Code
 275.27 minus the amount of transit benefits excludable under section 132(f)(2)(A) of the Internal
 275.28 Revenue Code.

275.29 Subd. 22. **Railroad track maintenance expenses.** The amount of expenses not
 275.30 allowed for federal income tax purposes due to claiming the railroad track maintenance
 275.31 credit under section 45G(a) of the Internal Revenue Code is a subtraction.

275.32 Sec. 10. **[290.0133] CORPORATIONS; ADDITIONS TO FEDERAL TAXABLE**
 275.33 **INCOME.**

276.1 Subdivision 1. **Definition; scope.** (a) For the purposes of this section, "addition"
276.2 means an amount that must be added to federal taxable income in computing net income
276.3 for the taxable year to which the amount relates.

276.4 (b) The additions in this section apply to corporations other than S corporations.

276.5 (c) Unless specifically indicated or unless the context clearly indicates otherwise,
276.6 only amounts that were deducted or excluded in computing federal taxable income are an
276.7 addition under this section.

276.8 Subd. 2. **Taxes paid.** The amount of any deduction taken for income, excise, or
276.9 franchise taxes based on net income or related minimum taxes, including but not limited
276.10 to the tax imposed under section 290.0922, paid by the corporation to Minnesota, another
276.11 state, a political subdivision of another state, the District of Columbia, or any foreign
276.12 country or possession of the United States, is an addition.

276.13 Subd. 3. **Nontaxable interest.** Interest upon obligations of: the United States, its
276.14 possessions, its agencies, or its instrumentalities; the state of Minnesota or any other
276.15 state, any of its political or governmental subdivisions, any of its municipalities, or any
276.16 of its governmental agencies or instrumentalities; the District of Columbia; or Indian
276.17 tribal governments is an addition.

276.18 Subd. 4. **Exempt-interest dividends.** Exempt-interest dividends received as
276.19 defined in section 852(b)(5) of the Internal Revenue Code are an addition.

276.20 Subd. 5. **Net operating losses.** The amount of any net operating loss deduction
276.21 under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction
276.22 under section 810 of the Internal Revenue Code is an addition.

276.23 Subd. 6. **Special deductions.** The amount of any special deductions under sections
276.24 241 to 247 and 965 of the Internal Revenue Code is an addition.

276.25 Subd. 7. **Nontaxable mining losses.** Losses from the business of mining, as defined
276.26 in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota franchise
276.27 tax are an addition.

276.28 Subd. 8. **Capital losses.** The amount of any capital losses under sections 1211 and
276.29 1212 of the Internal Revenue Code is an addition.

276.30 Subd. 9. **Percentage depletion.** The amount of percentage depletion under sections
276.31 611 through 614 and 291 of the Internal Revenue Code is an addition.

276.32 Subd. 10. **Partner's pro rata share of net income.** The amount of a partner's
276.33 pro rata share of net income which does not flow through to the partner because the
276.34 partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal
276.35 Revenue Code is an addition.

277.1 Subd. 11. **Bonus depreciation.** Eighty percent of the depreciation deduction allowed
277.2 under section 168(k)(1)(A) and (k)(4)(A) of the Internal Revenue Code is an addition.
277.3 For purposes of this subdivision, if the taxpayer has an activity that in the taxable year
277.4 generates a deduction for depreciation under section 168(k)(1)(A) and (k)(4)(A) and the
277.5 activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the
277.6 taxable year, "the depreciation allowed under section 168(k)(1)(A) and (k)(4)(A)" for the
277.7 taxable year is limited to excess of the depreciation claimed by the activity under section
277.8 168(k)(1)(A) and (k)(4)(A) over the amount of the loss from the activity that is not allowed
277.9 in the taxable year. In succeeding taxable years when the losses not allowed in the taxable
277.10 year are allowed, the depreciation under section 168(k)(1)(A) and (k)(4)(A) is allowed

277.11 Subd. 12. **Section 179 expensing.** Eighty percent of the amount by which the
277.12 deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction
277.13 allowable by section 179 of the Internal Revenue Code, as amended through December
277.14 31, 2003, is an addition.

277.15 Subd. 13. **Income attributable to domestic production activities.** The amount of
277.16 the deduction allowable under section 199 of the Internal Revenue Code is an addition.

277.17 Subd. 14. **Fines, fees, and penalties.** The amount of expenses disallowed under
277.18 section 290.10, subdivision 2, is an addition.

277.19 Sec. 11. **[290.0134] CORPORATIONS; SUBTRACTIONS FROM FEDERAL**
277.20 **TAXABLE INCOME.**

277.21 Subdivision 1. **Definition; scope.** (a) For the purposes of this section, "subtraction"
277.22 means an amount that shall be subtracted from federal taxable income in computing net
277.23 income for the taxable year to which the amount relates.

277.24 (b) The subtractions in this section apply to corporations, other than S corporations,
277.25 after the additions provided in section 290.0133.

277.26 (c) Unless specifically indicated or unless the context clearly indicates otherwise,
277.27 no amount deducted, subtracted, or otherwise excluded in computing federal taxable
277.28 income is a subtraction under this section.

277.29 Subd. 2. **Foreign dividends.** The amount of foreign dividend gross-up under
277.30 section 78 of the Internal Revenue Code is a subtraction.

277.31 Subd. 3. **Disallowed salary expense.** The amount of salary expense not allowed for
277.32 federal income tax purposes due to claiming the work opportunity credit under section 51
277.33 of the Internal Revenue Code is a subtraction.

277.34 Subd. 4. **Exempt dividends.** Any dividend, not including any distribution in
277.35 liquidation, paid within the taxable year by a national or state bank to the United States, or to

278.1 any instrumentality of the United States exempt from federal income taxes, on the preferred
278.2 stock of the bank owned by the United States or the instrumentality is a subtraction.

278.3 Subd. 5. **Capital losses.** The deduction for capital losses under sections 1211 and
278.4 1212 of the Internal Revenue Code is a subtraction, except that:

278.5 (1) capital loss carrybacks are not allowed; and

278.6 (2) a capital loss carryover to each of the 15 taxable years succeeding the loss year is
278.7 allowed.

278.8 Subd. 6. **Interest and expenses relating to federally nontaxable income.**

278.9 Interest and expenses relating to income not taxable for federal income tax purposes is a
278.10 subtraction if (1) the income is taxable under this chapter, and (2) the interest and expenses
278.11 were disallowed as deductions under the provisions of section 171(a)(2), 265, or 291 of
278.12 the Internal Revenue Code in computing federal taxable income.

278.13 Subd. 7. **Percentage depletion.** For mines, oil and gas wells, other natural deposits,
278.14 and timber for which percentage depletion was disallowed under section 290.0133,
278.15 subdivision 9, a reasonable allowance for depletion based on actual cost is a subtraction.
278.16 For leases, the deduction must be apportioned between the lessor and lessee under rules
278.17 prescribed by the commissioner. For property held in trust, the allowable deduction must
278.18 be apportioned between the income beneficiaries and the trustee under the pertinent
278.19 provisions of the trust instrument, or if there is no provision in the trust instrument, on the
278.20 basis of the trust's income allocable to each.

278.21 Subd. 8. **Refunds.** Refunds of income, excise, or franchise taxes based on net
278.22 income or related minimum taxes paid by the corporation to Minnesota, another state, a
278.23 political subdivision of another state, the District of Columbia, or a foreign country or
278.24 possession of the United States to the extent that the taxes were added to federal taxable
278.25 income under section 290.0133, subdivision 2, in a prior taxable year are a subtraction.

278.26 Subd. 9. **Exempt mining income.** Income or gains from the business of mining
278.27 as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota
278.28 franchise tax is a subtraction.

278.29 Subd. 10. **Disallowed disability access expenditures.** The amount of disability
278.30 access expenditures in the taxable year which are not allowed to be deducted or capitalized
278.31 under section 44(d)(7) of the Internal Revenue Code is a subtraction.

278.32 Subd. 11. **Disallowed qualified research expenses.** The amount of qualified
278.33 research expenses not allowed for federal income tax purposes under section 280C(c) of
278.34 the Internal Revenue Code is a subtraction, but only to the extent that the amount exceeds
278.35 the amount of the credit allowed under section 290.068.

279.1 Subd. 12. **Disallowed salary expenses; Indian employment credit.** The amount of
 279.2 salary expenses not allowed for federal income tax purposes due to claiming the Indian
 279.3 employment credit under section 45A(a) of the Internal Revenue Code is a subtraction.

279.4 Subd. 13. **Bonus depreciation.** (a) In each of the five taxable years immediately
 279.5 following the taxable year in which an addition is required under section 290.0133,
 279.6 subdivision 11, an amount equal to one-fifth of the delayed depreciation is a subtraction.

279.7 (b) For purposes of this subdivision, "delayed depreciation" means the amount of
 279.8 the addition made by the taxpayer under section 290.0133, subdivision 11, provided that
 279.9 delayed depreciation cannot be less than zero.

279.10 Subd. 14. **Section 179 expensing.** In each of the five taxable years immediately
 279.11 following the taxable year in which an addition is required under section 290.0133,
 279.12 subdivision 12, an amount equal to one-fifth of the amount of the addition is a subtraction.

279.13 Subd. 15. **Discharge of indebtedness income; reacquisition of business**
 279.14 **indebtedness.** (a) Discharge of indebtedness income resulting from reacquisition of
 279.15 business indebtedness included in federal taxable income under section 108(i) of the
 279.16 Internal Revenue Code is a subtraction. This subtraction applies only to the extent that
 279.17 the income was included in net income in a prior year as a result of the addition under
 279.18 Minnesota Statutes 2014, section 290.01, subdivision 19c, clause (16).

279.19 (b) This subdivision expires beginning with taxable years beginning after December
 279.20 31, 2019.

279.21 Subd. 16. **Railroad track maintenance expenses.** The amount of expenses not
 279.22 allowed for federal income tax purposes due to claiming the railroad track maintenance
 279.23 credit under section 45G(a) of the Internal Revenue Code is a subtraction.

279.24 Sec. 12. Minnesota Statutes 2014, section 290.06, subdivision 2c, is amended to read:

279.25 Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income
 279.26 taxes imposed by this chapter upon married individuals filing joint returns and surviving
 279.27 spouses as defined in section 2(a) of the Internal Revenue Code must be computed by
 279.28 applying to their taxable net income the following schedule of rates:

279.29 (1) On the first \$35,480, 5.35 percent;

279.30 (2) On all over \$35,480, but not over \$140,960, 7.05 percent;

279.31 (3) On all over \$140,960, but not over \$250,000, 7.85 percent;

279.32 (4) On all over \$250,000, 9.85 percent.

279.33 Married individuals filing separate returns, estates, and trusts must compute their
 279.34 income tax by applying the above rates to their taxable income, except that the income
 279.35 brackets will be one-half of the above amounts.

280.1 (b) The income taxes imposed by this chapter upon unmarried individuals must be
280.2 computed by applying to taxable net income the following schedule of rates:

- 280.3 (1) On the first \$24,270, 5.35 percent;
280.4 (2) On all over \$24,270, but not over \$79,730, 7.05 percent;
280.5 (3) On all over \$79,730, but not over \$150,000, 7.85 percent;
280.6 (4) On all over \$150,000, 9.85 percent.

280.7 (c) The income taxes imposed by this chapter upon unmarried individuals qualifying
280.8 as a head of household as defined in section 2(b) of the Internal Revenue Code must be
280.9 computed by applying to taxable net income the following schedule of rates:

- 280.10 (1) On the first \$29,880, 5.35 percent;
280.11 (2) On all over \$29,880, but not over \$120,070, 7.05 percent;
280.12 (3) On all over \$120,070, but not over \$200,000, 7.85 percent;
280.13 (4) On all over \$200,000, 9.85 percent.

280.14 (d) In lieu of a tax computed according to the rates set forth in this subdivision, the
280.15 tax of any individual taxpayer whose taxable net income for the taxable year is less than
280.16 an amount determined by the commissioner must be computed in accordance with tables
280.17 prepared and issued by the commissioner of revenue based on income brackets of not
280.18 more than \$100. The amount of tax for each bracket shall be computed at the rates set
280.19 forth in this subdivision, provided that the commissioner may disregard a fractional part of
280.20 a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

280.21 (e) An individual who is not a Minnesota resident for the entire year must compute
280.22 the individual's Minnesota income tax as provided in this subdivision. After the
280.23 application of the nonrefundable credits provided in this chapter, the tax liability must
280.24 then be multiplied by a fraction in which:

280.25 (1) the numerator is the individual's Minnesota source federal adjusted gross income
280.26 as defined in section 62 of the Internal Revenue Code and increased by the additions
280.27 required under section ~~290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), (9), and (11)~~
280.28 ~~to (14)~~ 290.0131, subdivisions 2 and 6 to 11, and reduced by the Minnesota assignable
280.29 portion of the subtraction for United States government interest under section ~~290.01,~~
280.30 ~~subdivision 19b, clause (1)~~ 290.0132, subdivision 2, and the subtractions under section
280.31 ~~290.01, subdivision 19b, clauses (8), (9), (13), (14), (16), and (17)~~ 290.0132, subdivisions
280.32 9, 10, 14, 15, 17, and 18, after applying the allocation and assignability provisions of
280.33 section 290.081, clause (a), or 290.17; and

280.34 (2) the denominator is the individual's federal adjusted gross income as defined in
280.35 section 62 of the Internal Revenue Code of 1986, increased by the amounts specified
280.36 in section ~~290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), (9), and (11) to (14)~~

281.1 290.0131, subdivisions 2 and 6 to 11, and reduced by the amounts specified in section
281.2 290.01, subdivision 19b, clauses (1), (8), (9), (13), (14), (16), and (17) 290.0132,
281.3 subdivisions 2, 9, 10, 14, 15, 17, and 18.

281.4 Sec. 13. Minnesota Statutes 2014, section 290.06, subdivision 22, is amended to read:

281.5 Subd. 22. **Credit for taxes paid to another state.** (a) A taxpayer who is liable for
281.6 taxes based on net income to another state, as provided in paragraphs (b) through (f), upon
281.7 income allocated or apportioned to Minnesota, is entitled to a credit for the tax paid to
281.8 another state if the tax is actually paid in the taxable year or a subsequent taxable year. A
281.9 taxpayer who is a resident of this state pursuant to section 290.01, subdivision 7, paragraph
281.10 (b), and who is subject to income tax as a resident in the state of the individual's domicile
281.11 is not allowed this credit unless the state of domicile does not allow a similar credit.

281.12 (b) For an individual, estate, or trust, the credit is determined by multiplying the tax
281.13 payable under this chapter by the ratio derived by dividing the income subject to tax in the
281.14 other state that is also subject to tax in Minnesota while a resident of Minnesota by the
281.15 taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue
281.16 Code, modified by the addition required by section ~~290.01, subdivision 19a, clause (1)~~
281.17 290.0131, subdivision 2, and the subtraction allowed by section ~~290.01, subdivision 19b,~~
281.18 ~~clause (1)~~ 290.0132, subdivision 2, to the extent the income is allocated or assigned to
281.19 Minnesota under sections 290.081 and 290.17.

281.20 (c) If the taxpayer is an athletic team that apportions all of its income under section
281.21 290.17, subdivision 5, the credit is determined by multiplying the tax payable under this
281.22 chapter by the ratio derived from dividing the total net income subject to tax in the other
281.23 state by the taxpayer's Minnesota taxable income.

281.24 (d) The credit determined under paragraph (b) or (c) shall not exceed the amount of
281.25 tax so paid to the other state on the gross income earned within the other state subject to
281.26 tax under this chapter, nor shall the allowance of the credit reduce the taxes paid under
281.27 this chapter to an amount less than what would be assessed if such income amount was
281.28 excluded from taxable net income.

281.29 (e) In the case of the tax assessed on a lump-sum distribution under section
281.30 290.032, the credit allowed under paragraph (a) is the tax assessed by the other state on
281.31 the lump-sum distribution that is also subject to tax under section 290.032, and shall
281.32 not exceed the tax assessed under section 290.032. To the extent the total lump-sum
281.33 distribution defined in section 290.032, subdivision 1, includes lump-sum distributions
281.34 received in prior years or is all or in part an annuity contract, the reduction to the tax on

282.1 the lump-sum distribution allowed under section 290.032, subdivision 2, includes tax paid
282.2 to another state that is properly apportioned to that distribution.

282.3 (f) If a Minnesota resident reported an item of income to Minnesota and is assessed
282.4 tax in such other state on that same income after the Minnesota statute of limitations
282.5 has expired, the taxpayer shall receive a credit for that year under paragraph (a),
282.6 notwithstanding any statute of limitations to the contrary. The claim for the credit must
282.7 be submitted within one year from the date the taxes were paid to the other state. The
282.8 taxpayer must submit sufficient proof to show entitlement to a credit.

282.9 (g) For the purposes of this subdivision, a resident shareholder of a corporation
282.10 treated as an "S" corporation under section 290.9725, must be considered to have paid
282.11 a tax imposed on the shareholder in an amount equal to the shareholder's pro rata share
282.12 of any net income tax paid by the S corporation to another state. For the purposes of the
282.13 preceding sentence, the term "net income tax" means any tax imposed on or measured by
282.14 a corporation's net income.

282.15 (h) For the purposes of this subdivision, a resident partner of an entity taxed as a
282.16 partnership under the Internal Revenue Code must be considered to have paid a tax imposed
282.17 on the partner in an amount equal to the partner's pro rata share of any net income tax paid
282.18 by the partnership to another state. For purposes of the preceding sentence, the term "net
282.19 income" tax means any tax imposed on or measured by a partnership's net income.

282.20 (i) For the purposes of this subdivision, "another state":

282.21 (1) includes:

282.22 (i) the District of Columbia; and

282.23 (ii) a province or territory of Canada; but

282.24 (2) excludes Puerto Rico and the several territories organized by Congress.

282.25 (j) The limitations on the credit in paragraphs (b), (c), and (d), are imposed on a
282.26 state by state basis.

282.27 (k) For a tax imposed by a province or territory of Canada, the tax for purposes of
282.28 this subdivision is the excess of the tax over the amount of the foreign tax credit allowed
282.29 under section 27 of the Internal Revenue Code. In determining the amount of the foreign
282.30 tax credit allowed, the net income taxes imposed by Canada on the income are deducted
282.31 first. Any remaining amount of the allowable foreign tax credit reduces the provincial or
282.32 territorial tax that qualifies for the credit under this subdivision.

282.33 Sec. 14. Minnesota Statutes 2014, section 290.067, subdivision 1, is amended to read:

282.34 Subdivision 1. **Amount of credit.** (a) A taxpayer may take as a credit against the
282.35 tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the

283.1 dependent care credit for which the taxpayer is eligible pursuant to the provisions of
283.2 section 21 of the Internal Revenue Code subject to the limitations provided in subdivision
283.3 2 except that in determining whether the child qualified as a dependent, income received
283.4 as a Minnesota family investment program grant or allowance to or on behalf of the child
283.5 must not be taken into account in determining whether the child received more than half
283.6 of the child's support from the taxpayer, and the provisions of section 32(b)(1)(D) of
283.7 the Internal Revenue Code do not apply.

283.8 (b) If a child who has not attained the age of six years at the close of the taxable year
283.9 is cared for at a licensed family day care home operated by the child's parent, the taxpayer
283.10 is deemed to have paid employment-related expenses. If the child is 16 months old or
283.11 younger at the close of the taxable year, the amount of expenses deemed to have been paid
283.12 equals the maximum limit for one qualified individual under section 21(c) and (d) of the
283.13 Internal Revenue Code. If the child is older than 16 months of age but has not attained the
283.14 age of six years at the close of the taxable year, the amount of expenses deemed to have
283.15 been paid equals the amount the licensee would charge for the care of a child of the same
283.16 age for the same number of hours of care.

283.17 (c) If a married couple:

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

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

283.20 (3) does not participate in a dependent care assistance program as defined in section
283.21 129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid
283.22 for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of
283.23 (i) the combined earned income of the couple or (ii) the amount of the maximum limit for
283.24 one qualified individual under section 21(c) and (d) of the Internal Revenue Code will
283.25 be deemed to be the employment related expense paid for that child. The earned income
283.26 limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed
283.27 amount. These deemed amounts apply regardless of whether any employment-related
283.28 expenses have been paid.

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

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

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

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

284.4 (e) In the case of a nonresident, part-year resident, or a person who has earned
284.5 income not subject to tax under this chapter including earned income excluded pursuant to
284.6 section ~~290.01, subdivision 19b, clause (9)~~ 290.0132, subdivision 10, the credit determined
284.7 under section 21 of the Internal Revenue Code must be allocated based on the ratio by
284.8 which the earned income of the claimant and the claimant's spouse from Minnesota
284.9 sources bears to the total earned income of the claimant and the claimant's spouse.

284.10 (f) For residents of Minnesota, the subtractions for military pay under section
284.11 ~~290.01, subdivision 19b, clauses (10) and (11)~~ 290.0132, subdivisions 11 and 12, are not
284.12 considered "earned income not subject to tax under this chapter."

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

284.16 Sec. 15. Minnesota Statutes 2015 Supplement, section 290.0671, subdivision 1,
284.17 is amended to read:

284.18 Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is
284.19 allowed a credit against the tax imposed by this chapter equal to a percentage of earned
284.20 income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the
284.21 Internal Revenue Code.

284.22 (b) For individuals with no qualifying children, the credit equals 2.10 percent of the
284.23 first \$6,180 of earned income. The credit is reduced by 2.01 percent of earned income
284.24 or adjusted gross income, whichever is greater, in excess of \$8,130, but in no case is
284.25 the credit less than zero.

284.26 (c) For individuals with one qualifying child, the credit equals 9.35 percent of the
284.27 first \$11,120 of earned income. The credit is reduced by 6.02 percent of earned income
284.28 or adjusted gross income, whichever is greater, in excess of \$21,190, but in no case is
284.29 the credit less than zero.

284.30 (d) For individuals with two or more qualifying children, the credit equals 11 percent
284.31 of the first \$18,240 of earned income. The credit is reduced by 10.82 percent of earned
284.32 income or adjusted gross income, whichever is greater, in excess of \$25,130, but in no
284.33 case is the credit less than zero.

284.34 (e) For a part-year resident, the credit must be allocated based on the percentage
284.35 calculated under section 290.06, subdivision 2c, paragraph (e).

285.1 (f) For a person who was a resident for the entire tax year and has earned income
285.2 not subject to tax under this chapter, including income excluded under section ~~290.01~~,
285.3 ~~subdivision 19b, clause (9)~~ 290.0132, subdivision 10, the credit must be allocated based
285.4 on the ratio of federal adjusted gross income reduced by the earned income not subject to
285.5 tax under this chapter over federal adjusted gross income. For purposes of this paragraph,
285.6 the subtractions for military pay under section ~~290.01, subdivision 19b, clauses (10) and~~
285.7 ~~(11)~~ 290.0132, subdivisions 11 and 12, are not considered "earned income not subject to
285.8 tax under this chapter."

285.9 For the purposes of this paragraph, the exclusion of combat pay under section 112
285.10 of the Internal Revenue Code is not considered "earned income not subject to tax under
285.11 this chapter."

285.12 (g) For tax years beginning after December 31, 2007, and before December 31,
285.13 2010, and for tax years beginning after December 31, 2017, the \$8,130 in paragraph (b),
285.14 the \$21,190 in paragraph (c), and the \$25,130 in paragraph (d), after being adjusted for
285.15 inflation under subdivision 7, are each increased by \$3,000 for married taxpayers filing joint
285.16 returns. For tax years beginning after December 31, 2008, the commissioner shall annually
285.17 adjust the \$3,000 by the percentage determined pursuant to the provisions of section 1(f)
285.18 of the Internal Revenue Code, except that in section 1(f)(3)(B), the word "2007" shall be
285.19 substituted for the word "1992." For 2009, the commissioner shall then determine the
285.20 percent change from the 12 months ending on August 31, 2007, to the 12 months ending on
285.21 August 31, 2008, and in each subsequent year, from the 12 months ending on August 31,
285.22 2007, to the 12 months ending on August 31 of the year preceding the taxable year. The
285.23 earned income thresholds as adjusted for inflation must be rounded to the nearest \$10. If the
285.24 amount ends in \$5, the amount is rounded up to the nearest \$10. The determination of the
285.25 commissioner under this subdivision is not a rule under the Administrative Procedure Act.

285.26 (h)(1) For tax years beginning after December 31, 2012, and before January 1, 2014,
285.27 the \$5,770 in paragraph (b), the \$15,080 in paragraph (c), and the \$17,890 in paragraph (d),
285.28 after being adjusted for inflation under subdivision 7, are increased by \$5,340 for married
285.29 taxpayers filing joint returns; and (2) for tax years beginning after December 31, 2013, and
285.30 before January 1, 2018, the \$8,130 in paragraph (b), the \$21,190 in paragraph (c), and the
285.31 \$25,130 in paragraph (d), after being adjusted for inflation under subdivision 7, are each
285.32 increased by \$5,000 for married taxpayers filing joint returns. For tax years beginning
285.33 after December 31, 2010, and before January 1, 2012, and for tax years beginning after
285.34 December 31, 2013, and before January 1, 2018, the commissioner shall annually adjust
285.35 the \$5,000 by the percentage determined pursuant to the provisions of section 1(f) of
285.36 the Internal Revenue Code, except that in section 1(f)(3)(B), the word "2008" shall be

286.1 substituted for the word "1992." For 2011, the commissioner shall then determine the
286.2 percent change from the 12 months ending on August 31, 2008, to the 12 months ending on
286.3 August 31, 2010, and in each subsequent year, from the 12 months ending on August 31,
286.4 2008, to the 12 months ending on August 31 of the year preceding the taxable year. The
286.5 earned income thresholds as adjusted for inflation must be rounded to the nearest \$10. If the
286.6 amount ends in \$5, the amount is rounded up to the nearest \$10. The determination of the
286.7 commissioner under this subdivision is not a rule under the Administrative Procedure Act.

286.8 (i) The commissioner shall construct tables showing the amount of the credit at
286.9 various income levels and make them available to taxpayers. The tables shall follow
286.10 the schedule contained in this subdivision, except that the commissioner may graduate
286.11 the transition between income brackets.

286.12 Sec. 16. Minnesota Statutes 2014, section 290.0674, subdivision 1, is amended to read:

286.13 Subdivision 1. **Credit allowed.** An individual is allowed a credit against the
286.14 tax imposed by this chapter in an amount equal to 75 percent of the amount paid for
286.15 education-related expenses for a qualifying child in kindergarten through grade 12. For
286.16 purposes of this section, "education-related expenses" means:

286.17 (1) fees or tuition for instruction by an instructor under section 120A.22, subdivision
286.18 10, clause (1), (2), (3), (4), or (5), or a member of the Minnesota Music Teachers
286.19 Association, and who is not a lineal ancestor or sibling of the dependent for instruction
286.20 outside the regular school day or school year, including tutoring, driver's education
286.21 offered as part of school curriculum, regardless of whether it is taken from a public or
286.22 private entity or summer camps, in grade or age appropriate curricula that supplement
286.23 curricula and instruction available during the regular school year, that assists a dependent
286.24 to improve knowledge of core curriculum areas or to expand knowledge and skills under
286.25 the required academic standards under section 120B.021, subdivision 1, and the elective
286.26 standard under section 120B.022, subdivision 1, clause (2), and that do not include the
286.27 teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such
286.28 tenets, doctrines, or worship;

286.29 (2) expenses for textbooks, including books and other instructional materials and
286.30 equipment purchased or leased for use in elementary and secondary schools in teaching
286.31 only those subjects legally and commonly taught in public elementary and secondary
286.32 schools in this state. "Textbooks" does not include instructional books and materials
286.33 used in the teaching of religious tenets, doctrines, or worship, the purpose of which is
286.34 to instill such tenets, doctrines, or worship, nor does it include books or materials for

287.1 extracurricular activities including sporting events, musical or dramatic events, speech
 287.2 activities, driver's education, or similar programs;

287.3 (3) a maximum expense of \$200 per family for personal computer hardware,
 287.4 excluding single purpose processors, and educational software that assists a dependent to
 287.5 improve knowledge of core curriculum areas or to expand knowledge and skills under
 287.6 the required academic standards under section 120B.021, subdivision 1, and the elective
 287.7 standard under section 120B.022, subdivision 1, clause (2), purchased for use in the
 287.8 taxpayer's home and not used in a trade or business regardless of whether the computer is
 287.9 required by the dependent's school; and

287.10 (4) the amount paid to others for transportation of a qualifying child attending an
 287.11 elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa,
 287.12 or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory
 287.13 attendance laws, which is not operated for profit, and which adheres to the provisions of
 287.14 the Civil Rights Act of 1964 and chapter 363A. Amounts under this clause exclude any
 287.15 expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle.

287.16 For purposes of this section, "qualifying child" has the meaning given in section
 287.17 32(c)(3) of the Internal Revenue Code.

287.18 Sec. 17. Minnesota Statutes 2014, section 290.0675, subdivision 1, is amended to read:

287.19 Subdivision 1. **Definitions.** (a) For purposes of this section the following terms
 287.20 have the meanings given.

287.21 (b) "Earned income" means the sum of the following, to the extent included in
 287.22 Minnesota taxable income:

287.23 (1) earned income as defined in section 32(c)(2) of the Internal Revenue Code;

287.24 (2) income received from a retirement pension, profit-sharing, stock bonus, or
 287.25 annuity plan; and

287.26 (3) Social Security benefits as defined in section 86(d)(1) of the Internal Revenue
 287.27 Code.

287.28 (c) "Taxable income" means net income as defined in section 290.01, subdivision 19.

287.29 (d) "Earned income of lesser-earning spouse" means the earned income of the
 287.30 spouse with the lesser amount of earned income as defined in paragraph (b) for the taxable
 287.31 year minus the sum of (i) the amount for one exemption under section 151(d) of the
 287.32 Internal Revenue Code and (ii) one-half the amount of the standard deduction under
 287.33 section 63(c)(2)(A) and (4) of the Internal Revenue Code ~~minus one-half of any addition~~
 287.34 ~~required under section 290.01, subdivision 19a, clause (17), and one-half of the addition~~

288.1 ~~that would have been required under section 290.01, subdivision 19a, clause (17), if the~~
288.2 ~~taxpayer had claimed the standard deduction.~~

288.3 Sec. 18. Minnesota Statutes 2014, section 290.0802, subdivision 1, is amended to read:

288.4 Subdivision 1. **Definitions.** For purposes of this section, the following terms have
288.5 the meanings given.

288.6 (a) "Adjusted gross income" means federal adjusted gross income as used in section
288.7 22(d) of the Internal Revenue Code for the taxable year, plus a lump-sum distribution as
288.8 defined in section 402(e)(3) of the Internal Revenue Code, and less any pension, annuity,
288.9 or disability benefits included in federal gross income but not subject to state taxation
288.10 other than the subtraction allowed under section ~~290.01, subdivision 19b, clause (4)~~
288.11 290.0132, subdivision 5.

288.12 (b) "Disability income" means disability income as defined in section 22(c)(2)(B)(iii)
288.13 of the Internal Revenue Code.

288.14 (c) "Nontaxable retirement and disability benefits" means the amount of pension,
288.15 annuity, or disability benefits that would be included in the reduction under section
288.16 22(c)(3) of the Internal Revenue Code and pension, annuity, or disability benefits included
288.17 in federal gross income but not subject to state taxation.

288.18 (d) "Qualified individual" means a qualified individual as defined in section 22(b) of
288.19 the Internal Revenue Code.

288.20 Sec. 19. Minnesota Statutes 2014, section 290.0802, subdivision 2, is amended to read:

288.21 Subd. 2. **Subtraction.** (a) A qualified individual is allowed a subtraction from
288.22 federal taxable income of the individual's subtraction base amount. The excess of the
288.23 subtraction base amount over the taxable net income computed without regard to the
288.24 subtraction for the elderly or disabled under section ~~290.01, subdivision 19b, clause (4)~~
288.25 290.0132, subdivision 5, may be used to reduce the amount of a lump sum distribution
288.26 subject to tax under section 290.032.

288.27 (b)(1) The initial subtraction base amount equals

288.28 (i) \$12,000 for a married taxpayer filing a joint return if a spouse is a qualified
288.29 individual,

288.30 (ii) \$9,600 for a single taxpayer, and

288.31 (iii) \$6,000 for a married taxpayer filing a separate federal return.

288.32 (2) The qualified individual's initial subtraction base amount, then, must be reduced
288.33 by the sum of nontaxable retirement and disability benefits and one-half of the amount of
288.34 adjusted gross income in excess of the following thresholds:

289.1 (i) \$18,000 for a married taxpayer filing a joint return if both spouses are qualified
289.2 individuals,

289.3 (ii) \$14,500 for a single taxpayer or for a married couple filing a joint return if only
289.4 one spouse is a qualified individual, and

289.5 (iii) \$9,000 for a married taxpayer filing a separate federal return.

289.6 (3) In the case of a qualified individual who is under the age of 65, the maximum
289.7 amount of the subtraction base may not exceed the taxpayer's disability income.

289.8 (4) The resulting amount is the subtraction base amount.

289.9 Sec. 20. Minnesota Statutes 2014, section 290.091, subdivision 2, is amended to read:

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

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

289.14 (1) the taxpayer's federal alternative minimum taxable income as defined in section
289.15 55(b)(2) of the Internal Revenue Code;

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

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

289.20 (ii) the medical expense deduction;

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

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

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

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

289.32 (5) to the extent not included in federal alternative minimum taxable income, the
289.33 amount of interest income as provided by section ~~290.01, subdivision 19a, clause (1)~~

289.34 290.0131, subdivision 2; and

290.1 (6) the amount of addition required by section ~~290.01, subdivision 19a, clauses (7)~~
 290.2 ~~to (9), and (11) to (14)~~ 290.0131, subdivisions 9 to 11;

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

290.4 (1) interest income as defined in section ~~290.01, subdivision 19b, clause (1)~~
 290.5 290.0132, subdivision 2;

290.6 (2) an overpayment of state income tax as provided by section ~~290.01, subdivision~~
 290.7 ~~19b, clause (2)~~ 290.0132, subdivision 3, to the extent included in federal alternative
 290.8 minimum taxable income;

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

290.13 (4) amounts subtracted from federal taxable income as provided by section ~~290.01,~~
 290.14 ~~subdivision 19b, clauses (6), (8) to (14), (16), and (21)~~ 290.0132, subdivisions 7, 9 to
 290.15 15, 17, and 21; and

290.16 (5) the amount of the net operating loss allowed under section 290.095, subdivision
 290.17 11, paragraph (c).

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

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

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

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

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

290.28 Sec. 21. Minnesota Statutes 2014, section 290.091, subdivision 6, is amended to read:

290.29 Subd. 6. **Credit for prior years' liability.** (a) A credit is allowed against the tax
 290.30 imposed by this chapter on individuals, trusts, and estates equal to the minimum tax
 290.31 credit for the taxable year. The minimum tax credit equals the adjusted net minimum
 290.32 tax for taxable years beginning after December 31, 1988, reduced by the minimum tax
 290.33 credits allowed in a prior taxable year. The credit may not exceed the excess (if any) for
 290.34 the taxable year of

290.35 (1) the regular tax, over

291.1 (2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.

291.2 (b) The adjusted net minimum tax for a taxable year equals the lesser of the net

291.3 minimum tax or the excess (if any) of

291.4 (1) the tentative minimum tax, over

291.5 (2) 6.75 percent of the sum of

291.6 (i) adjusted gross income as defined in section 62 of the Internal Revenue Code,

291.7 (ii) interest income as defined in section ~~290.01, subdivision 19a, clause (1)~~

291.8 290.0131, subdivision 2,

291.9 (iii) interest on specified private activity bonds, as defined in section 57(a)(5) of the

291.10 Internal Revenue Code, to the extent not included under clause (ii),

291.11 (iv) depletion as defined in section 57(a)(1), determined without regard to the last

291.12 sentence of paragraph (1), of the Internal Revenue Code, less

291.13 (v) the deductions allowed in computing alternative minimum taxable income

291.14 provided in subdivision 2, paragraph (a), clause (2) of the first series of clauses and clauses

291.15 (1), (2), and (3) of the second series of clauses, and

291.16 (vi) the exemption amount determined under subdivision 3.

291.17 In the case of an individual who is not a Minnesota resident for the entire year,

291.18 adjusted net minimum tax must be multiplied by the fraction defined in section 290.06,

291.19 subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax

291.20 must be multiplied by the fraction defined under subdivision 4, paragraph (b).

291.21 Sec. 22. Minnesota Statutes 2014, section 290.0921, subdivision 3, is amended to read:

291.22 Subd. 3. **Alternative minimum taxable income.** "Alternative minimum taxable

291.23 income" is Minnesota net income as defined in section 290.01, subdivision 19, and

291.24 includes the adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e),

291.25 (f), and (h) of the Internal Revenue Code. If a corporation files a separate company

291.26 Minnesota tax return, the minimum tax must be computed on a separate company basis.

291.27 If a corporation is part of a tax group filing a unitary return, the minimum tax must be

291.28 computed on a unitary basis. The following adjustments must be made.

291.29 (1) The portion of the depreciation deduction allowed for federal income tax

291.30 purposes under section 168(k) of the Internal Revenue Code that is required as an addition

291.31 under section ~~290.01, subdivision 19c, clause (12)~~ 290.0133, subdivision 11, is disallowed

291.32 in determining alternative minimum taxable income.

291.33 (2) The subtraction for depreciation allowed under section ~~290.01, subdivision~~

291.34 ~~19d, clause (14)~~ 290.0134, subdivision 13, is allowed as a depreciation deduction in

291.35 determining alternative minimum taxable income.

292.1 (3) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d)
292.2 of the Internal Revenue Code does not apply.

292.3 (4) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal
292.4 Revenue Code does not apply.

292.5 (5) The tax preference for depletion under section 57(a)(1) of the Internal Revenue
292.6 Code does not apply.

292.7 (6) The tax preference for tax exempt interest under section 57(a)(5) of the Internal
292.8 Revenue Code does not apply.

292.9 (7) The tax preference for charitable contributions of appreciated property under
292.10 section 57(a)(6) of the Internal Revenue Code does not apply.

292.11 (8) For purposes of calculating the adjustment for adjusted current earnings in
292.12 section 56(g) of the Internal Revenue Code, the term "alternative minimum taxable
292.13 income" as it is used in section 56(g) of the Internal Revenue Code, means alternative
292.14 minimum taxable income as defined in this subdivision, determined without regard to the
292.15 adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code.

292.16 (9) For purposes of determining the amount of adjusted current earnings under
292.17 section 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section
292.18 56(g)(4) of the Internal Revenue Code with respect to (i) the amount of foreign dividend
292.19 gross-up subtracted as provided in section ~~290.01, subdivision 19d, clause (1)~~ 290.0134,
292.20 subdivision 2, or (ii) the amount of refunds of income, excise, or franchise taxes subtracted
292.21 as provided in section ~~290.01, subdivision 19d, clause (8)~~ 290.0134, subdivision 8.

292.22 (10) Alternative minimum taxable income excludes the income from operating in a
292.23 job opportunity building zone as provided under section 469.317.

292.24 Items of tax preference must not be reduced below zero as a result of the
292.25 modifications in this subdivision.

292.26 Sec. 23. Minnesota Statutes 2014, section 290.311, subdivision 1, is amended to read:

292.27 Subdivision 1. **Partners.** (a) Partner's modifications. In determining gross income
292.28 and Minnesota taxable income of a partner, any modification described in ~~section~~
292.29 ~~290.01, subdivisions 19 to 19f~~ sections 290.0131 to 290.0135, which relates to an item
292.30 of partnership income, gain, loss or deduction shall be made in accordance with the
292.31 partner's distributive share, for federal income tax purposes, of the item to which the
292.32 modification relates.

292.33 (b) Character of items. Each item of partnership income, gain, loss, or deduction shall
292.34 have the same character for a partner under this section which it has for federal income tax
292.35 purposes. Where an item is not characterized for federal income tax purposes, it shall have

293.1 the same character for a partner as if realized directly from the source from which realized
293.2 by the partnership, or incurred in the same manner as incurred by the partnership.

293.3 (c) Minnesota tax avoidance or evasion. Where a partner's distributive share of an
293.4 item of partnership income, gain, loss or deduction is determined for federal income tax
293.5 purposes by special provision in the partnership agreement with respect to such item, and
293.6 where the effect of such provision is the avoidance or evasion of tax under this section,
293.7 the partner's distributive share of such item, and any modifications required with respect
293.8 thereto shall be determined as if the partnership agreement made no special provision
293.9 with respect to such item.

293.10 Sec. 24. Minnesota Statutes 2014, section 290.9727, subdivision 3, is amended to read:

293.11 Subd. 3. **Taxable net income.** For purposes of this section, taxable net income
293.12 means the lesser of:

293.13 (1) the recognized built-in gains of the S corporation for the taxable year, as
293.14 determined under section 1374 of the Internal Revenue Code, subject to the modifications
293.15 provided in section ~~290.01, subdivision 19f~~ 290.0135, that are allocable to this state
293.16 under section 290.17, 290.191, or 290.20; or

293.17 (2) the amount of the S corporation's federal taxable income, as determined under
293.18 section 1374(d)(4) of the Internal Revenue Code, subject to the provisions of ~~section~~
293.19 ~~290.01, subdivisions 19e to 19f~~ sections 290.0131 to 290.0135, that is allocable to this
293.20 state under section 290.17, 290.191, or 290.20.

293.21 Sec. 25. Minnesota Statutes 2014, section 290.9728, subdivision 2, is amended to read:

293.22 Subd. 2. **Taxable income.** For purposes of this section, taxable income means
293.23 the lesser of:

293.24 (1) the amount of the net capital gain of the S corporation for the taxable year, as
293.25 determined under sections 1222 and 1374 of the Internal Revenue Code, and subject to the
293.26 modifications provided in section ~~290.01, subdivision 19f~~ 290.0135, in excess of \$25,000
293.27 that is allocable to this state under section 290.17, 290.191, or 290.20; or

293.28 (2) the amount of the S corporation's federal taxable income, subject to the
293.29 provisions of ~~section 290.01, subdivisions 19e to 19f~~ sections 290.0133 to 290.0135, that
293.30 is allocable to this state under section 290.17, 290.191, or 290.20.

293.31 Sec. 26. Minnesota Statutes 2014, section 290.9729, subdivision 2, is amended to read:

293.32 Subd. 2. **Taxable income.** For the purposes of this section, taxable income means
293.33 the lesser of:

294.1 (1) the amount of the S corporation's excess net passive income, as determined under
 294.2 section 1375 of the Internal Revenue Code, subject to the provisions of ~~section 290.01,~~
 294.3 ~~subdivisions 19e to 19f~~ sections 290.0133 to 290.0135, that is allocable to this state under
 294.4 section 290.17, 290.191, or 290.20; or

294.5 (2) the amount of the S corporation's federal taxable income, as determined under
 294.6 section 1374(d)(4) of the Internal Revenue Code, subject to the provisions of ~~section~~
 294.7 ~~290.01, subdivisions 19e to 19f~~ sections 290.0133 to 290.0135, that is allocable to this
 294.8 state under section 290.17, 290.191, or 290.20.

294.9 Sec. 27. Minnesota Statutes 2014, section 298.01, subdivision 3b, is amended to read:

294.10 Subd. 3b. **Deductions.** (a) For purposes of determining taxable income under
 294.11 subdivision 3, the deductions from gross income include only those expenses necessary
 294.12 to convert raw ores to marketable quality. Such expenses include costs associated with
 294.13 refinement but do not include expenses such as transportation, stockpiling, marketing, or
 294.14 marine insurance that are incurred after marketable ores are produced, unless the expenses
 294.15 are included in gross income. The allowable deductions from a mine or plant that mines
 294.16 and produces more than one mineral, metal, or energy resource must be determined
 294.17 separately for the purposes of computing the deduction in section ~~290.01, subdivision 19e,~~
 294.18 ~~clause (8)~~ 290.0133, subdivision 9. These deductions may be combined on one occupation
 294.19 tax return to arrive at the deduction from gross income for all production.

294.20 (b) The provisions of ~~section 290.01, subdivisions 19e, clauses (6) and (8)~~ sections
 294.21 290.0133, subdivisions 7 and 9, and 19d, clauses (6) and (9) 290.0134, subdivisions 7 and
 294.22 9, are not used to determine taxable income.

294.23 Sec. 28. Minnesota Statutes 2014, section 298.01, subdivision 4b, is amended to read:

294.24 Subd. 4b. **Deductions.** For purposes of determining taxable income under
 294.25 subdivision 4, the deductions from gross income include only those expenses necessary
 294.26 to convert raw iron ore or taconite concentrates to marketable quality. Such expenses
 294.27 include costs associated with beneficiation and refinement but do not include expenses
 294.28 such as transportation, stockpiling, marketing, or marine insurance that are incurred after
 294.29 marketable iron ore or taconite pellets are produced. The allowable deductions from
 294.30 a mine or plant that mines and produces iron ore or taconite and one or more mineral
 294.31 or metal referred to in section 298.016 must be determined separately for the purposes
 294.32 of computing the deduction in section ~~290.01, subdivision 19e, clause (8)~~ 290.0133,
 294.33 subdivision 9. These deductions may be combined on one occupation tax return to arrive
 294.34 at the deduction from gross income for all production.

295.1 Sec. 29. Minnesota Statutes 2014, section 298.01, subdivision 4c, is amended to read:

295.2 Subd. 4c. **Special deductions; net operating loss.** (a) For purposes of determining
 295.3 taxable income under subdivision 4, the provisions of ~~section 290.01, subdivisions 19e,~~
 295.4 ~~clauses (6) and (8), and 19d, clauses (6) and (9)~~ sections 290.0133, subdivisions 7 and 9,
 295.5 and 290.0134, subdivisions 7 and 9, are not used to determine taxable income.

295.6 (b) The amount of net operating loss incurred in a taxable year beginning before
 295.7 January 1, 1990, that may be carried over to a taxable year beginning after December 31,
 295.8 1989, is the amount of net operating loss carryover determined in the calculation of the
 295.9 hypothetical corporate franchise tax under Minnesota Statutes 1988, sections 298.40
 295.10 and 298.402.

295.11 Sec. 30. **EFFECT OF REPEAL AND REENACTMENT; INSTRUCTION TO**
 295.12 **THE COMMISSIONER.**

295.13 (a) Pursuant to Minnesota Statutes, section 645.37, the repeal of income tax
 295.14 provisions and concurrent reenactment of the same provisions in the same or substantially
 295.15 the same terms in this article must be construed so that the earlier law is continued in
 295.16 active operation. All rights and liabilities incurred under such earlier law are preserved
 295.17 and may be enforced. All cross-references in new statutory sections incorporate their
 295.18 respective predecessor provisions.

295.19 (b) To the extent reasonable, the commissioner of revenue, in all communications
 295.20 with taxpayers regarding taxable years beginning before January 1, 2017, may refer to the
 295.21 recodified and renumbered provisions in this article by referencing the statutory section,
 295.22 subdivision, clause, item, and subitem numbers as codified prior to the effective date
 295.23 of this article, rather than the statutory section, subdivision, clause, item, and subitem
 295.24 numbers effective for taxable years beginning after December 31, 2016.

295.25 Sec. 31. **REVISOR'S INSTRUCTION.**

295.26 (a) The revisor of statutes shall renumber the provisions of Minnesota Statutes listed
 295.27 in column A to the references listed in column B.

| | <u>Column A</u> | <u>Column B</u> |
|--------|--------------------------------|-----------------|
| 295.28 | | |
| 295.29 | <u>290.01, subdivision 19f</u> | <u>290.0135</u> |
| 295.30 | <u>290.01, subdivision 19h</u> | <u>290.0136</u> |

295.31 (b) The revisor of statutes shall make necessary cross-reference changes in
 295.32 Minnesota Statutes and Minnesota Rules consistent with the repeal and reenactment of
 295.33 Minnesota Statutes, section 290.01, subdivisions 19a to 19d, and the renumbering of
 295.34 Minnesota Statutes, section 290.01, subdivisions 19f and 19h, in this act, and if Minnesota

296.1 Statutes, section 290.01, subdivisions 19a to 19d, 19f, or 19h, are further amended in
296.2 the 2016 legislative session, shall codify the amendments in a manner consistent with
296.3 this act. The revisor may make necessary changes to sentence structure to preserve the
296.4 meaning of the text.

296.5 Sec. 32. **REPEALER.**

296.6 Minnesota Statutes 2014, section 290.01, subdivisions 19a, 19b, 19c, and 19d, are
296.7 repealed.

296.8 Sec. 33. **EFFECTIVE DATE.**

296.9 This article is effective for taxable years beginning after December 31, 2016.

296.10 **ARTICLE 4**

296.11 **DATA PRACTICES CROSS-REFERENCES**

296.12 Section 1. Minnesota Statutes 2014, section 13.3806, is amended by adding a
296.13 subdivision to read:

296.14 Subd. 1c. **Health information exchange data.** Data practices provisions regarding
296.15 the health information exchange are contained in section 62J.498, subdivision 2,
296.16 paragraphs (b), (c), (d), and (e).

296.17 Sec. 2. Minnesota Statutes 2014, section 13.461, subdivision 16, is amended to read:

296.18 Subd. 16. **Child mortality review panel.** (a) Data practices of the commissioner
296.19 of human services as part of the child mortality review panel are governed by section
296.20 256.01, subdivision 12.

296.21 (b) For American Indian tribes with established child mortality review panels, access
296.22 to data in section 256.01, subdivision 12, is governed by section 256.01, subdivision
296.23 14b, paragraph (g).

296.24 Sec. 3. Minnesota Statutes 2014, section 13.461, is amended by adding a subdivision
296.25 to read:

296.26 Subd. 23a. **Opioid prescribing improvement program data.** Data practices
296.27 provisions relating to the opioid prescribing improvement program are contained in
296.28 section 256B.0638, subdivision 6.

296.29 Sec. 4. Minnesota Statutes 2014, section 13.6435, is amended by adding a subdivision
296.30 to read:

297.1 Subd. 4a. **Industrial hemp background check data.** Criminal history records
297.2 provided to the commissioner by a first-time applicant for a license to grow industrial
297.3 hemp for commercial purposes are classified under section 18K.04, subdivision 2.

297.4 **Sec. 5. REPEALER.**

297.5 Subdivision 1. **Obsolete subdivision.** Minnesota Statutes 2014, section 13.319,
297.6 subdivision 6, is repealed.

297.7 Subd. 2. **Obsolete subdivision.** Minnesota Statutes 2014, section 13.3806,
297.8 subdivision 18, is repealed.

297.9 Subd. 3. **Obsolete subdivision.** Minnesota Statutes 2014, section 13.598,
297.10 subdivision 4, is repealed.

297.11 Subd. 4. **Obsolete subdivision.** Minnesota Statutes 2014, section 13.6905,
297.12 subdivision 23, is repealed.

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Article locations in 16-5296

| | | |
|-----------|--|----------------|
| ARTICLE 1 | MISCELLANEOUS | Page.Ln 3.11 |
| ARTICLE 2 | GENERAL ASSISTANCE MEDICAL CARE | Page.Ln 172.16 |
| | REPEAL AND REENACTMENT; RENUMBERING; CROSS-REFERENCE AND CONFORMING CHANGES: ADDITIONS AND SUBTRACTIONS TO FEDERAL TAXABLE | |
| ARTICLE 3 | INCOME | Page.Ln 264.3 |
| ARTICLE 4 | DATA PRACTICES CROSS-REFERENCES | Page.Ln 296.10 |

13.319 EDUCATION DATA CODED ELSEWHERE.

Subd. 6. **Lead abatement program; testing and evaluation.** Treatment of data relating to testing under the lead abatement program is governed by section 144.9512, subdivision 8.

13.3806 PUBLIC HEALTH DATA CODED ELSEWHERE.

Subd. 18. **Terminated pregnancies.** Disclosure of reports of terminated pregnancies made to the commissioner of health is governed by section 145.413, subdivision 1.

13.598 EMPLOYMENT AND ECONOMIC DEVELOPMENT DATA CODED ELSEWHERE.

Subd. 4. **Aircraft facilities.** Specified data about an airline submitted in connection with state financing of certain aircraft maintenance facilities are classified under section 116R.02, subdivision 3.

13.6905 PUBLIC SAFETY DATA CODED ELSEWHERE.

Subd. 23. **Arson investigative data system.** Data in the arson investigative data system are classified in section 299F.04, subdivision 3a.

40A.03 PILOT COUNTY AGRICULTURAL LAND PRESERVATION.

Subdivision 1. **Pilot counties; selection.** By January 1, 1985, the commissioner, in consultation with counties and regional development commissions, where they exist, shall select not more than seven counties located outside of the metropolitan area that request to participate in a pilot program for county agricultural land preservation. If possible, counties shall include:

- (1) a county that currently has official controls for agricultural land preservation and an adjacent county that does not have official controls;
- (2) a county that is experiencing problems with forest land preservation;
- (3) a county where a high level of development is likely to occur in the next ten years; and
- (4) other counties representing a cross-section of agricultural uses and land management problems in the state.

Subd. 2. **Plans and official controls.** By December 31, 1987, each pilot county selected under subdivision 1 shall submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. The commissioner, in consultation with the regional development commission, shall review the plan and controls for consistency with the elements in this chapter and shall submit written comments to the county within 90 days of receipt of the proposal. The comments must include a determination of whether the plan and controls are consistent with the elements in this chapter. The commissioner shall notify the county of its determination. If the commissioner determines that the plan and controls are consistent, the county shall adopt the controls within 60 days of completion of the commissioner's review.

93.223 MINERAL LEASE SUSPENSE ACCOUNTS.

Subd. 2. **University fund mineral lease suspense account.** The university fund mineral lease suspense account is created as an account in the state treasury for mineral lease money deposited according to section 93.22, subdivision 2, clause (2). Interest earned on money in the account accrues to the account. After money is annually deposited in the account under section 93.22, subdivision 2, clause (2), the commissioner of management and budget shall certify 20 percent of the payments made during the preceding fiscal year as costs for the administration and management of mineral leases on permanent university fund lands. The commissioner of management and budget shall transfer the certified amount from the university fund mineral lease account to the general fund. The balance remaining in the account is annually transferred to the permanent university fund.

127A.48 ADJUSTMENT OF NET TAX CAPACITY.

Subd. 9. **Captured tax capacity adjustment.** In calculating adjusted net tax capacity, the commissioner of revenue shall increase the adjusted net tax capacity of a district containing a tax increment financing district for which an election is made under section 469.1782, subdivision 1,

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clause (1). The amount of the increase equals the captured net tax capacity of the tax increment financing district in the year preceding the first taxes payable year in which the special law permits collection beyond that permitted by the general law duration limit that otherwise would apply. The addition applies beginning for aid and levy for the first taxes payable year in which the special law permits collection of increment beyond that permitted by the general law duration limit that otherwise would apply. The addition continues to apply for each taxes payable year the district remains in effect.

147.031 EXAMINATIONS AND LICENSES OF OSTEOPATHS.

Subdivision 1. **Generally.** Any doctor of osteopathy licensed by the state Board of Osteopathy under Minnesota Statutes 1961, Sections 148.11 to 148.16, desiring to obtain a license to practice medicine shall apply to the secretary of the board and pay a fee of \$50 for the use of the board, which in no case shall be refunded. The applicant shall be examined in the subjects that the board then examines applicants under section 147.02 in which the applicant was not examined by the state Board of Osteopathy prior to the issuance of a license under Minnesota Statutes 1961, sections 148.11 to 148.16, prior to May 1, 1963. All applicants shall be known to the board members or examiners only by number, without names, or other methods of identification on examination papers by which board members or examiners may be able to identify such applicants, until the final grades of all the examination papers have been determined, and the licenses granted or refused. After such examination, the board, if eight members thereof consent, shall grant such doctor of osteopathy a license to practice medicine. The board may refuse to grant such a license to any person guilty of immoral, dishonorable, or unprofessional conduct, as defined in Minnesota Statutes 1961, chapter 147, but subject to the right of the applicant to appeal to the district court in the county in which the principal office of the board is located on the questions of law and fact.

Subd. 2. **Authorization to practice.** Any such doctor of osteopathy may, until so granted a license to practice medicine, continue to practice osteopathy as taught in reputable colleges of osteopathy, including the use and administration, in connection with the practice of obstetrics, minor surgery, and toxicology only, of anesthetics, narcotics, antidotes, and antiseptics subject to the same state and federal restrictions and limitations as are by law applicable to physicians licensed to practice medicine and shall have the same rights and powers and be subject to the same duties as physicians licensed to practice medicine with reference to matters pertaining to the public health, including the reporting of births and deaths. The board shall by rule determine what constitutes minor surgery, anesthetics, narcotics, antidotes, and antiseptics.

Subd. 3. **Prohibition.** No person who is not on May 1, 1963, licensed by the state Board of Osteopathy under Minnesota Statutes 1961, sections 148.11 to 148.16, shall engage in the practice of osteopathy or by use of titles or initials indicating degrees, or in any other way, hold out as being so engaged.

Subd. 4. **Penalty.** Every person who shall violate any provisions of this section shall be guilty of a gross misdemeanor.

Subd. 5. **Investigation.** The board shall investigate suspected violations of this section and institute proceedings thereunder.

148.232 REGISTRATION OF PUBLIC HEALTH NURSES.

A public health nurse certified for public health duties by the commissioner of health under section 145A.06, subdivision 3, or previous authority must be deemed to be registered as a public health nurse under the provisions of sections 148.171 to 148.285.

245.482 REPORTING AND EVALUATION.

Subd. 5. **Commissioner's consolidated reporting recommendations.** The commissioner's reports of February 15, 1990, required under section 245.487, subdivision 4, shall include recommended measures to provide coordinated, interdepartmental efforts to ensure early identification and intervention for children with, or at risk of developing, emotional disturbance, to improve the efficiency of the mental health funding mechanisms, and to standardize and consolidate fiscal and program reporting. The recommended measures must provide that client needs are met in an effective and accountable manner and that state and county resources are used as efficiently as possible. The commissioner shall consider the advice of the state advisory council and the children's subcommittee in developing these recommendations.

256.966 MEDICAL CARE PAYMENTS; COST PER SERVICE UNIT.

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Subdivision 1. **In general.** For the biennium ending June 30, 1985, the annual increase in the cost per service unit paid to any vendor under medical assistance and general assistance medical care shall not exceed five percent, except that the five percent annual increase limitation applied to vendors under this subdivision does not apply to nursing homes licensed under chapter 144A or boarding care homes licensed under sections 144.50 to 144.56. The estimated acquisition cost of prescription drug ingredients is not subject to the five percent increase limit, any general state payment reduction, or cost limitation described in this section, except as required under federal law or regulation. For vendors enrolled in the general assistance medical care program, the annual increase in cost per service unit allowable during state fiscal year 1984 shall not exceed five percent. The basis for measuring growth shall be the cost per service unit that would have been reimbursable in state fiscal year 1983 if payments had not been ratably reduced and if payments had been based on the 50th percentile of usual and customary billings for medical assistance in 1978. The increase in cost per service unit allowable for vendors in the general assistance medical care program during state fiscal year 1985 shall not exceed five percent. The basis for measuring growth shall be state fiscal year 1984.

256B.0645 PROVIDER PAYMENTS; RETROACTIVE CHANGES IN ELIGIBILITY.

Payment to a provider for a health care service provided to a general assistance medical care recipient who is later determined eligible for medical assistance or MinnesotaCare according to section 256L.03, subdivision 1a, for the period in which the health care service was provided, may be adjusted due to the change in eligibility. This section does not apply to payments made to health plans on a prepaid capitated basis.

259.24 CONSENTS.

Subd. 8. **Adoptive parents defined.** For the purposes of subdivision 6, and section 259.25, subdivision 2, the term "adoptive parents" shall mean parents who have received a child into their home with the intent to adopt the child.

290.01 DEFINITIONS.

Subd. 19a. **Additions to federal taxable income.** For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute; and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except:

(A) the portion of the exempt-interest dividends exempt from state taxation under the laws of the United States; and

(B) the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends, including any dividends exempt under subitem (A), that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(g) of the Internal Revenue Code, making the payment; and

(iii) for the purposes of items (i) and (ii), interest on obligations of an Indian tribal government described in section 7871(c) of the Internal Revenue Code shall be treated as interest income on obligations of the state in which the tribe is located;

(2) the amount of income, sales and use, motor vehicle sales, or excise taxes paid or accrued within the taxable year under this chapter and the amount of taxes based on net income paid, sales and use, motor vehicle sales, or excise taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the state itemized deduction exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code, minus any addition that would have been required under clause (17) if the taxpayer had claimed the standard deduction. For the purpose of this clause, income, sales and use, motor vehicle sales, or excise taxes are the last itemized deductions disallowed under clause (15);

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(3) the capital gain amount of a lump-sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law 99-514, applies;

(4) the amount of income taxes paid or accrued within the taxable year under this chapter and taxes based on net income paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729;

(5) the amount of expense, interest, or taxes disallowed pursuant to section 290.10 other than expenses or interest used in computing net interest income for the subtraction allowed under subdivision 19b, clause (1);

(6) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;

(7) 80 percent of the depreciation deduction allowed under section 168(k) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k) is allowed;

(8) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;

(9) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code;

(10) the amount of expenses disallowed under section 290.10, subdivision 2;

(11) for taxable years beginning before January 1, 2010, the amount deducted for qualified tuition and related expenses under section 222 of the Internal Revenue Code, to the extent deducted from gross income;

(12) for taxable years beginning before January 1, 2010, the amount deducted for certain expenses of elementary and secondary school teachers under section 62(a)(2)(D) of the Internal Revenue Code, to the extent deducted from gross income;

(13) discharge of indebtedness income resulting from reacquisition of business indebtedness and deferred under section 108(i) of the Internal Revenue Code;

(14) changes to federal taxable income attributable to a net operating loss that the taxpayer elected to carry back for more than two years for federal purposes but for which the losses can be carried back for only two years under section 290.095, subdivision 11, paragraph (c);

(15) the amount of disallowed itemized deductions, but the amount of disallowed itemized deductions plus the addition required under clause (2) may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code, and reduced by any addition that would have been required under clause (17) if the taxpayer had claimed the standard deduction:

(i) the amount of disallowed itemized deductions is equal to the lesser of:

(A) three percent of the excess of the taxpayer's federal adjusted gross income over the applicable amount; or

(B) 80 percent of the amount of the itemized deductions otherwise allowable to the taxpayer under the Internal Revenue Code for the taxable year;

(ii) the term "applicable amount" means \$100,000, or \$50,000 in the case of a married individual filing a separate return. Each dollar amount shall be increased by an amount equal to:

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) of the Internal Revenue Code for the calendar year in which the taxable year begins, by substituting "calendar year 1990" for "calendar year 1992" in subparagraph (B) thereof;

(iii) the term "itemized deductions" does not include:

(A) the deduction for medical expenses under section 213 of the Internal Revenue Code;

(B) any deduction for investment interest as defined in section 163(d) of the Internal Revenue Code; and

(C) the deduction under section 165(a) of the Internal Revenue Code for casualty or theft losses described in paragraph (2) or (3) of section 165(c) of the Internal Revenue Code or for losses described in section 165(d) of the Internal Revenue Code;

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(16) the amount of disallowed personal exemptions for taxpayers with federal adjusted gross income over the threshold amount:

(i) the disallowed personal exemption amount is equal to the number of personal exemptions allowed under section 151(b) and (c) of the Internal Revenue Code multiplied by the dollar amount for personal exemptions under section 151(d)(1) and (2) of the Internal Revenue Code, as adjusted for inflation by section 151(d)(4) of the Internal Revenue Code, and by the applicable percentage;

(ii) "applicable percentage" means two percentage points for each \$2,500 (or fraction thereof) by which the taxpayer's federal adjusted gross income for the taxable year exceeds the threshold amount. In the case of a married individual filing a separate return, the preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the applicable percentage exceed 100 percent;

(iii) the term "threshold amount" means:

(A) \$150,000 in the case of a joint return or a surviving spouse;

(B) \$125,000 in the case of a head of a household;

(C) \$100,000 in the case of an individual who is not married and who is not a surviving spouse or head of a household; and

(D) \$75,000 in the case of a married individual filing a separate return; and

(iv) the thresholds shall be increased by an amount equal to:

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) of the Internal Revenue Code for the calendar year in which the taxable year begins, by substituting "calendar year 1990" for "calendar year 1992" in subparagraph (B) thereof; and

(17) to the extent deducted in the computation of federal taxable income, for taxable years beginning after December 31, 2010, and before January 1, 2014, the difference between the standard deduction allowed under section 63(c) of the Internal Revenue Code and the standard deduction allowed for 2011, 2012, and 2013 under the Internal Revenue Code as amended through December 1, 2010.

Subd. 19b. Subtractions from federal taxable income. For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. No deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle to provide such transportation for a qualifying child. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50

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percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code, under the provisions of Public Law 109-1 and Public Law 111-126;

(7) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(8) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (12), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (12), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(9) job opportunity building zone income as provided under section 469.316;

(10) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service, including compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); or (ii) federally funded state active service as defined in section 190.05, subdivision 5b, and "active service" includes service performed in accordance with section 190.08, subdivision 3;

(11) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed under United States Code, title 10; or the authority of the United Nations;

(12) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(13) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (13), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (13), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(14) to the extent included in the federal taxable income of a nonresident of Minnesota, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief Act, Public Law 108-189, section 101(2);

(15) to the extent included in federal taxable income, the amount of national service educational awards received from the National Service Trust under United States Code, title 42, sections 12601 to 12604, for service in an approved Americorps National Service program;

(16) to the extent included in federal taxable income, discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under subdivision 19a, clause (13);

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(17) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c);

(18) the amount of expenses not allowed for federal income tax purposes due to claiming the railroad track maintenance credit under section 45G(a) of the Internal Revenue Code;

(19) the amount of the limitation on itemized deductions under section 68(b) of the Internal Revenue Code;

(20) the amount of the phaseout of personal exemptions under section 151(d) of the Internal Revenue Code; and

(21) to the extent included in federal taxable income, the amount of qualified transportation fringe benefits described in section 132(f)(1)(A) and (B) of the Internal Revenue Code. The subtraction is limited to the lesser of the amount of qualified transportation fringe benefits received in excess of the limitations under section 132(f)(2)(A) of the Internal Revenue Code for the year or the difference between the maximum qualified parking benefits excludable under section 132(f)(2)(B) of the Internal Revenue Code minus the amount of transit benefits excludable under section 132(f)(2)(A) of the Internal Revenue Code.

Subd. 19c. Corporations; additions to federal taxable income. For corporations, there shall be added to federal taxable income:

(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes, including but not limited to the tax imposed under section 290.0922, paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;

(2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; the District of Columbia; or Indian tribal governments;

(3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code;

(4) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction under section 810 of the Internal Revenue Code;

(5) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 and 965 of the Internal Revenue Code;

(6) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;

(7) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code;

(8) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code;

(9) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities;

(10) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;

(11) any increase in subpart F income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year when subpart F income is calculated without regard to the provisions of Division C, title III, section 303(b) of Public Law 110-343;

(12) 80 percent of the depreciation deduction allowed under section 168(k)(1)(A) and (k)(4)(A) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k)(1)(A) and (k)(4)(A) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)(1)(A) and (k)(4)(A)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k)(1)(A) and (k)(4)(A) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k)(1)(A) and (k)(4)(A) is allowed;

(13) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;

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(14) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code;

(15) the amount of expenses disallowed under section 290.10, subdivision 2; and

(16) discharge of indebtedness income resulting from reacquisition of business indebtedness and deferred under section 108(i) of the Internal Revenue Code.

Subd. 19d. **Corporations; modifications decreasing federal taxable income.** For corporations, there shall be subtracted from federal taxable income after the increases provided in subdivision 19c:

(1) the amount of foreign dividend gross-up added to gross income for federal income tax purposes under section 78 of the Internal Revenue Code;

(2) the amount of salary expense not allowed for federal income tax purposes due to claiming the work opportunity credit under section 51 of the Internal Revenue Code;

(3) any dividend (not including any distribution in liquidation) paid within the taxable year by a national or state bank to the United States, or to any instrumentality of the United States exempt from federal income taxes, on the preferred stock of the bank owned by the United States or the instrumentality;

(4) the deduction for capital losses pursuant to sections 1211 and 1212 of the Internal Revenue Code, except that:

(i) for capital losses incurred in taxable years beginning after December 31, 1986, capital loss carrybacks shall not be allowed;

(ii) for capital losses incurred in taxable years beginning after December 31, 1986, a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be allowed;

(iii) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryback to each of the three taxable years preceding the loss year, subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed; and

(iv) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryover to each of the five taxable years succeeding the loss year to the extent such loss was not used in a prior taxable year and subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed;

(5) an amount for interest and expenses relating to income not taxable for federal income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or 291 of the Internal Revenue Code in computing federal taxable income;

(6) in the case of mines, oil and gas wells, other natural deposits, and timber for which percentage depletion was disallowed pursuant to subdivision 19c, clause (8), a reasonable allowance for depletion based on actual cost. In the case of leases the deduction must be apportioned between the lessor and lessee in accordance with rules prescribed by the commissioner. In the case of property held in trust, the allowable deduction must be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the trust, or if there is no provision in the instrument, on the basis of the trust's income allocable to each;

(7) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7;

(8) amounts included in federal taxable income that are due to refunds of income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or a foreign country or possession of the United States to the extent that the taxes were added to federal taxable income under subdivision 19c, clause (1), in a prior taxable year;

(9) income or gains from the business of mining as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota franchise tax;

(10) the amount of disability access expenditures in the taxable year which are not allowed to be deducted or capitalized under section 44(d)(7) of the Internal Revenue Code;

(11) the amount of qualified research expenses not allowed for federal income tax purposes under section 280C(c) of the Internal Revenue Code, but only to the extent that the amount exceeds the amount of the credit allowed under section 290.068;

(12) the amount of salary expenses not allowed for federal income tax purposes due to claiming the Indian employment credit under section 45A(a) of the Internal Revenue Code;

(13) any decrease in subpart F income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year when subpart F income is calculated without regard to the provisions of Division C, title III, section 303(b) of Public Law 110-343;

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(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19c, clause (12), an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19c, clause (12). The resulting delayed depreciation cannot be less than zero;

(15) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19c, clause (13), an amount equal to one-fifth of the amount of the addition;

(16) to the extent included in federal taxable income, discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under subdivision 19c, clause (16); and

(17) the amount of expenses not allowed for federal income tax purposes due to claiming the railroad track maintenance credit under section 45G(a) of the Internal Revenue Code.

290.0692 SMALL BUSINESS INVESTMENT CREDIT.

Subdivision 1. **Definitions.** For purposes of this section, terms defined in section 116J.8737 have the meaning given in that section.

Subd. 2. **Credit allowed.** A qualified investor is allowed a credit against the tax imposed under this chapter for qualified investments made in a qualified small business for the taxable year. The credit equals the amount and applies to the taxable year indicated on the certificate provided to the qualified investor under section 116J.8737, but the maximum credit in any taxable year is \$250,000 for a married couple filing a joint return, and \$125,000 for all other claimants.

Subd. 3. **Proportional credits.** Each pass-through entity must provide each investor a statement indicating the investor's share of the credit amount certified to the pass-through entity based on its share of the pass-through entity's capital assets at the time of the qualified investment.

Subd. 4. **Credit refundable.** If the amount of the credit under this section for any taxable year exceeds the claimant's liability for tax under this chapter, the commissioner shall refund the excess to the claimant. An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

Subd. 5. **Audit powers.** Notwithstanding the certification eligibility issued by the commissioner of employment and economic development under section 116J.8737, the commissioner may utilize any audit and examination powers under chapter 270C or 289A to the extent necessary to verify that the taxpayer is eligible for the credit and to assess for the amount of any improperly claimed credit.

290.191 APPORTIONMENT OF NET INCOME.

Subd. 9. **Determination of property factor; general rules.** For all taxpayers, the property factor includes tangible property, real, personal, and mixed, owned or rented, and used by the taxpayer in connection with the trade or business, as set forth in subdivision 10. For financial institutions only, the property factor also includes intangible property, as set forth in subdivision 11. For both tangible and intangible property, the property included in the property factor is the average of the total property used by the taxpayer in connection with its business during the tax period. Such averages must be on a commensurate basis for property within and without the state.

Subd. 10. **Property factor; tangible property.** (a) Tangible property includes land, buildings, machinery and equipment, inventories, and other tangible personal property actually used by the taxpayer during the taxable year in carrying on the business activities of the taxpayer. Tangible property which is separately allocated under section 290.17 is not includable in the property factor.

(b) Cash on hand or in banks, shares of stock, notes, bonds, accounts receivable, or other evidences of indebtedness, special privileges, franchises, and goodwill, are specifically excluded from the property factor, except as otherwise provided for financial institutions in subdivision 11.

(c) The value of tangible property that is owned by the taxpayer and that is to be used in the apportionment fraction is the original cost adjusted for any later capital additions or improvements and partial disposition by reason of sale, exchange, or abandonment.

(d) For purposes of computing the property factor, United States government property that is used by the taxpayer must be considered owned by the taxpayer.

(e) Property that is rented by the taxpayer is valued at eight times the net annual rental. Net annual rental is the annual rental paid by the taxpayer less any annual rental received by the

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taxpayer from subrentals. If the subrents taken into account in determining the net annual rental produce a negative or clearly inaccurate value for any item of property, another method that will properly reflect the value of rented property may be required by the commissioner or requested by the taxpayer. In no case, however, shall the value be less than an amount which bears the same ratio to the annual rental paid by the taxpayer for such property as the fair market value of that portion of the property used by the taxpayer bears to the total fair market value of the rented property. Rents paid during the year cannot be averaged.

(f) A person filing a combined report shall use this method of calculating the property factor for all members of the group.

Subd. 11. **Financial institutions; property factor.** (a) For financial institutions, the property factor includes, as well as tangible property, intangible property as set forth in this subdivision.

(b) Intangible personal property must be included at its tax basis for federal income tax purposes.

(c) Goodwill must not be included in the property factor.

(d) Coin and currency located in this state must be attributed to this state.

(e) Lease financing receivables must be attributed to this state if and to the extent that the property is located within this state.

(f) Assets in the nature of loans that are secured by real or tangible personal property must be attributed to this state if and to the extent that the security property is located within this state.

(g) Assets in the nature of consumer loans and installment obligations that are unsecured or secured by intangible property must be attributed to this state if the loan was made to a resident of this state.

(h) Assets in the nature of commercial loan and installment obligations that are unsecured by real or tangible personal property or secured by intangible property must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the assets must be attributed to the state in which there is located the office of the borrower from which the application would be made in the regular course of business. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) A participating financial institution's portion of participation and syndication loans must be attributed under paragraphs (e) to (h).

(j) Financial institution credit card and travel and entertainment credit card receivables must be attributed to the state to which the credit card charges and fees are regularly billed.

(k) Receivables arising from merchant discount income derived from financial institution credit card holder transactions with a merchant are attributed to the state in which the merchant is located. In the case of merchants located within and without the state, only receivables from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Assets in the nature of securities and money market instruments are apportioned to this state based upon the ratio that total deposits from this state, its residents, its political subdivisions, agencies and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies and instrumentalities. In the case of an unregulated financial institution, the assets are apportioned to this state based upon the ratio that its gross business income earned from sources within this state bears to gross business income earned from sources within all states. For purposes of this paragraph, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities are attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations within this state.

(m) A financial institution's interest in any property described in section 290.015, subdivision 3, paragraph (b), is included in the property factor in the same manner as assets in the nature of securities or money market instruments are included under paragraph (1).

Subd. 12. **Determination of payroll factor.** (a) The payroll factor must be determined in the same way for all taxpayers.

(b) Wages or salaries must be determined to be paid or incurred in this state if the individual with respect to whom the wages or salaries are paid is either employed within this state or is actually engaged in work in the territorial confines of this state, or if working without this state, is identified with or accountable to an office within this state.

(c) The wages or salaries paid to officers and employees working from offices within this state are considered payroll within this state even though the officer's and employee's employment requires them to spend working time without this state. Officers and employees whose employment requires them to work without the state entirely and who are assigned to an office

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without the state, are not considered employees within the state for the purpose of apportionment even though their salaries are paid from the taxpayer's general offices within the state.

297A.71 CONSTRUCTION EXEMPTIONS.

Subd. 42. **Aerospace defense manufacturing facility.** (a) Materials and supplies used or consumed in, capital equipment incorporated into, and privately owned infrastructure in support of the construction, improvement, or expansion of an aerospace defense manufacturing facility are exempt if:

(1) the facility is used for the manufacturing of aerospace or defense-related sensors and the production of micro-electro-mechanical systems; and

(2) the total capital investment made at the facility is at least \$59,000,000.

(b) The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied, and refunded in the manner provided in section 297A.75, only after the following criteria have been met:

(1) a refund may not be issued until the owner of the aerospace defense manufacturing facility has received certification from the Department of Employment and Economic Development that the aerospace defense manufacturing facility employs no less than 1,653 full-time equivalent workers within the state, and has made a total capital investment of at least \$59,000,000;

(2) for each year that the owner of the aerospace defense manufacturing facility receives certification from the Department of Employment and Economic Development that no less than 1,653 full-time equivalent worker residents are employed workers within the state, the refund may be issued to the owner of the aerospace defense manufacturing facility at a rate of 25 percent of the total allowable refund payable to date, provided that the Department of Employment and Economic Development continues to certify that no less than 1,653 full-time equivalent workers are employed workers within the state, the commissioner of revenue may make annual payments of the remaining refund until all of the refund has been paid; and

(3) to receive the refund, the owner of the aerospace defense manufacturing facility must initially apply to the Department of Employment and Economic Development for certification no later than one year from the final completion date of construction of the expansion of the aerospace defense manufacturing facility.

Subd. 46. **Research and development facility.** Materials and supplies used or consumed in, and equipment incorporated into, the construction or improvement of a research and development facility that has laboratory space of at least 400,000 square feet and utilizes both high-intensity and low-intensity laboratories, provided that the project has a total construction cost of at least \$140,000,000 within a 24-month period. The tax on purchases imposed under this subdivision must be imposed and collected as if the rate under section 297A.62 applied and then refunded in the manner provided in section 297A.75.

Subd. 47. **Industrial measurement manufacturing and controls facility.** (a) Materials and supplies used or consumed in, capital equipment incorporated into, fixtures installed in, and privately owned infrastructure in support of the construction, improvement, or expansion of an industrial measurement manufacturing and controls facility are exempt if:

(1) the total capital investment made at the facility is at least \$60,000,000;

(2) the facility employs at least 250 full-time equivalent employees that are not employees currently employed by the company in the state; and

(3) the Department of Employment and Economic Development determines that the expansion, remodeling, or improvement of the facility has a significant impact on the state economy.

(b) The tax must be imposed and collected as if the rate under section 297A.62 applied and refunded in the manner provided in section 297A.75, only after the following criteria are met:

(1) a refund may not be issued until the owner of the facility has received certification from the Department of Employment and Economic Development that the company meets the requirements in paragraph (a); and

(2) to receive the refund, the owner of the industrial measurement manufacturing and controls facility must initially apply to the Department of Employment and Economic Development for certification no later than one year from the final completion date of construction, improvement, or expansion of the industrial measurement manufacturing and controls facility.

298.2961 PRODUCER GRANTS.

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Subd. 5. **Public works and local economic development fund.** For distributions in 2007 only, a special fund is established to receive 38.4 cents per ton that otherwise would be allocated under section 298.28, subdivision 6. The following amounts are allocated to St. Louis County acting as the fiscal agent for the recipients for the specific purposes:

- (1) 13.4 cents per ton for the Central Iron Range Sanitary Sewer District for construction of a combined wastewater facility and notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law, interest accrued on this money while held by St. Louis County shall also be distributed to the recipient;
- (2) six cents per ton to the city of Eveleth to redesign and design and construct improvements to renovate its water treatment facility;
- (3) one cent per ton for the East Range Joint Powers Board to acquire land for and to design a central wastewater collection and treatment system;
- (4) 0.5 cents per ton to the city of Hoyt Lakes to repair Leeds Road;
- (5) 0.7 cents per ton to the city of Virginia to extend Eighth Street South;
- (6) 0.7 cents per ton to the city of Mountain Iron to repair Hoover Road;
- (7) 0.9 cents per ton to the city of Gilbert for alley repairs between Michigan and Indiana Avenues and for repayment of a loan to the Minnesota Department of Employment and Economic Development;
- (8) 0.4 cents per ton to the city of Keewatin for a new city well;
- (9) 0.3 cents per ton to the city of Grand Rapids for planning for a fire and hazardous materials center;
- (10) 0.9 cents per ton to Aitkin County Growth for an economic development project for peat harvesting;
- (11) 0.4 cents per ton to the city of Nashwauk to develop a comprehensive city plan;
- (12) 0.4 cents per ton to the city of Taconite for development of a city comprehensive plan;
- (13) 0.3 cents per ton to the city of Marble for water and sewer infrastructure;
- (14) 0.8 cents per ton to Aitkin County for improvements to the Long Lake Environmental Learning Center;
- (15) 0.3 cents per ton to the city of Coleraine for the Coleraine Technology Center;
- (16) 0.5 cents per ton to the Economic Development Authority of the city of Grand Rapids for planning for the North Central Research and Technology Laboratory;
- (17) 0.6 cents per ton to the city of Bovey for sewer and water extension;
- (18) 0.3 cents per ton to the city of Calumet for infrastructure improvements; and
- (19) ten cents per ton to the commissioner of Iron Range Resources and Rehabilitation for deposit in a Highway 1 Corridor Account established by the commissioner, to be distributed by the commissioner to any of the cities of Babbitt, Cook, Ely, or Tower, for economic development projects approved by the board; notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law, interest accrued on this money while held by St. Louis County or the commissioner shall also be distributed to the recipient.

Subd. 6. **Renewable energy.** For distributions in 2009 only, a special account is established in the taconite environmental protection fund to receive 15.5 cents per ton that otherwise would be allocated under section 298.28, subdivision 6. The funds are available for cooperative projects between the Iron Range Resources and Rehabilitation Board and local governments for renewable energy initiatives.

Subd. 7. **2010 distributions only.** For distributions in 2010 only, a special fund is established to receive the sum of the following amounts that otherwise would be allocated under section 298.28, subdivision 6. The following amounts are allocated to St. Louis County acting as the fiscal agent for the recipients for the specific purposes:

- (1) 0.764 cent per ton must be paid to Northern Minnesota Dental to provide incentives for at least two dentists to establish dental practices in high-need areas of the taconite tax relief area;
- (2) 0.955 cent per ton must be paid to the city of Virginia for repairs and geothermal heat at the Olcott Park Greenhouse/Virginia Commons project;
- (3) 0.796 cent per ton must be paid to the city of Virginia for health and safety repairs at the Miners Memorial;
- (4) 1.114 cents per ton must be paid to the city of Eveleth for the reconstruction of Highway 142/Grant and Park Avenues;
- (5) 0.478 cent per ton must be paid to the Greenway Joint Recreation Board for upgrades and capital improvements to the public arena in Coleraine;
- (6) 0.796 cent per ton must be paid to the city of Calumet for water treatment and pumphouse modifications;
- (7) 0.159 cent per ton must be paid to the city of Bovey for residential and commercial claims for water damage due to water and flood-related damage caused by the Canisteo Pit;

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- (8) 0.637 cent per ton must be paid to the city of Nashwauk for a community and child care center;
- (9) 0.637 cent per ton must be paid to the city of Keewatin for water and sewer upgrades;
- (10) 0.637 cent per ton must be paid to the city of Marble for the city hall and library project;
- (11) 0.955 cent per ton must be paid to the city of Grand Rapids for extension of water and sewer services for Lakewood Housing;
- (12) 0.159 cent per ton must be paid to the city of Grand Rapids for exhibits at the Children's Museum;
- (13) 0.637 cent per ton must be paid to the city of Grand Rapids for Block 20/21 soil corrections. This amount must be matched by local sources;
- (14) 0.605 cent per ton must be paid to the city of Aitkin for three water loops;
- (15) 0.048 cent per ton must be paid to the city of Aitkin for signage;
- (16) 0.159 cent per ton must be paid to Aitkin County for a trail;
- (17) 0.637 cent per ton must be paid to the city of Cohasset for the Beiers Road railroad crossing;
- (18) 0.088 cent per ton must be paid to the town of Clinton for expansion and striping of the community center parking lot;
- (19) 0.398 cent per ton must be paid to the city of Kinney for water line replacement;
- (20) 0.796 cent per ton must be paid to the city of Gilbert for infrastructure improvements, milling, and overlay for Summit Street between Alaska Avenue and Highway 135;
- (21) 0.318 cent per ton must be paid to the city of Gilbert for sanitary sewer main replacements and improvements in the Northeast Lower Alley area;
- (22) 0.637 cent per ton must be paid to the town of White for replacement of the Stepetz Road culvert;
- (23) 0.796 cent per ton must be paid to the city of Buhl for reconstruction of Sharon Street and associated infrastructure;
- (24) 0.796 cent per ton must be paid to the city of Mountain Iron for site improvements at the Park Ridge development;
- (25) 0.796 cent per ton must be paid to the city of Mountain Iron for infrastructure and site preparation for its renewable and sustainable energy park;
- (26) 0.637 cent per ton must be paid to the city of Biwabik for sanitary sewer improvements;
- (27) 0.796 cent per ton must be paid to the city of Aurora for alley and road rebuilding for the Summit Addition;
- (28) 0.955 cent per ton must be paid to the city of Silver Bay for bioenergy facility improvements;
- (29) 0.318 cent per ton must be paid to the city of Grand Marais for water and sewer infrastructure improvements;
- (30) 0.318 cent per ton must be paid to the city of Orr for airport, water, and sewer improvements;
- (31) 0.716 cent per ton must be paid to the city of Cook for street and bridge improvements and land purchase, provided that if the city sells or otherwise disposes of any of the land purchased with the money provided under this clause within a period of ten years after it was purchased, the city must transfer a portion of the proceeds of the sale equal to the amount of the purchase price paid from the money provided under this clause to the commissioner of Iron Range Resources and Rehabilitation for deposit in the taconite environmental protection fund to be used for the purposes of the fund under section 298.223;
- (32) 0.955 cent per ton must be paid to the city of Ely for street, water, and sewer improvements;
- (33) 0.318 cent per ton must be paid to the city of Tower for water and sewer improvements;
- (34) 0.955 cent per ton must be paid to the city of Two Harbors for water and sewer improvements;
- (35) 0.637 cent per ton must be paid to the city of Babbitt for water and sewer improvements;
- (36) 0.096 cent per ton must be paid to the township of Duluth for infrastructure improvements;
- (37) 0.096 cent per ton must be paid to the township of Tofte for infrastructure improvements;
- (38) 3.184 cents per ton must be paid to the city of Hibbing for sewer improvements;

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(39) 1.273 cents per ton must be paid to the city of Chisholm for NW Area Project infrastructure improvements;

(40) 0.318 cent per ton must be paid to the city of Chisholm for health and safety improvements at the athletic facility;

(41) 0.796 cent per ton must be paid to the city of Hoyt Lakes for residential street improvements;

(42) 0.796 cent per ton must be paid to the Bois Forte Indian Reservation for infrastructure related to a housing development;

(43) 0.159 cent per ton must be paid to Balkan Township for building improvements;

(44) 0.159 cent per ton must be paid to the city of Grand Rapids for a grant to a nonprofit for a signage kiosk;

(45) 0.318 cent per ton must be paid to the city of Crane Lake for sanitary sewer lines and adjacent development near County State-Aid Highway 24; and

(46) 0.159 cent per ton must be paid to the city of Chisholm to rehabilitate historic wall infrastructure around the athletic complex.

383B.926 PREPAID HEALTH PLAN.

The corporation is a county-affiliated public teaching hospital for purposes of section 256D.03, subdivision 4.

386.23 PRE-1862 SHERIFF'S CERTIFICATES, TRANSCRIBING.

Subdivision 1. **Must be transcribed.** The county recorder in any county is hereby authorized and directed to transcribe, in appropriate records or electronic media to be provided for such purpose, all certificates now on file in the recorder's office, which were filed prior to May 10, 1862, made by sheriffs upon sales of real estate on mortgage foreclosures, judgments, and executions.

Subd. 2. **Compensation.** The county recorder shall receive compensation for transcribing each of such certificates, and for comparing and certifying all such certificates, filed prior to May 10, 1862, and not heretofore compared and certified, to be paid out of the county funds, and shall be allowed by the board of county commissioners of such county upon the completion of the work.

Subd. 3. **Prima facie; as of time filed.** The recording of such certificates shall have the effect of a record of the same from time to time when they were filed in such county recorder office and shall be prima facie evidence of the facts therein set forth.

507.30 ACTION TO TEST NEW COUNTY; CONVEYANCES, WHERE RECORDED.

During the pendency of any action or proceeding to test the validity of the organization of a new county, all instruments affecting real estate within such county may be recorded in the original county with the same effect as if recorded in such new county.

507.37 RECORD OF CONVEYANCE OF LAND IN UNORGANIZED COUNTY.

The record of every conveyance or other instrument affecting real estate in any unorganized county heretofore recorded in the county to which such unorganized county was then attached for judicial purposes, shall have the same force and effect as if recorded in the county where the real estate is situated.

557.07 SETTLER; ACTION FOR POSSESSION.

Any person who has settled on not more than 160 acres, consisting of not more than two distinct tracts, of the lands belonging to the United States, on which settlement is not prohibited by the general government, may maintain an action for injuries done thereto, or to recover the possession thereof, provided the settler has made improvements thereon of the value of \$50 and has actually occupied or cultivated the same. A neglect to occupy or cultivate such land, continued for six months, shall be deemed an abandonment, and preclude such person from maintaining such action.

Laws 2014, chapter 286, article 6, section 2

Sec. 2. Minnesota Statutes 2012, section 299A.63, subdivision 2, is amended to read:

Subd. 2. **Awarding grant.** The commissioner of public safety shall act as fiscal agent for the grant program and shall be responsible for receiving applications for grants and awarding grants under this section. At least 50 percent of the grants awarded under this section must be awarded to the cities of Minneapolis and St. Paul.

Laws 2015, chapter 45, section 17

Sec. 17. Minnesota Statutes 2014, section 349.181, subdivision 3, is amended to read:

Subd. 3. **Organization and lessor employees and volunteers.** (a) For purposes of this section, "volunteer" means a person who is not compensated by an organization but who performs activities in the conduct of lawful gambling for that organization.

(b) For purposes of this section, "conduct of pull-tabs, tipboards, and paddlewheels" includes selling tickets, redeeming tickets, auditing games, making deposits, spinning the paddlewheel, and conducting inventory.

(c) For purposes of this section, "conduct of bingo" includes selling bingo hard cards, bingo paper sheets, or facsimiles of bingo paper sheets; completing bingo occasion records; selecting or announcing bingo numbers; making deposits; and conducting inventory.

(d) An organization or lessor employee or volunteer who is involved in the conduct of pull-tabs, tipboards, or paddlewheels at a permitted premises may not participate directly or indirectly as a player in a pull-tab, tipboard, or paddlewheel game at that same premises. This restriction is in effect until six weeks after the employee or volunteer is no longer involved in the conduct of pull-tab, tipboard, or paddlewheel games at that same premises.

(e) A volunteer involved in the conduct of a tipboard or paddlewheel game that has no more than 32 chances per game may participate as a player in pull-tab, tipboard, or paddlewheel games at the same premises, except on the same business day that the volunteer was involved in the conduct of the games.

(f) An employee or volunteer who is involved in the conduct of any lawful gambling during a bingo occasion may not participate directly or indirectly as a player in any lawful gambling during that bingo occasion.

Laws 2015, chapter 68, article 14, section 8

Sec. 8. Minnesota Statutes 2014, section 353.27, subdivision 3b, is amended to read:

Subd. 3b. **Change in employee and employer contributions in certain instances.** (a) For purposes of this section:

(1) a contribution sufficiency exists if the total of the employee contribution under subdivision 2, the employer contribution under subdivision 3, the additional employer contribution under subdivision 3a, and any additional contribution previously imposed under this subdivision exceeds the total of the normal cost, the administrative expenses, and the amortization contribution of the general employees retirement plan as reported in the most recent actuarial valuation of the retirement plan prepared by the actuary retained under section 356.214 and prepared under section 356.215 and the standards for actuarial work of the Legislative Commission on Pensions and Retirement; and

(2) a contribution deficiency exists if the total of the employee contributions under subdivision 2, the employer contributions under subdivision 3, the additional employer contribution under subdivision 3a, and any additional contribution previously imposed under this subdivision is less than the total of the normal cost, the administrative expenses, and the amortization contribution of the general employees retirement plan as reported in the most recent actuarial valuation of the retirement plan prepared by the actuary retained under section 356.214 and prepared under section 356.215 and the standards for actuarial work of the Legislative Commission on Pensions and Retirement.

(b) Employee and employer contributions to the general employees retirement plan under subdivisions 2 and 3 must be adjusted:

(1) if the regular actuarial valuation of the general employees retirement plan of the Public Employees Retirement Association under section 356.215 indicates that there is a contribution sufficiency under paragraph (a) greater than one percent of covered payroll and that the sufficiency has existed for at least two consecutive years, the coordinated program employee and employer contribution rates must be decreased as determined under paragraph (c) to a level such that the

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sufficiency is no greater than one percent of covered payroll based on the most recent actuarial valuation; or

(2) if the regular actuarial valuation of the general employees retirement plan of the Public Employees Retirement Association under section 356.215 indicates that there is a contribution deficiency equal to or greater than 0.5 percent of covered payroll and that the deficiency has existed for at least two consecutive years, the coordinated program employee and employer contribution rates must be increased as determined under paragraph (d) to a level such that no deficiency exists based on the most recent actuarial valuation.

(c) If the actuarially required contribution of the general employees retirement plan is less than the total support provided by the combined employee and employer contribution rates under subdivisions 2, 3, and 3a, by more than one percent of covered payroll, the general employees retirement plan coordinated program employee and employer contribution rates under subdivisions 2 and 3 must be decreased incrementally over one or more years by no more than 0.25 percent of pay each for employee and employer matching contribution rates to a level such that there remains a contribution sufficiency of at least one percent of covered payroll. No contribution rate decrease may be made until at least two years have elapsed since any adjustment under this subdivision has been fully implemented.

(d) If the actuarially required contribution exceeds the total support provided by the combined employee and employer contribution rates under subdivisions 2, 3, and 3a, the employee and matching employer contribution rates must be increased equally to eliminate that contribution deficiency. If the contribution deficiency is:

(1) less than two percent, the incremental increase may be up to 0.25 percent for the general employees retirement plan employee and matching employer contribution rates;

(2) greater than 1.99 percent and less than 4.01 percent, the incremental increase may be up to 0.5 percent for the employee and matching employer contribution rates; or

(3) greater than four percent, the incremental increase may be up to 0.75 percent for the employee and matching employer contribution.

(e) The general employees retirement plan contribution sufficiency or deficiency determination under paragraphs (a) to (d) must be made including the contributions credited under section 353.27, subdivision 3c, and state aid under section 353.505.

(f) Any recommended adjustment to the contribution rates must be reported to the chair and the executive director of the Legislative Commission on Pensions and Retirement by January 15 following the receipt of the most recent annual actuarial valuation prepared under section 356.215. If the Legislative Commission on Pensions and Retirement does not recommend against the rate change or does not recommend a modification in the rate change, the recommended adjustment becomes effective for any salary paid on or after the January 1 next following the legislative session in which the Legislative Commission on Pensions and Retirement did not take any action to disapprove or modify the Public Employees Retirement Association Board of Trustees' recommendation to adjust the employee and employer rates.

(g) A contribution sufficiency of up to one percent of covered payroll must be held in reserve to be used to offset any future actuarially required contributions that are more than the total combined employee and employer contributions under subdivisions 2, 3, and 3a.

(h) Before any reduction in contributions to eliminate a sufficiency in excess of one percent of covered pay may be recommended, the executive director must review any need for a change in actuarial assumptions, as recommended by the actuary retained under section 356.214 in the most recent experience study of the general employees retirement plan prepared under section 356.215 and the standards for actuarial work promulgated by the Legislative Commission on Pensions and Retirement that may result in an increase in the actuarially required contribution and must report to the Legislative Commission on Pensions and Retirement any recommendation by the board to use the sufficiency exceeding one percent of covered payroll to offset the impact of an actuarial assumption change recommended by the actuary retained under section 356.214, subdivision 1, and reviewed by the actuary retained by the commission under section 356.214, subdivision 4.

(i) No contribution sufficiency in excess of one percent of covered pay may be proposed to be used to increase benefits, and no benefit increase may be proposed that would initiate an automatic adjustment to increase contributions under this subdivision. Any proposed benefit improvement must include a recommendation, prepared by the actuary retained under section 356.214, subdivision 1, and reviewed by the actuary retained by the Legislative Commission on Pensions and Retirement as provided under section 356.214, subdivision 4, on how the benefit modification will be funded.