

CHILD CARE

Prepared by:

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I. ABSENT DAY LIMITS

Chapter 147, Article 2, Section 13 (HF 1078)

Amends Minn. Stat. § 119B.13, subd. 7

Effective January 1, 2009

A. Absences Not Counted

Prohibits counting against the 25-day absent limit absences that are due to a documented medical condition of a parent or sibling who lives in the same residence as the child receiving child care assistance.

B. Verifying Illnesses

Allows persons other than a medical practitioner to verify illnesses. Persons now qualified to verify include: (1) a public health or school nurse, and, (2) the child care center director or lead teacher, if a provider sends a child home early due to a medical reason, including, but not limited to, fever or contagious illness.

C. Student-Parent Under 21 Exemption

Permits counties to exempt from the absent day limit children in families where at least one parent: (1) is under the age of 21; (2) does not have a high school or general equivalency diploma; and (3) is a student in a district or program that provides child care.

D. County Paid Absences

Allows counties to pay for more absent days than the statewide absent day policy allows if justified by the local market justifies (e.g., if the prevailing private market practice by providers within a county is to require parents to pay for absent days). County policies for payment of excess absent days must be included in the county's child care fund plan.

II. AGENCY VISITS TO UNLICENSED PROVIDERS

Chapter 147, Article 2, Section 55 (HF 1078)

Effective August 1, 2007

Requires the Department of Human Services (DHS) to present recommendations in January 2008 to the Legislature on agency visits to each legally unlicensed child care provider receiving child care assistance funds for the purpose of providing information on health and safety, and school readiness.

III. AT-HOME INFANT CARE PROGRAM

Chapter 147, Article 2, Section 4 (HF 1078)

Amends Minn. Stat. § 119B.035, subd. 1

Effective July 1, 2007

Removes requirement for DHS to set aside 3% of the annual state appropriation for the basic sliding fee program for the at-home infant care program.

IV. CO-PAYS

Chapter 147, Article 2, Section 9 (HF 1078)
Amends Minn. Stat. § 119B.09, subd. 1
Effective July 1, 2007

Reduces the minimum parent co-pay from \$10 to \$5 per month for families with household incomes between 75% and 100% of federal poverty level (FPG). Reduces the cap on all other co-pays from 18% to 14% of household income.

V. EARLY CHILDHOOD SCHOLARSHIP

Chapter 147, Article 1, Section 62 (HF 1078)
Effective July 1, 2007

Creates three pre-kindergarten exploratory projects for families with incomes less than 185% of FPG. Participating families are eligible for up to \$4,000 per year for their children's education in a quality early education program. Projects will operate during 2008 and 2009 in the City of St. Paul, Hennepin County, and Blue Earth County, respectively. Evaluation will be conducted by the Minnesota Early Learning Foundation.

VI. ELIGIBILITY REQUIREMENTS AND PARENT FEE SCHEDULES

Chapter 147, Article 2, Section 8 (HF 1078)
Adds Minn. Stat. § 119B.09, subd. 12
Effective July 1, 2008

Requires DHS to convert income eligibility requirements and parent fee schedules from a percentage of FPG to state median income. Adjusts income eligibility and fees for family size.

VII. PROVIDER ACCREDITATION

Chapter 147, Article 2, Section 12 (HF 1078)
Amends Minn. Stat. § 119B.13, subd. 3a
Effective August 1, 2007

Adds two new qualifications for early childhood development credential and accreditation: (1) a child development associate credential; or (2) a post baccalaureate degree in early childhood education from an accredited college or university. New qualifications may result in a provider rate differential.

VIII. PROVIDER RATE SURVEY AND MODIFICATION

Chapter 147, Article 2, Section 4 (HF 1078)
Amends Minn. Stat. § 119B.13, subd. 1
Effective August 1, 2007

Changes obligation of DHS to survey rates charged by child care providers in Minnesota to determine the 75th percentile for like-care arrangements in counties from every two years to every year. Permits a rate that includes a special needs rate paid under a school readiness service agreement to be in excess of the maximum rate allowed.

IX. PROVIDER STUDY

Chapter 147, Article 2, Section 59 (HF 1078)
Effective August 1, 2007

Directs DHS to study the implications of restricting the use of state subsidies for center-based child care to centers meeting state quality standards under Minnesota law, and report to the Legislature on January 1, 2010.

X. UNAUTHORIZED PROVIDERS

Chapter 147, Article 2, Section 10 (HF 1078)
Amends Minn. Stat. § 119B.125, subd. 2
Effective August 1, 2007

Clarifies that a person is prohibited from being a legal non-licensed family child care provider if found guilty of wrongfully obtaining public assistance: (1) by a federal or state court; (2) by an administrative hearing determination or waiver; (3) under a disqualification consent agreement; (4) as part of an approved diversion plan; or (5) under court-ordered stay.

CONSUMER LAW

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I. CANCELLATION OF CERTAIN CONTRACTS BY MILITARY PERSONNEL

Chapter 111 (HF 532)
Adds Minn. Stat. §§ 325G.53 and 325G.54
Effective August 1, 2007

A. Cell Phone Contracts

Permits a person in the military who has been issued orders into active duty, for deployment, or for a permanent change of duty station (or the spouse of the service member) to cancel a cell phone contract without penalty after 30 days' notice to the cell phone company of the intention to end the contract.
Adds Minn. Stat. § 325G.53

B. Rental, Club, Service and Membership Travel Contracts

Permits a person in the military (but not the spouse) to cancel rental contracts, club contracts, service contracts, and membership travel contracts with no penalty and for a full refund of any deposit where: (1) the person was issued orders into active duty, for deployment, or for a permanent change of duty station after entering into the contract; and (2) it would be impractical for the person to enjoy the benefits of the contract. Termination of the contract is effective after the business receives notice from the person in the military.
Adds Minn. Stat. § 325G.54

II. CAR BUYER'S BILL OF RIGHTS

Chapter 99 (SF 1333)
Adds Minn. Stat. §§ 53C.01, subds. 12a, 12b, and 12c; 53C.08, subd. 1a; 53C.083; 325F.662, subd. 8a
Effective January 1, 2008

A. Advertising Used Vehicles as "Certified"

Prohibits a dealer or retail seller from advertising a used motor vehicle as "certified" if the dealer knows or has reason to know that the car may have

been substantially damaged by conditions such as flood, fire or impact, the odometer does not accurately reflect the miles driven, or the vehicle's title history indicates repair or title defect.
Adds Minn. Stat. § 325F.662, subd. 8a

B. Cost Disclosure for Ancillary Products

Requires disclosure by dealer, prior to execution of a sales contract with a buyer and in at least 10 point type and on a document separate from the sales contract, of: (1) the total price of enumerated "soft" or additional products, such as service contracts, theft deterrent devices, surface protection products, or insurance products, which are defined; and (2) the cost of the consumer's monthly payment with and without these additional products.

Adds Minn. Stat. §§ 53C.01, subds. 12a, 12b, and 12c (definitions); and 53C.08, subd. 1a (disclosure requirements)

C. Notice to Consumers Regarding Use of Credit Report

Requires a retail seller of motor vehicles to provide a buyer: (1) with notice that a credit report has been obtained; (2) that the consumer has the right to request the name and address of the credit reporting agency that provided the report; and (3) that the contents of the report are important because it helps the lender determine whether credit will be extended and at what price.

Adds Minn. Stat. § 58.083

III. CREDIT SERVICES (REPAIR) ORGANIZATIONS

Chapter 44, Section 8 (SF 1920)

Amends Minn. Stat. § 332.54, subd. 7

Effective August 1, 2007

Increases initial and renewal fee from \$100 to \$1,000.

IV. DEBT MANAGEMENT SERVICES

Chapter 57, Article 3, Sections 42-61, 64 (SF 2096)

Amends Minn. Stat. §§ 325E.31, subd. 6; and 325N.01

Adds Chapter 332A

Repeals Minn. Stat. §§ 332.12-332.29

Effective August 1, 2008 (for new registrants) and January 1, 2008 (for existing licensees)

Replaces existing state regulation of "debt proraters." Applies to all entities providing debt management services to consumers in the State, regardless of where the provider is located.

A. Definition of Debt Management Services

Defines "Debt Management Services" to include management of an individual's financial affairs by (1) distributing income or money to creditors; (2) adjusting, prorating, pooling or liquidating the indebtedness of a debtor; or (3) holding out as engaged in such businesses, regardless of whether a fee is charged to the debtor. Excludes debt settlers.

Adds Minn. Stat. § 332A.02, subd. 9

B. Registration Requirements

1. *Registration*
Requires a debt management services provider doing business with a Minnesota consumer to be registered with the Minnesota Department of Commerce. Grandfathers existing eight Minnesota-based credit counseling agencies. Contracts signed prior to the effective date are valid, but fees must conform to new provisions.
Adds Minn. Stat. § 332A.03
2. *Application Form*
Establishes criteria for approval, including a requirement that applicants show proof of accreditation as a credit counseling entity and disclosure of whether the applicant's license or registration has ever been suspended or revoked in any other jurisdiction.
Adds Minn. Stat. § 332A.04, subd. 1
3. *Bond*
Requires a debt management services provider to post a bond of not less than \$5,000, which can be modified by the department.
Adds Minn. Stat. § 332A.04, subd. 4
4. *Denial, Suspension, Revocation*
Establishes bases for denial suspension and revocation of registration, and establishes due process procedures for agency actions.
Adds Minn. Stat. §§ 332A.08 and 332A.09

C. Contract

1. *Requirement of Contract*
Prohibits a debt management services provider from performing services or receiving compensation without first having executed a contract (called a "debt management services agreement") with the debtor.
Adds Minn. Stat § 332A.10, subd. 1
2. *Duties of Prior to Execution of Contract*
Prohibits a debt management services provider from executing a contract with the debtor without first having: (1) provided the debtor with individualized counseling related to household finance issues; (2) prepared and presented to the debtor an individualized financial analysis and a proposed debt management services plan; (3) made a supportable determination that the debtor would benefit from such services; and (4) provided the debtor with a list of creditors the debt management services provider reasonably believes will participate in the debt management plan. Requires the provider to inform the debtor in writing that debt management services are not suitable for all debtors and that there are other ways, including bankruptcy, to deal with indebtedness.
Adds Minn. Stat § 332A.10, subd. 2

3. Required Terms

Mandates that the agreement between the provider and the debtor must contain enumerated terms, including: (1) the amount of any initial or monthly fees to be paid by the debtor; (2) the total amount of fees reasonably anticipated to be paid by the debtor over the term of the agreement; (3) a detailed description of all services to be performed by the debt management services provider; (4) a prominent statement describing the terms upon which the debtor may cancel the contract; and (5) the debt management services provider's refund policy.

Adds Minn. Stat § 332A.10, subd. 3

4. Prohibited Terms

Prohibits any debt management services contract from containing: (1) a hold harmless clause; (2) a waiver of claims; (3) a confession of judgment or power of attorney to confess judgment; or (4) a mandatory arbitration clause.

Adds Minn. Stat. § 332A.10, subd. 4

D. Right to Cancel or Rescind

Provides that a debtor has the right to cancel the debt management services agreement without cause at any time upon ten days' written notice to the debt management services provider. A debt management services provider has a right to cancel the agreement upon 30 days' written notice to the debtor, but only with "good cause." Also, a debtor has the right to rescind where a provider has materially violated any provision of the statute and receive a refund of all fees retained, except those encumbered by creditors.

Adds Minn. Stat. §§ 332A.11, subd. 1 (cancellation); and 332A.17 (rescission)

E. Fees

Caps initial set up fee at \$50 and monthly fees at the lesser of 15% of the debtor's monthly payment to the provider or \$75. Requires that monthly fees must be reasonable for the services provided.

Adds Minn. Stat. § 332A.13, subds. 1 (initial fee) and 2 (monthly fee)

F. Requirements of Debt Management Services Providers

Requires that debt management services providers must: (1) actively seek to obtain the consent of all creditors to the debt management services plan; (2) notify the debtor within 10 days of any creditor's refusal to consent to a plan or within 15 days of any creditor's withdrawal from a plan; (3) hold debtor payments in trust; and (4) make timely payments to creditors.

Adds Minn. Stat. § 332A.13, subds. 6 (consent), 7 (withdrawal), 8 (trust account) and 9 (timely payments)

G. Prohibited Acts

Prohibits 15 practices, including: (1) until a debt management services plan is in place, advising a debtor to stop paying a creditor; (2) engaging in any unfair, deceptive, or unconscionable act or practice in connection with any service provided to any debtor; (3) lending money or providing credit to any debtor if any interest or fee is charged; (4) offering compensation for a referral; (5) except for a non-profit organization, receiving any fee from a third party; (6) charging credit insurance; (7) operating or employing a person who is an employee or owner of a debt collection or process-serving

business; or (8) soliciting, demanding, collecting, or requiring, payment of any sum the purports to be a voluntary contribution.
Adds Minn. Stat. § 332A.14

H. Advertising Restrictions

Prohibits debt management services providers from: (1) generally making false, deceptive or misleading statements or omissions about rates, terms or conditions of an actual or proposed debt management services plan; or (2) specifically representing that the provider is acting on behalf of a government agency, or is a non-profit entity unless all of the services to be provided will be performed by a non-profit.
Adds Minn. Stat. § 332A.16

I. Enforcement and Remedies

1. *Deceptive Practice*

Provides that a violation of Chapter 332A is considered an unfair or deceptive trade practice under Minn. Stat. § 8.31, subd. 1, and that an action taken under section 8.31 is in the public interest.
Adds Minn. Stat. § 332A.18, subd. 1

2. *Private Right of Action*

Provides for individual private right of action and class actions. Violators are liable to: (1) an individual plaintiff for the sum of (i) actual, incidental, and consequential damages sustained by the debtor as a result of the failure, and (ii) statutory damages of up to \$1,000; (2) a class for an amount as the court may allow. Provides that remedies are cumulative, not exclusive.
Adds Minn. Stat. § 332A.18, subds. 2 (private right) and 4 (remedies cumulative)

3. *Public Enforcement*

Empowers the Attorney General to enforce the statute.
Adds Minn. Stat. § 332A.18, subd. 5

J. Applicability to Other Laws

Includes debt management services providers under the do not call prohibitions. *Amends Minn. Stat. § 325E.311, subd. 6*

V. EQUITY STRIPPING

Chapter 106, Sections 1-10, 26 (SF 1533)

Amends Minn. Stat. §§ 325N.01; 325N.03; 325N.04; 325N.10, subds. 3 and 4; 325N.13; 325N.14; 325N.17; and Minn. Laws 2004, Chapter 263, Section 26

Adds Minn. Stat. §§ 325N.10, subd. 7; and 325N.18, subd. 6

Effective August 1, 2007

A. Expansion of Properties Covered by Statutory Protections

Amends the definitions of "foreclosure reconveyance" and "residence in foreclosure" to extend protections under the statute. Properties now protected include any property:

- owned either by: (1) the foreclosure purchaser or foreclosure consultant; or (2) a person affiliated with the foreclosure purchaser or

foreclosure consultant. (Previously, only the residence in foreclosure was subject to the protections.)

Amends Minn. Stat. §§ 325N.01; and 325N.10, subd. 3

- in delinquency or default and contract for deed properties. (Previously, coverage was limited to a property where a notice of pendency of foreclosure was recorded or where a summons and complaint had issued.)

Amends Minn. Stat. §§ 325N.01; and 325N.10, subd. 7

B. Right to Mandatory Stay of Eviction Without Bond

1. *Elements of Proof Necessary to Obtain Stay*

Requires a court to issue an automatic stay of an eviction action, without imposition of a bond, if the foreclosed homeowner (now a tenant) makes a prima facie showing that s/he has:

(a) done any other the following:

(i) commenced an action under Chapter 325N;

(ii) asserted a defense that the property is also the subject of a foreclosure reconveyance in violation of Chapter 325N, or

(iii) asserts a claim or defense of fraud, misrepresentation or like claims in connection with the foreclosure reconveyance;

(b) owned the residence in foreclosure;

(c) conveyed title to the residence to a third party based on a promise that the home owner would be able occupy the residence or another residence owned by the foreclosure purchaser or an affiliate of the foreclosure purchaser; and

(d) has continuously occupied the residence since the conveyance.

Adds Minn. Stat. § 325N.18, subd. 6

2. *Length of Stay*

Provides that the stay remains in effect: (1) for 90 days; or (2) if the foreclosed homeowner files a lawsuit alleging claims under Chapter 325N or fraud claims related to a foreclosure reconveyance within the 90 day period, until the court hearing such claims orders the stay lifted.

Adds Minn. Stat. § 325N.18, subd. 6

3. *Sanctions for Frivolous Claims*

A foreclosed homeowner who asserts a frivolous or bad faith claim or defense under this section is subject to a \$500 penalty and the other party's reasonable attorney's fees. Provides that the penalty is deducted from the equity that must be returned to the foreclosed homeowner under existing law as a result of the failed foreclosure reconveyance.

Amends Minn. Stat. § 325N.17

Adds Minn. Stat. § 325N.18, subd. 6

C. Clarification of Exempt Persons

Amends the definition of "foreclosure purchaser" by specifying that a person is not a foreclosure purchaser if the person: (1) is not in the business of foreclosure purchasing; and (2) the person has a prior personal relationship with the foreclosed homeowner. Removes the requirement that a person

must have engaged in more than one transaction in a 24 month period to be considered a foreclosure purchaser, thus eliminating the ambiguity created as to whether the first transaction was a covered transaction if the person engaged in a second transaction within the 24 month period.

Amends Minn. Stat. § 325N.10, subd. 4

D. Foreclosure Reconveyance Closing

Clarifies that the prohibition on a closing being conducted by an affiliate of the purchaser includes anyone who is an employee of such affiliate or has a business or personal relationship with the foreclosure purchaser.

Amends Minn. Stat. § 325N.17

E. Cancellation Notice

Clarifies that cancellation of the contract by the homeowner with the foreclosure consultant or foreclosure purchaser: (1) may be made by mail, e-mail, or other means; and (2) is effective upon mailing or transmission of an email. Provides that both the contract and cancellation form for both foreclosure consultants and purchasers must contain a physical mailing address, except that a post office box may be designated for delivery provided it is accompanied by a physical address.

Amends Minn. Stat. §§ 325N.03, 325N.13, and 325N.14

F. Other Loans to Homeowner by Foreclosure Consultant

Clarifies that the limitation on interest and fees on any loan from the foreclosure consultant to the homeowner applies only to any *unsecured* loan that the consultant might provide to the home owner. (Loans from the consultant to the home owner that would be secured by the property are prohibited under another provision of 325N).

Amends Minn. Stat. § 325N.04

G. Application of Federal Law and Regulations to Contracts for Deed

Clarifies that the protections in the Home Ownership Equity Protection Act (HOEPA) and Regulation Z (the federal high cost home mortgage law and its implementing regulations, respectively) apply in all cases when a contract for deed is used as the reconveyance vehicle, even if a particular contract for deed wouldn't otherwise meet the criteria to be covered by HOEPA.

Amends Minn. Stat. § 325N.17

H. Sunset

Repeals the 2009 sunset.

Amends Minn. Laws 2004, Chapter 263, Section 26

VI. GIFT CARDS

Chapter 93 (SF 69)

Adds Minn. Stat. § 325G.53

Effective August 1, 2007 for all gift cards sold after that date

Prohibits merchants from placing an expiration date or imposing a service fee (including a fee for non-use) on a gift card purchased by a consumer.

VII. MORTGAGE ORIGINATORS LICENSING REQUIREMENTS

Chapter 57, Article 3, Sections 13 -20, 62, 64 (SF 2096)

Amends Minn. Stat. §§ 58.04, subd. 1; 58.06, subd. 2; and 58.10, subd. 1

Adds Minn. Stat. §§ 58.06, subd. 3; 58.115; and 58.126

Repeals Minn. Stat. § 58.08, subd. 1

Effective August 1, 2007, except March 1, 2008 for the mandatory educational training

A. Minimum Net Worth Requirement

Requires mortgage originators to be a "business entity" and maintain at all times either a tangible net worth of \$250,000, a surety bond or irrevocable letter of credit in the amount of \$50,000, or approval as a mortgage company by the United States Department of Housing and Urban Development or Fannie Mae. Eliminates the ability of natural persons (individuals) to qualify for a license. Allows the Department of Commerce to waive requirements for good cause.

Amends Minn. Stat. § 58.04, subd. 1

Adds Minn. Stat. § 58.06, subd. 3

B. Mandatory Educational Training

Prohibits an individual from making mortgage loans, whether as an employee, licensee or an independent contractor, without having completed 15 hours of educational training covering state and federal lending laws, approved by the Minnesota Department of Commerce.

Adds Minn. Stat. § 58.126

C. Other Regulatory Changes

Raises licensing fees from \$850 to \$2,125 and renewal fees from \$450 to \$1,125. Authorizes the Department of Commerce to conduct examinations and charge the licensee for the costs. Requires licensees to keep a roster of individuals employed as loan officers.

Amends Minn. Stat. §§ 58.06, subd. 2; and 58.10, subd. 1

Adds Minn. Stat. § 58.115

VIII. PAYDAY LENDING

Chapter 44, Sections 2 and 3 (SF 1920) and Chapter 57, Article 3, Sections 8 and 9 (SF 2096) (The identical provisions were included in two separate bills)

Amends Minn. Stat. §§ 47.59, subd. 6; and 47.60, subd. 2

Effective August 1, 2007

Prohibits payday lenders from charging additional civil penalties for a dishonored check, as provided under Minn. Stat. § 604.113, subd. 2.

IX. PAYROLL CARDS

Chapter 87 (SF 1495)

Amends Minn. Laws 2005, Chapter 158, Section 4

Effective May 19, 2007

Extends the sunset one year to May 31, 2008, allowing employers to continue to pay wages with payroll cards with the employee's voluntary consent.

X. PREDATORY LENDING

Chapter 18 (HF 1004), Chapter 74 (SF 988)

Amends Minn. Stat. §§ 58.02; 58.13; 58.137; 58.15; and 58.16

Adds Minn. Stat. §§ 58.161 and 609.822

Effective August 1, 2007

A. Duty of Agency

Creates a duty of agency, specifying that a mortgage broker must: (1) act in the best interests of the borrowers; (2) place the borrower's interests above all others; (3) disclose material facts that would not be reasonably susceptible to the borrower's knowledge; and (4) use reasonable care in performing broker duties. The duty also precludes a broker from accepting, giving, or charging any undisclosed compensation or realize any undisclosed remuneration. However, the duty does not: (1) preclude a broker from collecting a fee for services that has been disclosed to the borrower and agreed upon by the parties in advance, (2) require a broker to obtain a loan with terms not available to the broker in the usual course of business, or (3) require a broker to arrange for a loan from a lender with whom the broker does not have a business relationship.

Amends Minn. Stat. §§ 58.15 and 58.16 (Chapter 18/HF 1004)

Adds Minn. Stat. § 58.161 (Chapter 18/HF 1004)

B. Verification of Ability to Pay

Requires a lender to verify a borrower's reasonable ability to repay a mortgage loan and document income through reliable sources. Allows use of alternative criteria to justify making a loan, but requires verification of criteria through reasonably reliable methods and documentation. Requires, for adjustable rate loans, verification that the borrower can afford the fully indexed rate, which is the amount of the borrower's monthly payment after any initial teaser or introductory rate expires.

Adds Minn. Stat. §§ 58.02, subd. 29 (definition of fully indexed rate); and

58.13, subd. 1(a)(23) (verification requirements) (Chapter 18/HF 1004)

C. Prohibitions

1. *Churning*

Prohibits lenders and brokers from making a mortgage loan unless the new loan provides a reasonable, tangible net benefit to the borrower considering all of the borrower's circumstances, including the terms of both the borrower's new loan and any loan that is being refinanced.

Adds Minn. Stat. § 58.13 subd. 1(a)(24) (Chapter 18/HF 1004)

2. *Negative Amortization*

Prohibits loans that are structured to negatively amortize, such as loans that allow borrowers to make a minimum monthly payment that does not even cover all of the interest. Exempts loans provided by governmental entities or non-profits in which payments are either deferred until the loan matures, interest or principal is entirely forgiven, or the interest charged is 2% or less (i.e., Habitat for Humanity loans).

Adds Minn. Stat. § 58.02, subd. 28 (Chapter 74/SF 988)

Adds Minn. Stat. § 58.13, subd. 1(a)(26) (Chapter 18/HF 1004)

3. *Prepayment Penalties*
Prohibits prepayment penalties for subprime loans. (Current law that limits, but does not ban, prepayment penalties on prime loans remains unchanged.) Subprime loans are defined through a formula that adds the following number of points to the treasury index for loans with the same period of maturation at the time of closing: (1) two points for adjustable rate first lien loans; (2) three points for all other first lien loans; and (3) five points for subordinate lien loans.
Amends Minn. Stat. § 58.137, subd. 2(a)
Adds Minn. Stat. §§ 58.02, subd. 27 (definition of subprime loan) (Chapter 74/SF 988); and 58.137, subd. 2(c) (prepayment penalty ban) (Chapter 18/HF 1004)

4. *Refinancing of Special Mortgages Without Counseling*
Prohibits lenders from refinancing special mortgages unless the borrower has obtained a certificate that the borrower has received loan counseling from an approved counselor. Defines special mortgage as a residential mortgage loan originated, subsidized, or guaranteed by or through a state, tribal, or local government, or nonprofit organization, that bears one or more of the following nonstandard payment terms which substantially benefit the borrower: (1) payments vary with income; (2) payments of principal or interest are not required or can be deferred under specified conditions; (3) principal or interest is forgivable under specified conditions; or (4) where no interest or an annual interest rate of two percent or less is charged in connection with the loan.
This provision will be codified as Minn. Stat. § 58.13, subd. 1(a)(28) even though it appears in the session law (Chapter 74/SF 988) as Minn. Stat. § 58.13, subd. 1(a)(23)

D. Limitation on Financing of Loan Fees
Requires any payments made to the mortgage broker directly from the lender (known as yield spread premiums) to be counted toward the existing 5% statutory cap on the amount of fees that can be financed into the loan.
Amends Minn. Stat. § 58.137, subd. 1 (Chapter 18/HF 1004)

E. Required Disclosure
Requires that a loan officer or broker inform the borrower whether taxes and insurance are included in the quote or will be an additional cost: (1) at the initial oral notice to the borrower of the amount of the monthly payment; and (2) each time the payment amount for a proposed new loan changes. Applies to first lien mortgages only.
Adds Minn. Stat. § 58.13, subd. 1(a)(25) (Chapter 18/HF 1004)

F. Banks and Government Entities Exempt
Exempts state or federally chartered banks, savings banks, credit unions, institutions chartered by Congress under the Farm Credit Act, or to persons making, providing, or arranging a residential mortgage loan originated or purchased by a state agency or a tribal or local unit of government from the provisions regarding verification of ability to repay, churning, negative amortization, and disclosure of taxes and insurance when providing payment quotes.
Adds Minn. Stat. § 58.13, subd. 1(b) (Chapter 18/HF 1004)

G. Civil Remedies

1. *Applicability*
Establishes a private right of action against: (1) brokers and lenders for violations of the verification and disclosure requirements, prohibitions, and limits on financing of loan fees; and (2) appraisers for violations of prohibited practices and fee restrictions found in Minn. Stat. §§ 82B.20 and 82B.22, respectively.
Adds Minn. Stat. §§ 58.18 (brokers and lenders) and 82B.24 (appraisers) (Chapter 74/SF 988)
2. *Relief Available*
 - a. **Brokers and Lenders**
Provides for recovery of: (1) actual, incidental, and consequential damages; (2) statutory damages equal to the amount of all lender fees included in the amount of the principal of the loan; (3) punitive damages as provided in Minn. Stat. §§ 549.191 and 549.20; and (4) court costs and reasonable attorneys' fees.
Adds Minn. Stat. § 58.18, subd. 1 (Chapter 74/SF 988)
 - b. **Appraisers**
Provides for recovery of: (1) actual, incidental, and consequential damages; (2) statutory damages of no less than \$1,000 nor more than \$2,000; (3) punitive damages as provided in Minn. Stat. §§ 549.191 and 549.20; and (4) court costs and reasonable attorneys' fees.
Adds Minn. Stat. § 82B.24, subd. 1 (Chapter 74/SF 988)
3. *Section 8.31*
Provides that a person has a private right of action under the Private Attorney General Statute (Minn. Stat. § 8.31, subd. 3a) if injured by: (1) a violation by a broker or lender of verification and disclosure requirements, prohibitions, and limits on financing of loan fees; or (2) violations of prohibited practices and fee restrictions found in Minn. Stat. §§ 82B.20 and 82B.22, respectively. Provides that an action taken under section 8.31 is in the public interest.
Adds Minn. Stat. §§ 58.18, subd. 2 (brokers and lenders); and 82.24, subd. 2 (appraisers) (Chapter 74/SF 988)
4. *Nonexclusivity*
Provides that remedies are cumulative and do not restrict any other right or remedy otherwise available to the borrower.
Adds Minn. Stat. §§ 58.18, subd. 3 (brokers and lenders); and 82.24, subd. 3 (appraisers) (Chapter 74/SF 988)
5. *Exemptions*
Exempts federal or state chartered bank, savings bank, or credit union originating residential mortgage loans.
Adds Minn. Stat. §§ 58.18, subd. 4

- H. Criminal Penalties
Makes the commission of fraud during the residential mortgage lending process a crime. Defines residential mortgage fraud as: (1) knowingly making or causing to be made materially false statements during the mortgage lending process with the intention that such statements be relied upon by another party to the mortgage lending process; (2) knowingly facilitating the use of such false statements; or (3) conspiring to commit the foregoing acts.
Adds Minn. Stat. § 609.822 (Chapter 74/SF 988)

XI. SALE OF CONSUMER INFORMATION

Chapter 105, Section 1
Adds Minn. Stat. § 13C.01, subd. 3
Effective August 1, 2007
Prohibits mortgage companies, consumer reporting agencies, or other business entities from selling information about a consumer who has applied for a mortgage loan, including the fact that the consumer has applied for credit to any third party.

COURTS

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I. COURT FILE COPIES FOR PERSONS FILING IN FORMA PAUPERIS

Chapter 54, Article 5, Section 16 (HF 829)
Adds Minn. Stat. § 563.01, subd. 7a
Effective July 1, 2007
Provides that a person who has filed in forma pauperis is entitled to a free copy of the court file.

DATA PRACTICES

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I. ACTION TO COMPEL COMPLIANCE

Chapter 129, Section 8 (SF 596)
Amends Minn. Stat. §13.08, subd. 4
Effective August 1, 2007
Eliminates the court's consideration of whether the governmental entity sought an opinion from the Department of Administration when determining whether civil penalties are appropriate under the data practices chapter. Modifies the factor for consideration so that conformity with an opinion sought either by the governmental entity or another person must be considered.

II. ATTORNEY GENERAL OPINIONS

Chapter 129, Section 7 (SF 596)
Amends Minn. Stat. § 13.072, subd. 1
Effective August 1, 2007

Provides that only written, numbered, and published Attorney General opinions take precedence over an opinion issued by the Department of Administration. (Current law provides that all written Attorney General opinions take precedence over the commissioner’s opinions.)

III. CRIMINAL RECORDS/DATA

Chapter 129, Sections 44 and 46 (SF 596)
Amends Minn. Stat. § 13.87, subd. 1
Adds Minn. Stat. § 13.873
Effective August 1, 2007

A. Innocent Person Erroneously Named in Criminal History

Provides that if a person’s name or identifying data is erroneously associated with a criminal history, and fingerprint data shows that the person is not the subject of the data, the person’s name or other identifying information must be redacted from the public criminal history data. The information is retained in the criminal history as private data.

Amends Minn. Stat. § 13.87, subd. 1

B. Integrated Search Service

Creates the “Integrated Search Service” (ISS), which is a service operated by the Bureau of Criminal Apprehension to allow individuals to search and view data about themselves stored in one or more criminal justice agency databases. The agencies must only provide (1) a list of government entities that have provided private or public data about that individual through the ISS; and (2) data that describe what is maintained by each government entity on the list. Requires the Bureau of Criminal Apprehension to provide a public Internet site that lists all law enforcement agencies with ISS access and information for individual data subjects on how to challenge the accuracy or completeness of data.

Adds Minn. Stat. § 13.873

IV. DRIVER’S LICENSE/IDENTIFICATION CARD PHOTOS

Chapter 129, Section 49 (SF 596)
Amends Minn. Stat. § 171.07, subd. 1a
Effective August 1, 2007

Expands access to and use of photos for driver’s licenses and Minnesota Identification Cards by criminal justice agencies and public defenders. Allows access and use by criminal justice agencies for: (1) the investigation and prosecution of crimes; (2) service of process; (3) enforcement of no contact orders; (4) location of missing persons; (5) investigation and preparation of cases for criminal, juvenile, and traffic court; and (6) supervision of offenders. Allows access and use by public defenders for investigation and preparation of cases for criminal, juvenile and traffic courts.

V. JUDICIAL BRANCH DATA

Chapter 129, Section 3 (SF 596)
Amends Minn. Stat. § 13.03, subd. 4
Effective August 1, 2007

Provides that data provided by the judicial branch to government entities has the same accessibility from the agency as it did from the judicial branch.

VI. SOCIAL SECURITY NUMBERS

Chapter 129, Sections 11, 55, and 56 (SF 596)
Amends Minn. Stat. §§ 13.355, subd. 1; and 325E.59, subd. 1
Amends Minn. Laws 2005, Chapter 163, Section 85
Repeals Minn. Stat. § 325E.59, subd.2
Various effective dates

- A. Partial Social Security Numbers Collected by a Government Entity
Provides that partial social security numbers collected or maintained by a governmental entity are private data, except as provided by other law. (Current law only classifies complete social security numbers as private data.)
Amends Minn. Stat. § 13.355, subd. 1
Effective August 1, 2007
- B. Use of Social Security Numbers by Non-Governmental Individuals and Entities
Makes the entire section that addresses restrictions on individuals or entities (other than governmental entities) on the use and requirement of social security numbers effective July 1, 2008.
Amends Minn. Stat. § 325E.59, subd. 1; and Laws 2005, Chapter 163, Section 85
Repeals Minn. Stat. § 325E.59, subd. 2
Effective July 1, 2008

VII. TAXES/STATE DEBT COLLECTION

Chapter 129, Sections 51, 52, and 53 (SF 596)
Amends Minn. Stat. §§ 270B.01, subd. 8; and 270B.02, subd. 3
Adds Minn. Stat. § 270B.085, subd. 3
Effective May 25, 2007

- A. Definition of "Minnesota tax laws"
Adds Minnesota Statutes, Chapter 297B (motor vehicle sales taxes) into definition of "Minnesota tax laws."
Amends Minn. Stat. § 270B.01, subd. 8
- B. Individual Property Tax Information
Clarifies that data classification of information given by another person that an individual may not or is not in compliance with tax laws does not apply to laws relating to property taxes.
Amends Minn. Stat. § 270B.02, subd. 3
- C. Use of Tax Return Data for State Debt Collection
Permits the Department of Revenue to use information from state tax returns for purposes of collecting state debts referred to the department under Minnesota Statutes Chapter 16D.
Adds Minn. Stat. § 270B.085, subd. 3

VIII. TERMINOLOGY CHANGE

Chapter 129, Section 1 (SF 596)
Amends Minn. Stat. § 13.02, subd. 8
Effective August 1, 2007

Changes the term "individual adjudged mentally incompetent" to "incapacitated person" (the definition of which is found in Minn. Stat. § 524.5-102, subd. 6).

IX. UNEMPLOYMENT DATA

Chapter 129, Section 50 (SF 596)
Amends Minn. Stat. § 268.19, subd. 1, as amended by Minn. Laws 2007, Chapter 54, Article 6, Section 13
Effective August 1, 2007

Clarifies that the Department of Corrections may use unemployment data without the subject's consent for purposes of post-confinement employment tracking, if the person was committed to the custody of the department.

DISABILITY LAW

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The 2007 Session of the Minnesota Legislature made a number of significant changes to funding, programs and services affecting persons with disabilities. Important mental health legislation is reported separately (see Mental Health Section). Most of this section involves the Health and Human Services area. Also included are some provisions regarding employment, self-advocacy funding and the Minnesota Department of Health.

I. ASSISTIVE TECHNOLOGY (AT)

A. Assistive Technology Advisory Council

Chapter 133, Article 2, Section 1 (SF 1377)
Amends Minn. Stat. § 16B.055, subd. 1
Effective July 1, 2007

Makes changes to the Minnesota Assistive Technology Advisory Council to fulfill the requirements of the Federal Assistive Technology Act. (Council members are appointed by the governor for two-year terms; the Department of Administration is the lead agency.)

B. Funding

Chapter 147, Article 7, Section 70; and Article 19, Section 8 (HF 1078)
Effective July 1, 2007

Appropriates: (1) \$200,000 in one-time State funding to obtain federal matching funds for the AT micro-loan program; and (2) \$100,000 for continuation of the AT Regional Collaboratives operated by AT Minnesota. Requires recommendations and proposed legislation on AT needs and current resources be submitted to legislative chairs by the Council on Disability by January 1, 2009.

II. CASE MANAGEMENT

A. Best Practices

*Chapter 147, Article 8, Section 34 (HF 1078)
Effective July 1, 2007*

Requires the Department of Human Services (DHS) in consultation with stakeholders, to develop recommendations for changes in adult mental health case management consistent with evidence-based and best practices.

B. Mental Health Targeted Case Management

*Chapter 147, Article 8, Section 20 (HF 1078)
Amends Minn. Stat. § 256B.0625, subd. 20
Effective January 1, 2009*

Changes payment for mental health targeted case management for children and adults under the Medical Assistance (MA) program to require State payment of the non-federal share of MA when the service is provided through prepaid health plans. Provides mental health case management as a benefit in MinnesotaCare and General Assistance Medical Care (GAMC).

C. Targeted Case Management Temporary Funding

*Chapter 147, Article 19, Section 3, Subdivision 4 (HF 1078)
Effective July 1, 2007, contingent upon federal action*

Appropriates \$32,677,000 million in fiscal year (FY) 08 for a targeted case management contingency reserve account to be allocated to counties and tribes affected by reductions in targeted case management federal Medicaid revenue due to the Deficit Reduction Act of 2005. Provides contingency criteria for distribution of the funds, including publication by the federal agency of final regulations implementing targeted case management changes and an estimate by DHS to certify the federal amount of disallowance that will result in a reduction in county revenue. Allows funds to be available until expended.

III. CENTERS FOR INDEPENDENT LIVING

*Chapter 135, Article 1, Section 3, Subdivision 3 (HF 122)
Effective July 1, 2007*

Appropriates \$4,880,000 for the biennium and increases the base to \$2,440,000 for Centers for Independent Living.

IV. COMMUNITY SERVICE PROVIDER RATES

*Chapter 147, Article 7, Section 71 and Article 19, Section 3, subd. 4 (HF 1078)
Effective October 1, 2007*

Provides a rate increase of 2% each year for the biennium on October 1, 2007 and July 1, 2008 for all community service providers. Requires that 75% of the 2% increase must be used for compensation-related increases for eligible employers. Requires that 67% of the 75% must be used for equal hourly wage increases for all eligible employers.

V. COLLATERAL CONSEQUENCES STUDY – DHS LICENSING

Chapter 112, Section 58 (SF 1724)

Directs the Collateral Consequences committee to: (1) review background study provisions in Chapter 245C; (2) review set-aside and variance policies; (3) recommend recodification and simplification changes to those laws; and (4) recommend appropriate substantive changes consistent with good public policy and public safety. Directs the committee to report to the legislature by February 1, 2008.

VI. DEAF, HARD OF HEARING AND DEAF/BLIND PROVISIONS

A. Deaf and Hard of Hearing Mentors

Chapter 147, Article 19, Section 4, subd. 1 (HF 1078)

Effective July 1, 2007

Appropriates \$80,000 for the biennium to establish a hearing loss mentor program for families with babies newly diagnosed with hearing loss. (Mentors will be trained by a national program and teach sign in the home to the entire family with parental approval.)

B. Deaf/Blind Services

Chapter 147, Article 7, Section 61 (HF 1078)

Adds Minn. Stat. § 256C.261

Effective July 1, 2007

Requires DHS to combine existing funding for deaf/blind supportive services into a single program for grants: (1) for services and training; (2) to develop and administer consumer-directed services; and (3) to providers of intervener services. Requires DHS to develop training for counties and senior citizen providers to use existing programs under MA to meet the needs of eligible persons who are deaf and blind.

C. Early Hearing Detection and Intervention

Chapter 147, Article 16, Section 10 (HF 1078)

Adds Minn. Stat. § 144.966

Effective May 24, 2007

1. Early Hearing Detection and Intervention Program

Establishes a new program in the Minnesota Department of Health to administer newborn hearing screening, incidence tracking, evaluation and technical assistance.

2. Newborn Hearing Screening

Requires all hospitals to screen newborns for hearing loss and provide parents with information about the screening procedure, costs, risks, effects of hearing loss, and benefits of early detection and intervention.

D. Hearing Aid Coverage for Children

Chapter 60 (SF 805)

Amends Minn. Stat. § 62A.042

Effective August 1, 2007, and applies to policies and contracts issued or renewed on or after the effective date

Requires State-regulated, fully insured health plans to cover all types of hearing loss. Provides that coverage include a hearing aid every three years

for both ears for children from birth through age 18. Limits deductibles and other out-of-pocket expenses to amounts for other coverage under the plan.

- E. Hearing Aid Loan Bank
Chapter 147, Article 19, Section 4, subd. 2 (HF 1078)
Effective July 1, 2007
Appropriates \$140,000 for the biennium to cover the cost of an audiologist and director of a statewide hearing instrument loan bank to provide access to hearing aids for families with children newly diagnosed with hearing loss from birth to the age of ten.

VII. EMPLOYER-SPONSORED HEALTH FLEX SPENDING ACCOUNTS

Chapter 147, Article 7, Section 2 (HF 1078)

Amends Minn. Stat. § 252.027, subd. 2

Effective July 1, 2007

Clarifies that parent fees paid for children with significant disabilities to access Medical Assistance (MA) services through the TEFRA Medical Assistance Option or the home and community waiver services program qualifies for employer-sponsored health flex spending accounts.

VIII. EMPLOYMENT SERVICES FUNDING

Chapter 135 Article 1, Section 3, subd. 3 (HF 122)

Effective July 1, 2007

Appropriates various amounts for the following employment programs for persons with disabilities:

- A. \$5,610,000 from the general fund and \$6,920,000 from the workforce development fund each year for extended employment services for persons with severe disabilities;
- B. \$1,650,000 each year from the general fund for programs that provide employment support services to persons with mental illness;
- C. \$150,000 from the general fund and \$175,000 from the workforce development fund each year for grants for the Minnesota Employment Center for People Who are Deaf or Hard-of-Hearing;
- D. \$9,021,000 from the general fund each year for the State's vocational rehabilitation program for persons with significant disabilities;
- E. \$350,000 from the workforce development fund each year for grants to provide interpreters for a regional transition program that specializes in providing culturally appropriate transition services leading to employment for deaf, hard-of hearing, and deaf-blind students; and
- F. \$100,000 one-time funding for a non profit to work with all licensed vendors to coordinate responses to solicitations from private and governmental units to increase employment for persons with disabilities.

IX. GUARDIANSHIP AND CONSERVATORSHIP STUDY

Chapter 126 (HF 1396)

Effective July 1, 2007

Requires the state court administrator to convene a study group to make recommendations, by March 15, 2008, to the Legislature regarding guardianship and conservatorship. Provides that areas for recommendations include: (1) rights of wards and protected persons; (2) powers and duties of conservators and guardians; (3) certification and registration; (4) prescreening and diversion from guardianship and conservatorship; (5) complaint processes; (6) training; (7) fiscal auditing; and (8) reimbursement of attorneys, guardians and conservators. Requires the study group to include: (1) representatives from the probate divisions of district courts in metropolitan and Greater Minnesota; (2) county adult protection services; (3) the Minnesota State Bar Association; (4) the Department of Veterans Affairs; (5) the Minnesota Association of Guardians and Conservators; (6) the National Association of Guardians and Conservators; (7) agencies providing guardianship and conservatorship services and trainings; (8) the Ombudsman for Mental Health and Developmental Disabilities; (9) the Long-Term Care Ombudsman; and (10) advocates for seniors and persons with disabilities.

X. ICF/MR COST OF LIVING ADJUSTMENT (COLA)

Chapter 147, Article 7, Section 5 (HF 1078)

Effective October 1, 2007

Provides a 2% rate increase on October 1, 2007 and July 1, 2008 for intermediate care facilities for persons with mental retardation and related conditions. Requires the same use of the COLA as applied to the community service provider COLA described above.

XI. INFORMATION, DATA AND NOTICE PROVISIONS

A. Assistance for Transitions from Nursing Facilities

Chapter 147, Article 6, Section 23 (HF 1078)

Amends Minn. Stat. § 256B.0911, subd. 36

Effective July 1, 2007

Requires that the long-term care consultation team provide information about Centers for Independent Living and other organizations providing assistance to relocate persons from nursing facilities.

B. Disability Linkage Line

Chapter 147, Article 7, Section 4 and Article 19, Section 3, subd. 8 (HF 1078)

Adds Minn. Stat. § 256.01, subd. 24

Effective July 1, 2007

Requires DHS to establish the Disability Linkage Line for statewide consumer information, referral, and assistance for persons with disabilities and chronic illnesses. Appropriates \$469,000 in FY 08 and \$626,000 in FY 09 to establish and maintain the line.

- C. Employment Data Sharing Between Agencies
Chapter 112, Section 1 (SF 1724)
Amends Minn. Stat. § 13.46, subd. 2
Effective July 1, 2007
 Allows DHS and the Department of Employment and Economic Development (DEED) to exchange information related to employment to analyze employment incentives programs under the Ticket-to-Work Act. Prohibits exchange of health care claims and utilization information.

- D. Long-Term Care Consultation
Chapter 147, Article 7, Section 13 (HF 1078)
Amends Minn. Stat. § 256B.0911, subd. 3a
Effective July 1, 2007
 Clarifies that a face-to-face assessment to determine eligibility for Home and Community-Based Waivers (CADI, CAC and TBI) is valid for no more than 60 days after the date of assessment.

- E. Public Notice and Opportunity to Comment on Disability Policy Changes
Chapter 147, Article 6, Section 45 (HF 1078)
Amends Minn. Stat. § 256B.49, subd. 11
Effective July 1, 2007
 Requires DHS to provide interested persons notice of any substantive changes to the State's disability services program manual and changes or amendments to the home and community-based waiver program. Permits persons to add their names to the list for notices on the DHS website.

- F. Relocation Assistance Notice
Chapter 147, Article 6, Section 17 (HF 1078)
Amends Minn. Stat. § 256B.0621, subd. 11
Effective July 1, 2007
 Requires DHS to establish a process with the Centers for Independent Living (CIL) to allow a person in a nursing facility to receive information, consultation and assistance from one of the CILs about available community support options to relocate to the community. Requires CILs to provide this information to persons under 65 who have indicated the desire to live in the community and have signed an information release.

XII. HEALTH CARE COORDINATION

- A. Care Coordination Pilot Projects
Chapter 147, Article 15, Section 19 (HF 1078)
Effective July 1, 2007 (but funding not available until FY 09)
 - 1. Establishment
 Requires DHS to develop and administer up to four pilot projects for children and adults with complex health needs enrolled in fee-for-service Medical Assistance. Specifies that at least two grantees must focus on children with autism or children with complex multi-diagnoses physical conditions. Requires the projects to be designed to support cost-effective primary and preventive care, reward evidence-based

care and coordination of care for chronic conditions plus discourage overuse and misuse of high-cost services.

2. *Requirements and Evaluation*

Requires the pilot projects to: (1) offer 24-hour, seven-day per week telephone contact; (2) provide or arrange for comprehensive health care needs; (3) coordinate specialty care; and (4) provide consistent ongoing care, including long-term care and unique personal needs. Requires pilot projects to be evaluated based on patient and provider satisfaction, clinical outcomes, costs, and economic impact on health care providers.

B. Community Health Worker Care Coordination

Chapter 147, Article 4, Section 7 (HF 1078)

Adds Minn. Stat. § 256B.0625, subd. 49

Effective July 1, 2007

Adds to the MA benefits coverage for a community health worker to provide care coordination and patient education. Establishes community health worker certification, experience and supervision requirements. Requires community health workers to be supervised by a physician, a registered nurse, or an advanced practice registered nurse enrolled in the MA program.

C. Pay for Performance Payments

Chapter 147, Article 15, Section 15 (HF 1078)

Amends Minn. Stat. § 256.01, subd. 2b

Effective July 1, 2009 or upon federal approval, whichever is later

Requires DHS to develop and implement a pay-for-performance system to provide performance payments to medical groups and clinics which demonstrate optimum performance in serving individuals with chronic diseases enrolled in MA, General Assistance Medical Care (GAMC) and MinnesotaCare. Allows DHS to receive federal matching money under Medicaid for managed care oversight through contracted vendors. Allows DHS to reward patients enrolled in MA, GAMC and MinnesotaCare who have agreed to and have met personal health goals with their primary care providers to manage chronic conditions, including but not limited to, diabetes, high blood pressure and coronary artery disease.

D. Provider-Directed Care Coordination

Chapter 147, Article 15, Section 16 (HF 1078)

Adds Minn. Stat. § 256B.0625, subd. 49

Effective January 1, 2008

Requires DHS to develop and implement a new provider-directed care coordination program for MA recipients who are receiving services on a fee-for-service basis and are not enrolled in managed care plans. Pays primary care clinics an average of \$50 per month per person for care coordination for people who have complex and chronic medical conditions. Requires the primary care clinic to be designated as the patient's first point of contact for medical care with availability 24 hours per day, seven days per week to provide comprehensive health needs, overall integration, coordination and continuity over time, including referrals to specialty care.

XIII. LICENSING PROVISIONS

- A. Certification/Licensing of Disability Home and Community Waiver Providers
Chapter 147, Article 7, Section 58 (HF 1078)
Amends Minn. Stat. § 256B.49, subd. 16a
Effective July 1, 2007
Establishes standards for basic health, safety, and the protection of rights for home and community-based waiver service providers, including independent living skills services, foster care waiver services, supported employment, and other services. Requires county agencies contracting for home and community-based waiver services to certify that each provider can meet the needs of the person served and has policies and procedures governing a variety of areas, including: (1) protection of the consumer's rights and privacy; (2) risk assessment and planning; (3) reporting of incidents and emergencies; (4) complaint and grievance procedures; (5) staff training; and (5) where applicable, safe medication administration, handling of consumer funds, and behavioral interventions regarding restraints and restrictive practices.
- B. Fees for Background Checks and Corporate Foster Care Licensing Inspections
Chapter 112, Section 12 (SF 1724)
Amends Minn. Stat. § 245A.10, subd. 2
Effective August 1, 2008
Allows counties to charge a fee to corporate adult or child foster care license holders for the costs of background studies and license inspections. Limits the license inspection fees to a maximum of \$500 per year.
- C. Licensure for Youth with Disabilities
Chapter 147, Article 6, Section 47 (HF 1078)
Uncodified language
Effective July 1, 2007
Requires DHS, upon a recommendation from a county, to license non-residential programs for youth with disabilities which provide services during non-school hours to ensure health, safety, prevent out-of-home placement, and increase community inclusion. Requires DHS recommendations by February 1, 2008 that will allow licensure of services for school-age youth with disabilities under age 21 who need supervision and services to maintain personal safety and to increase their independence, productivity and participation in the community during non-school hours.
- D. Service to Relative by a Qualified License Holder
Chapter 112, Sections 49 and 50 (SF 1724)
Adds Minn. Stat. §§ 256B.0919, subd. 4; and 256B.092, subd. 4d
Effective upon federal approval
Allows a county to certify an adult foster care license holder to provide foster care services to a related individual with developmental disabilities provided specific conditions are met. Requires DHS to seek an amendment to the federal home and community-based waiver for persons with developmental disabilities to allow reimbursement for supported living services by a related licensed holder in an adult foster setting certified by the county provided that the family license holder is not the person's legal guardian.

- E. Variance for Overnight Supervision in Adult Foster Care
Chapter 112, Section 13 (SF 1724)
Amends Minn. Stat. § 245A.11, subd. 7
Effective July 1, 2007
Allows a license holder requesting a variance to utilize technology as part of the plan for alternate overnight supervision to make the request directly to DHS if the county does not make a recommendation. Requires DHS to review the variance request with the county.

XIV. MEDICAL ASSISTANCE (MA)

- A. Co-Payments
Chapter 147, Article 5, Section 10 and 11 (HF 1078)
Amends Minn. Stat. § 256B.0631, subds. 1 and 3
Effective August 1, 2007 and January 1, 2009
1. *Amount*
Eliminates all co-payments required for services provided on or after January 1, 2009, except for the \$6 co-payment for non-emergency visits to an emergency room and co-payments on prescription drugs of \$3 per brand name and \$1 per generic drug. Reduces the maximum prescription co-payment limit from \$12 to \$7 per month.
Amends Minn. Stat. § 256B.0631, subd. 1
Effective January 1, 2009
 2. *Inability to Pay*
Clarifies that a service provider may not deny MA services to a recipient unable to pay a co-payment, even if it is the provider's usual business practice to do so.
Minn. Stat. § 256B.0631, subd. 3
Effective July 1, 2007
- B. Dental Services
Chapter 147, Article 5, Section 12 and Article 5, Section 14 (HF 1078)
Amends Minn. Stat. §§ 256B.0644 and 256B.76
Effective July 1, 2007
1. *Children With Special Health Needs*
Allows dental providers an alternative method to qualify as a provider for State employee health care programs by accepting new MA or MinnesotaCare patients who are children with special health needs. Defines children with special health needs.
Amends Minn. Stat. § 256B.0644(b)(3)
 2. *Critical Access Dental Rate*
Increases reimbursement rate 30% for critical access to dental providers above the MA rate.
Amends Minn. Stat. § 256B.76(c)

- C. Minnesota Disability Health Options (MnDHO)
Chapter 147, Article 7, Section 60 (HF 1078)
Amends Minn. Stat. § 256B.69, subd. 23
Effective July 1, 2007
 Delays expansion beyond the current seven-county metro area of the Minnesota Disability Health Option managed care project, which includes both acute medical care services and long-term care and community supports, until after July 1, 2009.
- D. Self-Directed Supports Option
Chapter 147, Article 7, Sections 7 and 12 (HF 1078)
Adds Minn. Stat. §§ 256B.0625, subd. 49; and 256B.0657
Effective July 1, 2007
1. *New Benefit*
 Adds a new benefit – self-directed personal supports – to the MA program. Defines services to be covered to include: (1) personal care services; and (2) items, related services and supports, including assistive technology (AT) which increase independence or substitute for human assistance.
Adds Minn. Stat. § 256B.0657
 2. *Eligibility Requirements and Reasons for Exclusion*
 Establishes eligibility requirements for self-directed supports option to include persons who: (1) are eligible for MA personal care assistant (PCA) services; (2) live in their own home or apartment (not owned, operated or controlled by a service provider not related by blood or marriage); (3) have the ability to hire, fire, supervise and establish staff compensation or have a legal guardian or parent who can manage those functions; and (4) have not been excluded or disenrolled by the Department of Human Services (DHS). Allows DHS to disenroll or exclude recipients who are restricted by the Primary Care Utilization Review Committee and recipients who leave self-directed supports option during a plan year as well as those DHS determines cannot manage the recipient responsibilities under the program.
Adds Minn. Stat. § 256B.0657, subd. 2
 3. *Assessment and Self-Directed Supports Plan Requirements*
 Establishes assessment requirements and specific information needed for the self-directed supports option plan.
Adds Minn. Stat. § 256B.0657, subds. 4 and 5
 4. *Covered and Excluded Items and Services*
 Describes covered services for self-directed supports option and lists services which are not eligible for payment under the self-directed option.
Adds Minn. Stat. § 256B.0657, subds. 6 and 7
 5. *Budget and Fiscal Support Entity Requirements*
 Establishes the requirements for a budget under the new self-directed supports option to include the amount of PCA services the recipient either has used in the last 12 months or the average amount used

statewide for similar recipients with the same home care rating. Requires recipients using the self-directed supports option to choose a fiscal support entity certified by DHS to make payments for services, items, supports and administrative costs.
Adds Minn. Stat. § 256B.0657, subds. 8 and 10

6. Quality Assurance and Stakeholder Group Consultation
Requires DHS to establish quality assurance and risk management measures for use in developing and implementing the self-directed plans and budgets which are consistent with self-directed services and recognize the recipient's resources and capabilities. Requires inclusion of background studies and back-up emergency plans. Requires DHS to consult with a statewide consumer-directed services stakeholder group regarding: (1) development of the self-directed plan; (2) requirements and guidelines for person-centered plan assessment and planning process; (3) implementation of the option and quality assurance and risk management techniques; and (4) standards and requirements (including rates) for personal support plan development providers and fiscal support entities.
Adds Minn. Stat. § 256B.0657, subds. 9 and 11

- E. Services for Autism Spectrum Disorders
Chapter 147, Article 5, Section 41 (HF 1078)
Repeals Minn. Stat. § 256B.0625, subds. 5a – k
Effective July 1, 2007
Repeals the specified behavioral therapy services for autism spectrum disorder, which had been delayed since its adoption in 2001 with an initial effective date of January 1, 2003.
- F. Sign Language Interpreter Services
Chapter 147, Article 7, Section 6 and Article 5, Section 17
Amends Minn. Stat. §§ 256B.0625, subd. 18a; 256D.03, subd. 4
Effective July 1, 2007
Clarifies that, regardless of the number of employees that work for a health care provider, MA (and General Assistance Medical Care) cover sign language interpreter services during the course of providing direct, person-to-person covered health care services to enrolled recipients with a hearing loss.
- G. Special Transportation Services (STS)
Chapter 147, Article 5, Sections 6 and 7 (HF 1078)
Amends Minn. Stat. § 256B.04, subd. 14
Adds Minn. Stat. § 256B.04, subd. 14a
Effective July 1, 2007
1. Volume Purchasing Prohibition
Prohibits DHS from utilizing volume purchasing through competitive bidding and negotiation for STS, which means that the Minnesota Non Emergency Transportation (MNET) broker will not implement volume purchasing with STS providers and that current rates for STS will continue to be paid.
Amends Minn. Stat. § 256B.04, subd. 14

2. *Volume Purchasing for Other MNET Services*
Adds to the allowable services and items which may be volume purchased through competitive bidding by DHS the following: (1) non-emergency medical transportation level-of-need determinations, (2) disbursement of public transportation passes and tokens, and (3) volunteer and recipient mileage and parking reimbursements.
Amends Minn. Stat. § 256B.04, subd. 14
3. *Level-of-Need Determinations*
Specifies that level-of-need determinations must be performed by medical personnel and limits re-determinations of level-of-need, including stretcher eligibility, to not more than semi-annually unless circumstances have changed to require a new determination.
Adds Minn. Stat. § 256B.04, subd. 14a
4. *Nursing Facility Residents Eligible for STS*
Moves a Minnesota rule provision to this statutory section exempting residents living in nursing facilities from level-of-need determination for special transportation services until they no longer reside in a nursing facility.
Adds Minn. Stat. § 256B.04, subd. 14a

H. Other MA Changes
See Health Care Section.

XV. MINNESOTACARE

See Health Care Section on MinnesotaCare

XVI. PATIENTS' BILL OF RIGHTS

Chapter 147, Article 9, Sections 18, 19, and 20 (HF 1078)

Amends Minn. Stat. § 144.651, subs. 9, 10 and 26

Effective July 1, 2007

- A. Persons Who Can Accompany Patient
Allows the patient to be accompanied by both a family member and a chosen representative instead of one or the other when being given information about diagnoses and treatment options. Allows patient to include a family member or chosen representative, including a doula or both in discussions on care planning and alternatives.
Amends Minn. Stat. § 144.651, subs. 9 and 10
- B. Right of Patient to Associate
Broadens the right of the patient to associate with an appointed health care agent and an unrelated person designated in the person's medical record who will have the status of next of kin for decision making on visitation and health care decisions. Provides that a health care directive or appointment of agent has precedence over the designation in the patient's medical record of an unrelated individual.
Amends Minn. Stat. § 144.651, subd. 26

XVII. REMEMBERING WITH DIGNITY

Chapter 147, Article 19, subd. 6 (HF 1078)

Effective July 1, 2007

Appropriates \$200,000 in one-time funding for a grant to Advocating Change Together to: (1) research the identity of persons buried in unmarked graves at Regional Treatment Centers; (2) purchase and place proper headstone markers; (3) and work with community groups to assure public access and maintenance of cemeteries.

XVIII. PERSONAL CARE ASSISTANT AND MA HOME CARE SERVICES

A. Adjustments to County CADI Waiver Allocations

Chapter 147, Article 19, subd. 8 (HF 1078)

Effective July 1, 2007

Requires adjustment of county allocations for the CADI waiver program to reflect county changes made for those persons transferred due to elimination of use of pooled-PCA services in adult foster care in 2006.

B. Home Health Reimbursement Study

Appropriates \$60,000 in FY 08 for DHS to contract with a Minnesota-based nonprofit organization to conduct an independent analysis of reimbursement methodologies for home health services provided in MA managed care programs for seniors. Requires the analysis to be submitted to DHS by December 1, 2007 and to the Legislature by December 15, 2007.

C. PCA Assessments

Chapter 147, Article 7, Sections 8, 9, 10 and 11 (HF 1078)

Amends Minn. Stat. §§ 256B.0651, subd. 7; and 256B.0655, subds. 8 and 16 Effective July 1, 2007

1. *Provider Agency Requirements*

Requires PCA provider agencies to request a new PCA service assessment or service update at least 60 days before the end of the current prior authorization time period.

Amends Minn. Stat. § 256B.0651, subd. 7

2. *Telephone Service Updates*

Clarifies that telephone service updates are to be completed for two consecutive annual assessment periods if there is no change in recipient need. A face-to-face assessment is required at least every three years.

Amends Minn. Stat. § 256B.0655, subd. 16

3. *Notice of Need for Reassessment and Right to Appeal*

Requires: (1) PCA provider agencies to notify both the county public health nurse and the recipient of the need for a reassessment at least 60 days before the end of the current prior authorization; and (2) that recipient is notified of appeal rights.

Amends Minn. Stat. § 256B.0655, subd. 3

4. Assessment Payment
Reduces by 25%, beginning July 1, 2008, the payment rate for assessment for county public health agencies when the assessment is not completed on time.
Amends Minn. Stat. § 256B.0655, subd. 8

- D. Technical Changes
Chapter 147, Article 6, Sections 19, 20, 21 and 22 (HF 1078)
Amends Minn. Stat. § 256B.0655, subd. 1f
Adds Minn. Stat. § 256B.0655, subs. 12, 13 and 14
Effective July 1, 2007
Adds provisions of administrative rules governing the PCA program, including: (1) PCA training requirements; (2) personal care provider responsibilities; and (3) PCA employment provisions and supervision requirements to the statute governing PCA services.

XIX. QUALITY ASSURANCE

- A. Region 10 Quality Assurance
Chapter 147, Article 7, Sections 16 and 17; and Article 19, Section 3, subd. 6 (HF 1078)
Amends Minn. Stat. § 256B.095
Effective July 1, 2007
Expands Region 10's Quality Assurance project to include all disability types as well as seniors, and extends the project to June 30, 2014.
- B. Statewide Quality Management, Assurance and Improvement System
Chapter 147, Article 7, Section 18 (HF 1078)
Adds Minn. Stat. § 256B.096, subd. 1
Effective July 1, 2007
 1. Establishment and Scope
Establishes a statewide system for Minnesotans receiving disability services to: (1) improve the quality of services provided Minnesotans with disabilities; and (2) meet federal requirements for home and community-based waiver services.
Adds Minn. Stat. § 256B.096, subd. 1
 2. Stakeholder Advisory Group; Annual Survey of Recipients
Requires DHS to consult with a stakeholder advisory group on the development and implementation of the quality management, assurance and improvement system. Requires development of an annual independent random statewide survey of between 5% and 10% of recipients to determine the effectiveness and quality of services with a biennial report of the results.
Adds Minn. Stat. § 256B.096, subs. 2 and 3
 3. Incident Reporting, Investigation, Analysis and Follow-Up
Requires DHS, in consultation with the stakeholder advisory group, to identify the information data sources and technology needed to improve incident reporting, including: (1) reports made under the Maltreatment of Minors Act and the Vulnerable Adults Act; and (2)

investigation, analysis, and follow up for other disability services. States the purpose of the activity is to ensure that federal home and community waiver requirements are met and that recipient rights and well-being are protected. Requires DHS to report biennially, beginning January 15, 2009, on progress toward developing the quality management, assurance and improvement system, with a preliminary report due January 15, 2008. Appropriates \$400,000 each year of the biennium.

Adds Minn. Stat. § 256B.096, subds. 4 and 5

XX. SELF-ADVOCACY

A. Advocating Change Together

Chapter 135, Article 1, Section 3, subd. 3 (HF 122)

Effective July 1, 2007

Appropriates \$300,000 for the biennium to Advocating Change Together for training, technical assurance and resource materials for persons with developmental and mental illness disabilities.

B. Statewide Advocacy Network for Persons with ID/DD

Chapter 148, Article 1, Section 12, subd. 4 (HF 548)

Effective July 1, 2007

Appropriates \$280,000 for the biennium to the Council on Developmental Disabilities to establish a statewide self-advocacy network for persons with intellectual and developmental disabilities (ID/DD). Requires the self-advocacy network to: (1) ensure that persons with ID/DD are informed of their rights in employment, housing, transportation, voting, government policy, and other issues pertinent to the ID/DD community; (2) provide public education and awareness of civil and human rights; (3) provide funds and technical assistance for self-advocacy groups across the state; and (4) organize communications to facilitate exchange of information among self-advocacy groups.

XXI. SSI PENALTY FOR LOW-INCOME FAMILIES ON MFIP

Chapter 147, Article 2, Section 63 (HF 1078)

Repeals Minn. Stat. § 256J.37, subd. 3b

Effective February 1, 2008

Repeals the \$125 per month reduction in the MFIP grant for families with a member receiving Supplemental Security Income (SSI) payments because of a permanent disability.

DOMESTIC ABUSE

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I. EARLY LEASE TERMINATION

Chapter 54, Article 4, Section 3 (HF 829)
Adds Minn. Stat. § 504B.206
Effective July 1, 2007

Creates a process for a domestic abuse victim (tenant) to terminate a residential lease early, without obligation to pay rent for the remaining term of the lease, provided certain conditions are met.

A. Requirements for Early Termination

Provides that a victim/tenant must:

1. Provide notice: (i) that the victim fears imminent domestic abuse; (ii) that the victim needs to terminate the tenancy; and (iii) the date the tenancy will terminate; and
2. Pay an amount equal to one month's rent on or before the termination date.

Adds Minn. Stat. § 504B.206, subds. 1 (notice) and 3 (payment)

B. Other Liabilities

Provides that the victim/tenant is liable for (1) the current month's rent (but payment is not a condition of the statute's applicability); and (2) any unpaid rent owed prior to termination.

Adds Minn. Stat. § 504B.206, subd. 3

C. Other Provisions

1. Prohibits land landlords from disclosing information in the tenant's notice.
2. Provides that if there are multiple tenants, the tenancy continues for those tenants.
3. Provides that the landlord's responsibilities for return of the security deposit begin either: (i) the month after the tenancy terminates or the victim vacates; or (ii) if there are multiple tenants, upon the expiration of the underlying lease.

4. Prohibits waiver of rights.

Adds Minn. Stat. § 504B.206, subds. 2 (disclosure); 3 (security deposit); 4 (multiple tenants); and 5 (waiver)

II. EXPANSION OF "QUALIFIED DOMESTIC VIOLENCE-RELATED OFFENSES"

Chapter 54, Article 2, Section 2 (HF 829)

Amends Minn. Stat. § 518.609.02, subd. 16

Effective August 1, 2007, and applies to crimes committed on or after that date

Expands: (1) the list of offenses categorized as a "qualified domestic violence-related offense" by adding first-degree murder (Minn. Stat. § 609.185) and second-degree murder (Minn. Stat. § 609.19); and (2) the definition of a "qualified domestic violence-related offense" to include attempts to violate any qualified domestic violence-related offense.

III. FAMILY TIME OFF FROM WORK TO ATTEND CRIMINAL PROCEEDINGS

Chapter 54, Article 4, Sections 5 and 6 (HF 829)

Amends Minn. Stat. § 611A.036, subds. 2 and 7

Effective July 1, 2007

Expands list of crimes, including domestic assault (violation of Minn. Stat. § 609.2242), for which a victim has the statutory right to take reasonable time off from work to attend criminal proceedings. Expands persons eligible to take time off from victim and "next of kin" to victim and "immediate family members."

IV. PHOTOGRAPHS ATTACHED TO NO CONTACT ORDERS

Chapter 54, Article 4, Section 1 (HF 829)

Adds Minn. Stat. § 299C.46, subd. 6

Effective August 1, 2007

Requires the courts to add a photograph of the defendant to a No Contact Order or an Order for Protection where the photograph is available and the court verifies that the photograph is an image of the defendant.

V. REPEAT VIOLATIONS OF ORDERS FOR PROTECTION

Chapter 54, Article 2, Section 1 (HF 829)

Amends Minn. Stat. § 518B.01, subd. 22

Effective August 1, 2007, and applies to crimes committed on or after that date

Requires that a minimum sentence for a second violation of an order for protection within ten years of a previous offense be imposed. Provides that the second violation is a gross misdemeanor, and the new minimum sentence is 10 days imprisonment and an order to participate in counseling. Creates a felony offense for: (1) the third violation of an Order for Protection in 10 years; or (2) a violation of an Order for Protection while possessing dangerous weapon. Requires a court to impose the minimum sentence of jail and counseling participation as part of probation even if the court stays the full sentence under the statute.

FAMILY LAW

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I. ADOPTION

- A. Assistance to Locate Genetic Siblings
Chapter 49 (SF 358)
Adds Minn. Stat. §259.83, subd. 1b
Requires counties or placing agencies – if requested by a child age 19 or older who was adopted or committed to the guardianship of the Department of Human Services (DHS) due to termination of parental rights – to advise the child of other siblings who were committed to the guardianship of the department, whether or not the siblings were adopted. Requires the provision of assistance to the extent that information is available from DHS. Requires the agency to share necessary information to locate other siblings and offer services as requested if the sibling received services from another agency. If parental rights with respect to another sibling were terminated, identifying information and contact must be provided only upon mutual consent.
- B. Authority of Commissioner
Chapter 147, Article 1, Section 1 (HF 1078)
Amends Minn. Stat. § 256.01, subd. 2
Effective July 1, 2007
Extends authority of DHS to contract with placement agencies for children under the guardianship of Minnesota tribes recognized by the U.S. Secretary of the Interior. Prohibits the contract from replacing existing county or tribal programs, unless specific authorities, which now include tribal governing bodies, agree or DHS has evidence that the county's placements are substantially below that of other counties.
- C. Child's Consent to Adoption
Chapter 147, Article 1, Section 2 (HF 1078)
Amends Minn. Stat. § 259.24, subd. 3
Effective July 1, 2007
Requires that a child over the age of 14 must still give written consent if adopted by a particular person. Prohibits a child of any age under guardianship and legally available for adoption from: (1) refusing DHS' or waiving DHS' efforts to recruit, identify and place the child in an adoptive home under Minn. Stat. §_260C.317, subd. 3(b) (permanency plans in termination of parental rights cases); or (2) signing a document relieving the county social services agencies of recruitment efforts on the child's behalf.
- D. Deferral from Adoption Exchange
Chapter 147, Article 1, Section 6 (HF 1078)
Amends Minn. Stat. § 259.75, subd. 8
Effective July 1, 2007
Eliminates authority to defer entering a child on the adoption exchange if the child is 14 years of age or older and refuses to consent to an adoption plan.

- E. Notice of Adoption Petition
Chapter 147, Article 1, Sections 3 and 4 (HF 1078)
Amends Minn. Stat. §§ 259.53, subd. 1; and 259.57, subd. 1
Effective July 1, 2007
Clarifies that the court administrator must send a copy of the adoption petition and adoption decree to DHS only in cases where a child is: (1) under the guardianship of DHS or a licensed child-placing agency under Minn. Stat. §§ 260C.201, subd. 11, or 260C.317; (2) placed by DHS (or its agent) or licensed child-placing agency: (i) after a consent to adoption under Minn. Stat. § 259.24; or (ii) under an agreement conferring authority to place for adoption according to Minn. Stat. § 259.25; or (3) placed by preadoptive custody order for a direct adoptive placement ordered by the district court under Minn. Stat. § 259.47.

II. CHILD SUPPORT GUIDELINES

- A. "Cap" Adjustment
Chapter 54, Article 5, Section 15 (HF 829)
Amends Minn. Stat. § 518A.35, subd. 3
Effective July 1, 2007
Eliminates the court's bi-annual adjustment of the income cap for the child support guidelines, but does not change the cost of living increases for individual orders.
- B. Child Care
Chapter 118, Sections 8 and 9 (SF 1271)
Amends Minn. Stat. § 518A.40
Effective August 1, 2007
1. Calculation
Clarifies that the cost of child care for purposes of calculating child support includes both the total amount received from the obligee and any public agency.
 2. Collection
Clarifies the statutory process for administrative termination of collection of child care support when no child care costs are incurred. Provides: (1) administrative termination does not apply to child care assistance cases; (2) verification that costs are no longer incurred will be made only with respect to the obligee; and (3) termination of collection is effective the first day of the month following verification. Provides that resumption of collection of child care costs: (1) may occur if child care assistance is provided or either party provides information that costs have recurred; and (2) is effective the first day of the month after the public authority received information that costs have recurred. Clarifies that the parties can challenge whether collection should be continued, in addition to the existing challenges to suspension or resumption of collection.

- C. Deviation When Child Resides in a Foreign Country
Chapter 118, Sections 7 and 18 (SF 1271)
Amends Minn. Stat. §§ 518A.43 and 518A.39, subd. 2
Effective August 1, 2007
 Creates a basis for deviation if a child resides for more than one year in a foreign country where cost of living is substantially higher or lower than in the United States. Creates a corresponding modification if the child no longer resides in the foreign country, or if the factors supporting the deviation no longer apply.
- D. Financial Affidavit
Chapter 118, Section 2 (SF 1271)
Amends Minn. Stat. § 518A.28
Effective August 1, 2007
 Shifts the responsibility to prepare the required financial affidavit from the Department of Human Services to the State Court Administrator. Permits parties to submit the required information on the form prepared by the State Court Administrator or a substantially similar affidavit form.
- E. Judgments
Chapter 118, Section 20 (SF 1271)
Amends Minn. Stat. §§ 518.68, subd. 2; and 548.091, subd. 1a
Effective January 1, 2008
1. *Amount*
 Eliminates the additional 2% incremental interest rate, making the interest rate for child support the same as non-child support judgments.
Amends Minn. Stat. § 548.091, subd. 1a
 2. *Administrative Suspension of Interest*
 - a. **Authorization to Suspend**
 Permits the public authority to: (1) administratively suspend interest in full IV-D service cases upon the request of the obligor and after 12 consecutive months of payments of both current support and court-ordered payback of a child support debt or arrears; and (2) resume charging of interest if the obligor fails to make future timely payments.
Amends Minn. Stat. § 548.091, subd. 1a
 - b. **Notice Requirements**
 - 1) Notice of Intent to Suspend or Resume
 Requires the public authority to provide written notice of its intent to suspend or resume charging interest. Permits a party to contest the action by making a request for hearing within 30 days, and requires the public authority to schedule a hearing and provide notice of the hearing at least 14 days in advance. Requires a judge or magistrate permitting suspension or resumption to indicate the effective date of the decision.

If there is no contest, and the obligor meets the statutory requirements, the public authority suspends interest charging.

Amends Minn. Stat. § 548.091, subd. 1a

Amends Minn. Stat. § 518.68, subd. 2 (Appendix A)

c. **Timing of Suspension or Resumption**

Provides that: (1) if suspension is uncontested, suspension occurs on the first day of the month following the public authority's written notice to the parties; and (2) if interest resumes, resumption occurs as of the first day of the month in which the timely payments ceased.

Amends Minn. Stat. § 548.091, subd. 1a

F. Medical Support

Chapter 118, Sections 1, 10-17, and 19 (SF 1271)

Amends Minn. Stat. §§ 518.68, subd. 2 (Appendix A); 518A.41, subds. 1-5, 12, 15 and 16; and 518A.75, subd. 3

Effective August 1, 2007

1. *Collection Offset*

Expands the medical support collection offset provisions by permitting an offset against both child support and spousal maintenance, resulting in a possible offset against both child support and spousal maintenance obligations owed to that parent if a custodial parent owes medical support. Permits the public authority to administratively resume the offset when the obligated parent has re-instated coverage or enrolled the child in other coverage, subject to written notice and right to be heard.

Amends Minn. Stat. §§ 518.68, subd. 2; and 518A.41, subd. 16

2. *Cost-of-Living Adjustment*

Clarifies that medical support is not subject to a cost-of-living adjustment (COLA), and that any adjustments made pursuant to a COLA hearing are adjustments to basic support only. Makes corresponding change to Minn. Stat. § 518.68, subd. 2 (Appendix A).

Amends Minn. Stat. §§ 518.68, subd. 2; and 518A.41, subd. 5

3. *Definition of "Health Care Coverage"*

Clarifies that "health care coverage" includes medical, dental, or other health care benefits and may be provided by one or more plans.

Clarifies that a "health plan" is any plan other than public coverage (e.g., Medical Assistance or MinnesotaCare) that provides medical, dental, or other benefits, and that such a plan may be available by a party's spouse or parent.

Amends Minn. Stat. § 518A.41, subd. 1

4. *Orders and Appropriate Coverage*

Clarifies that determining each parent's responsibility for unreimbursed and uninsured expenses must be done even if the child is already enrolled in a health care plan. Provides: (1) if the court must determine whether appropriate coverage is available, the court is looking primarily at medical benefits; but (2) if the child is not already

enrolled in health care coverage with dental benefits or other benefits, upon motion, the court may determine whether there is appropriate dental coverage or other coverage available.
Amends Minn. Stat. § 518A.41, subds. 2 and 3

5. *Public Coverage*

Clarifies that if the child receives public coverage, and the non-custodial parent's income exceeds the MinnesotaCare eligibility tables, the parent's medical support obligation is the premium for the highest eligible income on the appropriate premium schedule.
Amends Minn. Stat. § 518A.41, subd. 4

G. Potential Income

Chapter 118, Sections 3-6 (SF 1271)

Amends Minn. Stat. §518A.32, subds. 1, 3, 5, and 6
Effective August 1, 2007 (Except as noted below)

1. *Applicability to Mentally or Physically Incapacitated Persons*

Reinstates provision of the law in effect prior to January 1, 2007, that exempts persons who are mentally or physically incapacitated from presumption of an ability to work 40 hours per week.
Amends Minn. Stat. §518A.32, subd. 3
Effective retroactive to January 1, 2007

2. *Applicability to Persons Not Employed Full Time*

Expands when potential income is applied to situations when a person is employed on less than a full-time basis. The statutory standard will now be applied if a person is voluntarily unemployed, underemployed, or employed on less than a full-time basis.
Amends Minn. Stat. §518A.32, subds. 3, 5, and 6
Effective retroactive to January 1, 2007

3. *General Applicability*

Clarifies that the statutory provisions regarding potential income apply to orders: (1) for past support or reimbursement of public assistance; and (2) issued under chapters 518A (child support), 256 (past support and assistance), 257 (paternity), 518B (domestic abuse), or 518C (interstate child support orders).
Amends Minn. Stat. §518A.32, subd. 1

III. PARENTING TIME CENTERS

Chapter 54, Article 1, Section 10, subd. 6 (HF 829)
Effective July 1, 2007

Appropriates \$200,000 (one-time) for supervised parenting time centers, to be administered by the Department of Public Safety. Directs the department to establish grant award criteria, and ensure that any grant recipient operates in a manner consistent with the guidelines of the Supervised Visitation Network (SVN).

IV. GUARDIAN AD LITEM APPOINTMENT.

*Chapter 54, Article 5, Section 13
Amends Minn. Stat. §518.165, subds. 1 and 2
Effective July 1, 2007*

Eliminates responsibility of guardian ad litem to make recommendations on child support. As a result, the role of the Guardian ad litem will continue to be to advise the court with respect to custody and parenting time. Requirements to appoint a guardian ad litem in lump sum paternity settlements were not changed.

HEALTH LAW

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I. ALL MINNESOTA HEALTH CARE PROGRAMS

A. Citizenship Documentation

*Chapter 147, Article 19, Section 3, subd. 7(b) (Health Care Operations Budget) (HF 1078)
Effective July 1, 2007*

Appropriates \$443,000 in the first year of the biennium (FY 08) and \$293,000 in second year of the biennium (FY 09) to support administrative operations for costs of citizenship documentation required by the Deficit Reduction Act. Provides funding to develop a data match between the Department of Human Services (DHS) and the Minnesota Department of Health (MDH) to automate verification of birth records for individuals born in Minnesota.

B. Outreach

*Chapter 147, Article 5, Section 2 (HF 1078)
Adds Minn. Stat. § 256.962, subds. 1-7
Effective July 1, 2007, except the effective date for DHS to establish a new schedule for mailing renewal notices is December 1, 2007 and the effective date for the creation of an incentive program is January 1, 2008*

Requires DHS to establish an outreach program, which will be implemented by public and private organizations under DHS grants. The organizations will provide information, applications, and assistance in obtaining and maintaining health care coverage through the public programs. Requires the application form, as well as information on where the individual can obtain assistance in completing the form, to be made available at specified locations and in languages other than English. Directs local human service agencies, hospitals, and health care community clinics that receive State money to provide direct assistance in completing the application form. Requires DHS to: (1) implement a statewide toll-free telephone number to assist applicants; (2) create an incentive program for organizations that directly identify and assist applicants; and (3) and establish a new schedule for mailing renewal notices. Requires school districts to provide information to each student on the availability of

health care coverage and assistance for certain students. Requires counties to offer application and assistance when providing child support collection services.

- C. Patient Incentive Program
Chapter 147, Article 15, Section 15 (HF 1078)
Adds Minn. Stat. § 256.01, subd. 2b (b)
Effective July 1, 2009 (funding available July 1, 2008)
Requires DHS to develop and implement a patient incentive program for State health care program enrollees who meet personal health goals established with the provider to manage a chronic disease or condition.

- D. Performance Payments
Chapter 147, Article 15, Section 15 (HF 1078)
Amends Minn. Stat. § 256.01, subd. 2b (a)
Effective July 1, 2007
Requires DHS to provide performance payments to clinics as well as to medical groups that demonstrate optimum care in serving individuals with chronic diseases. Allows DHS to receive any federal match made available through MA for managed care oversight, for purposes of the pay-for-performance system for medical groups serving persons with chronic diseases.

- E. Primary Care Access Pilot Project
Chapter 147, Article 5, Section 3 (HF 1078)
Adds Minn. Stat. § 256.96, subds. 1 and 2
Effective July 1, 2007
Directs DHS to award a grant to implement a Web-based primary care access pilot project in Hennepin and Ramsey Counties to connect patients with a primary care medical home and schedule patients into available community-based appointments as an alternative to non-emergency use of a hospital emergency room. Requires submission of an evaluation of the project results to the Legislature for review by January 15, 2009.

II. CHILDREN'S HEALTH CARE PROGRAM

To increase the number of Minnesota children with health care coverage, the Legislature enacted a new Children's Health Care Program that requires the coordination of Medical Assistance and MinnesotaCare coverage. Components of the program include:

- A. Definition of "Children's Health Care Program"
Chapter 147, Article 13, Section 4 (HF 1078)
Adds Minn. Stat. § 256L.22
Effective October 1, 2008, or upon federal approval, whichever is later
Defines the "Children's Health Program" to mean both the MA and MinnesotaCare programs to the extent that they provide health coverage to children.

- B. Application and Renewal Requirements
Chapter 147, Article 13, Section 5 (HF 1078)
Adds Minn. Stat. § 256L.24, subds. 1-4
Effective October 1, 2008, or upon federal approval, whichever is later
Requires DHS to develop an application form for the Children's Health Care program that is easily understandable and is no longer than four pages in length. Requires children enrolled in MinnesotaCare to pay MinnesotaCare premiums. Requires applications and application assistance to be available to those applying for the children's health programs. Requires renewals for children in MinnesotaCare every 12 months.
- C. Assistance in Choosing a Managed Care Organization
Chapter 147, Article 13, Section 6 (HF 1078)
Adds Minn. Stat. § 256L.26
Effective October 1, 2008, or upon federal approval, whichever is later
Requires DHS to assist children in choosing a managed care organization by: (1) establishing a Web site to provide information and to allow online enrollment; (2) making applications and information on managed care organizations available in accordance with Title VI of the Civil rights Act; and (3) providing benefits educators to assist applicants.
- D. Extended MA Eligibility and Automatic MinnesotaCare Eligibility
Chapter 147, Article 13, Sections 1, 2, 3 and 5 (HF 1078)
Adds Minn. Stat. §§ 256B.057, subd. 2c; 256L.07, subd.7; and 256L.04, subd. 1
Effective October 1, 2008, or upon federal approval, whichever is later
Adds two months of extended MA eligibility for children under age 19 who become ineligible for the program due to excess income. Provides that these children will be automatically eligible for MinnesotaCare until renewal (but must pay the MinnesotaCare premium to be enrolled). Provides that the children are eligible even if they have access to: (1) employer-subsidized coverage; (2) employer-subsidized coverage through the current employer during the 18 months prior to application or reapplication; or (3) other health coverage while enrolled or during the four months prior to application and renewal.
- E. Federal Approval
Chapter 147, Article 13, Section 7 (HF 1078)
Adds Minn. Stat. § 256L.28
Effective October 1, 2008, or upon federal approval, whichever is later
Requires DHS to seek all federal waivers and approvals needed to implement the children's health program, including but not limited to those needed to coordinate MA and MinnesotaCare coverage for children, and waivers to maximize federal match for covered children through the use of more liberal income methodologies as provided under 42 U.S.C. §§ 1396a and 1396u-1.

III. CONTINUING CARE

- A. Access to American Sign Language Interpreter Services
Chapter 147, Article 7, Section 6 (HF 1078)
Amends Minn. Stat. § 256B.0625, subd. 18a
Effective July 1, 2007
Requires MA to cover American sign language interpreter services, regardless of the number of employees the health care provider has. (Previously, providers with 15 or more employees had to pay for sign language interpretation, while the county human services agency paid for services if a provider had fewer than 15 employees.)
- B. Alternative Care Services
Chapter 147, Article 6, Sections 29-31 (HF1078)
Amends Minn. Stat. § 256B.0913, subds. 4-5a
Effective July 1, 2007
Adds a statutory reference to the MA asset transfer in a provision that denies eligibility for alternative care services to persons who are ineligible for MA due to an asset transfer penalty. Also, adds a MA statutory reference to provide that person with home equity that exceeds \$500,000 is ineligible for alternative care. Changes the list of services for which alternative care funding may be used. Specifies that alternative care does not cover benefits defined under Minn. Stat. § 256B.0625 that meet primary health care needs. Clarifies that alternative care funds can not supplement client cost-sharing and premiums for health-related benefits and services or entitlement programs and services in which an individual has chosen not to enroll.
- C. Community Service Provider Rates
Chapter 147, Article 7, Section 71 and Article 19, Section 3, subd. 4 (HF1078)
Effective October 1, 2007
Provides a rate increase of 2% each year for the biennium on October 1, 2007 and July 1, 2008 for all community service providers. Requires that 75% of the 2% increase must be used for compensation-related increases for eligible employers. Requires that 67% of the 75% must be used for equal hourly wage increases for all eligible employers.
- D. Consumer Information and the Senior LinkAge Line
Chapter 147, Article 7, Section 5 (HF 1078)
Amends Minn. Stat. § 256.975, subd. 7
Effective May 26, 2007
Directs the Minnesota Board on Aging, through the Senior LinkAge Line, to incorporate information about housing with services establishments and consumer rights into the MinnesotaHelp.info network long-term care database. The intent is to help consumers compare services and costs among establishments and with other in-home services.

- E. Elderly Waiver Services
Chapter 147, Article 7, Section 15 (HF1078)
Amends Minn. Stat. § 256B.0915 subds. 1-9
Effective July 1, 2007
 There were a number of changes to the elderly waiver statute. While many were technical the substantive changes include: 1) clarifies the provision of elderly waiver services must comply with the service definitions and provider standards in the waiver 2) establishes new requirement and definition of case management services and services provided by a case aide 3) provides that the definition of county service has the meaning set forth in Minnesota Rules, part 9505.0015, subpart 11. 4) sets a conversion rate for persons moving from a nursing home to the elderly waiver with consumer directed community support services (also requires the cost of environmental adaptations to be included when determining total monthly costs) 5) specifies requirements for setting the customized living service rates and adds a reference to class F home care providers delivering customized living services 6) establishes the payment rates for 24-hour customized living services and defines 24-hour supervision (effective the day following final enactment) 7) clarifies care plans are implemented by the county "of service" 8) clarifies that a person for whom a prepaid plan is liable for nursing home or elderly waiver services is not eligible to also receive county-administered elderly waiver services 9) adds managed care organization to the list of entities that are not liable for damages, injuries, or liabilities related to participation in consumer-directed community support services.
- F. Health Care Directive Form Changes
Chapter 147, Article 9, Section 22 (HF 1078)
Amends Minn. Stat. § 145C.05
Effective August 1, 2007
 Adds that a health care directive may include a limitation on the right of the health care agent to visit the principal when the principal is a patient in a health care facility.
- G. Health Care Agent Visitation
Chapter 147, Article 9, Section 23 (HF 1078)
Adds Minn. Stat. § 145C.07, subd. 5
Effective August 1, 2007
 Allows a health care agent to visit the principal in a health care facility regardless of whether the principal retains decision-making capacity. Lists three circumstances under which visitation will not be allowed.
- H. Housing with Services Establishments
1. *Injunctive Relief Report*
Chapter 147, Article 9, Section 35 (HF 1078)
Effective August 1, 2007
 Requires MDH to report recommendations to the Legislature by December 15, 2007 on how to fund the costs of bringing actions for injunctive relief relating to housing with services establishments under Adds Minn. Stat. § 144G.02. (Adds Minn. Stat. § 144G.02 provides that MDH has standing to bring an action

for injunctive relief in the district court in the district in which a housing with services establishment is located to compel the housing with services establishment or the arranged home care provider to meet the requirements of this chapter or other requirements of the state or of any county or local governmental unit to which the establishment or arranged home care provider is otherwise subject.)

2. *Assisted Living Services*

Chapter 147, Article 7, Section 14 (HF 1078)

Adds Minn. Stat. § 256B.0911, subd. 3c

Effective October 1, 2008

Requires housing with services establishments that provide assisted living services to inform prospective residents about the availability of transitional consultation services prior to executing a lease or contract with the prospective resident. Transitional consultation service delivery requirements are also outlined.

I. Long Term Care Consultation Services

1. *Exemptions and Emergency Admissions*

Chapter 147, Article 6, Section 24 (HF1078)

Amends Minn. Stat. § 256B.0911, subd. 4b

Effective July 1, 2007

Eliminates the exemption from federal screening requirements for a short term stay in a nursing facility. Nursing facilities must provide information to all persons admitted regarding their right to request and receive long-term care consultation services.

2. *Screening Requirements*

Chapter 147, Article 6, Section 25 (HF 1078)

Amends Minn. Stat. § 256B.0911, subd.4c

Effective July 1, 2007

Eliminates the requirements that long term care consultation teams recommend a case mix classification for persons admitted to a certified nursing facility and authority for nursing facilities to conduct certain assessments.

3. *Long-Term Care Consultation*

Chapter 147, Article 7, Section 13 (HF1078)

Amends Minn. Stat. § 256B.0911, subd. 3a

Effective July 1, 2007

Adds that assessment and support planning will be provided to individuals in order to determine eligibility for waiver or alternative care program services. New paragraph (g) allows an individual to make the final decision regarding placement after the screening assessment. Requires the treatment team to provide information regarding the role of assessment and support planning in waiver and alternative care program eligibility determinations, and the consultant's decision regarding the individual's need for nursing facility level of care. Adds a paragraph that a face-to-face assessment to determine eligibility for Alternative Care Elderly

Waiver and Home and Community-Based Waivers (CADI, CAC and TBI) is valid for no more than 60 days after the date of assessment. Prohibits the eligibility start date from ever being prior to the assessment date

J. Office of Ombudsman for Long Term Care

1. *Office of Ombudsman for Long Term Care*
Chapter 147, Article 6, Section 9 (1078)
Amends Minn. Stat. § 256.974
Effective July 1, 2007
Changes the name of the Office of Ombudsmans for Older Minnesotans to the Office of Ombudsman for Long-Term Care.
2. *Long-Term Care Facility*
Chapter 147, Article 6, Section 10 (HF1078)
Amends Minn. Stat. § 256.9741, subd. 1
Effective July 1, 2007
Changes the definition of long term care facility to give the office of ombudsman for long term care jurisdiction over “a licensed or registered residential setting that provides or arranges for the provision of home care services”.
3. *Client*
Chapter 147, Article 6, Section 11 (HF1078)
Amends Minn. Stat. § 256.9741, subd. 3
Effective July 1, 2007
Clarifies that a client of the office for long term care includes an individual receiving home care services.
4. *Posting*
Chapter 147, Article 6, Section 12 (HF1078)
Amends Minn. Stat. § 256.9742, subd. 3
Effective July 1, 2007
Requires counties to provide clients receiving long term care consultation services or home and community-based services with information on the office of long term care.
5. *Access to Clients*
Chapter 147, Article 6, Section 13 (HF1078)
Amends Minn. Stat. § 256.9742, subd. 4
Effective July 1, 2007
Eliminates the requirement for long term ombudsman to comply with the requirements of the patients bill of rights when communicating with clients and inspecting records of a facility, as long as the ombudsman has the client’s consent.
6. *Prohibition Against Discrimination or Retaliation*
Chapter 147, Article 6, Section 14 (HF1078)
Amends Minn. Stat. § 256.9742, subd. 6
Effective July 1, 2007
Includes in the definition of adverse action, for purposes of a prohibition against retaliation against an individual for filing a

complaint, any restriction of rights specified in the hospice bill of rights (144.741)

IV. GENERAL ASSISTANCE MEDICAL CARE (GAMC)

A. Coverage Changes

Chapter 147, Article 5, Section 17 (HF 1078)

Amends Minn. Stat. § 256D.03, subd. 4

Effective July 1, 2007 and July 1, 2008

Adds coverage for care coordination and patient education services provided by a community health worker, as well as for sign language interpreter services provided by an enrolled health care provider.

Effective January 1, 2008, limits GAMC prescription drug coverage to drugs that: (1) are covered under MA; (2) are associated with GAMC rebate agreements; and (3) conform to MA standards.

B. Co-Payment Changes

Chapter 147, Article 5, Section 17 (HF 1078)

1. *Collection*

Prohibits providers from denying services to recipients who are unable to pay the copayment.

Amends Minn. Stat. § 256D.03, subd. 4

Effective July 1, 2007

2. *Amount*

Eliminates all GAMC co-payments except for a \$25 co-payment for non-emergency visits to emergency rooms and co-payments for prescription drugs. Decreases the maximum monthly co-payment for prescription drugs from \$12 to \$7. No co-payments will apply to antipsychotic drugs when used for treatment of mental illness.

Amends Minn. Stat. § 256D.03, subd. 4

Effective January 1, 2009

C. Eligibility Changes for Homeless Individuals

Chapter 147, Article 5, Section 16 (HF 1078)

Amends Minn. Stat. § 256D.03, subd. 3

Effective July 1, 2007

GAMC applicants and recipients who are homeless are not required to transition out of GAMC and enroll in MinnesotaCare immediately following approval for GAMC.

V. HEALTH CARE REFORM

A. Care Coordination Pilot Projects

Chapter 147, Article 15, Section 19 (HF 1078)

Effective July 1, 2007 (but funding is not available until Fiscal Year (FY) 09)

1. Establishment
Requires the DHS to develop and administer up to four pilot projects for children and adults with complex health needs enrolled in fee-for-service MA. Specifies that at least two grantees must focus on children with autism or children with complex physical conditions. Requires the projects to be designed to support cost-effective primary and preventive care, reward evidence-based care and coordination of care for chronic conditions, and discourage overuse and misuse of high-cost services.
 2. Requirements and Evaluation
Requires the pilot projects to: (1) offer 24-hour, seven-day per week telephone contact; (2) provide or arrange for comprehensive health care needs; (3) coordinate specialty care; and (4) provide consistent ongoing care. Requires pilot projects to be evaluated based on patient and provider satisfaction, clinical outcomes, costs, and economic impact on health care providers.
- B. Community Initiatives to Cover Uninsured and Underinsured
Chapter 147, Article 15, Section 18 and Article 19, Section 4, subd. 3 (HF 1078)
Effective July 1, 2007
Appropriates \$300,000 in FY 08 to the Minnesota Department of Health (MDH) to provide planning grants to community partnerships to develop a comprehensive proposal to provide health care services to uninsured and underinsured individuals with chronic conditions through an integrated community partnership system.
- C. Evidence-based Health Care Guidelines
Chapter 147, Article 15, Section 1 (HF 1078)
Adds Minn. Stat. § 62J.431
Effective August 1, 2007
Specifies criteria for evidence-based guidelines.
- D. Health Care Payment System Reform
Chapter 147, Article 15, Section 17 (HF 1078)
Effective July 1, 2007
Requires the following agencies to develop a plan to promote and facilitate changes in payment rates and methods of paying for health care, and present a report to the legislature by December 15, 2007: Departments of Employee Relations, Human Services, Commerce, and Health.
- E. Health Care Transformation Task Force
Chapter 147, Article 15, Section 21(policy), and Article 19, Section 4, subd. 3 (funding) (HF 1078)
Effective July 1, 2007
Appropriates \$170,000 from the Health Care Access Fund in FY 08 and requires the governor to convene a task force to advise and assist the executive branch regarding activities to transform the health care system and develop a statewide action plan. Requires MDH to provide staff support.

- F. Hospital Information Reporting Disclosure
Chapter 147, Article 14, Section 1 (HF 1078)
Amends Minn. Stat. § 62J.82
Effective August 1, 2007
Requires the Minnesota Hospital Association to include on their public Web-based system information on hospital specific performance on measures of care related to acute myocardial infarction, heart failure, and pneumonia. Beginning January 1, 2009, requires inclusion of hospital-specific performance measures for hospital-acquired infections. Requires MDH to provide a link to the reported information on the MDH Web site. Allows MDH to take action against a hospital that does not provide the required information.
- G. Legislative Commission on Health Care Access
Chapter 147, Article 12, Section 4 (HF 1078)
Amends Minn. Stat. § 62J.07, subd. 1
Effective August 1, 2007
Directs the Legislative Commission on Health Care Access to present recommendations to the Legislature by January 15, 2008, on how to achieve the goal of universal health coverage. Mandates that the recommendations include a timetable for making measurable progress towards achievement of the goal.
- H. Required Disclosure of Estimated Payment for Services
Chapter 147, Article 15, Section 9 (HF 1078)
Amends Minn. Stat. § 62J.81, subd. 1
Effective August 1, 2007
Clarifies provisions that require health care providers and health plan companies to provide information to consumers on payments received or provided and enrollee costs. Changes terminology from "reimbursement" to "allowable payment." Requires information on the amount due from the enrollee and enrollee out-of-pocket expenses to be provided. Specifies in more detail the information that must be provided when consumers have no applicable public or private coverage.
- I. Uniform Administrative Health Care Transactions
Chapter 147, Article 15, Section 4 and Article 19, Section 4, subd. 3 (HF 1078)
Adds Minn. Stat. § 62J.536
Effective January 15, 2009
Appropriates \$146,000 from the Health Care Access fund for FY 08 to support administrative simplification and to establish and implement uniform electronic transaction standards for health plans and providers. All health care payers and providers doing business in Minnesota are required to use electronic methods for all claims and eligibility transactions after January 15, 2009. This funding provides resources to support administrative simplification and to establish and implement uniform electronic transaction standards for health plans (group purchasers) and health care providers. By July 15, 2009, all group purchasers and providers doing business in Minnesota must receive and transmit their encounter information electronically. Each transaction will require the use of a single, uniform companion guide to

the implementation guides required under this subdivision. For purposes of this section, the definition of a "health care provider" includes licensed nursing homes, licensed boarding care homes and licensed home care providers.

- J. Universal Health Care Coverage
Chapter 147, Article 15, Section 11
Amends Minn. Stat. § 62Q.165, subd. 1
Effective July 1, 2007
Commits the State to achieve universal health care coverage for Minnesotans by the year 2011.

VI. MEDICAL ASSISTANCE (MA)

- A. Co-payments
Chapter 147, Article 5, Section 10 (HF 1078)
Amends Minn. Stat. § 256B.0631, subds. 1 and 3
1. *Collection*
Notwithstanding usual business practice, prohibits denial of services by a service provider to a recipient unable to pay a co-payment.
Amends Minn. Stat. § 256B.0631, subd. 3
Effective July 1, 2007
 2. *Amount*
Eliminates co-payments for services provided on or after January 1, 2009, except for the \$6 co-payment on non-emergency visits to an emergency room and co-payments on prescription drugs. Decreases the maximum for co-payments for prescription drugs from \$12 to \$7 per month.
Amends Minn. Stat. § 256B.0631, subd. 1
Effective January 1, 2009
 3. *Reimbursement*
Provides that reimbursement to providers and managed care plans must not be increased as a result of the removal of the co-payments.
Amends Minn. Stat. § 256B.0631, subd. 3
Effective January 1, 2009
- B. Coverage for Circumcision
Chapter 147, Article 5, Section 9 (HF 1078)
Amends Minn. Stat. § 256B.0625, subd. 3f
Effective July 1, 2007
Limits MA payment for circumcisions to only those procedures that are medically necessary. (Previously, MA covered the procedure for a newborn if required because of a well-established religious practice.)

- C. Coverage for Services Provided by Community Health Workers
Chapter 147, Article 4, Section 7 (HF 1078)
Adds Minn. Stat. § 256B.0625, subd. 49
Effective July 1, 2007
 Requires MA to cover the care coordination and patient education services provided to fee-for-service clients by a community health worker if the worker: (1) is certified by the Minnesota State Colleges and Universities System; or (2) possesses at least five years of supervised experience under a physician (MD), registered nurse (RN), or advanced practice registered nurse (APN) provider and, for the worker to remain eligible for payment, completes the certification program by January 1, 2010.
- D. Critical Access Dental Reimbursement
Chapter 147, Article 5, Section 14 (HF 1078)
Amends Minn. Stat. § 256B.76
Effective July 1, 2007
 Increases the critical access dental reimbursement for MA 30% above the MA rate that would otherwise be paid to the provider. (Reimbursement for MinnesotaCare remains at 50%.) Provides that Critical Access dental payments will be forecasted and not be subject to a limited appropriation. Requires DHS to pay the health plans amounts that reflect the increased reimbursements. Eliminates the requirement that DHS establish annual provider specific limits for critical access dental payments.
- E. Dental Services and Minnesota Health Care Programs Reimbursement
Chapter 147, Article 5, Section 12 (HF 1078)
Amends Minn. Stat. § 256B.0644
Effective July 1, 2007
 Exempts dental service providers who accept new MA and MinnesotaCare patients who are children with special health care needs from the requirement that 10% of their caseload be patients who are covered by Minnesota Health Care Programs.
- F. Disregard of Certain Monetary Gifts
Chapter 147, Article 4, Section 4 (HF 1078)
Adds Minn. Stat. § 256B.056, subd. 1d
Effective July 1, 2007
 Requires DHS to disregard as income any portion of a monetary gift received by an applicant or enrollee that is designated to purchase a prosthetic device not covered by insurance, other third-party payers, or MA.
- G. Documentation and Billing of Mental Health Services
Chapter 147, Article 11, Sections 20 and 21 (HF 1078)
Amends § 256B.0943, subds. 11 and 12
Effective August 1, 2007
 Prohibits a provider of mental health services from billing for any service time other than direct service time. Clarifies that activities that are not direct service time are not eligible for MA payment.

- H. Drug Formulary
Chapter 147, Article 4, Section 6 (HF 1078)
Amends Minn. Stat. § 256B.0625, subd. 13d
Effective May 26, 2007
Requires DHS to notify prescribing practitioners that a rebate agreement was not signed if a single-source drug used by at least 2% of the fee-for-service medical assistance recipients is removed from the formulary due to the failure of the manufacturer to sign the rebate agreement. Requires notification to be provided within 30 days of receipt by DHS of notification from the Centers for Medicare and Medicaid Services that the agreement was not signed.
- I. Eligibility Changes for Persons Detained by Law
Chapter 147, Article 4, Section 3 (HF 1078)
Amends Minn. Stat. § 256B.055, subd. 14
Effective July 1, 2007
Requires suspension from MA eligibility of an individual enrolled in MA at the time the person is incarcerated if the person is: (1) charged with a crime; and (2) incarcerated for fewer than 12 months. Provides that, upon release, MA eligibility is reinstated without reapplication (using a reinstatement application process and form), if the individual is otherwise eligible.
- J. Eligibility Verification
Chapter 147, Article 5, Section 8 (HF 1078)
Amends Minn. Stat. § 256B.056, subd. 10
Effective July 1, 2007
Eliminates: (1) DHS requirement to modify the health care programs application form to require collection of more detailed asset and income information; and (2) the requirement that Medical Assistance (MA) enrollees report and verify new or increased income within ten days of a change in income.
- K. Lead Risk Assessments
Chapter 147, Article 16, Section 16 (HF 1078)
Amends Minn. Stat. § 256B.0625, subd. 49
Effective October 1, 2007, or six months after federal approval, whichever is later
Includes risk assessments for children with elevated blood lead levels as covered services.
- L. Lead Risk Assessments Reimbursement
Chapter 147, Article 16, Section 8 (HF 1078)
Adds Minn. Stat. § 144.9507, subd. 6
Effective October 1, 2007, or six months after federal approval, whichever is later
Prohibits MA reimbursement for lead risk assessment services under Minn. Stat. § 256B.0625, subd. 49, from being used to replace or decrease existing State or local funding for lead assessment services.

- M. Pharmacy Report On Deficit Reduction Act (DRA) Impact
Chapter 147, Article 5, Section 38 (HF 1078)
Effective May 26, 2007
 Requires DHS to report to the Legislature, by January 15, 2008, on the fiscal impact of the DRA reforms on the Minnesota MA pharmacy program, including overall cost reductions and number of participating pharmacies.
- N. Provider-directed Care Coordination Services
Chapter 147, Article 15, Section 16 (HF 1078)
Adds § 256B.0625, subd. 49
Effective January 1, 2008
 Requires DHS to develop and implement a provider-directed care coordination program for MA recipients receiving services under fee-for-service. Requires MA to pay primary care clinics for care coordination for persons who have complex and chronic medical conditions.

VII. MINNESOTACARE

- A. Co-payments and Coinsurance for Pregnant Women and Children
Chapter 147, Article 4, Section 8 (HF 1078)
Amends Minn. Stat. § 256L.03, subd. 5
Effective July 1, 2007
 Eliminates the \$6 co-payment for pregnant women and children under the age of 21 for non-emergency visits to a hospital-based emergency room.
- B. Documentation Requirements
Chapter 147, Article 4, Section 10 (HF 1078)
Amends Minn. Stat. § 256L.17, subd. 3
Effective July 1, 2007
 Eliminates the requirement enacted in 2005 that DHS provide a form for applicants and enrollees to declare whether they satisfy the asset limit requirement at the time of application or renewal.
- C. Sliding Fee Scale Premiums
Chapter 147, Article 5, Section 33 (HF 1078)
Amends Minn. Stat. § 256L.15, subd. 2
Effective July 1, 2007 or upon federal approval, whichever is later
 Eliminates the planned 8% sliding fee scale premium increase for premiums which had not yet been implemented. Decreases the sliding fee scale premiums as follows: (1) by 0.5% for enrollees with incomes above 100% of federal poverty guidelines (FPG), and (2) by 1% for enrollees with incomes above 200% of FPG.
- D. Eligibility Changes
Chapter 147, Article 5, Sections 19, 21, 22, 23, 25, 26, 27, 28, 29, 30, 34, 36, and 41 (HF 1078)
Amends Minn. Stat. §§ 256L.01, subd. 4; 256L.03, subds. 3 and 5; 256L.04, subd. 7; 256L.05, subd. 1b, 2, and 3a; 256L.07, subd. 1, 1(c), and 6; 256L.09, subd. 4; 256L.15, subd 4; and 256L.17, subd. 7
Repeals Minn. Stat. § 256L.07, subd. 2a

Various effective dates

1. *Adults Without Children*
Increases income eligibility limit for adults without children from 175% to 200% of FPG effective January 1, 2008 and to 215% of FPG effective July 1, 2009.
Article 5, Section 23
Amends Minn. Stat. § 256L.04, subd. 7
2. *Calculation of Gross Income*
Makes parents ineligible if gross household income exceeds \$50,000 using a twelve-month period of eligibility.
Article 5, Section 28
Amends Minn. Stat. § 256L.07, subd. 1(c)
Effective July 1, 2007 or upon federal approval, whichever is later
3. *College Students*
Removes the eligibility barrier for children under 21 who are postsecondary students and have access to health insurance coverage through their educational institution.
Article 5, Section 41
Repeals Minn. Stat. § 256L.07, subd. 2a
Effective July 1, 2007
4. *Homeless Individuals*
Permits adults without children who are living in a shelter to use the shelter's address as proof of residence for purposes of eligibility.
Article 5, Section 30
Amends Minn. Stat. § 256L.09, subd. 4
Effective July 1, 2007
5. *Inpatient Hospital Services*
Increases the income limit, at and above which the inpatient hospital limit (\$10,000) applies to parents and relative caretakers, from 175 % to 200% of FPG effective January 1, 2008 and to 215% effective July 1, 2009. (This provision was inadvertently included in the bill and requires federal approval. No appropriation was made to fund this change.)
Article 5, Sections 21-22
Amends Minn. Stat. § 256L.03, subd. 3 and 5
6. *Renewals*
Replaces six-month renewals with annual renewals.
Article 5, Sections 19, 25, 27, 28, 29, 34 and 36
Amends Minn. Stat. §§ 256L.01, subd. 4; 256L.05, subd. 1b and 3a; 256L.07, subd. 1 and 6; 256L.15, subd 4; 256L.17, subd. 7
Effective July 1, 2007, or upon federal approval, whichever is later
7. *Verification of Income Requirements*
Eliminates the following requirements: (1) verification of earned and unearned income when seeking coverage; (2)

submission by enrollees of the names and contact numbers of their employers for the purpose of verifying the availability of employer-subsidized health coverage.

Article 5, Section 26

Amends Minn. Stat. § 256L.05, subd. 2

Effective July 1, 2007

- E. Expanded Application and Assistance Availability
Chapter 147, Article 5, Section 24 (HF 1078)
Amends Minn. Stat. § 256L.05, subd. 1
Effective July 1, 2007
Requires that application assistance, including referral to another location for direct assistance, be provided at the following additional locations: (1) Head Start program sites; (2) Public Housing Councils; (3) crisis nurseries; (4) child care centers; (5) early childhood education and preschool program sites; (6) Legal Aid offices; and (7) libraries.
- F. Farm Depreciation Income Add-back
Chapter 147, Article 5, Section 19 (HF 1078)
Amends Minn. Stat. § 256L.01, subd. 4
Effective July 1, 2007, or upon federal approval, whichever is later
Changes the definition of gross income for the farm self-employed by eliminating the add-back of reported depreciation amounts in the calculation of income.
- G. Limited Benefit Set
Chapter 147, Article 5, Section 41 (HF 1078)
Repeals Minn. Stat. § 256L.035
Effective January 1, 2008
Eliminates the Limited Benefit Set for adults without children.
- H. Pay for Performance
Chapter 147, Article 19, Section 3, Subdivision 1 (HF 1078)
Effective October 1, 2007
Requires DHS to maintain the average processing time of a MinnesotaCare application at 30 days or less during the period from October 1, 2007 to September 30, 2008 in order to receive the \$272,000 appropriation. (The number of days begins when the application is received and ends when the initial eligibility determination is made.) Excludes from the calculation applications transferred from counties to the state processing unit.
- I. Premiums Determination for Members of the Military
Chapter 147, Article 5, Section 32 (HF 1078)
Amends Minn. Stat. § 256L.15, subd. 1
Effective July 1, 2007 or upon federal approval, whichever is later
Eliminates until June 30, 2010 premiums for members of the military and their families who enroll in MinnesotaCare within 24 months following a tour of active duty. Provides that the exemption applies for 12 months so long as the individual or family remains eligible for the program during this period.

- J. Workers' Compensation Settlements
Chapter 147, Article 5, Section 35 (HF 1078)
Amends Minn. Stat. § 256L.17, subd. 2
Effective July 1, 2007 or upon federal approval, whichever is later
Exempts workers' compensation settlements from being counted as an asset for the purposes of determining MinnesotaCare eligibility.

VIII. OTHER HEALTH LAW CHANGES

- A. Compassionate Care for Sexual Assault Victims
Chapter 42 (SF 1266), Sections 2 and 3
Adds Minn. Stat. §§ 145.4711, subds. 1-6; 145.4712, subds. 1 and 2, and 145.4713
Effective August 1, 2007
Establishes the standard of emergency care that hospitals are required to provide to female and male sexual assault victims. Requires a hospital to: (1) provide each female victim with accurate and unbiased information about emergency contraception; and (2) inform the woman of the availability of emergency contraception and immediately provide it if requested. (Allows a hospital to first administer a pregnancy test and to decline to provide the woman with emergency contraception if the test is positive.) Requires a hospital to provide information about prophylactic antibiotics for treatment of sexually transmitted diseases and provide the medication if requested. Requires MDH to investigate any complaints regarding compliance with these standards of care.
- B. "Dependent" Definition Change
Chapter 147, Article 12, Section 2 (HF 1078)
Amends Minn. Stat. § 62E.02, subd. 7
Effective January 1, 2008, and applies to coverage offered, sold, issued or renewed on or after that date.
Modifies the definition of "dependent" for the Comprehensive Health Insurance section to mean an unmarried child who is under the age of 25.
- C. Health Disparity Elimination and Pay for Performance
Chapter 147, Article 19, Section 4, subd. 1 (HF 1078)
Effective July 1, 2009
Reserves \$91,000 each year of the biennium beginning July 1, 2009 to be made available to MDH on January 1, 2011, contingent upon notification by MDH to the Legislature that the state has met by that date the health disparity elimination goals established in Minn. Stat. § 145.928, subd. 1. Provides that this rider does not expire.
- D. Intervention and Advocacy Program for Pregnant Women
Chapter 147, Article 4, Section 2 (HF 1078)
Effective July 1, 2007
Creates new voluntary outreach programs targeted at women who deliver babies affected by prenatal alcohol or drug use, within the limit of funds available to DHS. Specifies the purpose of the program is to help women obtain treatment, stay in recovery, and plan any future pregnancies.

- E. Long-term Care Resident Access to Pharmaceuticals Act
Chapter 147, Article 11, Section 5 (HF 1078)
Adds Minn. Stat. § 151.415, subds. 1-8
Effective August 1, 2007
1. Allows a contract pharmacist or pharmacy to repackage a resident's prescription drugs.
 2. Allows a long-term care facility to administer repackaged drugs if certain criteria are met.
 3. Specifies duties of the original dispensing pharmacy.
 4. Provides a contract pharmacist or pharmacy and its employees or agents, and a long-term care facility and its employees or agents, with immunity from civil liability.
- F. Minnesota Health Records Act
Chapter 147, Article 10, Sections 2-9 (HF 1078)
Adds Minn. Stat. §§ 144.291-298
Effective July 1, 2007
 Updates the Minnesota Health Records Act and Minnesota's patient consent requirements to facilitate the electronic exchange of health information between providers, while maintaining patient rights and privacy protections.
- G. Pandemic Influenza Preparedness
Chapter 147, Article 19, Section 4, subd. 4 (HF 1078)
Effective July 1, 2007
 Appropriates nearly \$4 million of one-time funding to improve the State's preparedness for pandemic flu through the purchase of antivirals and the stockpiling of medical and health care supplies.
- H. Patients' Bill of Rights
Chapter 147, Article 9, Sections 18, 19, and 20 (HF1078)
Amends Minn. Stat. § 144.651, subds. 9, 10, and 26
Effective August 1, 2007
1. Provides that patients may be accompanied by family or a representative or both.
 2. Provides that a chosen representative may include a doula of the patient's choice.
 3. Adds that residents of health care facilities have the right to visitation by the patient's health care agent, and the right to visitation and health care decision-making by a person designated by the patient.
 4. Adds that the patient, conservator, or legal guardian of the patient must be given the opportunity to designate a person who is not related as one who will have the status of next of kin.
- I. State Employee Group Insurance Program Dependent Coverage
Chapter 147, Article 12, Section 1 (HF 1078)
Amends § 43A.23, subd. 1.
Effective January 1, 2008
 Exempts the state employee group insurance program from being required to expand dependent coverage to include an eligible

employee's unmarried child under the age of 25. Requires the program to comply with dependent coverage requirements that applied prior to the expansion of coverage under sections 2 (Comprehensive Health Insurance) and 6 (Small Employer Insurance) of this article.

HOUSING

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I. MANUFACTURED HOME RELOCATION TRUST FUND

Chapter 141 (SF 1196)

Amends Minn. Stat. §§ 327C.095, subd. 1; 327C.095, subd. 4

Adds Minn. Stat. §§ 327C.095, subds. 12 - 15; 462A.21, subd. 31; and 462A.40 Effective May 26, 2007 (except that it does not apply to relocation compensation proceedings commenced under local ordinances prior to statute's effective date)

A. Establishment

Establishes the Minnesota Manufactured Home Relocation Trust Fund as a separate account at the Minnesota Housing Finance Agency (MHFA), which is authorized to administer the fund, collect payments from manufactured park owners and manufactured home owners (residents), and distribute funds to home owners or third-party neutrals in compliance with the standards set forth in the law.

Adds Minn. Stat. §§ 462A.21, subd. 31 (authorization for MHFA to pay operating expenses from the fund); and 462A.40 (establishment)

B. Notice

Adds a requirement that the park closure notice required by existing law include notice that the home owner may be entitled to compensation through the fund.

Amends Minn. Stat. § 325C.095, subd. 1

C. Contributions to Fund

1. *Home Owners (Residents)*

Requires each home owner to pay \$12 per year, due by August 15 of each year. Provides that, to be eligible compensation, a home owner must have made timely payment of the \$12 per year, and must be current on lot rent and personal property taxes for the home.

Adds Minn. Stat. § 327.095, subd. 12(c)

2. *Park Owners*

a. Amount

Requires, upon the closing or conversion of a manufactured home park, a park owner must pay into the fund relocation costs for resident (i.e., each owner of a manufactured home) who is eligible to receive compensation from the fund.

Establishes payment at the lesser of the resident's actual

moving/relocation costs, or \$3,250 for single section homes and \$6,000 for multi-section homes.

Adds Minn. Stat. § 327.095, subd. 12(a)

b. **Maximum Payment and Adjustment**

Caps a park owner's contribution to the fund at 20% of the sale price or, if no sale price is available, the assessed value of the park, provided the value of the park is greater than \$500,000. Adjusts payments for parks of lesser value. Park owner contributions are capped at: (1) 5% of the sale price of a park assessed at less than \$100,000; (2) 8% of the sale price of a park assessed at less than \$200,000; manufactured home park; (3) 10% of the sale price of a park assessed at less than \$300,000; and (4) 15% of the sale price of a park assessed at less than \$500,000.

Adds Minn. Stat. § 327.095, subd. 14

c. **Exemption**

Exempts a park owner from payment if: (1) the park owner relocates the home owner to another space in the park or to another manufactured home park at park owner's expense; (2) the home owner has notified the park owner of the intent to vacate prior to the mailing date of the required park closure statement; (3) the home owner abandons the manufactured home; (4) the home owner is not current on monthly lot rental or personal property taxes; (5) the home owner has failed to make the \$12 annual payment; (6) there is a pending eviction action for nonpayment of lot rent filed before the mailing date of the required closure statement and the district court has issued a writ of recovery; (7) the park closure or conversion is a result of a taking or exercise of eminent domain power; (8) the home owner is not a resident of the park; (9) the home owner began residency in the park after the mailing date of the required closure notice.

Adds Minn. Stat. § 327C.095, subd. 12(b)

D. Compensation to Home Owners

1. *Movement Within 25 Miles*

Provides that a home owner who met the requirements for eligibility may receive actual reasonable relocation costs, up to a maximum of \$4,000 for a single section home and \$8,000 for a multi-section home, for moving the home within 25 miles of the closed park.

Adds Minn. Stat. § 327C.095, subd. 13(a)

2. *If Homes Cannot Be Moved*

Provides that a home owner who is unable to relocate the home due to the age or condition of the home, or the distance of the home from other manufactured home parks, may tender title to the park owner in exchange for payment of the appraised value of the home not to exceed \$5,000 for single section homes or \$9,000 for multi-section homes. Provides that the determination of value will be made by an appraiser chosen by mutual agreement of park owner and the home

owner. Provides that the park owner may deduct up to \$1,000 from the contribution to the fund where the home owner tenders title and the owner incurs costs to move or demolish the home.
Adds Minn. Stat. § 327C.095, subd. 13(e)

3. **Third Party Neutral**
Establishes a process by which a third-party neutral, appointed by the municipality, is charged with overseeing park owner payments, approving applications for home owner compensation, handling discrepancies or conflicts, and requesting payment from the State.
Amends Minn. Stat. § 327C.095, subd. 4 (appointment; role as arbitrator of disputes); Adds Minn. Stat. § 327C.095, subds. 12 (park owner payments) and 13 (home owner compensation).

- E. **Preemption of Local Ordinances**
Preempts the enactment of any new – and supersedes existing – park closing ordinances requiring compensation, except that if a local ordinance was in effect prior to the effective date of the new law, the home owner is eligible to receive from the trust fund the greater of the amount for which they would have been eligible under the local ordinance or the amount for which they are eligible under the new law.
Adds Minn. Stat. §§ 327C.095, subd. 13(f) (calculation/comparison); and 327C.095, subd. 15 (preemption)

JUVENILE LAW

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I. JURISDICTION PAST CHILD’S 18TH BIRTHDAY – HABITUAL TRUANT

Chapter 54, Article 5, Section 5 (HF 829)
Amends Minn. Stat. § 260C.193, subd. 6
Effective July 1, 2007

Eliminates limitation of jurisdiction past child’s 18th birthday in habitual truant cases under Minn. Stat. § 260C.007, subd. 6(14).

II. ADOPTION/PLACEMENT

- A. **Assistance to Locate Genetic Siblings**
Chapter 49 (SF 358)
Adds Minn. Stat. § 259.83, subd. 1b
Effective August 1, 2007

Requires counties or placing agencies – if requested by a child age 19 or older who was adopted or committed to the guardianship of the Department of Human Services (DHS) due to termination of parental rights – to advise the child of other siblings who were committed to the guardianship of DHS whether or not the siblings were adopted. Requires the provision of assistance to the extent that information is available from DHS.

Requires the agency to share necessary information to locate other siblings and offer services as requested if the sibling received services from another agency. Provides that identifying information and contact may be provided only upon mutual consent where parental rights were terminated for a sibling. Permits counties and placing agencies to charge a reasonable fee.

B. Authority of Commissioner

Chapter 147, Article 1, Section 1 (HF 1078)

Amends Minn. Stat. § 256.01, subd. 2

Effective July 1, 2007

Extends authority of DHS to contract with placement agencies for children under the guardianship of Minnesota tribes recognized by the U.S. Secretary of the Interior. Prohibits the contract from replacing existing county or tribal programs, unless specific authorities, which now include tribal governing bodies, agree or DHS has evidence that the county's placements are substantially below that of other counties.

C. Chemical and Mental Health Assessments

Chapter 147, Article 1, Section 15 (HF 1078)

Amends Minn. Stat. § 260B.157, subd. 1

Effective July 1, 2007

Requires the court to order: (1) a chemical use assessment when a child is found to be delinquent for controlled substance or felony-level offenses if alcohol or drug use was a factor in committing the offense; and (2) a mental health screening when a child is found to be delinquent.

D. Child's Consent to Adoption

Chapter 147, Article 1, Section 2 (HF 1078)

Amends Minn. Stat. § 259.24, subd. 3

Effective July 1, 2007

Requires consent of child over age 14 for adoption of a specific person. Prohibits a child of any age under guardianship of DHS and legally available for adoption from: (1) refusing or waiving the department's efforts to recruit, identify and place the child in an adoptive home under Minn. Stat. § 260C.317, subd. 3(b) (permanency plans in termination of parental rights cases); or (2) signing a document relieving the county social services agencies of recruitment efforts on the child's behalf.

E. Court-ordered Placements and Permanent Placement Determinations

Chapter 147, Article 1, Section 18 (HF 1078)

Amends Minn. Stat. § 260C.201, subd. 11

Effective July 1, 2007

Permits the court to order other or additional efforts to support the child remaining in the care of the parent if the court finds the responsible social services agency has not made reasonable efforts to finalize the child's return home as the permanent order in the best interests of the child. Requires a court to consider placements both inside and outside the State when the court determines that placement away from the parent is necessary. Requires the court to make findings regarding the reasonableness of the agency's efforts to finalize the child's return home as the permanent order in the best interests of the child.

- F. Deferral from Adoption Exchange.
Chapter 147, Article 1, Section 6 (HF 1078)
Amends Minn. Stat. § 259.75, subd. 8
Effective July 1, 2007
 Eliminates authority to defer entering a child on the adoption exchange if the child is 14 years of age or older and refuses to consent to an adoption plan.
- G. Definition of "substantial child endangerment"
Chapter 147, Article 1, Section 24 (HF 1078)
Amends Minn. Stat. § 626.556, subd. 2
Effective July 1, 2007
 Adds sexual abuse by an alleged abuser with a significant relationship to the child to the definition of "substantial child abuse."
- H. Duty to Ensure Placement – Reasonable Efforts
Chapter 147, Article 1, Section 7 (HF 1078)
Amends Minn. Stat. § 260.012
Effective July 1, 2007
 Requires the social services agency to make reasonable efforts for alternative placement plans, whether or not the child may be reunified with the child's family. Requires the social services agency to consider permanent alternative homes both inside and outside the state when a child cannot return home.
- I. Income Attributable to the Child
Chapter 147, Article 1, Section 23 (HF 1078)
Amends Minn. Stat. § 260C.331, subd. 1
Effective July 1, 2007
 Clarifies that earnings of a child over the age of 18 who is working as part of an independent living plan under Minn. Stat. § 260C.212, subd. 1(c)(8) to transition from foster care, are not counted as income.
- J. Notice of Adoption Petition
Chapter 147, Article 1, Sections 3 and 4 (HF 1078)
Amends Minn. Stat. §§ 259.53, subd. 1; and 259.57, subd. 1
Effective July 1, 2007
 Clarifies that the court administrator must send a copy of the adoption petition and adoption decree to DHS only in cases where a child is: (1) under the guardianship of DHS or a licensed child-placing agency under Minn. Stat. §§ 260C.201, subd. 11, or 260C.317; (2) placed by DHS (or its agent) or licensed child-placing agency: (i) after a consent to adoption under Minn. Stat. § 259.24 or (ii) under an agreement conferring authority to place for adoption according to Minn. Stat. § 259.25; or (3) placed by preadoptive custody order for a direct adoptive placement ordered by the district court under Minn. Stat. § 259.47.
- K. Out-of-home placement plan.
Chapter 147, Article 1, Sections 19 and 20 (HF 1078)
Amends Minn. Stat. § 260C.212, subds. 1 and 4
Effective July 1, 2007
 Requires the out-of-home placement plan to include documentation of child-specific recruitment efforts, such as relative search and the use of State, regional, and national adoption exchanges to facilitate orderly and timely

placements in and outside of the state. Mandates that the plan also include the most recent health and education records (currently, the requirement is to provide the records "to the extent available and accessible"). Requires that upon discharge from foster care, the parent, adoptive parent, or permanent legal and physical custodian, as appropriate, and the child, if appropriate, be provided with a current copy of the child's health and education record. Requires that the child be given a free copy of the health and education record at no cost if the child leaves foster care due to having attained the age of majority under State law.

L. Permanency Hearing/Consultation with a Child

Chapter 147, Article 1, Section 17 (HF 1078)

Amends Minn. Stat. § 260C.163, subd. 1

Effective July 1, 2007

Requires the court to ensure that any consultation with the child in a permanency hearing be conducted in an age-appropriate manner.

M. Placement Procedures

Chapter 147, Article 1, Section 14 (HF 1078)

Adds Minn. Stat. § 260.852

Effective July 1, 2007

a. *Background Studies for Foster Care Licenses*

Provides that background studies: (1) for a foster care license must be completed consistent with Minn. Stat. § 245C.08; and (2) for adoption home study must be completed consistent with Minn. Stat. § 259.41, subds. 1, 2, and 3.

b. *Home Study/Interstate Compact*

Requires the State to adopt procedures consistent with an interstate compact, and conduct and complete a home study within 60 days of receiving a home study request from another state. For home studies begun after October 1, 2008, provides the State 75 days to complete the study if the State: (1) fails to meet the 60-day requirement due to circumstances beyond its control; and (2) certifies the circumstances and that the study is in the child's best interests. Provides that the timeline requirements do not include the training of prospective foster parents or adoptive parents. Requires the State to treat a report received from another state as meeting any requirements for completion of a home study prior to placement, unless within 14 days of receipt, the State determines that making a decision based upon the report would not be in the best interests of the child. Requires the State to eliminate legal barriers to facilitating timely adoptive or permanent placements for waiting children. Prohibits restricting use of private agencies to conduct home studies within the 60 day time requirement. Defines "study," "home study" and "timely interstate home study."

c. *Caseworker Visits*

Provides that a caseworker in the parents' home state (or a private agency under contract with either state) must visit the child and submit a report in the state where the parents reside every six months

if the child is placed in foster care in a different state than the state in which the parents live.

N. Right to Be Heard

Chapter 147, Article 1, Section 16 (HF 1078)

Amends Minn. Stat. § 260C.152, subd. 5

Effective July 1, 2007

Grants foster parents and preadoptive parents and relatives the right to be heard in any review or hearing with respect to the child, but does not create the right to be made a party to the review or hearing.

O. Sexual Abuse and Maltreatment

Chapter 147, Article 1, Sections 26 – 29 (HF 1078)

Amends Minn. Stat. § 626.556, subds. 10 and 10a

Adds Minn. Stat. § 626.556, subds. 3e and 3f

Effective July 1, 2007

a. *Family Assessment or Investigation*

Adds sexual abuse by a person with a significant relationship and living in the child's household or a sibling to situations where the agency is required to make a family assessment or investigation.

b. *Notification of Law Enforcement*

Requires the agency to notify law enforcement if an alleged violation is outside the agency's requirements, and violation of a criminal statute is alleged.

c. *Required Investigations*

1. **Social Service Agencies**

Requires the social services agency to investigate sexual abuse if the alleged offender is the parent, guardian, sibling, or an individual functioning within the family unit as a person responsible for the child's care, or a person with a significant relationship to the child if that person resides in the child's household.

2. **Law Enforcement**

Requires the local law enforcement agency to investigate any report of child maltreatment if a violation of a criminal statute is alleged. Requires law enforcement and the responsible agency to coordinate investigations or assessments. Permits the local agency to rely on the law enforcement investigation to determine whether harm or maltreatment has occurred if an alleged offender has minor children or lives with minors.

d. *Sharing of "Not Public" Information*

Clarifies that the agency can share "not public" information with tribal agencies without violating confidentiality laws in order to implement the tribal state agreement.

- P. Trial Home Visits
Chapter 147, Article 1, Section 18 (HF 1078)
Amends Minn. Stat. § 260C.201, subd. 11
Effective July 1, 2007
Provides that time spent in a trial home visit counts toward the time requirement of a permanency hearing, including a permanency review for children under eight years of age. Permits the court to continue the trial home visit to a total time not to exceed six months. Requires the court to recommence proceedings to determine the permanent status of the child not later than 30 days after the child is returned to foster care if a trial home visit terminates. Provides that the agency may file a report on the progress of the trial home visit and reasonable efforts to finalize the child's safe and permanent return to the parent in lieu of filing pleadings under Minn. Stat. § 260C.201, subd. 11(b) if a child is on a trial home visit 12 months after being placed in foster care or with the noncustodial parent.
- Q. Voluntary Placements
Chapter 147, Article 1, Section 21 (HF 1078)
Amends Minn. Stat. § 260C.212, subd. 9
Effective July 1, 2007
Requires voluntary placement of a developmentally disabled or emotionally disturbed child only when the child is placed in a residential facility for the sole reason that the services or skilled care cannot be provided in the parent's home. Provides that placement vests the agency with the responsibility for the child's care, custody, and control, but does not transfer legal custody. Requires DHS to develop a form for voluntary placements. Requires agencies to report the number of children in voluntary placement and any other information required by the department.

III. INDIAN CHILD WELFARE

- A. Applicability of Indian Child Welfare Act.
Chapter 147, Article 1, Section 13 (HF 1078)
Amends Minn. Stat. § 260.771, subd. 2
Effective July 1, 2007
Clarifies that Chapter 260 and the Indian Child Welfare Act are applicable without exception in any child welfare proceeding involving an Indian child. Prohibits the court from determining whether Chapter 260 or Indian Child Welfare Act are applicable based upon whether the child is part of an existing Indian family or the level of contact the child has with the tribe, reservation, society or off-reservation community.
- B. Definition of "Indian Tribe" and "Tribal Court"
Chapter 147, Article 1, Sections 8 and 9 (HF 1078)
Amends Minn. Stat. § 260.755, subds. 12 and 20
Effective July 1, 2007
Defines "Indian tribe" to be consistent with the Alaska Native Claims Settlement Act, 43 U.S.C. § 1602. Expands the definition of "tribal court" to extend beyond tribes with federally recognized custody jurisdiction to: (1) a court of Indian offenses; (2) a court established and operated under the code; (3) custom of an Indian tribe, or any other administrative body of a tribe, that is vested with authority over child custody proceedings.

- C. Indian Tribe Jurisdiction.
Chapter 147, Article 1, Section 12 (HF 1078)
Amends Minn. Stat. § 260.771, subd. 1
Effective July 1, 2007
 Clarifies that an Indian tribe has exclusive jurisdiction over a child domiciled on the tribe's reservation, except where jurisdiction is vested in the State by existing federal law. If an Indian child is a ward of the tribal court, the tribe retains jurisdiction, regardless of the child's domicile or residence.
- D. Location of Extended Family Members
Chapter 147, Article 1, Sections 10 and 11
Amends Minn. Stat. §§ 260.755, subd. 20; and 260.761, subd. 7
Effective July 1, 2007
 Requires agencies to make active efforts to locate extended family members when considering voluntary foster care and placements of Indian children.

LICENSING AND BACKGROUND CHECKS

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I. BACKGROUND CHECKS – CHILD PROTECTION

Chapter 8 (HF 1008)
Amends Minn. Stat. § 260C.209, subd. 3
Effective August 1, 2007
 Provides that in cases involving the emergency placement of children: (1) the social services agency or county attorney may request a name-based check of the National Criminal Records Repository; and (2) fingerprints of the individual being checked must be forwarded to the Bureau of Criminal Apprehension for submission to the Federal Bureau of Investigation within 15 calendar days of the name-based check. Requires the child or children to be removed from the home if the subject of the name-based check does not provide fingerprints upon request.

II. BACKGROUND STUDIES

- A. Adoption Background Study
Chapter 147, Article 3, Sections 22, 23, 26 and 28
Amends Minn. Stat. §§ 259.41; and 259.57, subd. 2
Adds Minn. Stat. §§ 245C.33 and 245C.34
Effective July 1, 2007
1. *Study Required*
 Requires the Department of Human Services (DHS) to conduct a background study of all potential parents for county agencies and private agencies licensed to place children for adoption before placement of the child.
Adds Minn. Stat. § 245C.33, subd. 1

2. *Information Required to be Provided to County or Private Agency*
Requires the subject of the study to provide to the county or a private agency the following information required by Minn. Stat. § 245C.05: (1) name; (2) address; (3) sex; (4) date of birth; (5) driver's license number; (6) a signed release for any information received from national crime information databases; and (7) a set of classifiable fingerprints obtained from an authorized agency.
Adds Minn. Stat. § 245C.33, subd. 2
3. *Information Provided to DHS*
Requires the information collected by the county or the private agency to be forwarded to DHS.
Adds Minn. Stat. § 245C.33, subd. 3
4. *Information Required to be Reviewed by DHS*
Requires DHS to review maltreatment, juvenile, arrest and investigative records, BCA records, information from the national crime information databases, and any records from a state where the person has resided in the past 5 years. *See Minn. Stat. § 245C.08.* Requires information collected to be shared with the county or private agency that initiated the study. Requires DHS to disclose if the person has convictions specified under federal law. *Cross references 42 USCA §671(a) (20) (A) (felony convictions for drug crimes, certain crimes of violence and crimes against spouses or children, including neglect, spousal abuse, child pornography, etc.) and Public Law 109-248.*
Adds Minn. Stat. § 245C.33, subd. 4
5. *Applicability to Tribal Organizations*
Provides that these same requirements and processes that apply to adoption background checks apply to adoption and child foster care background studies initiated by tribal organizations.
Adds Minn. Stat. § 245C.33
6. *Completion of Study as Prerequisite for Placement*
Requires that, consistent with state and federal law, a background study must be completed before approval of any foster or adoptive placement in a related or unrelated home.
Amends Minn. Stat. §§ 259.41, subd. 3; and 259.57, subd. 2

B. Adoption Study Requirements.

Chapter 147, Article 3, Section 26 (HF 1078)

Amends Minn. Stat. §259.41

Effective July 1, 2007

Adds requirement that an adoption study must be approved and background check must be completed before a child is placed in a prospective adoptive home, except for emergency placements. Adds a completed background study to the list of documentation that must be included in an adoption study. Requires the background study to include: (1) whether a prospective adoptive parent or any other person over the age of 13 has a felony conviction consistent with section 471(a) (2) of the Social Security Act; and (2) an assessment of the effect of any conviction or finding of substantiated maltreatment on the parent's ability to safely care for and parent the child. Mandates completion of the required background study as part of the home

study. Prohibits payment of Title IV-E adoption assistance payments if a home study used to consider placement of a child reveals: (1) a felony conviction at any time for child abuse or neglect; (2) spousal abuse; (3) a crime against children, including child pornography; or (4) a crime involving violence, including rape, sexual assault, or homicide, but not including other physical assault or battery.

C. Child Protection

Chapter 147, Article 3, Section 29 (HF 1078)

Amends Minn. Stat. § 260C.209

Effective July 1, 2007

Changes responsibility for initiating and conducting background studies in child protection cases involving parents or family members, and the statutory chapter used for the study. Changes the social services agency's responsibility from conducting the study to initiating the study. Requires DHS to conduct the study under Chapter 245C, including the requirements to notify the subject of the study of results of the study. Requires fingerprints to be sent by DHS to the National Criminal Records Repository, regardless of whether the agency has reasonable cause to believe that the subject is a multi-state offender.

D. Licensed Programs

Chapter 147, Article 3, Sections 6-12 and 18 (HF 1078)

Amends Minn. Stat. §§ 245C.04, subd. 1; 245C.05, subds. 1, 4, 5 and 7; 245C.08, subd. 1; and 245C.16, subd. 1

Adds Minn. Stat. § 245C.05, subd. 2a

Effective July 1, 2007

1. *Correction Agent and Probation Officer Requirement*

Requires corrections agents and probation officers to notify DHS if a person has a disqualifying conviction and is affiliated with a child foster care program.

Amends Minn. Stat. § 245C.05, subd. 7

2. *DHS Requirements*

Requires DHS to review information from the national crime information system for background studies. For background studies related to child foster care application for licensure or adoption, requires DHS to review information from: (1) the child abuse and neglect registry for any state in which the background study subject has resided for the past five years; and (2) national crime information databases, when the background study object is 18 years of age or older.

Amends Minn. Stat. § 245C.08, subd. 1

3. *Determination of Immediate Harm*

Makes inapplicable for initial applications and background checks for a child foster care license the requirement to determine immediate harm to persons served by a program as part of background checks where disqualifying characteristics may be present.

Amends Minn. Stat. § 245C.16, subd. 1

4. *Persons Reapplying During Specified Time Period*
Requires separate study by DHS for persons reapplying for a child foster care license between July 1, 2007 and June 30, 2009. The agency must collect and forward to DHS information about the applicant, including full name, address, driver's license number, sex, and date of birth. DHS must also conduct a background study of persons in the household or with direct contact with the child.
Amends Minn. Stat. § 245C.04, subd. 1

5. *Persons Reapplying Generally*
Adds requirement for DHS to conduct background study of a person reapplying for a license for family adult day services.
Amends Minn. Stat. § 245C.04, subd. 1

6. *Signed Consent/Provision of Fingerprints*
Requires any person age 18 or older who is the subject of a background study initiated by a private agency related to either private agency adoptions or child foster care licensed through a private agency to provide a signed consent to DHS for the release of any information received from national crime information databases to the private agency. Requires the person to provide DHS with a set of classifiable fingerprints obtained from an authorized agency.
Amends Minn. Stat. § 245C.05, subds. 1 (signed consent) and 5 (fingerprints)

- E. Reconsideration and Set Aside
Chapter 147, Article 3, Sections 20 and 21 (HF 1078)
Amends Minn. Stat. § 245C.23, subd. 2
Adds Minn. Stat. § 245C.21, subd. 1a
Effective July 1, 2007
 1. *Requests for Reconsideration*
Directs that requests for reconsideration of background studies conducted by county agencies and of background studies conducted by DHS for child foster care must be submitted to the county or private agency that initiated the study. Requires that requests for reconsideration must be submitted within 30 days of receipt of disqualification notice or the time frames in Minn. Stat. § 245C.21, subd. 2, whichever is shorter. Requires the county or private agency to forward the request to DHS with a recommendation regarding whether to grant a set aside.
Adds Minn. Stat. § 245C.21, subd. 1a

 2. *DHS Reconsideration Notice*
Requires DHS to notify the county of the private agency that initiated the study of the result of the reconsideration request for background studies related to child foster care.
Amends Minn. Stat. § 245C.23, subd. 2

- F. Tribal Organizations – Child Foster Care and Adoption
Chapter 147, Article 3, Sections 17, 23, and 24
Amends Minn. Stat. §§ 245C.12; and 259.20, subd. 2
Adds Minn. Stat. § 245C.34
Effective July 1, 2007
1. *Authority to Contract*
 Grants tribal organizations the authority to contract with DHS to obtain background study information on individuals under tribal jurisdiction related to adoptions and child foster care.
Amends Minn. Stat. § 245C.12
 2. *Procedures*
 Provides new statutory process for background studies and for foster care and adoption initiated by tribal organizations and conducted by DHS. Requires the subject of the background study must submit the same information as adoption background studies initiated by county and private agencies. (*See Adoption Background Study section above.*)
Adds Minn. Stat. § 245C.34
 3. *Prerequisite to Approval of Placement*
 Consistent with state and federal law, requires a completed background study before approval of any foster or adoptive placement in a related or unrelated home. (*See Minn. Stat. §245C.33 and Public Law 109-248*)
Amends Minn. Stat. § 259.20, subd. 2
- G. Placement Decisions/Child Protection.
Chapter 147, Article 3, Section 30 (HF 1078)
Amends Minn. Stat. § 260C.212, subd. 2
Effective July 1, 2007
 Except for emergency placements, requires a completed background study before approval of a foster placement in a related or unrelated home.

III. COUNTY FEES FOR LICENSING/BACKGROUND STUDIES

Chapter 147, Article 3, Section 2 (HF 1078)
Amends Minn. Stat. § 245A.10, subd. 2
Effective January 1, 2008
 Reduces the maximum county fee for family and group family child care licensing to \$50 for a one-year license or \$100 for a two-year license.

IV. EMERGENCY RELATIVE LICENSE/PLACEMENT

Chapter 147, Article 3, Section 1 (HF 1078)
Amends Minn. Stat. § 245A.035
Effective July 1, 2007
 Changes existing law regarding emergency licenses for relative foster care to unlicensed emergency relative placement. Changes from foster care with an emergency license to a placement that does not require a license. Retains the provision that that a child may still be removed if the relative does not cooperate with the county, but deletes the requirement to cooperate in obtaining a license

Replaces the word "license" with the word "placement" throughout this section. Retains the requirement that the county provide the relative with an application for a foster care license. Requires the background study for the applicant to be submitted to DHS. Changes governance of a foster care license to Minnesota Rules, chapter 2960. Provides that variances will now be determined pursuant to Minn. Stat. § 245C.30. Repeals provisions regarding denial of an emergency license.

V. HUMAN SERVICES LICENSING AND PROGRAM ADMINISTRATION

- A. Appeal of Multiple Sanctions
Chapter 112, Section 10 (SF 1724)
Adds Minn. Stat. § 245A.07, subd. 6
Effective August 1, 2007
Establishes statutory process for appeal of multiple sanctions that were simultaneously issued by DHS. Requires the license holder to specify the actions or sanctions being appealed. If there are different statutory timelines for appeal, requires the license holder to appeal within the longest of the statutory timelines, and requires DHS to specify the timeline for appeal in the notice. Requires appeals to be in writing by certified mail or personal service. Requires the appeal: (1) if by mail, to be postmarked within the prescribed timeline with the first day beginning the day after the license holder receives the letter; (2) if by personal service, to be received by DHS within the prescribed timeline with the first day beginning the day after receipt by the license holder.
- B. Background Study – Information Reviewed
Chapter 112, Section 29 (SF 1724)
Amends Minn. Stat. § 245C.08
Effective August 1, 2007
Removes arrest and investigative records from the list of materials reviewed by county or private agency for child foster care, adult foster care, and family child care homes. Adds information from the National Criminal Records Repository and criminal records from other states to the information that may be reviewed by DHS if DHS has reasonable cause to believe that the information is pertinent to disqualification of an individual. Requires juvenile courts to provide orders of voluntary and involuntary terminations of parental rights to DHS upon request for purposes of conducting a background study under Chapter 245C.
- C. Background Study – Education Programs
Chapter 112, Section 31 (SF 1724)
Adds Minn. Stat. § 245C.11, subd. 4
Effective August 1, 2007
Permits a county agency to accept a background study completed by DHS in place of the background study required for education programs that train individuals by providing direct contact services in licensed programs.
- D. Burden of Proof – Immediate Suspension Expedited Hearing
Chapter 112, Section 8 (SF 1724)
Amends Minn. Stat. § 245A.07, subd. 2a
Effective August 1, 2007
Adds the actions of other individuals or program conditions to existing standard that DHS has met its burden of proof in an expedited immediate

suspension hearing if the license holder's actions or failure to comply with applicable laws and rules poses an immediate risk of harm to persons in the program.

- E. Conditional License – Contested Case Hearing and Reconsideration.
Chapter 112, Section 7 (SF 1724)
Amends Minn. Stat. § 245A.06, subd. 4
Effective August 1, 2007
Provides that a license holder who receives a conditional license and a fine from DHS has no right to a contested case hearing on the conditional license determination, but may pursue reconsideration of the conditional license determination.
- F. Consolidated Contested Case Hearings
Chapter 112, Sections 11, 41, 47, 54 and 56 (SF 1724)
Amends Minn. Stat. §§ 245A.08, subd. 2a; 245C.21, subd. 1; 245C.28, subd. 1; 626.556, subd. 10i; 626.557, subd. 9d
Effective August 1, 2007
Provides that, except for family child care and family foster care, appeals of licensing sanctions together with maltreatment and disqualification decisions will be heard in a contested case hearing, rather than as a reconsideration or fair hearing when the denial of the license or licensing sanction is: (1) based on a determination that the license holder is responsible for maltreatment or the disqualification of a license holder is based on serious or recurring maltreatment; (2) is issued at the same time as the maltreatment determination or disqualification; and (3) the license holder appeals both the maltreatment or disqualification and the licensing denial or sanction. Requires the scope of the contested case hearing to include the maltreatment determination, disqualification, and denial of license or licensing sanction. Provides that reconsideration and a fair hearing are conducted if the license holder appeals only the maltreatment determination or disqualification. Clarifies the basis and scope of appeal for and contested case hearings for license denials where a determination of maltreatment or disqualification was not set aside.
- G. Data Practices Issues
Chapter 112, Sections 1 and 2 (SF 1724)
Amends Minn. Stat. § 13.46, subds. 2 and 4
Effective August 1, 2007
Permits exchange of information between the Department of Finance and DHS to assess parental contribution amounts. Expands ability of DHS, the Department of Employment and Economic Development and, when applicable, the Department of Education to exchange information, including for purposes of analyzing public assistance and employment assistance programs and program utilization, cost, effectiveness and outcomes. Prohibits certain health records and "protected health information," including health care claims utilization information, from being exchanged using this provision. Expands scope of public information on current and former licensees to applicants and license holders. Provides that when a license is suspended, revoked, denied, or made conditional, then specific information that is currently public for current and former licensees is public for license applicants. Makes exception in cases of child foster care licenses where the county attorney has requested that the information be considered private

data in the best interests of the child; in those cases, only the name of the license holder and the status of the license are public. Provides that a denied applicant's address, record of informal resolution of a denial, orders of hearings, findings of fact, conclusions of law, and specifications of the final order of denial are also public.

H. Definition of "Conviction"

Chapter 112, Section 26 (SF 1724)

Adds Minn. Stat. § 256C.02, subd. 9a

Effective August 1, 2007

Adds definition of the term "conviction" for licensing purposes. Cross references the definition to Minn. Stat. § 609.02, subd. 5, which is (1) a plea of guilty accepted and recorded by the court; and (2) a verdict of guilty by a jury, or a finding of guilty by the court, that is accepted and recorded.

I. Disqualifications

1. *7-Year Disqualification – Misdemeanors*

Adds criminal vehicular homicide and injury and assault in the first, second, third and fourth degree to the list of gross misdemeanor offenses that result in a 10-year disqualification from direct contact and access to persons receiving services. Clarifies that indecent exposure not involving a child is included as an offense that results in a 7-year disqualification. Adds that a person is disqualified if less than seven years has passed since the person was disqualified from public assistance for a finding of guilt by the court or administrative body for wrongfully obtaining assistance.

Chapter 112, Section 37 (SF 1724)

Minn. Stat. § 245C.15, subd. 4

Effective August 1, 2007

2. *10-Year Disqualifications – Gross Misdemeanors*

Adds criminal vehicular homicide and injury, assault in the first, second, third or fourth degree, possession of burglary tools, fraud in obtaining credit, and financial transaction card fraud to the list of gross misdemeanor offenses that result in a 10-year disqualification from direct contact and access to persons receiving services. Deletes fifth-degree criminal sexual conduct from the list of offenses, and limits indecent exposure offenses to those that do not involve a child, but removes the requirement of repeat offenses. Clarifies that if a person commits one of the listed offenses, but the sentence or level of offense is a misdemeanor disposition, the look-back period is the period applicable to misdemeanors.

Chapter 112, Section 36 (SF 1724)

Amends Minn. Stat. § 245C.15, subd. 3

August 1, 2007

3. *15-Year Disqualifications*

Adds crimes committed for the benefit of a gang, possession of burglary tools, and a violation of the law that certain persons are not to possess firearms (*see Minn. Stat. § 624.713*) to the list of offenses that result in a 15-year disqualification from direct contact and access to persons receiving services. Deletes repeat offenses of fifth-degree

criminal sexual conduct, and clarifies that indecent exposure not involving a child is included as an offense that results in a 15-year disqualification. Clarifies that if a person “commits,” as opposed to “is convicted” of an offense, but the sentence or level of offense is a gross misdemeanor or misdemeanor, the individual is disqualified, but the look-back period is the period applicable to the gross misdemeanor or misdemeanor disposition.

Chapter 112, Section 35 (SF 1724)

Amends Minn. Stat. § 245C.15, subd. 2

Effective August 1, 2007

4. *Alford Plea*

Adds Alford pleas as a basis for disqualification from any position allowing direct contact with persons receiving services from the license holder or entity listed in Minn. Stat. § 245C.03.

Chapter 112, Section 33 (SF 1724)

Amends Minn. Stat. § 245C.14, subd. 1

Effective August 1, 2007

5. *Disqualification Notices*

Requires DHS to notify the person studied and the license holder or entity providing services that the disqualification includes positions allowing direct contact or access to persons receiving services.

Chapter 112, Sections 39 and 40 (SF 1724)

Amends Minn. Stat. § 245C.17, subds. 2 and 3

Effective August 1, 2007

6. *Effect of Agency Decision*

Adds that a reconsideration determination for disqualifications based upon wrongfully obtaining assistance is the final agency decision for purposes of appeal. Provides that the individual may request a fair hearing if DHS does not grant a set aside, unless certain exceptions under existing law apply; in that case, the reconsideration decision is not the final agency decision.

Chapter 112, Section 46 (SF 1724)

Amends Minn. Stat. § 245C.27, subd. 1

Effective August 1, 2007

7. *Permanent Disqualifications*

a. **Additional Offenses**

Adds violation of predatory offender registration law, domestic assault by strangulation and indecent exposure involving a minor to the list of offenses that result in a permanent disqualification from direct contact and access to persons receiving services. Includes any level of offense of hiring or engaging in prostitution with a minor under Minn. Stat. § 609.324, subd. 1 (current law only includes the felony-level offense). Clarifies that if a person commits a listed felony-level offense, but the sentence or level of offense is a gross misdemeanor or misdemeanor, the individual is disqualified,

but the look-back period is the period applicable to the gross misdemeanor or misdemeanor offense.

Chapter 112, Section 34 (SF 1724)

Amends Minn. Stat. § 245C.15, subd. 1

Effective August 1, 2007

b. *Immediate Removal*

Permits DHS to order the immediate removal of an individual with a permanent disqualification that cannot be set aside from any position allowing direct contact with, or access to, persons receiving services.

Chapter 112, Section 38 (SF 1724)

Amends Minn. Stat. § 245C.16, subd. 1

Effective August 1, 2007

8. *Reconsideration of Disqualification – Information Requested*

Authorizes DHS to request additional information to determine the individual's risk of harm as part of the reconsideration process and deny the request for reconsideration if the individual fails to provide the required information.

Chapter 112, Section 42 (SF 1724)

Amends Minn. Stat. § 245C.21, subd. 3

Effective August 1, 2007

J. Information Requested as Part of Background Study

Chapter 112, Sections 27 and 30 (SF 1724)

Amends Minn. Stat. §§ 245C.05, subd. 3; and 245C.09, subd. 1

Effective August 1, 2007

Clarifies that, for a background study, DHS may ask for an individual's social security number or race, but an individual is not required to provide this information. Permits DHS to require additional information upon a determination that the information is necessary to complete the background study. Provides that failure to provide this additional information is "reasonable cause" to disqualify the individual under Minn. Stat. § 245C.09.

K. License Suspension, Revocation or Fine

Chapter 112, Section 9 (SF 1724)

Amends Minn. Stat. § 245A.07, subd. 3

Effective August 1, 2007

Clarifies that DHS' authority to suspend or revoke a license or issue a fine extends beyond license holders to controlling individuals and any other person subject to a background study. Extends DHS' authority to take action if the person provides false or misleading information regarding applicable laws and rules.

L. Set Asides

1. *10-Year Disqualifications*

Adds crimes committed for the benefit of a gang, repeat offenses for indecent exposure, and violations of laws prohibiting certain persons from possessing a firearm to the list of offenses that cannot be set aside from a 10-year disqualification by DHS for licenses to provide

family child care or in-home foster care for children or adults.
Chapter 112, Section 45 (SF 1724)
Amends Minn. Stat. § 245C.24, subd. 3
Effective August 1, 2007

2. *Notification of Set Aside or Variance – Child Care*
Exempts family child care providers and child care centers from requirement to notify parents that a person with a set aside or variance is employed by or is living in the home of the provider or center after the disqualification period has been exceeded.
Chapter 112, Section 48 (SF 1724)
Amends Minn. Stat. § 245C.301
Effective May 25, 2007
3. *Risk of Harm and Scope*
Adds the vulnerability of persons served by the program as a factor DHS must consider when determining whether a person has met his or her burden of proof regarding whether he or she poses a risk of harm to persons served by the program. Adds that, for personal care provider organizations, the set aside may further be limited to a specific individual who is receiving services.
Chapter 112, Sections 43 and 44 (SF 1724)
Amends Minn. Stat. § 245C.22, subds. 4 and 5
Effective August 1, 2007

VI. LICENSING MORATORIUM – NONPUBLIC SCHOOLS

Chapter 147, Article 3, Section 31 (HF 1078)
Effective May 26, 2007

Exempts programs operated by a nonpublic school for children 33 months or older from the human services licensing requirements in Chapter 245A, until July 1, 2009. An already licensed nonpublic school program is not prohibited from continuing its licensure nor is a nonpublic school program prohibited from seeking licensure.

VII. NOTICE OF IMPACT OF FINDING OF MALTREATMENT

Chapter 147, Article 1, Section 31 (HF 1078)
Amends Minn. Stat. § 626.556, subd. 10f
Effective July 1, 2007

Requires notice of finding of maltreatment to state that such finding may result in denial of a license application or background study disqualification under chapter 245C related to employment or services that are licensed by the DHS under chapter 245A, by the Department of Health under chapter 144 or 144A, by the Department of Corrections under section 241.021, and result in prohibition from providing services related to an unlicensed personal care provider organization under chapter 256B.

VIII. PROVISIONS REPEALED

Chapter 112, Section 59 (SF1724)

Repeals:

- Minn. Stat. § 245A.023 (child care in-service training)
- Minn. Stat. § 245A.14, subds. 7, 9, 9a, 12, and 13 (child care special conditions)
- Minn. Stat. § 245C.06 (background studies for persons previously studied)

MENTAL HEALTH LAW

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I. CASE MANAGEMENT

*Chapter 147, Article 8, Sections 5, 20, and 34; and Article 19, Section 3 (HF 1078)
Amends Minn. Stat. § 256.0625, subd. 20*

Effective dates vary

- A. Recommendations for Best Practices
Directs the Department of Human Services (DHS) to develop recommendations for best practices and make recommendations to clarify county case management roles, funding and authority.
- B. Responsibility for Payment
Provides that: (1) the State pays non-federal share if the recipient is in a prepaid plan; and (2) the county pays the state's share (50%), as it currently does, if fee-for-service.
- C. Repeal of Existing Case Management Grant System
Repeals existing case management grant system, effective January 1, 2008, thus allowing existing and new funds to be used for implementation of case management in all State health programs, including General Assistance Medical Care (GAMC) and MinnesotaCare. Provides for an offset for possible federal reductions in case management funding.

II. CERTIFIED PEER SPECIALISTS

Chapter 147, Article 8, Sections 16-18 (HF 1078)

Amends Minn. Stat. §§ 256B.022 and 256B.023

Adds Minn. Stat. § 256B.0615

Effective July 1, 2007 and upon federal approval

Establishes training, certification, and reimbursement requirements for one of the first statutory peer specialist programs in the nation, and enables State health plan reimbursement of services delivered by peer specialists. Provides that consumers eligible for intensive rehabilitation services under Minn. Stat. §§ 256B.0622 and 256B.0623 (Adult Mental Health Rehabilitative Services [AMHRS], Intensive Rehabilitative Mental Health Services [IRTS], and ACT) are eligible for this service. Provides that services include: (1) nonclinical peer counseling to promote socialization; (2) recovery; (3) self-sufficiency; (4) self-advocacy; and (4) the development of natural supports and maintenance of skills learned in other support services when part of a continuum of other community mental health services. Provides that the service may be freestanding or within existing providers. Establishes training and certification requirements including that a peer specialist must: (1) have a primary mental illness diagnosis; (2) be a current or former consumer; and (3) must demonstrate leadership and advocacy skills and a strong dedication to recovery.

III. CHILDREN’S FOSTER TREATMENT

Chapter 147, Article 8, Section 21 and Article 19, Section 3 (HF 1078)
Amends Minn. Stat. § 256B.0625, subd. 47
Effective July 1, 2007

Delays authorization for children’s treatment foster care (a specific service more intensive than therapeutic foster care) until 2009, in part because of delays in federal approval.

IV. COST OF LIVING ADJUSTMENTS

Chapter 147, Article 7, Sections 27 and 80 (HF 1078)
Various effective dates

Provides for a 2% increase effective October 1, 2007 and a 2% increase effective July 1, 2008. Makes the critical access provider increase effective January 1, 2008. Increases rates for all AMHRS and Children’s Therapeutic Supports and Services (CTSS) and children’s and adult mental health grants to counties/providers. The total for the increase is about \$4.5 million. Also, CTSS and AMHRS services were added to the 23.7% critical access provider increase passed in 2006.

V. DEFINITION OF MENTAL ILLNESS

Chapter 147, Article 8, Section 3 (HF 1078)
Amends Minn. Stat. § 245.462, subd. 20
Effective July 1, 2007

Modifies the definition of “serious and persistent mental illness” in the Mental Health Act to include adults treated by a crisis team two or more times in the preceding 24 months, allowing these individuals to qualify for case management and other intensive services.

VI. FUNDING FOR HOUSING OPTIONS

Chapter 147, Article 19, Section 3 (HF 1078)
Chapter 135, Article 1, Section 5, subd. 4 (HF 122)
Effective July 1, 2007

Appropriates \$1,750,000 in FY 08 and \$1,500,000 in FY 09, thus increasing funding for adult mental health housing options. Appropriates \$5,276,000 for the Bridges housing subsidy for adults with mental illnesses, which represents an increase of \$2,000,000 to the base.

VII. INTENSIVE OUTPATIENT TREATMENT FOR DIALECTICAL BEHAVIOR THERAPY

Chapter 147, Article 8, Section 19 (HF 1078)
Adds Minn. Stat. § 256B.0625, subd. 51
Effective July 1, 2008 or upon federal approval

Adds coverage of dialectical behavior therapy for adults to Medical Assistance (MA), and, by extension, to GAMC and MinnesotaCare.

VIII. INTERVENTION BEHAVIOR THERAPY FOR AUTISM

Chapter 147, Article 5, Section 41 (HF 1078)

Repeals Minn. Stat. § 256B.0625, subd. 5a

Effective July 1, 2007

Repeals benefits under MA for this treatment, following numerous implementation delays since passage.

IX. JANITORIAL CONTRACTS AND MENTAL HEALTH REHABILITATION

Chapter 147, Article 8, Section 1 (HF 1078)

Adds Minn. Stat. § 16C.155

Effective July 1, 2007

Requires that at least 19% of state janitorial services contracts must now be awarded to mental health rehabilitation and extended employment providers listed under Minn. Stat. § 16C.15. Allows costs of the contracts to exceed prevailing market rate by up to 5%.

X. MINNESOTA FAMILY INVESTMENT PROGRAM MENTAL HEALTH PROJECT

Chapter 147, Article 8, Section 36 and Article 19, Section 3 (HF 1078)

Effective July 1, 2007

Creates a three year project and evaluation by DHS to determine the impact of children's mental health needs on the ability of MFIP participants to obtain and retain employment. Requires written consent for participation, including developmental, social and emotional screening with tools approved by DHS. MFIP providers must coordinate with county social services and health plans to assist in arranging referrals indicated by the screening results.

XI. MEDICAL ASSISTANCE

A. Eligibility for Incarcerated Persons

Chapter 147, Art 4, Sec 3 (HF 1078)

Adds Minn. Stat. § 256B.055, subd. 14(b)

Effective date July 1, 2007

Allows for an incarcerated for less than 12 months to be suspended, rather than terminated, from eligibility and reinstatement without reapplication, using a reinstatement form, upon release.

B. Mental Health Benefit

Chapter 147, Article 8, Sections 4, 7, 25-26, 28, 29, and 31 (HF 1078)

Amends Minn. Stat. §§ 256B.0945, subd. 4; 256B.69, subd. 5; 256D.03, subd. 4; and 256L.03, subd. 1

Effective date January 1, 2008, except mental health case management and children's residential treatment, effective January 1, 2009

Extends all mental health benefits covered under MA to those persons receiving PMAP, GAMC or Minnesota Care. Provides that the expanded benefits include: (1) crisis intervention services; (2) adult and children's rehabilitation/in home services; (3) children's residential treatment; (4) adult intensive residential treatment; (5) case management services; (6) assertive community treatment teams; and (7) psychological services, including neuropsychological testing. Excludes chemical dependency services.

XII. NON-PREVENTATIVE HEALTH SERVICES

Chapter 147, Article 8, Section 30 (HF 1078)

Amends Minn. Stat. § 256L.03, subd. 5

Effective July 1, 2007

Exempts non-preventive mental health services from co-pays.

XIII. PARTICIPATION IN HIGH SCHOOL LEAGUE

Chapter 7, Section 1 (SF 1499)

Adds Minn. Stat. § 128C.02, subd. 5

Effective March 21, 2007

Makes children re/admitted to a recovery-focused school after successfully completing treatment for mental health or substance abuse immediately eligible to participate in high school league activities on the same basis as other students.

XIV. REGIONAL CHILDREN'S MENTAL HEALTH INITIATIVE

Chapter 147, Article 8, Section 35 and Article 19, Section 3 (HF 1078)

Effective July 1, 2007

A. Establishment

Establishes a two-year pilot project in Blue Earth, Brown, Faribault, Freeborn, LeSeuer, Martin, Nicollet, Rice, Sibley, Waseca, and Watonwan Counties to improve children's mental health service coordination. Sets the following goals: (1) improve crisis response partnerships; (2) streamline service delivery and procedures in the counties; and (3) establish a regional network for out of home placement services. Authorizes flexible funding for medications, transportation, clothes, and assessments not otherwise available. Provides that services should be provided to youths between the ages of 14 and 21 to help them learn to fulfill their roles as productive citizens.

B. Initiative Team

Provides that an initiative team will be responsible for planning and developing the services. Requires the team to reflect the cultural, demographic and geographic diversity of the region. Mandates the team include representation from: (1) the medical community; (2) human services; (3) corrections; (4) education; (5) mental health providers; (6) advocacy organizations; (7) parents; and (8) youth.

C. Appropriation

Appropriates \$1,000,000 for the biennium.

D. Reporting

Requires an interim report on the initiative by December 31, 2008 and a final report by December 31, 2009 to be submitted to: (1) the House and Senate Committees with jurisdiction over mental health; (2) DHS; and (3) Minnesota Association of County Social Service Administrators.

XV. RESPONSIBILITY FOR COVERED MENTAL HEALTH SERVICES

Chapter 147, Article 8, Sections 4 and 7 (HF 1078)
Amends Minn. Stat. §§ 245.465 and 245.4874 (Adult and Children’s Mental Health Acts)
Effective July 1, 2007
Clarifies that counties are not responsible for providing mental health services that are within the limits of the individual’s health care coverage.

XVI. RETURNING VETERANS

Chapter 45, Article 2, Section 6 (HF 2227)
Effective July 1, 2007
Requires the Minnesota Department of Veteran Affairs and the National Guard, by November 1, 2007, to report to the Legislature regarding the psychological status and needs of soldiers and veterans returning to Minnesota, and the most effective ways to provide psychological support services for these veterans. Requires consultation with, among others, the Veterans Homes Board and the U.S. Department of Veteran’s Affairs.

XVII. SERVICES REFORM

Chapter 147, Article 8, Sections 5 and 6 (HF 1078)
Amends Minn. Stat. § 245.4712, subd. 1
Adds Minn. Stat. § 245.4682
Effective July 1, 2007 (authorizing action), other portions have varying effective dates

- A. Community Support Services
Defines community support services as being supportive in nature and not necessarily treatment oriented. Defines support services to include: (1) outreach, including home visits, health and wellness checks, and problem solving; (2) connecting people to resources to meet their basic needs; (3) finding, securing, and supporting people in their housing; (4) attaining and maintaining health insurance benefits; and (5) assisting with finding and maintaining employment. Requires the use of all available funding streams to maintain the level of expenditure for this program and requires counties to continue to fund community support programs not covered by other funding.
Amends Minn. Stat. § 245.4712, subd. 1

- B. Public Mental Health Service Reform
Authorizes DHS to undertake reforms in public mental health services, most importantly the development of up to three projects integrating physical and mental health care, including mental health services within the county service system. Provides that the projects for coordination of care will be based on locally defined partnerships that include managed care entities, including county based purchasing, in coordination with county social services. Makes consumer participation in the projects voluntary. Requires that the Requests for Proposals for the projects be developed in consultation with consumers, families and advocates, and be subject to a specific evaluation process. Mandates implementation of the projects in January 2009.
Adds Minn. Stat. § 245.4682

- C. Report
Requires DHS to report to the Legislature with recommendations for changes in case management delivery and clarification of the counties' decision making authority and role in the delivery of social services within the integrated care system. Authorizes DHS to make budget transfers that do not increase state and county costs and are necessary to implement reallocation of services.

XVIII. SUICIDE PREVENTION FUNDING

*Chapter 147, Article 19, Section 4 (HF 1078)
Effective July 1, 2007*

Appropriates \$335,000 in FY 08 and \$145,000 in FY 09 to the Minnesota Department of Health for statewide suicide prevention grants.

XIX. VOLUNTARY PLACEMENT AGREEMENTS

*Chapter 147, Article 1, Section 21 (HF 1078)
Amends Minn. Stat. § 260C.212, subd. 9
Effective July 1, 2007*

Requires a voluntary placement agreement to be used when placing a developmentally disabled or an emotionally disturbed child into residential treatment for the sole reason of accessing services or a level of skilled care that cannot be provided in the parent's home. Confers upon the placing county social services agency, through the agreement, the legal responsibility for the physical care, custody and control of the child without transferring legal custody to the agency. Requires counties to report to DHS the numbers of children placed under these agreements.

XX. WARDS' RIGHTS IN GUARDIANSHIP

*Chapter 126, Section 1 (HF 1396)
Effective July 1, 2007*

Requires the state court administrator to provide to the Legislature by March 15, 2008 recommendations on, among other things: (1) rights of wards; (2) powers and duties of guardians; (3) certification and registration; (4) training; (5) complaint processes; and (6) reimbursement concerns. Requires membership in the study group to be from a range of stakeholders including: (1) the long term care ombudsman; (2) the ombudsman for mental health and developmental disabilities; and (3) advocates for people with a range of disabilities.

PUBLIC BENEFITS LAW

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I. CONSOLIDATED FUND

Chapter 147, Article 2, Section 40 (HF 1078)

Amends Minn. Stat. § 256J.626, subd. 2

Effective August 1, 2007

Adds telephone service and support services related to family stabilization services to the list of allowable expenditures under the consolidated fund.

II. COUNTY/TRIBE PERFORMANCE FUNDING BONUS

Chapter 147, Article 2, Section 45 (HF 1078)

Amends Minn. Stat. § 256J.626, subd. 7

Effective January 1, 2008

Reduces the amount of withholding of a county or tribe's consolidated fund allocation for a failure to meet work participation and self-support index measures from 5% to 2.5% of the initial allocation until the county or tribe negotiate a multi-year improvement plan with the Department of Human Services (DHS).

III. DIVERSIONARY WORK PROGRAM (DWP) AND REFUGEES

Chapter 147, Article 2, Sections 37 and 48 (HF 1078)

Amends Minn. Stat. § 256J.95, subd. 3

Adds Minn. Stat. § 256J.575, subd. 3(a)(3)

Effective January 1, 2008

Exempts from DWP refugees who arrived in the United States in the 12 months prior to application for assistance. Makes non-citizens who have been in the country 12 months or less immediately eligible for Family Stabilization Services, where they are eligible for ESL and skills training for up to 12 months.

IV. FEDERAL PENALTIES

Chapter 147, Article 3, Section 61 (HF 1078)

Effective July 1, 2008

Prohibits the State from assessing penalties against counties if the state fails to meet federal work participation requirements between October 2006 and October 2007.

V. FOOD SUPPORT

A. Restrictions on Early Expiration of Benefits

Chapter 147, Article 2, Section 21 (HF 1078)

Adds Minn. Stat. § 256D.0156, subd. 1

Effective Feb. 1, 2008

Prohibits DHS from storing unused food support benefits offline, or expunging the benefits from the recipient's account, unless the benefits have not been accessed for 12 months.

- B. Six-Month Reporting
Chapter 147, Article 2, Section 21 (HF 1078)
Adds Minn. Stat. § 256D.0156, subd. 2
Effective May 1, 2008
 Changes the reporting requirement for non-MFIP food support recipients from monthly to once every six months.

- C. Simplified Application
Chapter 147, Article 2, Section 54 (HF 1078)
Effective Jan. 1, 2008
 Requires the creation of a simplified food support application and process. Mandates that simplified process include a simple short form that can be completed by individuals with limited literacy skills and individuals without dependents. Prohibits the process from including any requirement that forces individuals to take time off work for a face-to-face interview or that places undue demands on county staff.

VI. MINNESOTA FAMILY INVESTMENT PROGRAM (MFIP)

- A. AmeriCorp Income Exclusions
Chapter 147, Article 2, Section 28 (HF 1078)
Amends Minn. Stat. § 256J.21, subd. 2
Effective July 1, 2007
 Provides that cash payments made to individuals enrolled full-time in AmeriCorp programs no longer count as income when determining eligibility for MFIP.

- B. Children’s Mental Health Pilot
Chapter 147, Article 8, Section 36 (HF 1078)
Effective July 1, 2007
 Establishes a three-year pilot project to measure the effect of children’s identified mental health needs on MFIP parents’ ability to obtain and retain employment.

- C. Family Stabilization Services
Chapter 147, Article 2, Section 37 (HF 1078)
Adds Minn. Stat. § 256J.575
Effective Feb. 1, 2008
 Creates Family Stabilization Services (FSS) within MFIP for MFIP and Diversionary Work Program (DWP) participants with disabilities and significant barriers to employment. Requires creation of a stabilization plan for a participant that addresses the needs of the participant and their family. Prohibits an FSS participant from being sanctioned until a medical or behavioral health professional demonstrates the participant’s plan was appropriate and the participant had the full ability to comply. Provides that grants for FSS participants be funded with non-TANF (i.e. separate) State funds, resulting in participants not being counted in the federal work participation rate. Provides that an FSS participant is moved to MFIP when the participant meets hourly requirements that help the state achieve the federal work participation rate (i.e., 87 hours per month for a family with a child under six; 130 hours per month for a family with no children under six).

- D. Integrated Services Project
Chapter 147, Article 19, Section 3, subd. 4 (HF 1078)
Effective July 1, 2007
Appropriates \$5,000,000 for the biennium from TANF reserve funds to continue existing integrated services projects for hard-to-serve MFIP families.
- E. Post-Secondary Education and Training
Chapter 147, Article 2, Section 35 (HF 1078)
Amends Minn. Stat. § 256J.53, subd. 2
Effective July 1, 2007
Eliminates the requirement that a participant engage in 20 work activity hours prior to approval of their post-secondary education and training plan if the education and training activities already meet the 20 or 30-hour minimum for the federal work participation rate.
- F. Sanction Restrictions
Chapter 147, Article 2, Section 31 (HF 1078)
Adds Minn. Stat. §§ 256J.21, subd. 2; and 256J.46, subd. 3
Effective August 1, 2007
Prohibits a participant from being sanctioned when the failure to meet required hours in an employment plan occurs because the place of employment is closed for a holiday and the participant is not eligible for holiday pay. Prohibits a job counselor from increasing the participant's hours of activity to offset hours missed due to a holiday.
- G. Supplemental Security Income Penalty
Chapter 147, Article 2, Section 63 (HF 1078)
Repeals Minn. Stat. § 256J.37, subd. 3b
Effective Feb. 1, 2008
Removes the \$125 per month cash grant penalty assessed against MFIP participants who receive federal Supplemental Security Income (SSI).
- H. Supported Work
Chapter 147, Article 19, Section 3, subd. 4 (HF 1078)
Effective July 1, 2007
Appropriates \$5,400,000 in FY 08 from TANF reserve funds to supported work experiences for MFIP participants. Requires that experiences must provide a continuum of employment assistance, including, in addition to extensive case management and referral services: (1) outreach and recruitment; (2) program orientation and intake; (3) testing and assessment; (4) job development and marketing; (5) pre-worksite training; (6) supported worksite experience; (7) job coaching; and (8) post-placement follow-up.
- I. Support Services County Grants
Chapter 147, Article 19, Section 2, subd. 4 (HF 1078)
Effective July 1, 2007
Appropriates \$4,000,000 for the biennium from TANF reserve funds to the consolidated fund for support services.

- J. Time Limits-Fraud
Chapter 147, Article 2, Section 30 (HF 1078)
Amends Minn. Stat. § 256J.42, subd. 1
Effective Oct. 1, 2007
 Establishes that months during which any cash assistance is received by a household that contains a member who has been disqualified for wrongfully obtaining public assistance count toward the 60-month time limit for the disqualified member.
- K. Unpaid Work
Chapter 147, Article 2, Section 32 (HF 1078)
Amends Minn. Stat. § 256J.49, subd. 13
Effective August 1, 2007
 Establishes that requiring unpaid work experience, without a participant's consent, is only an option if the following conditions are met: (1) the participant has been unable to obtain or maintain paid employment; (2) no paid work experience programs are available to the participant; (3) the unpaid work experience will provide the participant specific skills or experience that cannot be obtained through other options; and (4) the skills and experience gained through the unpaid work experience will result in higher wages than could have been earned without the unpaid work experience.
- L. Vehicle Asset Test
Chapter 147, Article 2, Section 27 (HF 1078)
Amends Minn. Stat. § 256J.20, subd. 3
Effective Jan. 1, 2008
 With respect to the asset test for MFIP eligibility, increases from \$7,500 to \$15,000 the exclusion of the loan value of one licensed vehicle that is used. Leaves unchanged a combined waiver of \$7,500 for all additional vehicles.
- M. Work Activity Hourly Requirements
Chapter 147, Article 2, Section 36 (HF 1078)
Amends Minn. Stat. § 256J.55, subd. 1
Effective August 1, 2007
 Modifies hourly requirements for a participant's employment plan from 30-35 hours per week to 130 hours per month in single-parent families with no children under six years of age, and from 20-35 hours per week to 87 hours per month for single-parent families with a child under 6 years of age.
- N. Workforce U Pilot
Chapter 147, Article 2, Section 52 and Article 19, Section 3, subd. 4 (HF 1078)
Effective July 1, 2007
 Establishes a pilot program in Stearns and Benton Counties to expand the Workforce U program administered by the Stearns-Benton Employment and Training Council. Requires evaluation by a research and evaluation organization with experience in evaluating welfare programs. Appropriates \$100,000 in FY 08 and \$750,000 in FY 09 to the pilot. Report due Feb. 15, 2011. Expires June 30, 2011.

- O. Work Participation Bonus
Chapter 147, Article 2, Section 38 (HF 1078)
Adds Minn. Stat. § 256J.621
Effective Feb. 1, 2009
Establishes a \$75 per month work participation bonus for 24 months following exit from the program for MFIP and DWP participants who depart with earnings. Requires a participant with a child under six to be employed at least 87 hours per month, or a participant with no child under six must be employed at least 130 hours per month, to be eligible for the bonus. Provides that months in which participants receive the bonus do not count toward the 60-month lifetime MFIP limit.
- P. MFIP for Legal Non-Citizens
Chapter 147, Article 2, Section 63 (HF 1078)
Repeals Minn. Stat. § 256J.29
Effective July 1, 2007
Repeals the July 1, 2007 sunset on providing state-funded MFIP cash or food assistance to legal non-citizens.

VII. PROGRAMS FUNDED WITH MAINTENANCE OF EFFORT FUNDS OR SOURCES

Chapter 147, Article 2, Section 22 (HF 1078)
Adds Minn. Stat. § 256J.01, subd. 6
Effective August 1, 2007
Requires DHS to obtain legislative approval to fund programs or activities funded with MFIP or TANF maintenance of effort dollars with other funding sources.

VIII. SIMPLIFICATION STUDY

Chapter 147, Article 2, Section 16 (HF 1078)
Adds Minn. Stat. § 256.01, subd. 23
Effective August 1, 2007
Creates an advisory committee to identify ways to simplify and streamline human services laws, policies, and administrative practices. Mandates that committee appointments must be made by September 1, 2007 and must include: (1) three senators; (2) three representatives; and (3) nine DHS-appointed department staff and county representatives. Requires the committee to address reducing program inconsistency and complexity in order to improve administrative efficiency and reduce risks of recipient noncompliance. Requires report to the Legislature by January 15, 2009.

REAL PROPERTY LAW

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I. HOMESTEAD EXEMPTION AND JUDGMENT LIEN EXECUTION PROCESS

Chapter 105, Sections 2, 3, 5-13 (SF 241) and Chapter 106, Sections 11-21 (SF 1533) (The identical provisions were included in two separate bills that became law) Amends Minn. Stat. §§ 510.02, subd. 1; 510.05; 550.175, subds. 1 and 4; 550.18; 550.19; 550.22; 550.24; and 580.24
Adds Minn. Stat. §§ 510.02, subd. 2; 550.175, subd. 6; and 550.206
Effective August 1, 2007

A. Homestead Exemption for Judgment Debtors

Increases the residential homestead exemption from \$200,000 to \$300,000 and from \$500,000 to \$750,000 for properties used primarily for agricultural purposes. Requires that the exemption amount be periodically updated based on a federal index and published by the Minnesota Department of Commerce.
Amends Minn. Stat. § 510.02, subd. 1
Adds Minn. Stat. § 510.02, subd. 2

B. Process and Procedures

Changes the provisions dealing with the forced sale of real property by judgment creditors to clarify the process and rights of debtors. Clarifies that: (1) a sale of a debtor's homestead cannot be forced unless the creditor can demonstrate that the homeowner has equity in excess of the homestead exemption; (2) the homeowner must receive cash in the amount of the homestead exemption at the time of sale (rather than at some later date); (3) the exemption is *per homestead* regardless of whether it is claimed by one or more debtors living in the homestead; and (4) property which is also the homestead of a non-debtor cannot be forcibly sold. Clarifies requirements and processes for recording documents, notifying affected persons, and redemption for creditors to make these provisions more consistent with the foreclosure statutes.
Amends Minn. Stat. §§ 550.175 subd. 1; 550.18; 550.19; 550.22; 550.24; and 580.24
Adds Minn. Stat. §§ 550.175 subd. 6; and 550.206

TAX LAW

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I. TAXPAYER ASSISTANCE GRANT APPROPRIATION

Chapter 148, Article 1, Section 16, subd. 2 (HF 548)
Effective July 1, 2007
Appropriates \$150,000 for the biennium for grants to organizations providing taxpayer assistance to low-income taxpayers.

UNEMPLOYMENT INSURANCE LAW

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I. AMOUNT OF BENEFITS

Chapter 128, Article 1, Section 12 (SF 167)
Amends Minn. Stat § 268.07, subd. 2
Effective December 1, 2007

Changes the formula for determining weekly benefit amounts by reducing the cap from 45% to 43%. (Currently, the weekly benefit amount paid to an applicant is the higher of two possible amounts: (1) one-half the employee's average weekly wage during the entire base period, capped at two-thirds of the state's average weekly wage; or (2) one-half of the employee's average weekly wage during the high quarter only, capped at 45% of the state's average weekly wage.)

II. APPEALS

A. Appeal Period

Chapter 128, Article 1, Sections 3, 11, and 19 (SF 167)
Amends Minn. Stat. §§ 268.043 (coverage); 268.063 (personal liability); and 268.18, subd. 2 (overpayments due to fraud)
Effective September 30, 2007

Shortens the appeal period from 30 to 20 days for a challenge to a determination by the Department of Employment and Economic Development (DEED) raised by: (1) employers that the employer is covered by the unemployment system, (2) officers, directors, or employees of a corporation or any manager, governor, member, or employee of a limited liability company that they are personally liable; and (3) applicants that they received overpayment due to fraud.

B. Dismissals

Chapter 128, Article 1, Section 18 (SF 167)
Amends Minn. Stat. § 268.105, subd. 1
Effective June 24, 2007

Grants unemployment law judges discretion to dismiss an appeal if the appealing party does not personally participate in the hearing, unless the appealing party files a request for reconsideration and establishes good cause for failing to participate.

C. Protest Affirmation and Redetermination Process

Chapter 128, Article 1, Section 3 (SF 167)
Amends Minn. Stat. § 268.043
Effective August 1, 2007

Abolishes the protest affirmation and redetermination process that employers currently use to challenge most tax determinations, thus enabling employers to directly appeal all tax determinations.

III. BASE PERIOD USED TO QUALIFY APPLICANTS

Chapter 128, Article 1, Section 1 (SF 167)

Amends Minn. Stat. § 268.035, subd. 4

Effective September 30, 2007, but only if applications are filed 30 days or more after the end of the last completed quarter

Establishes an alternative "base period" for applicants who do not have sufficient wages during the usual base period to qualify for benefits, which takes into account an applicant's wages during the last four completed calendar quarters before applying for benefits. (An employee's base period is the span of time that the unemployment insurance system considers to determine whether the employee is eligible for benefits and, if eligible, the amount of benefits she should receive.)

IV. DEBTS DUE TO OVERPAYMENTS

Chapter 128, Article 2, Section 14 (SF 167)

Amends Minn. Stat. § 268.18, subd. 4

Effective May 25, 2007

Extends the period that debts due to overpayment are owed from 10 years to 15 years, after which they are cancelled.

V. DEFINITION OF "ACTIVELY SEEKING EMPLOYMENT"

Chapter 128, Article 6, Section 61 (SF 167)

Amends Minn. Stat. § 268.085, subd. 16

Effective September 30, 2007

Modifies the definition of "actively seeking suitable employment" to specify that an applicant seeking employment only through a union is not actively seeking suitable employment unless the applicant is in an occupation where it is required by union rule that all the hiring in that locality is done through the union.

VI. COOPERATION WITH OTHER STATES ON COMBINING BENEFITS

Chapter 128, Article 2, Section 11 (SF 167)

Amends Minn. Stat. § 268.131, subd. 1

Effective May 25, 2007

Permits the Minnesota Department of Employment and Economic Development (DEED) to pay benefits based upon an applicant's wages from another state, but only if the applicant is combining those wages with wages credits earned in Minnesota.

VII. EARNINGS DEDUCTIBLE FROM BENEFIT AMOUNT

Chapter 128, Article 2, Section 7 (SF 167)

Amends Minn. Stat. § 268.085, subd. 5(a)

Effective September 30, 2007

Provides that holiday pay is now deductible from an applicant's weekly benefit amount. Changes the formula for deducting earnings, requiring that 55% of earnings are deducted from the weekly benefit amount (currently 25% percent of earnings or \$50, whichever is higher, is deducted).

VIII. EARNINGS FROM MILITARY SERVICES

Chapter 128, Article 2, Section 7 (SF 167)
Amends Minn. Stat. § 268.085, subd. 5(c)
Effective May 27, 2007

Eliminates the deduction for earnings from service in the National Guard or the U.S. military reserve (currently \$200 is deducted).

IX. EFFECT OF INABILITY TO OBTAIN CHILD CHARE ON BENEFITS

Chapter 128, Article 1, Section 16 (SF 167)
Amends Minn. Stat. § 268.095, subd. 1
Effective September 30, 2007

Provides that applicants will now be eligible for benefits (as an exception to the general rule that applicants who quit work cannot receive benefits) if: (1) the reason for quitting was that the applicant made reasonable efforts to obtain other child care; (2) the applicant requested time off (or another accommodation) from the applicant's employer and no reasonable accommodation was available; and (3) the applicant demonstrates an ability to work (i.e., that the child care problem has been resolved). Clarifies that, to receive benefits, applicants who quit work due to serious illness or injury also must demonstrate an ability to work.

X. EFFECT OF RECEIPT OF SOCIAL SECURITY ON BENEFITS

Chapter 128, Article 1, Section 15 (SF 167)
Amends Minn. Stat. § 268.085, subd. 4
Effective September 30, 2007

Eliminates any deduction from the weekly benefit amount if the effective date of the applicant's Social Security claim for old age benefits is before the start of the base period. (However, 50% of the weekly benefit will continue to be deducted if the effective date of an applicant's Social Security claim for old age benefits is, or will be, after the start of the base period.)

XI. FACTORS REQUIRING DELAY IN RECEIPT OF BENEFITS

Chapter 128, Article 1, Section 14 (SF 167)
Amends Minn. Stat. § 268.085, subd. 3
Effective September 30, 2007

Eliminates the law requiring delay of an applicant's receipt of benefits if the applicant received holiday pay.

XII. INCORPORATION OF RULES INTO STATUTES

Chapter 128, Article 4 (SF 167)
Amends Minn. Stat. §§ 268.035, subds. 15 and 29; 268.042, subd. 1
Adds Minn. Stat. § 268.035, subd. 25b
Repeals Minnesota Rules, parts 3315.0210; 3315.0220; 3315.0515;
3315.0520; 3315.0525; 3315.0530, subparts 2, 3, 4, 5, and 6; 3315.0540;
3315.0550; 3315.0910, subparts 1, 2, 3, 4, 5, 6, 7, and 8; 3315.1005,
subparts 1 and 3; 3315.1315, subpart 4; 3315.2010; and 3315.2810,
subparts 2 and 4
Effective September 30, 2007

Incorporates a series of administrative rules into the unemployment insurance laws and repeals those rules. (Makes no change in application or interpretation.)

XIII. INELIGIBILITY DETERMINATION

Chapter 128, Article 1, Section 13 (SF 167)
Amends Minn. Stat. § 268.085, subd. 2
Effective September 30, 2007

Makes an applicant ineligible to receive benefits for any week that the applicant, at the beginning of the week, has an outstanding fraud overpayment balance, including penalties and interest. (Currently, applicants without outstanding fraud overpayment balances are eligible for benefits, but there is a 100% offset of overpayment balances from any benefits received.)

XIV. INTEREST ON OVERPAYMENT DUE TO FRAUD

Chapter 128, Article 2, Section 13 (SF 167)
Amends Minn. Stat. § 268.18, subd. 2b
Effective September 30, 2007

Makes interest on overpayments due to fraud mandatory, rather than discretionary.

XV. NOTICE OF DETERMINATION OF OVERPAYMENT

Chapter 128, Article 2, Sections 5, 8 and 10 (SF 167)
Amends Minn. Stat. §§ 268.07, subd. 1; 268.101, subd. 6; and 268.105, subd. 3a
Effective September 30, 2007

Requires a determination or amended determination of overpayment of benefits to include the amount of the overpayment and the legal requirements for repaying the overpayment.

XVI. NOTICE OF DETERMINATION REQUIREMENTS

Chapter 128, Article 2, Section 18 (SF 167)
Adds Minn. Stat. § 268.215
Effective September 30, 2007

Requires a determination subject to appeal or reconsideration to state the day of the week and the date that the determination will become final and no longer be subject to appeal or reconsideration.

XVII. PENALTY FOR FRAUD

Chapter 128, Article 1, Section 19 (SF 167)
Amends Minn. Stat. § 268.18, subd. 2
Effective September 30, 2007

Increases the penalty assessed on applicants receiving overpayments due to fraud from 25% to 40% of the amount fraudulently obtained.

XVIII. TERMINOLOGY CHANGE

Chapter 128, Article 5, Section 1 (SF 167)
Various sections
Effective September 30, 2007

Replaces the term "disqualify" (and similar terms) with the term "ineligible" (and similar terms). Provides that no substantive change is intended, but rather the intention is to simplify current law, achieve consistency, and avoid confusion.

XIX. WEEKLY FILING OF BENEFITS

Chapter 128, Article 3, Sections 16 and 17 (SF 167)

Amends Minn. Stat. § 268.086, subds. 2 and 7

Effective September 30, 2007

Authorizes DEED to require weekly, rather than bi-weekly, filings for requests for benefits.

UTILITIES LAW

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I. COLD WEATHER RULE – INVESTOR OWNED UTILITIES

Chapter 57, Article 2, Section 13 (SF 2096)

Adds Minn. Stat. § 216B.096

Repeals Minn. Stat. § 216B.095

Effective September 1, 2008

Recodifies, amends, and adds new provisions to the existing cold weather rule.

A. Definitions

1. *Disconnection*
Means the involuntary loss of utility heating service as a result of a physical act by a utility to discontinue service and include the installation of a service or load limiter or any device that limits or interrupts utility service in any way.
Adds Minn. Stat. § 216B.096, subd. 2(d)
2. *Reasonably Timely Payment*
Means payments made within five working days of agreed-upon due dates.
Adds Minn. Stat. § 216B.096, subd. 2(f)
3. *Utility Heating Service*
Means natural gas or electricity used as a primary heating source, including electricity service necessary to operate gas heating equipment, for the customer's primary residence.
Adds Minn. Stat. § 216B.096, subd. 2(k)
4. *Working Days*
Means Monday through Fridays, excluding legal holidays, except that the day of receipt of a personally served notice and the day of mailing of a notice is not counted in calculating working days.
Adds Minn. Stat. § 216B.096, subd. 2(l)

- B. Deposits and Late Charges
Prohibits a utility, during the cold weather period, from charging a deposit or late charge to a low-income customer who: (1) has entered into a payment agreement; or (2) has appealed to the Public Utilities Commission (PUC).
Adds Minn. Stat. § 216B.096, subd. 7(a) and (b)
- C. Disputes
Requires utilities to provide customers and any designated third party with a PUC-approved written notice of the right to appeal: (1) a utility determination that the customer's household income is more than 50% of state median household income; or (2) when the utility and customer are unable to agree on the establishment or modification of a payment agreement. Requires appeals to be filed no later than seven working days after the customer's receipt of a personally served appeal notice, or within 10 working days after the utility has deposited in first class mail an appeal notice. Provides that the PUC determine all appeals on an informal basis within 20 working days of receipt of a customer's written appeal. Stays disconnection after an adverse ruling for service for seven working days after the utility has personally served a disconnection notice, or for 10 working days after the utility has made a first class mailing of a notice. The notice must contain in easy-to-understand language, the date on or after which disconnection will occur, the reason for disconnection, and ways to avoid disconnection.
Adds Minn. Stat. § 216B.096, subd. 8
- D. Income Eligibility
1. *For Low-Income Customers*
Provides that customers whose household income is at or below 50% of state median are eligible for all the provisions of the cold weather rule.
Adds Minn. Stat. § 216B.096, subd. 5(a)
 2. *For Non-Low Income Customers*
Grants the right of customers whose household incomes are above 50% of state median income to a payment agreement that takes into consideration any extenuating circumstances of the household, and prohibits disconnection and requires reconnection if the customer makes timely payments under the payment agreement, which is not mutual, but rather must be accepted by the utility. Permits utilities to charge deposits or late fees to non-low income customers.
Adds Minn. Stat. § 216B.096, subd. 9
- E. Income Verification
Provides that, to verify income, a utility may: (1) accept a signed statement by the customer that the customer is income-eligible; (2) obtain verification from a local energy assistance provider; or (3) verify income itself by considering one or more factors set forth. Provides that a customer who receives energy assistance under any federal, state, or county government program that has the same eligibility standard as the cold weather rule (i.e., household income at or below 50% of state median income) is deemed automatically eligible for cold weather rule protection.
Adds Minn. Stat. § 216B.096, subd. 6

- F. Notice Prior to Disconnection
Requires utilities, prior to October 15 each year, to provide, personally or by first class mail, a commission-approved notice to a customer, in easy-to-understand language, that contains, at a minimum, the date of the scheduled disconnection, the amount due, and a summary of rights and responsibilities.
Adds Minn. Stat. § 216B.096, subd. 4
- G. Payment Agreements
1. *Cap*
Prohibits a payment agreement from exceeding 10% of the household income to cover current and past bills, except the payment may exceed 10% but only if agreed to by the customer.
Adds Minn. Stat. § 216B.096, subd. 5 (a) and (b)
 2. *Modifications*
Provides that the customer or designated third party may request modification if the customer's financial circumstances have changes or the customer is unable to make the agreed upon payments.
Adds Minn. Stat. § 216B.096, subd. 5 (c)
 3. *Terms*
Requires the payment agreement to be mutually acceptable and based on the financial resources and circumstances of the household.
Adds Minn. Stat. § 216B.096, subd. 5 (a) and (b)
- H. Prohibition of Disconnection
Prohibits a utility from disconnecting utility heating service: (1) if a customer enters into and makes reasonably timely payments on the payment agreement; (2) earlier than 10 working days after a disconnection notice has been deposited in first class mail or seven days after personal service; or (3) during the pendency of a complaint.
Adds Minn. Stat. § 216B.096, subds. 5(a) (payment agreement); 7(c)(1) (complaints); and 7(c)(3) (notice)
- I. Reconnection
Clarifies that a utility is required to reconnect utility heating service if the customer enters into and makes reasonably timely payments on a payment agreement.
Adds Minn. Stat. § 216B.096, subd. 5(a)
- J. Restrictions on Disconnections
Prohibits disconnection: (1) on a Friday, unless the utility makes personal contact with, and offers a payment agreement; (2) on a Saturday, Sunday, holiday, or the day before a holiday; (3) when utility offices are closed; (4) when no utility personnel are available to resolve disputes, enter into payment agreements, accept payments, and reconnect service; (5) when commission offices are closed; or (6) until the utility investigates whether the dwelling is actually occupied.
Adds Minn. Stat. § 216B.096, subd. 7(c) and (d)

- K. Utility Obligations Prior to the Cold Weather Period
Requires utilities, between September 1 and October 15 each year, to provide all customers, personally or by first class mail, a summary of rights and responsibilities. Requires the summary to be provided to all new residential customers when service is initiated.
Adds Minn. Stat. § 216B.096, subd. 3

II. COLD WEATHER RULE – MUNICIPAL AND COOPERATIVE UTILITIES

Chapter 57, Article 2, Section 13 (SF 2096)
Amends Minn. Stat. § 216B.097, subds. 1 and 3
Effective August 1, 2007

- A. Inability to Pay Forms
Eliminates the requirement that a customer must submit an inability to pay form to be eligible for cold weather rule protection.
Amends Minn. Stat. § 216B.097, subd. 1
- B. Income Eligibility
Expands eligibility to households with incomes at or below 50% of state median income, making eligibility criteria for cold weather rule protection consistent with eligibility for low-income heating and conservation assistance.
Amends Minn. Stat. § 216B.097, subd. 1
- C. Other Eligibility Requirements
Clarifies that a customer does not have to be current on the account prior to the onset of the cold weather rule period (October 15) to be eligible for cold weather rule protection.
Amends Minn. Stat. § 216B.097, subd. 1
- D. Reconnections
Clarifies that reconnections, as well as disconnections, are covered by the rule.
Amends Minn. Stat. § 216B.097, subd. 1
- E. Restrictions on Disconnection
Provides that no disconnections may occur on: (1) a Friday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone; (2) on a weekend, holiday, or the day before a holiday; (3) when utility offices are closed; or (4) after the close of business on a day when disconnection is permitted, unless a field representative of a municipal utility or cooperative electric association who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer.
Amends Minn. Stat. § 216B.097, subd. 3

III. DELIVERED FUEL CUSTOMER PROTECTION

Chapter 57, Article, 3, Section 41 (SF 2096)
Adds Minn. Stat. § 325E.027
Effective August 1, 2007

Prohibits propane or fuel oil dealers who receive Low Income Home Energy Assistance Program (LIHEAP) funds through the State energy assistance program from: (1) refusing to deliver a delivered fuel to a low-income energy assistance customer if: (i) the dealer has the product available; (ii) the customer can make full payment at the time of delivery; and (iii) the customer is not in arrears from a

previous delivery; and (2) charging low-income energy assistance customers additional costs or fees that would not be charged to any other customer and failing to make available any discount program on the same basis as the dealer or distributor makes available to any other customer.

Note: Two sections 325E.027 were added in two separate bills on different subjects. (See next entry.) The Revisor will recodify one of them.

IV. DISCONNECTION PROTECTION FOR ACTIVE DUTY MILITARY PERSONNEL

Chapter 111 (HF 532)

Adds Minn. Stat. § 325E.027

Effective August 1, 2007

- A. Restriction on Disconnection
Prohibits investor-owned, cooperative and municipal utilities from disconnecting utility service to a residential customer if any member of the customer's household has been issued orders into active duty, for deployment, or for a permanent change in duty station, provided the household makes and keeps a payment agreement. Provides that: (1) for households with incomes below state median or that receive energy assistance, the amount the household must pay is 10% of monthly gross income; and (2) for households above state median, the amount the household must pay is not set in law, but it must take into account the financial resources of the household.
Adds Minn. Stat. § 325E.027, subd. 1
- B. Notification of Rights
Requires utilities to annually notify customers of the provisions of the statute, and provide forms on which to apply for the available protections.
Adds Minn. Stat. § 325E.027, subd. 2
- C. Definition of Disconnection
Provides that disconnection includes a service or load limiter or any device that limits or interrupts electric service in any way.
Adds Minn. Stat. § 325E.027, subd. 3
- D. Verification of Income
Provides that verification of income may be conducted by the local energy assistance provider or the municipal utility, cooperative electric association, or public utility unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance that uses income eligibility in an amount at or below state median.
Adds Minn. Stat. § 325E.027, subd. 4
- E. Appeals
Requires utilities to provide notice of right to appeal to the PUC or other governing body (e.g., a City Council for a municipal utility or a cooperative board for a cooperative utility) where there is a dispute. Provides that any appeal must be made within seven working days after the residential customer's receipt of personally served notice, or within ten working days after the utility has deposited first class mail notice in the United States mail.

Prohibits disconnection during the pendency of the complaint and, for complaints adjudicated by the PUC, until final determination of the matter.
Adds Minn. Stat. § 325E.027, subd. 5

Note: Two sections 325E.027 were added in two separate bills on different subjects. (See previous entry.) The Revisor will recodify one of them.

V. HEATING ASSISTANCE

*Chapter 57, Article 2, Section 2, subd. 6 (SF 2096)
Effective July 1, 2007*

Appropriates \$1,000,000 for distribution by the Department of Commerce to low-income households for heating assistance as a supplement to the federal Low Income Home Energy Assistance Program (LIHEAP) funding. Requires the funds to be distributed in the same manner as it distributes the federal LIHEAP.

VI. INTERVENOR COMPENSATION

*Chapter 57, Article 2, Sections 18 and 40 (SF 2096)
Amends Minn. Stat. § 216B.16, subd. 10
Effective July 1, 2007*

Increases the reimbursable amount that a nonprofit organization participating in a PUC proceeding may receive from \$20,000 to \$50,000 per proceeding. Clarifies that a nonprofit organization is eligible for reimbursement if it: (1) materially assists the PUC; and (2) shows financial hardship. Specifies elements that constitute material assistance. Sets forth factors the PUC must consider to determine whether a showing of financial hardship is made. Imports from Minnesota Rules provisions governing the procedure for applying for, contesting, determining, and appealing intervenor compensation. Provides that existing rules governing intervenor compensation do not apply to a general rate case for a gas or electric utility held before the PUC, and directs the PUC to adopt rules consistent with the new statutory provisions.

VII. LOW-INCOME AFFORDABILITY PROGRAMS

*Chapter 57, Article 2, Section 19 (SF 2096)
Amends Minn. Stat. § 216B.16, subd. 15
Effective July 1, 2007*

Requires investor-owned gas utilities to establish and implement low-income affordability programs. Permits investor-owned electric utilities to seek PUC permission to establish such programs. Provides that affordability programs must be designed to: (1) lower the percentage of income that participating low-income households pay towards energy bills; (2) increase participating customer payments over time by increasing the frequency of payments; (3) decrease or eliminate what participating customers owe in back bills; (4) lower the utility costs associated with customer account collection activities; and (5) coordinate the program with other available low-income bill payment assistance and conservation resources.

VIII. MONTHLY REPORTING

*Chapter 57, Article 2, Section 11 (SF 2096)
Adds Minn. Stat. § 216B.091
Effective July 1, 2007*

Requires investor-owned utilities to report certain information to the PUC on a monthly basis, including: (1) disconnects; (2) accounts past due; and (3) write-offs.

IX. PROPANE PREPURCHASE PROGRAM

Chapter 57, Article 2, Section 11 (SF 2096)

Adds Minn. Stat. § 216B.0951

Effective August 1, 2007

Directs the Department of Commerce, which operates the Low Income Home Energy Assistance Program, to buy propane early, before the heating season, presumably when prices are lower. Allows the department to limit or decline to prepurchase fuel if there is a reasonable likelihood that no savings will result. Provides that the department may establish a hedge account with realized program savings to insulate customers from liability if winter prices should be lower than pre-bought fuel.

Requires the department, by June 30, 2008, to issue a report, which must also be made available on the department's Web site on program results. (No funds were appropriated for this initiative.)

X. UNDERCHARGES

Chapter 57, Article 2, Section 16 (SF 2096)

Amends Minn. Stat. § 216B.098, subd. 4

Effective August 1, 2007

Requires that the duration of a payment agreement for a customer whose household income is at or below 50% of state median income, to which a customer is entitled if issued a backbill for undercharges not caused by the customer, must consider the financial circumstances of the customer. (In all other cases, the duration of the payment agreement is equal to the number of months during which the undercharging occurred.) Prohibits a utility from collecting undercharges if the utility has failed to make a timely investigation of a complaint by a customer of a billing problem.