

2008 SESSION SUMMARIES

A Note About “Chapters”

Every bill that is passed by the Legislature and sent to the Governor is assigned a number by the Secretary of State, called a “Chapter.” The Chapter numbers are assigned in the order in which the Governor signs (or vetoes) a bill. They start from the first bill signed at the beginning of the biennium and end with the last bill signed at the close of the biennium. (These Chapters are not to be confused with the codified Minnesota Statutes, which are also divided into chapter numbers according to subject area.)

A total of 219 bills were sent to the Governor in the 2008 session. The Governor vetoed 32 bills. So, the 187 bills that were passed by the Legislature and signed by the Governor comprise the 2008 “Session Laws.”

Under each entry in this summary you will find a notation listing the Chapter number. Listed in parenthesis next to the Chapter number is the bill number. The bill number will have either an HF (for House File) or an SF (for Senate File) in front of it. (Whether the Chapter is associated with a House File or Senate File depends on which body passed the bill first.)

This information is provided to enable you to more easily locate the exact language contained in the bill signed by the Governor. You can find the 2008 Chapters at the following link:
<https://www.revisor.leg.state.mn.us/laws/?view=session&year=2008&type=0>

CHILD CARE

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I. ABSENT DAY NOTIFICATION

Chapter 361, Article 3, Section 8 (HF 3376)

Amends Minn. Stat. § 119B.13, subd. 7

Effective August 1, 2008

Requires the Department of Human Services, upon statewide implementation of the Minnesota Electronic Child Care System (MEC²), to provide the number of absent days used upon initial provider authorization to both the provider and the family.

II. ABSENT DAY – SCHOOL READINESS SERVICE AGREEMENTS

Chapter 361, Article 2, Section 3 (HF 3376)
Amends Minn. Stat. § 119B.231, subd. 5
Effective May 23, 2008

Exempts absent day payment limits from application to children whose care is paid by – and whose family is still eligible for services provided under – a School Readiness Service Agreement.

III. ALLOCATION FORMULA MODIFICATIONS; NOTICE

Chapter 361, Article 2, Section 1 and Article 3, Section 2 (HF 3376)
Amends Minn. Stat. § 119B.03, subds. 1 and 6
Effective August 1, 2008

A. Funds Necessary to Serve All Families

Modifies the Basic Sliding Fee allocation formula to increase funds to counties with the greatest needs. Provides that the amount necessary to serve all families will be calculated based upon the Basic Sliding Fee average cost of care per family in the county with the highest cost in the most recently completed calendar year. Provides that up to 25% of the funds are allocated proportionally, averaged over the most recent six months based on the number of families, among those: (1) participating in the transition year child care program; (2) on the priority waiting list; and (3) on other Basic Sliding Fee waiting lists, as averaged over the most recent six months. (These three categories comprise 75% of the funds. The allocation of the remaining 25% remains unchanged. Those funds are allocated in proportion to each county's total expenditures for the Basic Sliding Fee child care program reported during the most recent fiscal year.)
Amends Minn. Stat. § 119B.03, subd. 6(a-d)

B. Funds In Excess of Amount Necessary to Serve All Families

Provides that funds in excess of the amounts necessary to serve all families will be allocated in proportion to each county's expenditures for Basic Sliding Fee during the most recently-completed fiscal year at the time of notice of the allocation.
Amends Minn. Stat. § 119B.03, subd. 6(e)

C. Annual Notice of Allocation

Eliminates the requirement that the Department of Human Services notify county and human services boards of the final child care program fund allocations.
Amends Minn. Stat. § 119B.03, subd. 1

IV. ASSISTANCE TO LICENSED AND LEGAL NONLICENSED FAMILY CHILD CARE PROVIDERS

Chapter 361, Article 2, Section 2 (HF 3376)
Amends Minn. Stat. § 119B.09, subd. 9
Effective August 1, 2008

Extends to employees of the provider the same prohibition against receiving child care assistance while providing child care that is in place for a provider's own children or the children in the provider's family.

V. CHILD CARE ADVISORY TASK FORCE

*Chapter 361, Article 2, Section 5 (HF 3376)
Uncodified Language
Effective May 24, 2008*

Directs the Department of Human Services to establish a stakeholder Advisory Task Force (to expire June 30, 2010) to review and make recommendations to the Legislature on removing barriers facing families applying for and receiving child care assistance. Provides that specific barriers to be addressed must include: (1) length of application forms; (2) consistency of application and reauthorization forms; (3) documentation requirements (including frequency of producing documentation); (4) barriers facing parents with limited English skills; and (5) length of reauthorization periods.

VI. CHILD CARE ASSISTANCE ELIGIBILITY AND PARENT FEE GUIDELINES

*Chapter 361, Article 3 Sections 3 and 4 (HF 3376)
Amends Minn. Stat. §§ 119B.09, subd. 1; and 119B.12
Various effective dates*

A. Eligibility

Converts household income eligibility for child care assistance:

1. From less than or equal to 250% of federal poverty guideline to less than or equal to 67% of state median income; or
2. From:
 - a. less than or equal to 175% of federal poverty guideline to less than or equal to 47% of state median income at program entry; and
 - b. less than 250% of federal poverty guideline to less than 67% of state median income at program exit.

*Amends Minn. Stat. § 119B.09, subd. 1
Effective August 1, 2008*

B. Payment Fee Guidelines

Adjusts parent fee guidelines from federal poverty guideline to state median income. Provides amended chart. (For chart, see Chapter 361, Article 3, Section 4).

*Amends Minn. Stat. § 119B.12
Effective July 1, 2008*

VII. EARLY CHILDHOOD ADVISORY COUNCIL

*Chapter 363, Article 2, Section 13 (HF 1812)
Adds Minn. Stat. § 124D.141
Effective July 1, 2008*

Establishes State Advisory Council on Early Childhood Education and Care. Provides that the council has all duties of the federal council, but is additionally charged with: (1) making recommendations on the most effective ways to leverage state and federal

funding streams: (2) making recommendations on how to coordinate or co-locate early childhood programs in an Office of Early Learning; (3) reviewing program evaluations regarding high-quality early childhood programs, and (4) making recommendations to the Governor and Legislature on how all children can be school-ready by 2020.

VIII. EARLY CHILDHOOD FAMILY EDUCATION TEACHING REQUIREMENTS

Chapter 266 (SF 2796)

Amends Minn. Stat. § 124D.13, subd. 11

Effective May 5, 2008

Requires licensed teachers in Early Childhood Family Education programs. Permits the Board of Teaching to grant variances to teachers who are not licensed in that area, consistent with Board rules. Reinstates policy that was amended by statute in 2007.

IX. FUNDING CUTS

A. Basic Sliding Fee Grants

Chapter 363, Article 18, Section 3 (HF 1812)

Effective July 1, 2008

Makes one-time reduction in fiscal year 2009 of \$9,227,000 to unexpended balance in Child Care and Development Fund and makes corollary increase to the general fund base in fiscal years 2010 and 2011.

B. Child Care Development Grants

Chapter 363, Article 18, Section 3 (HF 1812)

Effective July 1, 2008

Reduces the base level funding for nonforecast general fund child care development grants by 1.8%. Mandates that, of this amount, \$250,000 of the reduction must come from prekindergarten exploratory projects.

X. LEGAL, NONLICENSED FAMILY CHILD CARE BACKGROUND STUDY

Chapter 361, Article 3, Sections 5 and 6 (HF 3376)

Amends Minn. Stat. § 119B.125, subd. 2

Adds Minn. Stat. § 119B.125, subd. 1a

Effective August 1, 2008

Extends background study requirement for legal, nonlicensed family child care providers at authorization and reauthorization to every member of the provider's household who is age 13 or older. Provides that background study results of household members disqualify the provider in the same manner as the provider's own background study.

XI. SUBSIDY RESTRICTIONS – RATE CHANGES

Chapter 361, Article 3, Section 7 (HF 3376)

Amends Minn. Stat. § 119B.13, subd. 1

Effective August 1, 2008

Specifies that all maximum provider rate changes must be implemented on the Monday following the effective date of the maximum provider rate.

CONSUMER LAW

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I. CANCELLATION OF MOTOR VEHICLE SALE

Chapter 287, Article 1, Section 29 (HF 3486)
Amends Minn. Stat. § 168A.101
Effective August 1, 2008

Eliminates the requirement to refund fees if a motor vehicle sale is cancelled. (Taxes remain refundable.) Adds that a written claim for the refund must be submitted if both parties agree to cancel a motor vehicle sale after a transfer of interest.

II. CONTRACTS FOR DEED

Chapter 276, Sections 1 and 5 (SF 2881)
Amends Minn. Stat. §§ 47.20, subd. 2(2); and 334.01, subd. 2
Effective January 1, 2009

- A. Increase in Transaction Amount of Contract for Deed Subject to Interest Rate Cap
Increases the transaction amount of a contract for deed subject to a cap on interest rates from \$100,000 to \$300,000.
Amends Minn. Stat. § 47.20, subd. 2(2)

- B. New Interest Rate Cap Provided
Changes the interest rate cap from usury limits (i.e., 6% or, if in writing, 8%) to the fluctuating index specified under Minn. Stat. § 47.20, subd. 4a (i.e., the maximum lawful interest rate in an amount equal to the Federal National Mortgage Association posted yields on 30-year mortgage commitments for delivery within 60 days on standard conventional fixed-rate mortgages published in the Wall Street Journal for the last business day of the second preceding month plus four percentage points).
Amends Minn. Stat. § 334.01, subd. 2

III. DEBT MANAGEMENT SERVICE PROVIDERS

Chapter 210 (SF 2930)
Amends Minn. Stat. §§ 32A.02, subd. 2; 332A.04, subs. 1, 2 and 4; 332A.06; 332A.10, subd. 5; and 332A.13, subd. 8
Adds Minn. Stat. § 332A.12, subd. 1a
Effective April 22, 2008

In addition to a number of technical amendments to the statute enacted in 2007 regulating debt management service providers, the following substantive changes were made:

- A. Additional Accreditation Entities Included
Adds the Bureau Veritas Certification North America, Inc. and BSI Management Systems America, Inc. as the only entities that have statutory standing to provide the required accreditation credential to debt management service providers.
Amends Minn. Stat. § 332A.02, subd. 2

- B. Grandfathering in of Existing Minnesota Debt Management Service Providers
Provides that companies that were licensed as debt proraters prior to August 1, 2007 – the effective date of last year’s debt management service provider law – are not required to submit proof of accreditation in order to become registered to provide debt management services.
Amends Minn. Stat. § 332A.04, subd. 1

- C. Exceptions to Requirement of Dual Signatories to Amended Agreements
Provides that the debtor’s signature is not required if: (1) at the request of the debtor, a creditor is added to or deleted from a debt management services plan; or (2) as a result of incorrect or incomplete information provided by the debtor regarding the amount of debt owed, the payment amount to a creditor in the original agreement increases by \$10 or less and the total payment amount to all creditors increases by a total of \$20 or less.
Amends Minn. Stat. § 332A.10, subd. 5

IV. DO-NOT-CALL LIST CHANGES

Chapter 363, Article 6, Section 8 (HF 1812)
Amends Minn. Stat. § 325E.313, subd. 2
Effective August 1, 2008

Eliminates the requirement previously imposed on subscribers to notify the state every four years that the subscriber wishes to be included on the do-not-call list.

V. ENFORCEMENT OF MORTGAGE FRAUD

Chapter 215, Section 2 (SF 2915)
Amends Minn. Stat. § 609.822, subd. 3
Effective August 1, 2008

Amends the mortgage fraud statute enacted in 2007 by providing that prosecution of the crime of mortgage fraud does not preclude prosecution of and punishment for any other crime. (The amendment is intended to provide prosecutors with more tools to make prosecution of mortgage fraud viable.)

VI. INSURANCE STANDARD OF CONDUCT (Good Faith Requirement)

Chapter 208 (SF 2822)
Adds Minn. Stat. § 604.18
Effective for causes of action for conduct that arise on or after August 1, 2008

- A. Cause of Action
Provides that a cause of action arises if insured can show: (1) the absence of a reasonable basis for denying the benefits of the insurance policy; and (2) that the insurer either: (i) knew of the lack of a reasonable basis for denying the benefits

of the policy; or (ii) acted in reckless disregard of the lack of a reasonable basis for denying the benefits of the policy.

- B. Liability
Makes insurance companies liable to insured for: (1) an amount equal to one-half of the proceeds awarded that are in excess of an amount offered by the insurer at least ten days before the trial begins or \$250,000, whichever is less; and (2) with certain provisos, reasonable attorney fees, not to exceed \$100,000, actually incurred to establish the insurer's violation of this section.
- C. Procedure
Requires that a claim for damages for violation of the new provisions must be made in a separate motion to amend the pleading.
- D. Exemptions
Exempts, among other things: (1) workers' compensation claims; and (2) a health insurance carrier or nonprofit health service plan providing dental coverage only.

VII. MORTGAGE LAW CHANGES

Chapter 240 (SF 3214)

*Amends Minn. Stat. §§ 58.02, subds. 18 and 21; and 58.14, subds. 3, 4 and 5
Effective August 1, 2008*

- A. Expansion of "Residential Mortgage Loan" Definition
Expands the definition to include investor-owned properties by eliminating the limitation that a loan be "primarily for personal, family, or household use."
Amends Minn. Stat. § 58.02, subd. 18
- B. Clarification of "Residential Real Property; Residential Real Estate" Definition
Clarifies the definition to include both owner-occupied and non-owner occupied property.
Amends Minn. Stat. § 58.02, subd. 21
- C. Retention of Records
Extends from 26 to 60 months the period that licensees and exempt persons must retain: (1) records and resolutions of complaints; (2) records of trust funds; and (3) business records, including advertisements, regarding residential mortgage loans applied for, originated, or serviced in the course of its business.
Amends Minn. Stat. §§ 58.14, subds. 3 (complaints); 4 (trust funds); and 5 (business records)

VII. PAYMENT OF FEES TO FREEZE CREDIT REPORTS

Chapter 211 (SF 1578)

*Amends Minn. Stat. § 13C.016, subd. 8
Effective August 1, 2008*

Clarifies that payment by consumers to place a freeze on their credit reports (a right granted in a 2006 statute) may be: (1) made by check, money order, or credit card if the request is made by mail; (2) made by credit card if the request is made by e-mail.

IX. PAYROLL CARDS

Chapter 168 (SF 2830)

*Amends 2005 Minn. Laws, Chapter 158, Section 4, as amended by 2007 Minn. Laws, Chapter 87, section 1
Effective April 4, 2008*

Removes the sunset on the use of payroll cards, which was scheduled for July 30, 2008. (Payroll cards allow employers to pay wages by means other than a check or direct deposit, through a card similar to a stored-value card, so long as the employee voluntarily consents to be paid in such manner.)

X. PREDATORY LENDING LAW CHANGES

A. Clarification of Acceptable Documentation of Reasonable Ability to Pay

Chapter 241 (SF 3154)

Amends Minn. Stat. § 58.13, subd. 1

Effective August 1, 2008

Clarifies that a borrower's reasonable ability to pay the loan may be verified by the use of the following non-exhaustive list of documents: (1) the borrower's current and expected income; (2) current and expected cash flow; (3) net worth and other financial resources other than the consumer's equity in the dwelling that secures the loan; (4) current financial obligations; (5) property taxes and insurance; (6) assessments on the property; (7) employment status; (8) credit history; (9) debt-to-income ratio; (10) credit scores; (11) tax returns; (12) pension statements; and (13) employment payment records.

B. Clarification of Acceptable Loans Under Predatory Lending Law

Chapter 276, Section 2 (SF 2881)

Amends Minn. Stat. § 58.13, subd. 1

Effective May 9, 2008

Expressly lists the following loans as permissible under the 2007 predatory lending law: (1) United States Department of Veterans Affairs and United States Department of Housing and Urban Development interest rate reduction refinancing loans or streamline loans; and (2) loans made under criteria authorized or promulgated by Fannie Mae and Freddie Mac.

C. Additional Violation Subject to Private Right of Action

Chapter 276, Sections 3 and 4 (SF 2881)

Amends Minn. Stat. § 58.18, subds. 1 and 2

Effective May 9, 2008

Adds the violation of the duty of agency (Minn. Stat. § 58.161) to the list of violations subject to a private right of action and subject to an action taken under the Private Attorney General Statute (Minn. Stat. § 8.31).

XI. REAL ESTATE BROKER REGULATION

Chapter 347, Section 3 (SF 3594)

Amends Minn. Stat. § 82.49

Effective August 1, 2008

Eliminates the exception for a closing agent allowing disbursement out of an escrow and other accounts if the agent had an established business relationship with the lender.

XII. RETRIEVAL OF CONTENTS FROM IMPOUNDED VEHICLES

Chapter 350, Article 1, Sections 19 - 24 (HF 3800)

Amends Minn. Stat. §§ 168B.051, subd. 2; 168B.06, subds. 1 and 3; and 168B.08, subd. 1

Adds Minn. Stat. § 168B.07, subds. 3 and 4

Effective August 1, 2008

A. Notice of Impound

Adds to the information contained in the notice of impound a requirement that the lot operator must notify the owner of the impounded vehicle of the right to retrieve vehicle contents without charge if the qualifying factors are met.

Amends Minn. Stat. § 168B.06, subd. 1

B. Retrieval of Contents

1. **Right to a Retrieve Contents for Eligible Vehicle Owners**

Provides that a registered vehicle owner has the unencumbered right to retrieve any and all contents -- without charge and regardless of whether the owner pays incurred charges or fees, transfers title, or reclaims the vehicle -- if the owner provides documentation from a government or nonprofit agency or legal aid office that the owner is: (1) homeless; (2) receives relief based on need; (3) is eligible for legal aid services, or (4) has a household income at or below 50% of state median income.

Provides that an eligible owner may retrieve the contents at any time before the expiration of the statutory period within which a vehicle owner must reclaim or forfeit the vehicle (i.e., 45 days if impounded by a private tow lot operator; 15 days if impounded by the City of Minneapolis or the City of St. Paul). Defines "contents" to exclude any permanently affixed mechanical or nonmechanical automobile parts; automobile body parts; or automobile accessories, including audio or video players.

2. **Definition of "Relief Based on Need"**

Defines "relief based on need" as including but not limited to: receipt of MFIP and Diversionary Work Program, Medical Assistance, General Assistance, General Assistance Medical Care, Emergency General Assistance, Minnesota Supplemental Aid, MSA Emergency Assistance, MinnesotaCare, Supplemental Security Income, Energy Assistance, Emergency Assistance, Food Stamps, Earned Income Tax Credit, or Minnesota Working Family Tax Credit.

Adds Minn. Stat. § 168B.07, subd. 3

C. Procedures for Retrieval of Contents

Requires municipal and private tow lot operators to establish reasonable procedures for retrieval of vehicle contents, and permits operators to establish reasonable procedures to protect the safety and security of the impound lot and its personnel.

Adds Minn. Stat. § 168B.07, subd. 3

D. Voluntary Transfer of Title

Provides that any vehicle owner whose vehicle is towed to an impound lot *other than an impound lot operated by the City of Minneapolis or the City of St. Paul*

may make a voluntary written transfer of title to the impound lot operator any time prior to the expiration of the statutory 45 day period within which the owner may redeem the vehicle. Stipulates that the voluntary written transfer constitutes a waiver of all right, title, and interest in the vehicle.
Amends Minn. Stat. § 168B.051, subd. 2

XIII. TITLE BRANDING OF LEMON LAW VEHICLES

*Chapter 287, Article 1, Section 93 (HF 3486)
Adds Minn. Stat. § 325F.665, subd. 14
Effective August 1, 2008*

Requires the registrar of motor vehicles to note on the title the phrase "Lemon Law Vehicle" when a vehicle which has been subject to Minnesota's Lemon Law has been transferred and application for title has been made. Requires the same designation for out-of-state vehicles bearing any similar designation when the first application for a Minnesota title is made. Requires the designation to be made in a clear and conspicuous manner, in a color different from all other writing on the certificate of title.

COURTS

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I. CUSTODIAL TRUST ACCOUNT WITHDRAWALS

*Chapter 201 (SF 3070)
Amends Minn. Stat. § 529.08
Effective August 1, 2008*

Permits use of credit or debit card by custodial trustee to make payments from a custodial trust account.

II. ELECTRONIC PAYMENT OF FEES

*Chapter 299, Section 17 (HF 2996)
Adds Minn. Stat. § 480.237
Effective July 1, 2008*

Permits courts to accept payment for government fees and payments ordered by the court by credit card, charge card, debit card, or other methods of electronic funds transfer. Allows courts to charge a convenience fee not to exceed the processing fee charged by a processing contractor during the most recent collection period, but requires each court that charges a convenience fee to provide notice before the transaction is processed. Provides that fees collected are appropriated to the court level that charged the fee for the purposes of paying the processing contractor. Provides that all records related to electronic payment account numbers are not accessible to the general public.

III. EXTENSION OF PERSONAL JURISDICTION

Chapter 18, Articles 1 and 2 (HF 117)

Amends Minn. Stat. § 543.19, subd. 1

Effective August 1, 2008, and applies to causes of action arising on or after that date

Extends personal jurisdiction over foreign corporations and nonresident individuals in actions involving defamation or privacy by eliminating the current exception to jurisdiction.

DATA PRACTICES

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I. BUSINESS SCREENING SERVICES

Chapter 315, Section 19 (SF 3235)

Adds Minn. Stat. § 332.70

Effective July 1, 2009

Regulates the use of criminal records by business screening services.

- A. Definition of "Business Screening Service"
Defines "business screening service" as "a person regularly engaged in the business of collecting, assembling, evaluating, or disseminating criminal record information on individuals for a fee." Excludes government entities and the news media.
Adds Minn. Stat. § 332.70, subd. 1(a)
- B. Definition of "Criminal Record"
Defines "criminal record" as a record of arrest, citation, prosecution, criminal proceeding, or conviction.
Adds Minn. Stat. § 332.70, subd. 1(c)
- C. Consent to Service of Process and Jurisdiction of the Court
Provides that business screening services that disseminate information concerning criminal records or obtain a record from a government entity are deemed to have consented to service of process and jurisdiction of state courts.
Adds Minn. Stat. § 332.70, subd. 6
- D. Prohibition
Prohibits business screening services from disseminating a criminal record unless the record has been updated in the past month.
Adds Minn. Stat. § 332.70, subd. 2
- E. Requirements
Requires that dissemination of criminal records must include the date the record was collected, and a notice that the record may include information

expunged, sealed, or otherwise inaccessible to the public since the date of collection.

Adds Minn. Stat. § 332.70, subd. 4

F. Challenge to Accuracy of Record; Requirement of Investigation

1. **Right to Challenge**

Provides that, if the accuracy of the record is challenged, the screening service must investigate the record at no charge, and must examine all relevant information provided by the subject of the information.

2. **Requirement to Correct Records**

Mandates that business screening services must correct inaccurate or incomplete records, and delete records that have been sealed, expunged or pardoned.

3. **Permission to Terminate Investigation**

Allows business screening services to terminate investigation if they determine the challenge is frivolous, which can be based upon the subject's failure to submit sufficient information to challenge the record. Requires the business screening service, if the claim is determined to be frivolous, to: (1) inform the subject of the reasons for the determination; and (2) provide notice of what information would be required to investigate the record.

4. **Notification of Disposition**

Requires a business screening service to notify the person disputing the record of the correction or deletion of the record, or of the termination or completion of the investigation, within 30 days of the date when the agency receives notice of the dispute from the person.

Adds Minn. Stat. § 332.70, subd. 3

G. Penalty for Violation

Provides that a business screening service that violates the statute is liable to the aggrieved party for a penalty of \$1000 or actual damages, whichever is higher, plus reasonable attorney's fees, costs and disbursements. Provides that a screening service that complies with the Fair Credit Reporting Act is considered in compliance with the provisions. Provides that state law remedies apply if a screening service violates both state and federal law.

Adds Minn. Stat. § 332.70, subd. 5

II. DAMAGES AND PENALTIES FOR VIOLATION OF DATA PRACTICES ACT

Chapter 315, Sections 3 and 4 (SF 3235)

Amends Minn. Stat. § 13.08, subds. 1 and 4

Effective August 1, 2008

A. Exemplary Damages for Willful Violation

Increases amount of exemplary damages for which a government entity is liable per willful violation of the Data Practices Act from not less than \$100 nor more than \$10,000 to not less than \$1,000 nor more than \$15,000.

Amends Minn. Stat. § 13.08, subd. 1

- B. Damages for Order to Compel
Increases the civil penalty the court may impose against a government entity from up to \$300 to up to \$1000 if the court issues an order to compel compliance with the Data Practices Act.
Amends Minn. Stat. § 13.08, subd. 4

III. DATA REQUEST CHARGES

Chapter 315, Section 2 (SF 3235)
Amends Minn. Stat. § 13.03, subd. 3
Effective August 1, 2008

Eliminates the ability of agencies to charge for compiling information for data requests.

IV. SOCIAL SECURITY NUMBERS

- A. On Mailings
Chapter 315, Section 7 (SF 3235)
Adds Minn. Stat. § 13.355, subd. 3
Effective August 1, 2008
Prohibits government entities from mailing or delivering an item (or causing, requiring, or requesting an item to be mailed or delivered): (1) that displays a Social Security number on the outside; or (2) in a manner where the Social Security number is visible without the necessity of opening the item.
- B. Use and Collection
Chapter 333 (SF 2390)
Amends Minn. Stat. § 325E.59, subds. 1 and 3
Effective July 1, 2008
Amends a law passed in 2007 that included a general prohibition against certain uses and the sale of Social Security numbers, clarifying that: (1) human resource or payroll administration, or employee or member benefit or retirement plans may incorporate a person's Social Security number as a primary account identifier; (2) "selling" a Social Security number does not include release of the Social Security number if it is incidental to a larger transaction and is necessary to identify the person to accomplish a legitimate business purpose, but excludes marketing purposes as a "legitimate business purpose"; (3) agents or contractors of entities or persons are entitled to access to Social Security numbers (all other access must be restricted); and (4) the provisions of this section do not prohibit collection, use or release of a Social Security number where authorized under other state or federal law.

DISABILITY LAW

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Note: Please see **HEALTH LAW** section for additional changes to relevant statutes.

Abbreviations Used in this Section:

| | |
|---------------|---|
| <i>CADI:</i> | <i>Community Alternatives for Disabled Individuals</i> |
| <i>DHS:</i> | <i>Minnesota Department of Human Services</i> |
| <i>GAMC:</i> | <i>General Assistance Medical Care</i> |
| <i>MA:</i> | <i>Medical Assistance</i> |
| <i>MDH:</i> | <i>Minnesota Department of Health</i> |
| <i>MnDHO:</i> | <i>Minnesota Disability Health Option</i> |
| <i>PCA:</i> | <i>Personal Care Assistant</i> |
| <i>TBI:</i> | <i>Traumatic brain injury</i> |
| <i>TEFRA:</i> | <i>Tax Equity and Fiscal Responsibility Act of 1982</i> |

I. BUDGET CUTS FOR COMMUNITY SERVICES FOR PERSONS WITH DISABILITIES

- A. Cost-of-Living Adjustment (COLA) for Community Service Providers
Chapter 363, Article 15, Sections 7 and 17 (HF 1812)
Amends Laws 2007, Chapter 147, Article 7, Section 71
Effective July 1, 2008
Delays the scheduled 2% COLA for community service providers and ICF/MR facilities from July 1, 2008 to October 1, 2008.
- B. Enrollment Limits for Community Waiver Services
Chapter 363, Article 18, Section 3 (HF 1812)
Rider Language
Effective July 1, 2008
- Caseload Limits**
Imposes caseload limits for enrollment in: (1) home- and community-based waiver services for persons with TBI; and (2) services for those eligible for nursing facility care through the CADI waiver. Limits the TBI waiver to 200 new persons per year, and the CADI waiver to 1,500 new persons each year for the next three years. Includes in these caseload caps, limits for persons participating in the integrated managed care program known as MnDHO.
 - Funding Cut**
Cuts total funding by nearly \$60 million by limiting enrollment for these services for the coming three years, which includes the dollar-for-dollar federal match available under Medicaid. Eliminates access for an estimated 2,400 eligible persons to funding for waiver services for staff, equipment, items and other supports.

- C. Minnesota Disability Health Options
Chapter 363, Article 18, Section 3
Rider Language
Effective January 1, 2009
 Changes risk adjustment methodology for the MNDHO and limits growth of enrollees receiving CADI or TBI waiver services to 200 persons each calendar year for three years, beginning January 2009. Allows additional persons to enroll in MNDHO for basic health care services and be added to a waiting list for access to waiver services if the 200 person per year limit is reached in any of the three years.

- D. State-Funded Grant Programs Cut
Chapter 363, Article 18, Section 3 (HF 1812)
Rider Language
Effective July 1, 2008
 Imposes a 1.8% cut for state-funded grant programs operated by DHS and MDH, except children and adult mental health services. Cuts Semi-Independent Living Services (SILS), Consumer Support Grants, Disability Linkage Line, Family Support Grant services, Region 10 Quality Assurance, Epilepsy Grants, various aging and chemical dependency services and community and family health grant programs.

II. COMMUNITY SERVICES CHANGES

- A. Home Modifications Under Home and Community-Based Waiver Services
Chapter 326 (HF 3222)
Uncodified Language
Effective May 16, 2008
 Requires DHS to submit a waiver amendment to obtain federal approval to cover the costs of home modifications that add square footage to an unlicensed private residence if necessary to modify or add a bathroom to accommodate a wheelchair when: (1) the annual cost of care and modifications do not exceed the costs for the recipient if the modifications were not made; and (2) given the size and value of the home, the modifications are the least costly, appropriate, and reasonable alternative.

- B. License for Day Training and Habilitation Satellite Program
Chapter 268 (SF 3256)
Amends Minn. Stat. § 245B.07, subd. 12
Effective August 1, 2008
 Allows a day training and habilitation program's building license to also cover adjacent buildings and affiliated satellite programs.

- C. Long-Term Care Worker Health Coverage Recommendations
Chapter 358, Article 3, Section 15 (SF 15)
Uncodified Language
Effective July 1, 2008
 Requires DHS to report to the Legislature by January 15, 2009 with recommendations for a rate increase for long-term health care employers to purchase private health coverage for employees.

- D. Provider Standards for Personal Care Assistant Services
Chapter 230 (SF 3227)
Amends Minn. Stat. § 144A.46, subd. 1
Effective August 1, 2008
 Requires MDH, in consultation with DHS, to provide recommendations to the Legislature by February 15, 2009 for provider standards for PCA services.

- E. State Certification for Home And Community-Based Waiver Service Providers
Chapter 317, Section 2 (SF 3563)
Amends Minn. Stat. § 256B.49, subd. 16a
Effective August 1, 2008
 Requires DHS, rather than county agencies, to certify unlicensed disability waiver providers, prior to authorizing payment for services for: (1) health and safety standards and policies regarding aversive practices; and (2) medication management.

- F. State-Operated Community Programs for Persons with Developmental Disabilities
Chapter 223 (SF 3571)
Amends Minn. Stat. § 252.50, subd. 1
Effective August 1, 2008
 Allows state-operated habilitation programs to employ clients with disabilities who are not state employees.

- G. Workers' Compensation Requirements for Personal Care Assistant Services
Chapter 250, Section 1 (SF 3218)
Amends Minn. Stat. § 176.011, subd. 9(17)
Effective May 1, 2008
 Adds PCA statutory references, including PCA Choice, to the definition of "employees" covered by workers' compensation.

III. DEAF AND HARD-OF-HEARING-RELATED CHANGES

- A. Name Change
Chapter 280 (SF 3364)
Amends Minn. Stat. § 256C.28
Effective August 1, 2008
 Renames the Commission Serving Deaf and Hard-of-Hearing People the Commission on Deaf, Deaf-Blind and Hard-of-Hearing Minnesotans; expands advisory duties to include the judicial branch and all state agencies; and provides for electronic meetings of the Commission.

- B. Television Captioning in Greater Minnesota
Chapter 171 (SF 147)
Uncodified Repealer
Effective August 1, 2008
 Repeals a June 30, 2010 expiration date for grants to provide real-time captioning of local television news programs and grants for electronic information services for persons who are blind or disabled and unable to access daily print news.

IV. ELECTION IMPROVEMENT FOR PERSONS WITH DISABILITIES

- A. Absentee Ballot Changes
Chapter 295, Sections 9 and 10 (HF 3172)
Amends Minn. Stat. §§ 203B.06, subd. 3; and 203B.11, subd. 4
Effective for elections held after June 1, 2008
Expands the list of those who can use an agent to submit an absentee ballot; increases the time before an election during which an agent can deliver an absentee ballot to someone who cannot get to the polls due to disability or incapacitating health reasons; and requires that an agent must have a preexisting relationship with an absentee voter.
- B. Captioning of Campaign Advertisements
Chapter 295, Section 8 (HF 3172)
Adds Minn. Stat. § 10A.38
Effective August 1, 2008
Requires that political advertisements include closed captioning for television and Web sites and transcripts posted on websites for radio and web ads with some exceptions.

V. HEALTH CARE REFORM

Please see "Health Care Reform" subsection of the **HEALTH LAW** section.

VI. HOUSING

- A. Housing Access Grants
Chapter 363, Article 15, Section 5 (HF 1812)
Adds Minn. Stat. § 256B.0658
Effective July 1, 2008
Establishes a new Housing Access Grant Program. Provides \$1.25 million in funding over three years for public and private agencies to support individuals with disabilities who are eligible for publicly-funded home and community-based services to locate and obtain appropriate independent housing.
- B. Housing Subsidy For Persons with Disabilities
Chapter 363, Article 15, Section 16 (HF 1812)
Amends Minn. Stat. § 256D.44, subd. 5
Effective January 1, 2009
Expands the Minnesota Supplemental Aid (MSA) Shelter Needy Program to include people who are eligible for home and community waiver services and those who will use the new self-directed personal supports option passed in 2007 but not yet implemented. Provides a new subsidy of up to \$162 per month per person, in addition to the person's SSI, MSA of \$81 per month, and any food support payment for which the person is eligible. Appropriates nearly \$2 million in housing subsidies over the next three years.

VII. MANAGED CARE FOR STATE HEALTH PROGRAMS

- A. Administrative Expenses
Chapter 364, Section 3 (SF 3322)
Adds Minn. Stat. § 256B.69, subd. 5
Effective August 1, 2008
Limits managed care health plans under contract for publicly-funded health care programs to administrative cost increases of no more than 5% over the previous contract.
- B. County-Based Purchasing Excess Revenues
Chapter 364, Section 8 (SF 3322)
Adds Minn. Stat. § 256B.692, subd. 4a
Effective August 1, 2008
Requires counties to use any excess revenue over expenses: (1) for capital reserves; (2) for increased provider payments; or (3) to repay county costs for prevention, early intervention, and other health care costs.
- C. Health Plan Administrative Spending Data
Chapter 364, Section 5 (SF 3322)
Adds Minn. Stat. § 256B.69
Effective July 1, 2009
Directs DHS to collect administrative spending data, which is to be classified as nonpublic data under Minn. Stat. § 13.02.
- D. Language Assistance for Enrollees with Limited English Proficiency
Chapter 326 (SF 3322)
Amends Minn. Stat. § 256B.69, subd. 27
Effective August 1, 2008
Requires managed care plans under contract to provide MA, GAMC, and MinnesotaCare to supply language assistance to enrollees to ensure meaningful access as required by Title VI of the federal Civil Rights Act.
- E. Ombudsman for Managed Care Study
Chapter 364, Section 13 (SF 3322)
Uncodified Language
Effective August 1, 2008
Requires DHS, within available funding, to study and report to the Legislature on: (1) whether the Ombudsman's duties should be expanded to fee-for-service enrollees; and (2) the cost of such expansion.
- F. Performance Data Reporting by Health Plans
Chapter 364, Section 14 (SF 3322)
Uncodified Language
Effective August 1, 2008
Directs DHS and MDH to make recommendations to the Legislature by January 1, 2009 for a single method to report on health plan performance using an industry data set, payment claims, and random medical record reviews.

- G. Privacy in Marketing Special Needs Basic Care
Chapter 326, Article 1, Section 38 (HF 3222)
Amends Minn. Stat. § 256B.69, subd. 28
Effective August 1, 2008
Adopts protections regarding individuals' privacy in marketing of the new Special Needs Basic Care managed care plan for persons with disabilities with Medical Assistance. Requires health plans to pay any DHS costs incurred in mailing marketing materials to potential enrollees.

VIII. MEDICAL ASSISTANCE

- A. Co-Payments Under Medical Assistance
Chapter 363, Article 17, Section 10
Amends Minn. Stat. §§ 256B.0631, subd. 1; and 256B.0631, subd. 3
Effective August 1, 2008
Limits monthly MA co-payments on prescription drugs and nonemergency visits to the emergency room to 5% of family income for those at or below 100% of the Federal Poverty Guidelines. Provider reimbursement will not be reduced by the amount of the co-payment for recipients who have paid their 5% cost-sharing limit.
- B. Hospital Payment Rate Reductions
Chapter 363, Article 17, Section 6 (HF 1812)
Amends Minn. Stat. §§ 256.969, subd. 3a; 256B.32, subd. 1; and 256B.75
Effective beginning July 1, 2008 for three years
Reduces hospital and inpatient and outpatient payment rates for MA and GAMC hospital payments, most of which would have been matched with federal Medicaid funds over three years. Exempts mental health services and the Indian Health Services from these rate reductions.
- C. Notice of Disability Review for TEFRA Medical Assistance
Chapter 220 (SF 2024)
Amends Minn. Stat. § 256B.055, subd. 12
Effective August 1, 2008
Requires counties to notify parents of a child's disability review for MA TEFRA eligibility six months prior to the recertification due date.

IX. MENTAL HEALTH

- A. Children's Mental Health Services Limits on Aversive Practices
Chapter 234, Section 1 (SF 3049)
Adds Minn. Stat. § 245.8261
Effective August 1, 2008
Enacts new limitations on the use of seclusion, restraint, and other aversive practices in children's mental health services and facilities. Requires ongoing training for staff and an annual report DHS.

- B. Mental Health Services Report
Chapter 234, Section 5 (SF 3049)
Uncodified Language
Effective July 1, 2008
 Requires DHS to report to the Legislature by January 16, 2009 on the availability of community mental health services (including whether mental health facilities should be expanded) for children, adolescents, and adults.

- C. Sentencing of Military Members or Veterans with Mental Illness
Chapter 299, Section 18 (HF 2996)
Adds Minn. Stat. § 609.115, subd. 10
Effective August 1, 2008
 Requires the court to inquire prior to sentencing whether a criminal defendant currently serves in the military or is a military veteran. Provides that, if the defendant has been diagnosed with a mental illness, the court may: (1) require presentence investigation consultation with the state or federal Department of Veterans Affairs or other agency for the purpose of providing the court with treatment options; and (2) in imposing sentence, consider treatment recommendations of diagnosing or treating professionals and treatment options available.

- D. Voluntary Placement for Treatment
Chapter 361, Article 6, Sections 24-53 (HF 3376)
Amends Minn. Stat. § 260C.205 and 260C.212
Adds Minn. Stat. §§ 260D.001 – 260D.301
Effective August 1, 2008
 Adopts standards for the voluntary placement for treatment of children with mental health or developmental disabilities so there is no disruption in parental custody and responsibility for those children. Requires court oversight of independent living plans for juveniles over 15 years of age who are in foster care.

X. OMBUDSMAN FOR MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES

Chapter 219 (SF 3225)
Amends Minn. Stat. § 245.92
Effective August 1, 2008

Allows the Ombudsman for Mental Health and Developmental Disabilities to: (1) obtain copies of records, including information about deceased persons; and (2) qualify as a health oversight agency for purposes of federal privacy regulations.

XI. ORAL HEALTH PRACTITIONER

- A. Oral Health Practitioner Work Group
Chapter 298, Section 29 (SF 2942)
Uncodified Language
Effective May 13, 2008
 Establishes a work group – including DHS, MDH, the Board of Dentistry, higher education representatives, and safety net providers – to develop recommendations and propose legislation for the education and regulation of oral health practitioners. Requires the recommendations and draft legislation by

January 15, 2009 to allow enrollment of students in oral health practitioner educational programs by the Fall of 2009.

B. Oral Health Practitioner Work Requirements

Chapter 298, Section 26 (SF 2942)

Adds Minn. Stat. § 150A.061

Effective July 1, 2009

Requires the Board of Dentistry to authorize a person to practice as an oral health practitioner if the person: (1) meets certain criteria: (2) is under the supervision of a Minnesota-licensed dentist under a written collaborative management agreement; (3) is licensed by the Board of Dentistry; and (4) complies with board rules. Provides that no one shall be authorized prior to January 1, 2011.

Provides that authorization is conditioned upon the agreement by the practitioner to practice in settings serving low-income, uninsured, and underserved patients or in a dental health professional shortage area as determined by MDH.

XII. TARGETED CASE MANAGEMENT

A. Federal Conformity and Relocation Service Coordination

Chapter 363, Article 15, Sections 1-4, 7 (HF 1812)

Amends Minn. Stat. §§ 256B.0621, subds. 2, 6 and 10; 256B.0625, subd. 20; and 256B.0924, subds. 4 and 6

Effective July 1, 2008, but time limit restrictions become effective April, 2009 due to Congressional action June 26, 2008.

To comply with federal interim rule changes, modifies targeted case management service limits, contingent on Congressional action, for: (1) relocation service; (2) children and adult mental health; and (3) vulnerable adult and child welfare case management. Congressional action on June 26, 2008 means that the changes will not go into effect until April, 2009.

B. Targeted Case Management for Children with Developmental Disabilities

Chapter 361, Article 6, Section 57 (HF 3376)

Uncodified Language

Effective August 1, 2008

Requires DHS to seek an amendment to the State Plan for Medical Assistance to add children with developmental disabilities to those eligible for targeted case management services to help those children gain access to needed medical, social, educational, and other services provided under Minn. Stat. § 256B.092.

XIII. TAX PROVISION, COUNTY LEVY LIMITS

Chapter 366 (HF 3149)

Amends Minn. Stat. § 275.76

Effective July 1, 2008

Suspends county maintenance of effort and matching fund requirements for various sections of law, including health and human services programs such as: medical assistance, mental health services, and child welfare while levy limits are in effect.

(NOTE: This provision will be repealed retroactive to effective date pursuant to agreements between the Governor, the commissioners of finance and human services, and legislative leaders, per letters dated May 27 and May 30, 2008.)

XIV. TRANSPORTATION

- A. Disability Parking
Chapter 272 (SF 3372)
Amends Minn. Stat. § 169.346, subd. 5
Effective August 1, 2008
Establishes minimum requirements for long-term disability parking, including: (1) a maximum of four hours for a one-hour, 90 minute, or two-hour meter; (2) a 50% fee reduction for contracted parking; and (3) issuance of special all-day permits for employed persons with severe disabilities.
- B. Special Transportation Complaints
Chapter 287, Article 1, Section 73 (HF 3486)
Amends Minn. Stat. § 174.3, subd. 9
Effective July 1, 2008
Requires the Department of Transportation to investigate complaints regarding special transportation service providers under the department's jurisdiction, and report on the complaints and resolutions to legislators every two years, beginning January 15, 2009.
- C. Special Transportation Regulated by The Metropolitan Council
Chapter 287, Article 1, Section 97 (HF 3486)
Amends Minn. Stat. § 473.386, subd. 2
Effective May 9, 2008
Requires the Metropolitan Council to report on special transportation, including complaints and service quality, as part of its annual report to the Legislature. Also requires the Council to annually provide an opportunity for special transportation users to testify about the service. Changes the membership of the Transportation Accessibility Advisory Committee by dropping providers of special transportation and adding that half of the membership be Americans with Disabilities Act (ADA) certified users of public transit in the metropolitan area.
- D. Transportation Plan to Meet Unmet Need
Chapter 350, Article 1, Section 67 (HF 3800)
Amends Minn. Stat. § 177.24
Effective May 24, 2008
Requires the Department of Transportation to plan to meet 80% of the unmet need for transit in Greater Minnesota by 2015 and 90% of unmet need by 2020. Provides that the plan must address special transportation ridership needs.

XV. TRAUMATIC BRAIN INJURY ADVISORY COUNCIL

Chapter 286 (SF 3213)
Amends Minn. Stat. § 254A.035, subd. 2
Effective July 1, 2008

Extends the TBI Advisory Council, which was to expire June 30, 2008, until June 30, 2012.

DOMESTIC ABUSE

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I. DOMESTIC ABUSE ADVOCATE PRIVILEGE

Chapter 302 (SF 3441)

Adds Minn. Stat. § 595.02, subd. 1(l)

Effective August 1, 2008

1. Prohibition Against Compelling Testimony
Provides that a "domestic abuse advocate" cannot be compelled to testify about any opinion or information received from or about the victim without consent of the victim, unless ordered by the court. Requires the court to weigh three factors in determining whether to compel testimony: (1) the public interest and need for disclosure against the effect on the victim; (2) the relationship between the victim and domestic abuse advocate; and (3) the services if disclosure occurs. Provides an exception wherein no privilege exists where a domestic abuse advocate must comply with the requirement to provide information in maltreatment investigations for children or vulnerable adults under Minn. Stat. §§ 626.556 or 626.557.
2. Definition of "Domestic Abuse Advocate"
Defines "domestic abuse advocate" as an employee or supervised volunteer from a community-based battered women's shelter and domestic abuse program eligible to receive grants under Minn. Stat. § 611A.32 who provides information, advocacy, crisis intervention, emergency shelter, or support to victims of domestic abuse. Excludes persons employed by or under the direct supervision of a: (1) law enforcement agency; (2) prosecutor's office; or (3) county or state agency.

II. FAMILY VIOLENCE WAIVER CRITERIA FOR MFIP

Chapter 361, Article 4, Section 6 (HF 3376)

Amends Minn. Stat. § 256J.545

Effective August 1, 2008

Establishes that a sworn statement from the applicant or participant and a sworn statement from any other person with knowledge of the circumstances or credible evidence that supports the client's statement constitute acceptable documentation or verification of family violence. Such documentation is required for a family violence waiver under the Minnesota Family Investment Program (MFIP).

III. ORDERS FOR PROTECTION/HARASSMENT RESTRAINING ORDERS

Chapter 316 (SF 3492)

Amends Minn. Stat. §§ 518B.01, subds. 6, 6a, 7, 11, and 18; and 609.748, subds. 3, 5 and 8

Effective July 1, 2008

A. Orders for Protection

1. **Additional Relief**

Provides that a court may order (including through an ex parte order) the abusing party to have no contact with the petitioner – whether in person, by telephone, mail, or electronic mail or messaging – through a third party, or by any other means.

Amends Minn. Stat. § 518B.01, subd. 6(a)(10) (typical order)

Amends Minn. Stat. § 518B.01, subd. 7 (ex parte order)

2. **Period of Relief**

Extends the minimum length of other Orders for Protection from one year to two years, and eliminates the requirement of a “fixed” time period.

Amends Minn. Stat. § 518B.01, subd. 6(b)

3. **Subsequent Orders and Extensions**

Permits the court to grant an Order for Protection for up to fifty years, if: (1) the victim has had two or more previous restraining orders in effect against the same respondent; or (2) the respondent has violated a prior or existing restraining order on two or more occasions.

Amends Minn. Stat. § 518B.01, subd. 6a

4. **Modification or Vacation of Order**

a. *Bars on Modification or Vacation*

Bars a respondent from requesting modification or vacation of the order unless the order has been in effect for at least five years and there has been no violation. Bars a new request if the initial request is denied until five years following the date of denial.

b. *Requirements for Application, Service*

Requires: (1) application for modification or vacation to be made in the county in which the order was issued; (2) personal service upon the petitioner named in the order not less than 30 days prior to the hearing; and (3) a vacated or modified order to be served on the petitioner named in the restraining order.

c. *Standard for Granting the Order*

Provides that modification or vacation is discretionary if proof has been made by a preponderance of the evidence that: (1) there has been a material change in circumstances; and (2) the reasons the court relied on when granting the restraining order no longer apply and are unlikely to occur.

Amends Minn. Stat. § 518B.01, subd. 11

5. **Notice to Respondent or Restrained Party**

Requires an order granting relief for up to 50 years to contain a conspicuous notice to the respondent or person to be restrained that the respondent must wait five years to seek a modification of the order.
Amends Minn. Stat. § 518B.01, subd. 18

B. Harassment Restraining Orders

1. **Subsequent Orders and Extensions**

Permits a court to issue a Harassment Restraining Order for up to 50 years upon a finding that: (1) the petitioner has had two or more previous restraining orders in effect against the same respondent; or (2) the respondent has violated a prior or existing restraining order on two or more occasions.
Amends Minn. Stat. § 609.748, subd. 5(a)(3)

2. **Modification or Vacation of Order**

a. *Five Year Waiting Period*

Bars a respondent from seeking modification or vacation of the order:

- 1) unless: (1) five years have elapsed; and (2) there has been no violation.
- 2) if the initial request is denied, until five years following the date of denial before seeking modification or vacation.

Requires conspicuous notice in the order of the waiting periods.

Amends Minn. Stat. § 609.748, subd. 5(c) (bar)

Amends Minn. Stat. § 609.748, subd. 8(c) (notice of bar in order)

b. *Requirements for Application, Service*

Requires: (1) application for modification or vacation to be made in the county in which the order was issued; (2) personal service upon the petitioner named in the order not less than 30 days prior to the hearing; (3) a vacated or modified order to be served on the petitioner named in the restraining order; and (4) the petition to state whether the petitioner has had a previous restraining order in effect against the respondent.

Amends Minn. Stat. § 609.748, subd. 5(c) (service; venue)

Amends Minn. Stat. § 609.748, subd. 3(a) (requirement to disclose previous restraining order in petition)

c. *Standard for Granting the Order*

Provides that modification or vacation is discretionary if proof has been made by a preponderance of the evidence that: (1) there has been a material change in circumstances; and (2) the reasons the court relied on when granting the restraining order no longer apply and are unlikely to occur.

Amends Minn. Stat. § 609.748, subd. 5(c)

IV. SAFE AT HOME PROGRAM MODIFICATIONS

Chapter 227 (SF 2642)

Amends Minn. Stat. §§ 5B.02; 5B.03, subd. 1; 5B.07, subd. 2; 171.06, subd. 3; and 171.07, subs. 1 and 3

Adds Minn. Stat. § 5B.09

Effective June 1, 2008, except as noted

A. Definition of "Mail"

Amends definition of "mail" to clarify that the only mail to be forwarded under the program is: (1) first class letters and flats delivered via the U.S. Postal Service (including priority, express, and certified mail); and (2) packages, parcels, periodicals, and catalogues clearly identifiable as pharmaceuticals or that clearly indicate they are sent by a government agency.

Amends Minn. Stat. § 5B.02(f)

B. Application Information

Changes program application requirements to include: (1) consent to verify participation in the program, if the person requesting consent provides the participant's name and lot number from the participant's card; and (2) any other information as required by the Secretary of State.

Amends Minn. Stat. § 5B.03, subd. 1

C. Data Classification

Clarifies that release of address information cannot be waived by the program participant. Permits data release to the Bureau of Criminal Apprehension and law enforcement agencies upon verification that the release of information will aid law enforcement in responding to an emergency, criminal complaint, or conducting an investigation. Provides that: (1) data maintained by the Bureau of Criminal Apprehension or law enforcement agency is nonpublic data, but may be shared among those agencies; and (2) data related to law enforcement or Bureau of Criminal Apprehension requests are private or nonpublic data.

Amends Minn. Stat. § 5B.07, subd. 2

D. Driver's License, Permit and Identification Cards

Clarifies that an application for a driver's license, permit, or identification card may include and show a designated address under the Safe At Home Program as an alternative to an actual address.

Amends Minn. Stat. § 171.07, subs. 1 and 3

E. Report to Legislature

Requires the Secretary of State to report to the chairs of the legislative committees with jurisdiction over data practices and public safety, by February 1 each year, the number of participants in the Safe At Home Program.

Adds Minn. Stat. § 5B.09

Effective August 1, 2008

EDUCATION LAW

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I. GED TESTING FEE

Chapter 363, Article 2, Section 15 (HF 1812)

Amends Minn. Stat. § 124D.55

Effective July 1, 2008

Allows eligible individuals to receive up to \$40 toward the General Education Development (GED) test fee, an increase from \$20.

II. ACHIEVEMENT GAP TASK FORCE

Chapter 363, Article 2, Section 41, Subdivision 2 (HF 1812)

Amends Session Laws 2007, Chapter 146, Article 7, Section 4, subd. 2(I)

Effective July 1, 2009

Appropriates \$50,000 in 2009 for an advisory task force to analyze the educational achievement of low-income students and students of color. Requires analysis of the impacts of coursework, educators' professional development, English language barriers, special education, GRAD tests, and preparation for postsecondary education and career opportunities. Makes appropriation contingent upon an equal match of non-state funds.

ELDER LAW

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I. OLDER ADULT SERVICES COMMUNITY CONSORTIUMS

Chapter 338, Section 3 (HF 3955)

Uncodified Language

Effective July 1, 2009

Establishes a three-year demonstration project for Older Adult Services Community Consortia. The project may consist of health care and social service providers, county agencies, health plan companies, and other community stakeholders.

II. SENIOR NUTRITION

*Chapter 317, Section 3 (SF 3563)
Uncodified Language
Effective July 1, 2008*

Clarifies that a 2007 appropriation to senior nutrition programs must be utilized to maintain home delivery and congregate dining services which were in existence on July 1, 2007.

EMPLOYMENT LAW

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I. LIFETRACK IMMIGRANT AND REFUGEE COLLABORATIVE

*Chapter 363, Article 10, Section 3, subd. 4(b) (HF 1812)
Uncodified Language
Effective July 1, 2008*

Appropriates \$75,000 to Lifetrack Resources in Rochester for an immigrant and refugee work support pilot project focused on job-seeking skills, workplace orientation, functional work English, and on-site job coaching.

FAMILY LAW

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I. ADOPTION

A. Adoption Assistance
*Chapter 361, Article 6, Sections 13-16 (HF 3376)
Amends Minn. Stat. § 259.67, subds. 2, 3 and 4
Adds Minn. Stat. § 259.67, subd. 3a
Effective August 1, 2008*

1. **Elimination of Annual Affidavit**
Eliminates the requirement for an annual affidavit stating that: (1) the child remains under the adoptive person's care; and (2) the need for adoption assistance still exists.
Amends Minn. Stat. § 259.67, subd. 3

2. **Recovery of Adoption Assistance Overpayments**
Permits the Department of Human Services to recover adoption assistance overpayments from adoptive families, except when the overpayment was the result of agency errors or circumstances outside of the family or provider's control. Provides that adoption assistance amounts that may be recovered include basic maintenance needs payments, monthly supplemental maintenance needs payments, reimbursement of nonrecurring adoption expenses, reimbursement of special nonmedical costs, and reimbursement of medical costs.
Adds Minn. Stat. § 259.67, subd. 3a

3. **State-Funded Adoption Assistance**
Creates state-funded adoption assistance eligibility for a child adopted by a relative, where the placing agency determines that the adoption is in the best interests of the child. Provides that a child who is adopted by a legal custodian or guardian is not eligible for state-funded adoption assistance.
Amends Minn. Stat. §259.67, subd. 4

4. **Technical Change**
Substitutes the word "child" for "person" to clarify that adoption assistance is only available for children and not for adult adoption.
Amends Minn. Stat. §§ 259.67, subd. 2; and 259.67, subd. 3

- B. Adoption Record Access
Chapter 361, Article 6, Sections 18-20 (HF 3376)
Amends Minn. Stat. § 259.89, subds. 1, 2 and 4
Effective August 1, 2008

Permits the Department of Health to work with the Department of Human Services, counties and child-placement agencies to notify the birth parent identified on the original birth record when an adopted person makes a request for records. Requires agencies to notify the Department of Health when contact with the birth parent has been made. Provides that personal contact with the birth parent constitutes "notification" when deemed reasonable, otherwise permits mail or telephone contact.

- C. Adoption Study
Chapter 361, Article 6, Section 6 (HF 3376)
Amends Minn. Stat. § 259.41, subd. 1
Effective August 1, 2008

Exempts adoptive parent from adoption study costs where the child is under guardianship of the state. Subjects: (1) a relative seeking adoption placement to a background study; and (2) a stepparent seeking adoption and any children to a background study, unless the stepparent is a sibling by birth or adoption of the person being adopted. Provides that background studies are conducted by the local social services agency, and permits the agency to charge a reasonable fee, unless a child-placing agency was involved with the adoption. Requires the background study results to be completed prior to placement and filed with the adoption petition. Exempts adult adoptions from the adoption study and background study requirements.

D. Adult Adoption

Chapter 361, Article 6, Sections 1-5, 7, 10-12, 21 (HF 3376)

Amends Minn. Stat. §§ 259.20, subd. 1; 259.22, subd. 2; 259.23, subd. 2; 259.43; 259.57, subd. 1; and 259.59, subds. 1 and 2

Adds Minn. Stat. §§ 259.241; and 259.89, subd. 7

Effective August 1, 2008

1. **Right to be Adopted**

Establishes that any person may be adopted, regardless of age or residence, and allows a Minnesota resident to petition for adoption of a person age 18 or older in any county with jurisdiction. Provides that the consent of the person being adopted is the only consent necessary, unless the person being adopted is a vulnerable adult or is determined not competent to give consent. Provides that the adoption decree establishes a parent-child relationship between the adopting parent or parents and the person adopted, including the right to inherit, and also terminates the parental rights and sibling relationship between the adopted person and the adopted person's birth parents and siblings. Provides that the adoption decree may also include a name change.

Adds Minn. Stat. § 259.241

2. **Access to Birth Records**

Permits an adopted adult access to birth records that existed prior to the adoption, to the extent access was permitted prior to the adoption.

Adds Minn. Stat. § 259.89, subd. 7

3. **Technical Changes**

Modifies several other sections to change the term "child" to "person," where appropriate, and make other conforming changes.

Amends Minn. Stat. §§ 259.20, subd. 1; 259.22, subd. 2; 259.23, subd. 2; 259.43; 259.57, subd. 1; and 259.59, subds. 1 and 2

E. Birth Parent History/Form

Chapter 361, Article 6, Section 7 (HF 3376)

Amends Minn. Stat. § 259.43

Effective August 1, 2008

Clarifies what information must be included in the child's social and medical history, including: (1) background and health history specific to the child, defined as including the child's current health condition, behavior, demeanor, placement history, education history, sibling information, and birth, medical, dental, and immunization information; and (2) applicable background information about the child's birth parents, and the child's other birth relatives includes general background information, education and employment history, physical health and mental health history, and reasons for the child's placement. Requires redaction of relevant documents to protect the identities of all individuals described. Requires that the child's social and medical history, including documents, must be: (1) provided to the prospective adoptive family prior to placement (and to the Department of Human Services, if adoption assistance is sought); and (2) filed with the court.

- F. Father's Adoption Registry
Chapter 361, Article 6, Section 8 (HF 3376)
Amends Minn. Stat. § 259.52, subd. 2
Effective August 1, 2008
 Establishes that filing a certified copy of an order for a juvenile protection matter under Chapter 260C containing a finding that a search of the Father's Adoption Registry was made constitutes proof of search in an adoption matter. Grants a social service agency that has filed a juvenile petition under 260C permission to request a registry search at any time.
- G. Home Study Record Access
Chapter 361, Article 6, Section 9 (HF 3376)
Amends Minn. Stat. § 259.53, subd. 3
Effective August 1, 2008
 Grants access to all records related to suitability between a child and prospective adoptive home to a guardian ad litem who is appointed in: (1) a child protection matter and who continues to serve as guardian through termination of parental rights until the adoption is finalized; or (2) an adoption proceeding.
- H. Interstate Compact for Placement of Children
Chapter 361, Article 6, Sections 23 and 59
Repeals Minn. Stat. § 260.851
Adds Minn. Stat. § 260.853
Repealer and new statute effective upon enactment in no less than 35 states
 Repeals and replaces existing Interstate Compact, effective when 35 states enact the revised Interstate Compact for Placement of Children. Specifies that the revised compact is intended to update and improve consistency between state laws for the placement of children. Provides that, when 35 states enact the law, other states have 12 months to decide whether to adopt the law. Provides that, after the expiration of the 12 months, states with the new compact will only work with each other.

Highlights of the new law include:

- Applicability to interstate placements only. Defines placement as an act by a public or private child-placing agency intended to arrange for the care or custody of a child in another state.
- Inapplicability of the compact to foreign adoptions.
- Inapplicability of the compact to interstate placements:
 - ✓ where a public agency is not a party, provided the placement is not intended to move toward adoption;
 - ✓ by a parent to a non-relative in another state, so long as the parent is authorized to make the placement, and it is not to move toward adoption;
 - ✓ by a parent to a relative, provided the parent has authority to make the placement;
 - ✓ by a parent into a residential facility, provided the placement is not part of a proceeding based upon abuse, neglect or deprivation;
 - ✓ with a noncustodial parent, provided the parent has a substantial relationship with the child and a court finds that the placement is in the child's best interests.

- Addresses continuing jurisdiction and termination of jurisdiction.
- Provides a process for written placement assessments prior to placement.
- Provides that no child can be placed in another state without approval from the placement state. Grants a right to state administrative and judicial review if the two states cannot agree.
- Clarifies financial responsibilities between the sending and receiving states, and who is legally responsible for the child after placement.
- Creates an "Interstate Commission for the Placement of Children." Provides that each member state will have one commissioner and that other interested parties may participate, but cannot vote. Grants the Commission significant authority, including the right to promulgate rules, provide dispute resolution, issue advisory opinions, enforce compliance, collect standardized data, maintain offices, and purchase insurance and bonds. Requires the Commission to annually report to each member state's legislature, judiciary, governor and advisory council.

For more information, see <http://www.aphsa.org/Policy/icpc2006rewrite.htm>

II. CHILD SUPPORT

Chapter 363, Article 16, Sections 1-4, 6-8 (HF 1812)

Amends Minn. Stat. §§ 256.741, subds. 1, 2, 2a and 3; 518A.50; and 518A.53, subd. 5

Repeals Minn. Stat. § 256.741, subd. 15

Effective July 1, 2008 except as noted below

A. Assignment of Child Support

1. **Elimination of Assignment for Arrears Owed Prior to Receipt of Public Assistance**
Eliminates assignment of child support arrears owed to a parent prior to the time the parent goes on public assistance, retroactive to arrears that were assigned between July 1, 1997 and October 1, 2009.
Amends Minn. Stat. § 256.741, subds. 2a and 3
Effective October 1, 2009
2. **Permanent Assignment to the State**
Clarifies that current basic support, medical support, and child care arrears that accrue while a parent is on public assistance are permanently assigned to the state, and the assignment for current support ends when public assistance is no longer received. Allows the state to continue to collect the permanently assigned arrears after the parent is no longer receiving assistance. Clarifies that child support arrears payments received are paid first to arrears not owed to the state, except for proceeds of a federal tax intercept.
Amends Minn. Stat. § 256.741, subd. 2
3. **Payments to Public Agencies**
Provides that income withholding payments will be credited as paid as of the date of withholding, rather than the date of receipt by the child support collections center.
Amends Minn. Stat. §§ 518A.50; and 518A.53, subd. 5
Effective October 1, 2009

4. **Repealer**

Repeals provisions regarding child support distribution that have been replaced.

III. COMPREHENSIVE FAMILY COURT STUDY

Chapter 299, Section 26 (HF 2996)

Uncodified Language

Effective August 1, 2008

Requires the State Court Administrator to report to the Legislator by January 15, 2009 on a plan for a multidisciplinary, comprehensive study on family law.

IV. JOINT PHYSICAL CUSTODY STUDY

Chapter 299, Section 25 (HF 2996)

Uncodified Language

Effective August 1, 2008

Directs the State Court Administrator to convene a study group, consisting of 12 people, to consider the impact of a presumption of joint physical custody in Minnesota. Requires the evaluation to include the: (1) positive and negative impacts of adopting a presumption; (2) fiscal impact of adopting a presumption; and (3) experiences of other states. Requires inclusion of the viewpoints of, among others, parent advocacy groups, domestic violence advocates, citizen members, and other interested parties. Requires a report to the legislature no later than January 15, 2009.

V. SOCIAL SECURITY NUMBER – DISSOLUTION PETITION

Chapter 315, Section 22 (SF 3235)

Amends Minn. Stat. § 518.10

Effective August 1, 2008

Clarifies that parties' Social Security numbers should not be included in dissolution petition. Consistent with the Rules of Family Court Procedure, requires that parties' Social Security numbers should be included in a separate document in cases where child support or spousal maintenance issues will be addressed.

FOOD LAW

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I. FOOD SHELF FUNDING

Chapter 363, Article 18, Section 3, subd. 4(i) (HF 1812)

Uncodified Language

Effective July 1, 2008

Appropriates \$500,000 to the state's food shelf programs.

II. SENIOR NUTRITION

*Chapter 317, Section 3 (SF 3563)
Uncodified Language
Effective July 1, 2008*

Clarifies that a 2007 appropriation to senior nutrition programs must be utilized to maintain home delivery and congregate dining services which were in existence on July 1, 2007.

HEALTH LAW

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Note: Please see **DISABILITY LAW** section for additional changes to relevant statutes.

Abbreviations Used in this Section:

*DHS: Minnesota Department of Human Services
FPG: Federal Poverty Guidelines
MDH: Minnesota Department of Health
MA: Medical Assistance
GAMC: General Assistance Medical Care*

Minnesota's Health Care Programs

I. ACCESSING MINNESOTA'S PUBLIC HEALTH CARE PROGRAMS

A. Application and Renewal Forms

*Chapter 358, Article 3, Section 2 (SF 3780)
Adds Minn. Stat. § 256.01, subd. 27
Effective July 1, 2008*

Directs DHS to make state health care program applications and renewals available on its Web site in the most common foreign languages.

- B. Automation and Coordination Study
Chapter 358, Article 3, Section 12 (SF 3780)
Uncodified Language
Effective July 1, 2008
 Requires DHS to report to the Legislature by January 15, 2009 on ways to improve coordination between Minnesota Health Care Programs (MHCP) and social service programs such as WIC and food stamps. Requires the report to include a review of options for the development of automated systems to identify persons served by such programs who may be eligible for MHCPs.
- C. Data Matches with Department of Education
Chapter 358, Article 3, Section 1 (SF 3780)
Adds Minn. Stat. § 124D.1115
Effective July 1, 2008
 Requires the Department of Education to enter into agreement with DHS to share information regarding children eligible for the free and reduced lunch program. Limits the information to identifying children who may be eligible for MA or MinnesotaCare. Allows a parent to opt out of information sharing.
- D. Incentive Program
Chapter 358, Article 3, Section 3 (SF 3780)
Amends Minn. Stat. § 256.962, subd. 5
Effective July 1, 2008
 Increases the application assistance bonus from \$20 to \$25 and permits insurance producers licensed under chapter 60K to receive an application assistance bonus.
- E. School Districts
Chapter 358, Article 3, Section 4 (SF 3780)
Amends Minn. Stat. § 256.962, subd. 6
Effective July 1, 2008
 Lessens outreach requirements for school districts. Clarifies that school districts are eligible for the application assistance bonus.

II. DENTAL CARE

- A. Oral Health Practitioners
Chapter 298, Section 26 (SF 2942)
Adds Minn. Stat. § 150A.061
Effective July 1, 2009
 Requires the Board of Dentistry to authorize a person to practice as an oral health practitioner if the person: (1) meets certain criteria; (2) is under the supervision of a Minnesota-licensed dentist under a written collaborative management agreement; (3) is licensed by the Board of Dentistry; and (4) complies with board rules. Provides that no one shall be authorized prior to January 1, 2011. Provides that authorization is conditioned upon the agreement by the practitioner to practice in settings serving low-income, uninsured, and underserved patients or in a dental health professional shortage area as determined by MDH.

- B. Oral Practitioner Work Group
Chapter 298, Section 29 (SF 2942)
Effective May 13, 2008
Establishes a work group to develop recommendations and proposed legislation for the education and regulation of oral health practitioners. Mandates that the work group's recommendations must include recommendations for the scope of practice of, and the level of dentist supervision over, the oral health practitioners. Requires a report to the Legislature by January 15, 2009.

III. GENERAL ASSISTANCE MEDICAL CARE – SEX OFFENDERS

Chapter 326, Article 1, Section 40 (SF 3222)
Amends Minn. Stat. § 256D.03, subd. 3
Effective May 16, 2008

Exempts residents of the Minnesota Sex Offender Program who are enrolled in GAMC from the requirement to transition to MinnesotaCare.

IV. HOSPITAL INPATIENT AND OUTPATIENT RATE REDUCTION

Chapter 363, Article 17, Sections 6 and 13 (HF 1812)
Amends Minn. Stat. §§ 256.32, subd. 1; and 256.969, subd. 3a
Effective July 1, 2008

Cuts MA and GAMC hospital payments by about \$109 million, most of which would have been matched with federal Medicaid funds over three years. Exempts mental health services and the Indian Health Services from these rate reductions.

V. I-35W BRIDGE COLLAPSE SURVIVORS

Chapter 370, Section 10 (HF 4166)
Adds Minn. Stat. § 3.7395
Effective May 9, 2008

Provides that any state payments made to survivors of the I-35W bridge collapse are not counted as income, assets, or resources for purposes of eligibility for: (1) MA (Chapter 256B); (2) GAMC (Chapter 256D); or (3) MinnesotaCare (Chapter 256L). Clarifies that survivors and their families who would otherwise be eligible for and enrolled in health care programs with federal funding are eligible for health care programs paid with state funding.

VI. MANAGED CARE FOR STATE HEALTH PROGRAMS

A. Administrative Expenses and Data

1. **Administrative Expenses**

Chapter 364, Section 3 (SF 3322)
Adds Minn. Stat. § 256B.69, subd. 5
Effective August 1, 2008

Limits managed care health plans under contract for publicly-funded health care programs to administrative cost increases of no more than 5% over the previous contract.

2. **Health Plan Administrative Spending Data**
Chapter 364, Section 5 (SF 3322)
Adds Minn. Stat. § 256B.69
Effective July 1, 2009
 Directs DHS to collect administrative spending data, which is to be classified as nonpublic data under Minn. Stat. § 13.02.

3. **Performance Data Reporting by Health Plans**
Chapter 364, Section 14 (SF 3322)
Uncodified Language
Effective August 1, 2008
 Directs DHS and MDH to make recommendations to the Legislature by January 1, 2009 for a single method to report on health plan performance using an industry data set, payment claims, and random medical record reviews.

4. **Provider Rates**
Chapter 364, Section 1 (SF 3322)
Adds Minn. Stat. § 13.461, subd. 24a
Effective August 1, 2008
 Classifies data submitted to DHS regarding contracts and provider payment rates as non-public data.

B. County-Based Purchasing

1. **Excess Revenues**
Chapter 364, Section 8 (SF 3322)
Adds Minn. Stat. § 256B.692, subd. 4a
Effective August 1, 2008
 Requires counties to use any excess revenue over expenses: (1) for capital reserves; (2) for increased provider payments; or (3) to repay county costs for prevention, early intervention, and other health care costs.

2. **Single Health Plan Purchasing Arrangements**
Chapter 326, Article 4, Section 1 (HF 3222)
Amends 2005 Laws, First Special Session Chapter 4, Article 8, Section 84, as amended by 2006 Laws, Chapter 264, Section 15
Effective August 1, 2008
 Removes the requirement that DHS continue to operate single health plan purchasing arrangements with county-based purchasing entities in existence on May 1, 2006, but requires DHS to operate single health plan purchasing arrangements for MA and GAMC with county based purchasing entities in existence on March 1, 2008 until December 31, 2010 or upon the effective date of a new contract, whichever is later.

3. **Single Health Plans for Persons with Disabilities**

Chapter 326, Article 4, Section 1 (HF 3222)

Amends 2005 Laws, First Special Session Chapter 4, Article 8, Section 84, as amended by 2006 Laws, Chapter 264, Section 15

Effective August 1, 2008

Authorizes DHS to consider and approve contracting on a single-health plan basis with other county-based purchasing plans or health plans to serve persons with disabilities. Eliminates the requirement that DHS provide a report on single-health plan purchasing strategies for special populations.

C. Language Assistance for Managed Care Enrollees

Chapter 326, Article 1, Section 37 (HF 3222)

Amends Minn. Stat. § 256B.69, subd. 27

Effective August 1, 2008

Requires managed care organizations under contract for MA, GAMC, and MinnesotaCare to provide language assistance to enrollees that assures meaningful access as required by Title VI of the federal Civil Rights Act.

D. Ombudsman for Managed Care Study

Chapter 364, Section 13 (SF 3322)

Uncodified Language

Effective August 1, 2008

Requires DHS, within available funding, to study and report to the Legislature on: (1) whether the Ombudsman's duties should be expanded to fee-for-service enrollees; and (2) the cost of such expansion.

E. Privacy in Marketing Special Needs Basic Care

Chapter 326, Article 1, Section 38 (HF 3222)

Amends Minn. Stat. § 256B.69, subd. 28

Effective August 1, 2008

Adopts protections regarding individuals' privacy in marketing of the new Special Needs Basic Care managed care plan for persons with disabilities. Requires health plans to pay any DHS costs incurred in mailing marketing materials to potential enrollees.

VII. MEDICAL ASSISTANCE

A. Co-Payments

1. **Co-Payment Limit**

Chapter 363, Article 17, Section 10 (HF 1812)

Amends Minn. Stat. § 256B.0631, subd. 1

Effective July 1, 2008

Limits monthly MA co-payments on prescription drugs and non-emergency visits to the emergency room to 5% of family income for persons with income at or below 100% of the federal poverty guidelines.

2. **Provider Reimbursement**

Chapter 363, Article 17, Section 11 (HF 1812)
Amends Minn. Stat. § 256B.0631, subd. 3
Effective July 1, 2008

Prohibits provider reimbursement from being reduced by the MA co-payment for recipients who have met the 5% limit.

B. Eligibility

1. **Children – Seamless Coverage**

Chapter 358, Article 3, Section 5 (SF 3780)
Amends Minn. Stat. § 256B.057, subd. 2c, as amended by Laws 2008,
Chapter 286, Article 1, Section 5
Effective July 1, 2008

Chapter 286, Article 1, Section 5 (SF 3213)
Amends Minn. Stat. § 256B.057, subd. 2c
Effective August 1, 2008
(Technical Correction)

Provides that a child receiving MA is eligible for two additional months of seamless coverage between MA and MinnesotaCare if the child: (1) becomes ineligible due to excess income; and (2) has exhausted Transitional Year Medical Assistance. Provides that the child is automatically eligible for MinnesotaCare until renewal.

2. **Pregnant Women and Infants**

Chapter 326, Article 1, Section 13 (HF 3222)
Amends Minn. Stat. § 256B.057, subd. 1
Effective August 1, 2008

Provides that eligibility for health care programs for pregnant women who have written verification of a positive pregnancy test from a physician or a licensed registered nurse consists of countable family income equal to or less than 275% of the federal poverty guideline for the same family size (i.e., the same eligibility for infants). Clarifies the amount of the MA special work expense deduction for pregnant women and infants.

3. **Services**

a. *Certified Public Health Nurses*

Expands coverage by MA to the work of certified public health nurses operating under the direct authority of an enrolled unit of government.

Chapter 326, Article 1, Section 32 (HF 3222)
Amends Minn. Stat. § 256B.0625, subd. 49
Effective August 1, 2008

- b. *Community Health Workers*
Expands coverage by MA to care coordination and patient education services provided by a community health worker if the worker has at least five years of supervised experience with a: (1) dentist; or (2) certified public health nurse operating under the direct authority of an enrolled unit of government.
Chapter 326, Article 1, Section 32 (HF 3222)
Amends Minn. Stat. § 256B.0625, subd. 49
Effective August 1, 2008

VIII. MINNESOTACARE

A. Eligibility

1. **Families with Children**

Chapter 358, Article 3, section 6 (SF 3780)

Amends Minn. Stat. § 256L.04, subd. 1

Effective July 1, 2010 or upon federal approval, whichever is later

Increases the MinnesotaCare income limit for families with children from gross income of \$50,000 to gross income of \$57,500.

2. **Single Adults and Households with No Children**

Chapter 358, Article 3, section 7 (SF 3780)

Amends Minn. Stat. § 256L.04, subd. 7

Effective July 1, 2009

Increases the MinnesotaCare income limit for adults without children from 200% to 215% of the FPG.

B. Premiums

1. **Premium Payment Grace Month**

Chapter 358, Article 3, Section 9 (SF 3780)

Amends Minn. Stat. § 256L.06, subd. 3

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

Allows enrollees an extra month to pay their current premium. Provides that premiums must be waived for coverage to persons disenrolled for nonpayment who reapply.

2. **Sliding Fee Scale**

Chapter 358, Article 3, Section 11 (SF 3780)

Amends Minn. Stat. § 256L.15, subd. 2

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

Revises the MinnesotaCare premium structure for individuals and families with gross incomes of 300% or less of the Federal Poverty Guidelines (FPG) based on a new affordability scale. Maintains the \$4 premium for children in families with incomes at or below 150% of FPG.

C. Renewals

1. **Members of the Military**

Chapter 286, Article 1, Section 10 (SF 3213)
Amends Minn. Stat. § 256L.07, subd. 5
Effective August 1, 2008

Makes it clear that MinnesotaCare renewals for enrollees who are members of the military or their families are completed annually.

2. **No Change in Circumstances**

Chapter 358, Article 3, Section 8 (SF 3780)
Amends Minn. Stat. § 256L.05, subd. 3a
Effective January 1, 2009 or upon federal approval whichever is later

Allows enrollees who experience no change in circumstances to submit renewal forms to designated locations including community clinics and health care providers' offices. Authorizes DHS to establish criteria and timelines for sites to forward applications to the department or to county agencies.

3. **Rolling Eligibility Month**

Chapter 358, Article 3, Section 8 (SF 3780)
Amends Minn. Stat. § 256L.05, subd.3a
Effective January 1, 2009 or upon federal approval whichever is later

Allows MinnesotaCare enrollees who fail to submit renewal forms to remain eligible for an additional month before being disenrolled. Provides that the enrollee remains responsible for the MinnesotaCare premium for the additional month.

IX. REPORT ON FINANCIAL MANAGEMENT OF HEALTH PROGRAMS

Chapter 364, Section 11 (SF 3322)
Uncodified Language
Effective August 1, 2008

Requires DHS to provide to the Legislature, by January 15, 2009: (1) a status report on implementation of the cost containment strategies identified in the 2005 "Strategies for Savings" report; (2) a description of, and an explanation of recent differences between, Medical Assistance managed care revenue targets and actual revenues; (3) the status of the adequacy of public health care program fee-for-service rates, and recommendations to increase rates as needed to eliminate identified access problems; and (4) a progress report on requiring payments for physician and professional services to be based on Medicare relative value units.

Health Care Reform

I. INCREASING ACCESS TO PRIVATE COVERAGE

A. Section 125 Plans

Chapter 358, Article 4, Section 10 (SF 3780)

Adds Minn. Stat. § 62U.07

Effective August 1, 2008

Provides that employers with 11 or more full time employees are required by July 1, 2009 to establish 125 Plans to allow employees to purchase health coverage with pre-tax dollars. Exempts the following employers: those who: (1) have no employees eligible to participate in a Section 125 Plan; (2) are self-insured under 62E.02; and (3) offer a group health insurance plan under Minn. Stat. § 62A.011. Allows an employer to opt out of the requirement under certain circumstances.

B. Health Care Homes

Chapter 358, Article 2 (SF 3780)

Adds Minn. Stat. §§ 256B.0751; 256B.0752; and 256B.0753

Effective August 1, 2008

1. **Certification of Clinicians as Health Care Homes**

Permits a personal clinician or a primary care clinic (if all clinicians meet the criteria) to be certified as a health care home. Requires that certification be renewed annually. Requires clinicians or clinics certified as health care homes to offer their health care home services to all their patients with complex or chronic health conditions who are interested in participating. Requires health care homes to participate in the health care home collaborative (see below).

Adds Minn. Stat. § 256B.0751, subd. 3

2. **Development and Implementation of Standards for Homes**

Authorizes DHS and MDH to develop and implement certification for health care homes for state health care programs. Establishes criteria the standards must meet and requires consideration of existing standards developed by national independent accrediting and medical home organizations. Requires consultation with national and local organizations working on health care home models, physicians, relevant state agencies, health plan companies, hospitals, other providers, patients, and patient advocates, but provides that this requirement may be satisfied by continuing the provider directed care coordination advisory committee. Permits expedited rulemaking.

Adds Minn. Stat. § 256B.0751, subd. 2

3. **Development of Payment System**

Directs DHS and MDH to develop a payment system by January 1, 2010 that provides per-person care coordination payments to health care homes for providing care coordination services.

Adds Minn. Stat. § 256B.09753

4. **Evaluation**
Requires health care homes to meet process, outcome, and quality standards for continued certification.
Adds Minn. Stat. § 256B.0751, subd. 6
5. **Health Care Homes Collaborative**
Requires DHS and MDH, by July 1, 2009, to establish a health care home collaborative to provide an opportunity for health care homes and state agencies to exchange information related to quality improvement and best practices.
Adds Minn. Stat. § 256B.0751, subd. 5
6. **Outreach**
Directs DHS, beginning July 1, 2009, to encourage state health care program enrollees who have a complex or chronic condition to select a primary care clinic with clinicians who have been certified as health care homes.
Adds Minn. Stat. § 256B.0751, subd. 7
7. **Permission for Alternative Models**
Permits DHS to operate and develop alternative medical or health care home projects.
Adds Minn. Stat. § 256B.0751, subd. 4
8. **Report**
Requires DHS and MDH to report to the Legislature, beginning December 15, 2009, and each December 15 thereafter, on the implementation and administration of the health care home model for state health care program enrollees in the fee-for-service, managed care, and county-based purchasing sectors. Requires DHS and MDH to provide comprehensive evaluations to the Legislature of the health care home model three years and five years after implementation.
Adds Minn. Stat. § 256B.0752, subd.1 (implementation/administration report) and subd. 2 (three/five year comprehensive report)

C. Future Health Care Reform Activities

1. **Affordability Proposal**
Chapter 358, Article 4, Section 14 (SF 3780)
Uncodified Language
Effective August 1, 2008
Directs MDH, in coordination with DHS, to develop a health care affordability proposal for eligible individuals and employees with: (1) access to employer-subsidized health coverage; and (2) gross family incomes of 300% of the federal poverty guidelines or less. Requires a report with recommendations to the Legislature by January 15, 2009.

2. **Electronic Prescription Drug Program**
Chapter 358, Article 4, Section 3 (SF 3780)
Adds Minn. Stat. § 62J.497
Effective January 1, 2011
Requires all providers, group purchasers, prescribers, and dispensers to establish and maintain an electronic prescription drug program for transmitting, directly or through an intermediary, prescriptions and prescription-related information using electronic media. Develops standards for prescribing electronically. Does not require providers, group purchasers, prescribers, or dispensers to conduct the transactions.

3. **Health Care Reform Review Council**
Chapter 358, Article 4, Section 5 (SF 3780)
Adds Minn. Stat. § 62U.09
Effective August 1, 2008
Establishes a 14-member Health Care Reform Review Council to be appointed by DHS by January 15, 2009 – with one consumer member to be appointed by AARP Minnesota and 13 members from health care professions, providers, employers, business groups and health plans – to review progress on the reforms contained in Chapter 358.

4. **Payment Reform**
Chapter 358, Article 4, Section 7 (SF 3780)
Adds Minn. Stat. § 62U.04
Effective August 1, 2008
Directs MDH to develop a plan by January 1, 2010 to reduce health care costs and improve quality.

5. **Provider Pricing for Baskets of Care**
Chapter 358, Article 4, Section 8 (SF 3780)
Adds Minn. Stat. § 62U.05
Effective August 1, 2008
Directs MDH, by July 1, 2009, to establish uniform definitions for baskets of care beginning with a minimum of seven baskets of care. Requires, in selecting health conditions for which baskets of care should be defined, consideration of: (1) coronary artery and heart disease, diabetes, asthma, and depression; (2) the prevalence of the health conditions; (3) the cost of treating the health conditions; and (4) the potential for innovations to reduce cost and improve quality.

6. **Quality of Health Care**
Chapter 358, Article 4, Section 3 (SF 3780)
Adds Minn. Stat. § 62U.02
Effective August 1, 2008
 - a. *Development of Assessment Measures*
Directs MDH to develop a standardized set of measures by which to assess the quality of health care services offered by health care providers, to be used for the quality incentive payment system.
Adds Minn. Stat. § 62U.02, subd. 1

- b. *Development of Incentive Payments*
Directs MDH to develop by July 1, 2009 a system of quality incentive payments under which providers are eligible for quality-based payments.
Adds Minn. Stat. § 62U.02, subd. 2
- c. *Outcomes; Annual Reports*
Directs MDH to establish standards for measuring health outcomes, establish a system for risk adjusting quality measures, and issue annual public reports on provider quality beginning July 1, 2010.
Adds Minn. Stat. § 62U.02, subd. 3

7. Studies and Workgroups

- a. *Essential Benefit Set*
Directs MDH to convene a work group to make recommendations by October 15, 2009 on the design of a health benefit set that: (1) provides coverage for a broad range of services and technologies; (2) is based on scientific evidence that the services and technologies are clinically effective and cost-effective, and (3) provides lower enrollee cost sharing for services and technologies that have been determined to be cost-effective. Requires that membership include representatives of health care providers, health plans, state agencies, and employers. Requires MDH to report the recommendations of the work group to the Legislature by January 15, 2010.
Chapter 358, Article 4, Section 11 (SF 3780)
Adds Minn. Stat. § 62U.08
Effective August 1, 2008
- b. *Long-Term Care Worker Health Coverage Study*
Directs DHS to study, and report to the legislature by December 15, 2008, with recommendations for a rate increase to long-term care employers dedicated to the purchase of employee health insurance in the private market. Requires DHS to develop cost estimates for three levels of insurance coverage for long-term care workers: (1) the coverage provided to state employees; (2) the coverage provided to MinnesotaCare enrollees; and (3) the benefits provided under an "average" private market insurance product, but with a deductible limited to \$100 per person. Requires that the recommendations include measures to: (1) ensure equitable treatment between employers that currently have different levels of expenditures for employee health insurance costs; and (2) enforce the requirement that the rate increase be expended for the intended purpose.
Chapter 358, Article 3, Section 13 (SF 3780)
Uncodified Language
Effective August 1, 2008

- c. *Uniform Claims Review Process*
Directs MDH to establish a work group – including representatives of the Minnesota Hospital Association, Minnesota Medical Association, and Minnesota Council of Health Plans – to make recommendations on the potential for reducing claims adjudication costs of health care providers and health plan companies by adopting more uniform payment methods, and the potential impact of establishing uniform prices that would replace current prices negotiated individually by providers with separate payers. Requires the work group to make recommendations to MDH by January 1, 2010.
Chapter 358, Article 4, Section 13 (SF 3780)
Uncodified Language
Effective August 1, 2008
- d. *Workgroup on Consumer Engagement, Advocacy*
Directs MDH to convene a work group to develop strategies for engaging consumers in understanding the importance of health care cost and quality, specifically as it relates to health care outcomes, consumer out-of-pocket costs, and variations in health care cost and quality across providers. Directs the work group to develop strategies to assist consumers in becoming advocates for higher value health care and a more efficient, effective health care system. Requires the work group to make recommendations to MDH and the Legislature by January 1, 2010.
Chapter 358, Article 4, Section 7 (SF 3780)
Adds Minn. Stat. § 62U.04, subd. 7
Effective August 1, 2008
- e. *Workforce Shortage Study*
Directs MDH, in consultation with the health licensing boards and professional associations, to study changes necessary in health professional licensure and regulation to ensure full utilization of advanced practice registered nurses, physician assistants, and other licensed health care professionals in the health care home and primary delivery system. Requires a report to the Legislature by January 15, 2009.
Chapter 358, Article 2, Section 5 (SF 3780)
Uncodified Language
Effective August 1, 2008

Long Term Care Services

I. LONG TERM CARE PARTNERSHIP PROGRAM

Chapter 363, Article 17, Sections 7 and 8 (HF 1812)

Amends Minn. Stat. § 256B.0571, subs. 8 and 9

Effective July 1, 2008

A. Eligibility Generally

Eliminates the requirement that participants in the long-term care partnership program exhaust all benefits under the policy before designating assets to be disregarded for MA and exempted from estate recovery.

Amends Minn. Stat. § 256B.0571, subd. 8

B. MA Eligibility

Provides that the benefits utilized up to the effective date of eligibility for MA payment of long-term care services is the cutoff for the designation of assets that an individual may designate as protected from recovery and that benefits utilized under a long-term care insurance policy before July 1, 2006, do not count for the purpose of determining the amount of assets that can be designated for protection. Provides that a participant may protect the increased value of assets up to the amount of additional benefits used as the participant continues to receive services under the partnership.

Amends Minn. Stat. § 256B.0571, subd. 9

II. LONG TERM CARE SERVICES

Chapter 326, Article 1, Sections 8-12 and 9-28 (HF 3222)

Amends Minn. Stat. §§ 256B.055, subd. 14; 256B.056, subs. 2, 4a and 11;

256B.058; 256B.059, subs. 1 and 1a; 256B.0594; 256B.0595, subs. 1, 2, 3 and 4;

Adds Minn. Stat. § 256B.056, subd. 2a; and 256B.0595, subs. 8 and 9

Effective August 1, 2008

Makes changes, and clarifying and technical amendments, to statutes relating to the eligibility for MA payment of long terms care services in several topic areas including:

- Treatment of the homestead
- Treatment of life estates and annuities
- Uncompensated transfers.

HOUSING LAW

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I. 4D PROPERTIES

Chapter 154, Article 2, Section 10 (HF 3201)
Amends Minn. Stat. § 273.128, subd. 1
Effective for property taxes payable in 2009, and thereafter

Changes the requirements for eligibility for 4D status. Provides that, to be eligible, only 20% (instead of 75%) of a building's units must be receiving some form of subsidy, such as Section 8. Provides further that receipt of municipal assistance (in addition to state or federal assistance) qualifies a building for 4D status. (4D is a tax classification that is used to designate low-income rental housing that qualifies for preferential tax treatment.)

II. LONG-TERM HOMELESS SUPPORTIVE SERVICES

Chapter 363, Article 18, Section 3 (HF 1812)
Uncodified Language
Effective July 1, 2008

Appropriates \$505,000 of TANF funds for programming to address ending long-term homelessness.

III. MANUFACTURED HOMEOWNER PROTECTIONS

Chapter 273 (SF 3477)
Amends Minn. Stat. §§ 327.64, subd. 2; 327.65; 327.66; and 327B.12
Adds Minn. Stat. §§ 327.651; 327.665; 327B.01, subds. 2a, 4b, 13a, 13b, and 14b;
327B.08, subd. 6; 327B.09, subd. 6; and 327B.095
Effective August 1, 2008

A. Right to Cure and Reinstate

Extends from 30 to 60 days the right to reinstate a manufactured home loan by adding an additional 30 days to cure following commencement of a repossession action. (Currently a borrower has 30 days to reinstate following a notice of default.) Limits allowable costs to: (1) insurance; (2) delinquent taxes, if any, upon the premises; (3) interest to date of payment; (4) the cost of services of process or notices; (5) filing fees; (6) attorney fees, not to exceed \$150 or one-half of the attorney fees authorized by section 582.01, whichever is greater; and (7) other lawful disbursements necessarily incurred in connection with the proceedings by the party repossessing.

Adds Minn. Stat. § 327.665

B. Notice of Right to Cure and Reinstate

Adds prescribed, plain language statutory notice of right to cure and reinstate. Requires notice to be sent by certified or registered United States mail and concurrently by first class mail. Provides that the secured party may proceed with

all permissible actions if the borrower does not sign for the registered or certified letter containing the notice within seven calendar days of the first attempted delivery.

Amends Minn. Stat. § 327.64, subd. 2

C. Predatory Lending Protections

1. **New Definitions**

a. *Churning*

Defined as knowingly or intentionally making, providing, or arranging for a manufactured home loan when the new manufactured home loan does not provide a reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances.

Adds Minn. Stat. § 327B.01, subd. 4b

b. *Manufactured Home Lender*

Defined to include an affiliate, subsidiary, or any person acting as an agent of the lender. Excludes a federal or state chartered bank, savings bank, credit union, or a licensed sales finance company as defined under section 53C.01, subdivision 12.

Adds Minn. Stat. § 327B.01, subd. 13a

c. *Manufactured Home Loan*

Defined as a loan made to a person or persons for the purchase, refinancing, improvement, or repair of a manufactured home.

Adds Minn. Stat. § 327B.01, subd. 13b

2. **Duty of Agency**

a. *Establishment*

Establishes a duty of agency for independent brokers.

b. *Elements of Duty*

Requires an independent broker to: (1) reasonably act in the borrower's best interest and in the utmost good faith toward the borrower; (2) carry out all lawful instructions given by the borrower; (3) disclose to the borrower all material facts of which the broker has knowledge which might reasonably affect the borrower's rights, interests, or ability to receive the intended benefit from the manufactured home loan (but not facts which are reasonably susceptible to the knowledge of the borrower); (4) use reasonable care in performing duties; and (5) account to a borrower for all the borrower's money and property received as an agent.

c. *Compensation*

Prohibits a broker from accepting, giving, or charging undisclosed compensation or realizing any undisclosed remuneration, either through direct or indirect means, that inures to the benefit of the broker on an expenditure made for

the borrower. Does not preclude contracting for or collecting a reasonable fee for services rendered which had been disclosed to the borrower in advance of the provision of such services.

d. *Exception*

Does not require a broker to obtain a loan or product to which the broker does not have access or utilize a lender with whom the broker does not have a business relationship.

e. *Exemptions*

Exempts the following parties from adherence to the duty of agency: (1) a dealer or limited dealer; (2) a retailer or limited retailer; (3) a licensed sales finance company; or (4) a person employed by or who has an exclusive contract to act as a broker for a manufactured home lender, a dealer or retailer, a limited dealer or limited retailer, or a licensed finance company.

Adds Minn. Stat. § 327B.08, subd. 6

3. **Standards of Conduct**

Establishes standards of conduct, including a prohibition on: (1) charging a fee for a service that is not provided; (2) making false or misleading statements or engaging in false or misleading advertising; (3) stating that a loan is conditionally approved without indicating clearly that final approval is not guaranteed; (4) making a loan without verifying the borrower's reasonable ability to repay the loan; (5) charging a higher interest rate than the rate for which the borrower qualifies; (6) refinancing a "special loan" (i.e., a loan made by a state, tribal, or local government, or nonprofit organization that is forgivable or has favorable terms such as a below-market interest rate); (7) churning; and (8) making a loan where the monthly payments are not even large enough to cover the interest (i.e., a negative amortization loan). Exempts loans originated by a federal or state chartered bank, savings bank, credit union, or a licensed sales finance company.

Adds Minn. Stat. § 327B.09, subd. 6

4. **Limits on Financing of Points and Fees**

Prohibits the financing of points and lender fees in excess of: (1) 5% of the loan amount for loans greater than \$60,000; (2) 6% of the loan amount for loans of less than \$60,000 but greater than \$40,000; and (3) 8% of the loan amount for loans of less than \$40,000. Excludes manufactured home loans originated by a federal or state chartered bank, savings bank, credit union, or a licensed sales finance company. Defines lender fees to include: (1) yield spread premiums; and (2) discount points, unless there is an equal benefit to the borrower.

Adds Minn. Stat. § 327B.095, subd. 1.

5. **Prepayment Penalties**

Prohibits prepayment penalties on manufactured home loans unless the penalty constitutes consideration for an equal or greater benefit. Excludes bank, savings bank, credit union, or a licensed sales finance company loans.

Adds Minn. Stat. § 327B.095, subd. 2

6. **Enforcement/Remedies**

a. *Private Right of Action*

Establishes a private right of action to recover actual, incidental, and consequential damages if injured by a violation of: (1) the duty of agency; (2) the limitation on financing of points and fees or prepayment penalties; or (3) any of the standards of conduct
Amends Minn. Stat. § 327B.12, subd. 1

b. *Action under Private Attorney General Statute*

Permits an action under the private attorney general statute (Minn. Stat. § 8.31) and specifies such action is in the public interest.
Amends Minn. Stat. § 327B.12, subd. 2

D. Voluntary Surrender

Provides that the secured party and the debtor (and occupant, if the debtor is not the occupant) may agree in writing to a voluntary surrender of the title and possession of the manufactured home to the secured party.

Adds Minn. Stat. § 327.651

IV. MORTGAGE FORECLOSURE RELIEF

The Legislature enacted a package of bills intended to address various impacts of the foreclosure crisis.

A. Abandonments and Vacancies

1. **Establishment of Conclusive Proof of Abandonment**

Chapter 178 (SF 2918)

Amends Minn. Stat. § 582.032, subd. 7

Effective for hearings conducted on or after April 5, 2008

Provides that failure of the mortgagor to appear at a hearing to invoke the five-week redemption period option, available under Minn. Stat. § 582.032, is conclusive evidence of abandonment.

2. **Limited Right of Entry**

Chapter 341, Article 5, Section 22 (HF 3420)

Amends Minn. Stat. § 582.031

Effective May 19, 2008

Allows the mortgagee or holder of sheriff's certificate, in addition to actions currently allowed to prevent waste, to take actions to: (1), protect the premises from falling below minimum community standards for public safety and sanitation; and (2) make reasonable periodic inspections.

3. **Notice to Cities of Utility Shutoffs**

Chapter 253 (SF 2775)

Adds Minn. Stat. §§ 13.681, subd. 6; and 216B.0976

Effective August 1, 2008

Requires utilities, including electric distribution cooperatives, to notify the police and fire departments of cities when a customer's gas or electricity is scheduled for disconnection. Requires an annual report to be made

available to the city on October 15 and November 1 that contains the addresses of properties disconnected and date(s) of the disconnection. Requires, upon written request from a city, daily reports to be made available between October 15 and April 15, containing the addresses and date(s) of any newly disconnected properties. Specifies that the data is to be treated as private, nonpublic.

B. Changes to the Foreclosure Process

Chapter 341, Article 5, various sections (HF 3420)

Amends and adds various sections

Various effective dates

1. **Delivery of Redemption Funds and Documents**

Chapter 341, Article 5, Section 15 (HF 3420)

Amends Minn. Stat. § 580.23, subd. 1

Effective for redemptions made on or after August 1, 2008

Provides that delivery of funds and documents required for redemption must be made: (1) at the normal place of business of the recipient; (2) on days other than Saturday, Sunday, and legal holidays; and (3) between the hours of 9:00 a.m. and 4:00 p.m.

2. **Facilitation of Short Sales**

Chapter 341, Article 5, Section 15 (HF 3420)

Amends Minn. Stat. § 580.23, subd. 1

Effective May 19, 2008

Provides that, regardless of the length of the redemption period, the sheriff may accept from the mortgagor a specific sum that constitutes less than the full amount due for redemption. Conditions acceptance upon receipt by the sheriff, prior to expiration of the redemption period, of written confirmation from the holder (or attorney for the holder) of the sheriff's certificate that the holder has agreed to accept a specific sum less than the full amount due.

3. **Notices**

a. *New Pre-foreclosure Counseling Notice to Homeowners*

Creates a new, verbatim notice informing the mortgagor that: (1) foreclosure prevention counseling is available; and (2) the lender will provide an authorized foreclosure prevention counseling agency with the mortgagor's contact information. (See **Requirements of Lender to Provide Information** subsection below for more information.)

Chapter 341, Article 5, Section 8 (HF 3420)

Adds Minn. Stat. § 580.022, subd. 1

Effective August 1, 2008

b. *Revised Foreclosure Advice Notice to Homeowners*

Changes existing required, verbatim notice into a more plain language format that provides more information for the mortgagor.

Chapter 341, Article 5, Section 10 (HF 3420)

Amends Minn. Stat. § 580.041

Effective for notices of sale first published on or after August 1, 2008

- c. *New Foreclosure Advice Notice to Tenants*
Mandates new, verbatim notice to tenants that informs them of their rights and options as tenants in a foreclosed property. (See **Tenant Protections** subsection below for more information.)
Chapter 341, Article 5, Sections 9 and 11 (HF 3420)
Amends Minn. Stat. § 580.03
Adds Minn. Stat. § 580.042
Effective for notices of sales first published on or after August 1, 2008

- 4. **Postponement of Sheriff's Sale for Failure to Provide Payoff Amount**
Chapter 341, Article 5, Section 19 (HF 3420)
Amends Minn. Stat. § 580.30
Effective for sheriff's sales scheduled to occur on or after August 1, 2008
 - a. *Requirement to Provide Payoff Amount*
Provides that the holder (or the holder's representative) must provide to the sheriff, within seven days of the sheriff's request: (1) the current payoff amount, showing outstanding principal, interest, and a daily interest accrual amount; (2) an itemized schedule of the current amounts necessary to reinstate the mortgage; and (3) the identity of the person or entity with authority to act on behalf of the holder.

 - b. *Requirement of Postponement if Payoff Amount Not Provided*
Requires the sheriff to postpone the sale if the information is not timely provided. Does not require publication of the postponement.

 - c. *Exception*
Provides that, if the request is made less than seven days prior to the sale, a good faith effort must be made to comply. Allows the sheriff to hold the sale without the information.

- 5. **Preservation of Right to Redeem Where Disputes Arise**
Chapter 341, Article 5, Section 18 (HF 3420)
Amends Minn. Stat. § 580.28
Effective May 19, 2008
Adds disputes over the relative priority or validity of liens to the list of reasons supporting actions to preserve the right to redeem where disposition of the action will occur after the end of the redemption period.

- 6. **Publication of Notice of Postponement**
Chapter 341, Article 5, Section 13 (HF 3420)
Amends Minn. Stat. § 580.07
Effective for sheriff's sales scheduled to occur on or after August 1, 2008
Where publication is required, reduces the obligation to publish notice of postponement of the sheriff's sale to a single publication.

7. **Redemption by Creditor**
Chapter 341, Article 5, Section 16 (HF 3420)
Amends Minn. Stat. § 580.24
Effective for redemptions by creditors in which the mortgagor's redemption period expires on or after August 8, 2008
Reduces to one week or more prior to the expiration of the redemption period the time that a creditor must record the intent to redeem with the county recorder or registrar of titles. Adds that a copy of any money judgment necessary to create a lien must also be recorded.
8. **Requirements of Lender to Provide Information**
Chapter 341, Article 5, Sections 7 and 8 (HF 3420)
Adds Minn. Stat. §§ 580.021 and 580.022
Effective for foreclosures in which the notice of default required under Minn. Stat. § 47.20, subd. 8, is sent on or after August 1, 2008
- a. *Pre-Foreclosure Notice to Mortgagor*
Requires that the foreclosing party – within one week after the provision of the default notice and prior to the filing of the notice of pendency – notify the mortgagor that: (1) foreclosure prevention counseling services provided by an authorized foreclosure prevention counseling agency are available; and (2) the foreclosing party will transmit the mortgagor's name, address, and telephone number to an authorized foreclosure prevention agency, which is defined in statute.
Adds Minn. Stat. § 580.021, subd. 2
- b. *Notice to Foreclosure Prevention Counseling Agency*
Requires that the foreclosing party – within one week of the provision of the pre-foreclosure notice to the mortgagor – must provide the mortgagor's name, address, and most recent known telephone number to an authorized foreclosure prevention counseling agency.
Adds Minn. Stat. § 580.021, subd. 3
- c. *Notice of Provision of Counseling*
Requires a foreclosure prevention counseling agency to notify the mortgagee, by prescribed form, if the agency contacts or is contacted by a mortgagor and agrees to provide counseling services.
Adds Minn. Stat. § 580.021, subd. 4(a)
- d. *Provision of Lender Contact Information to Foreclosure Agency*
Provides that the mortgagee – within 15 days of receipt of the notice of provision of counseling form – must notify the counseling agency, on a prescribed form, of the name and telephone number of the mortgagee's agent who is authorized to: (1) discuss the terms of the mortgage; and (2) negotiate any resolution to the mortgagor's default.
Adds Minn. Stat. § 580.021, subd. 4(b)

- e. *Prescribed Forms*
Prescribes the language for the notices required.
Adds Minn. Stat. § 580.022, subd. 1 (Notice to Mortgagor)
Adds Minn. Stat. § 580.022, subd. 1 (Notice to Provision of Counseling Form and Lender Information Form)
- f. *Scope*
Limits applicability of the notice requirements to foreclosures of one-to-four family properties that serve as the primary residence of the owner.
Adds Minn. Stat. § 580.021, subd. 1

9. **Requisites for Foreclosure**

Chapter 341, Article 5, Section 6 (HF 3420)

Amends Minn. Stat. § 580.02

Effective August 1, 2008

Adds a new precondition for foreclosure, providing that, before the notice of pendency is recorded, a foreclosing party must comply with the new provision requiring the party to provide to an authorized foreclosure prevention counseling agency the name and contact information of the defaulting mortgagor.

C. Clarification/Reduction of Costs of Foreclosure

Chapter 341, Article 5, various sections (HF 3420)

Amends various sections

Various effective dates

1. **Allowable Costs**

Chapter 341, Article 5, Section 21(HF 3420)

Amends Minn. Stat. § 582.03

Effective for redemptions made on or after August 1, 2008

Establishes allowable costs (e.g., taxes, insurance, county recorder or registrar fees, appraiser fees, and reasonable attorney's fees) that a senior or junior lienholder may pay and claim in a foreclosure by action or advertisement. Prohibits any costs, fees, interest, or other amounts to be added to the amount necessary to redeem. Requires that an affidavit proving costs be filed at any time prior to expiration of the redemption period with the sheriff of the county in which the sale was held. Provides for a penalty for excessive costs that may be recovered from the holder of the sheriff's certificate within one year after the expiration of the redemption period.

2. **Declaration of Interest Rate on Certificate of Sale**

Chapter 341, Article 5, Sections 4 and 14 (HF 3420)

Amends Minn. Stat. §§ 550.22 and 580.12

Effective for sheriff's sales conducted on or after August 1, 2008

Provides that the certificate of sale must now also contain the interest rate in effect at the time of the sheriff's sale.

3. **Interest Rate Payable at Redemption**
Chapter 341, Article 5, Sections 5, 15, and 20 (HF 3420)
Amends Minn. Stat. §§ 550.24; 580.23, subd. 1; and 581.10
Effective for redemptions made from sheriff's sales conducted on or after August 1, 2008
Provides that the interest rate payable at redemption is the rate stated in the certificate of sale, and if no rate is provided, the lesser of the judgment rate in effect on the date of the sale or 6%.

4. **Redemption Fees**
Chapter 341, Article 5, Section 17 (HF 3420)
Amends Minn. Stat. § 580.25
Effective for redemptions made on or after August 1, 2008
Specifies that no additional fees other than those allowable under Minn. Stat. § 582.03 may be claimed.

- D. **Foreclosure Data and Reporting**
Chapter 238, Article 1 (HF 3516)
Adds Minn. Stat. §§ 58.02, subd. 30; and 580.025
Effective for notices of pendency dated on or after August 1, 2008

1. **Additional Information on Notices of Pendency**

- a. *Definition of Transaction Agent*
Defines "transaction agent" as the person identified in a mortgage recorded with the county recorder or registrar of titles as the nominee or agent for a third party also identified in the mortgage.
Adds Minn. Stat. § 58.02, subd. 30
- b. *Additional Information Required*
Requires the inclusion of the following information on the notice of pendency: (1) the physical street address, city, and zip code of the mortgaged premises; (2) the name of the transaction agent, residential mortgage servicer, and the lender or broker, if the person holding the mortgage is a transaction agent; or the name of the residential mortgage servicer and the lender or broker, if the person holding the mortgage is not a transaction agent; (3) the tax parcel identification number of the mortgaged premises; (4) if stated on the mortgage, the transaction agent's mortgage identification number; and (5) if stated on the mortgage, the name of the mortgage originator. Provides that: (1) failure to include this information does not invalidate a foreclosure; and (2) no liability attaches for a de minimis, good faith, or commercially reasonable reason for failing to provide the information.
Adds Minn. Stat. § 580.025

2. **Study on Establishing a Statewide Foreclosure Data Reporting System**

Establishes a Statewide Foreclosure Data Collection group to study the most efficient and cost-effective way to develop and implement a statewide electronic system for the submission, collection, entry, retrieval,

management, and assessment of foreclosure data. Requires a report to the Legislature by February 15, 2009.
Uncodified Language

- E. Foreclosure Prevention Counseling Assistance
Chapter 362 (HF 3346)
Amends Minn. Stat. § 462A.209, subd. 7
Effective May 28, 2008
Increases the assistance that may be provided by the Minnesota Housing Finance Agency under the Mortgage Foreclosure Prevention and Assistance Program. Changes the maximum from \$5,500 to a new formula, which, today, translates to a maximum of nearly \$11,000 for the Metro area and nearly \$9,500 for Greater Minnesota.

- F. Homestead Exemption/Attachment of Mortgages
Chapter 341, Article 5, Section 2 (HF 3420)
Amends Minn. Stat. § 510.05
Effective August 1, 2008
Provides that an attorney lien may not reduce a homestead exemption or attach to a mortgage.

- G. Mortgage Debt Forgiveness
Chapter 154, Article 4, Section 2 (HF 3201)
Amends Minn. Stat. § 290.01, subd. 19
Effective for taxable years beginning after December 31, 2006
Provides that any debt cancelled as a result of settlement or other disposition of mortgaged property in default at less than the full debt owed (e.g., a short sale) is not reportable income for state tax purposes.

- H. Service on Judgment Debtor
Chapter 341, Article 5, Section 3 (HF 3420)
Amends Minn. Stat. § 550.19
Effective August 1, 2008
Separates service of notice of sale of personal property from service of notice of sale of real property. If the sale is of personal property, requires the officer to serve a copy of the execution and inventory and a copy of the notice: (1) at or before the time of posting notice of sale; and (2) in the manner required by law for the service of a summons in a civil action. Maintains current service requirements if the sale is of real property.

- I. Tenant Protections
 - 1. **Disclosure to Tenants that Property in Foreclosure**
Chapter 177, Section 1 (SF 2908)
Amends Minn. Stat. § 504B.151, subd. 1
Adds Minn. Stat. § 504B.151, subds. 2, 3, and 4
Effective August 1, 2008
 - a. *Disclosure Requirement*
Provides that a landlord whose property is in foreclosure must disclose to a prospective tenant if the property is in foreclosure and the date the redemption period or cancellation period ends.
Amends Minn. Stat. § 504B.151, subd. 1

1) Exception
Allows the landlord to avoid disclosure if the holder or the mortgagee: (i) agrees not to terminate the tenant's lease other than for lease violations for at least one year from the commencement of the tenancy; and (ii) does not require prepayments.
Adds Minn. Stat. § 504B.151, subd. 2

a) **Transfer of Lease to Holder by Operation of Law**
Provides that the lease transfers by operation of law to a holder or mortgagee agreeing not to terminate.
Adds Minn. Stat. § 504B.151, subd. 3

b) **Limitation of Liability**
Provides that a holder or mortgagee agreeing not to terminate is not liable for any act or omission by – or setoffs or defenses against -- the prior landlord.
Adds Minn. Stat. § 504B.151, subd. 4

b. *Restriction on Entering Into Lease*
Provides that a foreclosed property owner can enter into a lease with a maximum term of the lesser of two months or the remaining time in the redemption or contract for deed cancellation period.
Amends Minn. Stat. § 504B.151, subd. 1

2. **Maintenance/Restoration of Utility Service**

Chapter 313 (SF 2909)

Amends Minn. Stat. § 504B.215, subd. 3

Effective August 1, 2008

a. *Notice*
Provides that a disconnect notice posted in a multi-family building must contain the following information: (1) the date service will be disconnected; (2) the telephone number to call at the utility to obtain further information; (3) a brief description of tenants' rights to continue or restore service; and (4) advice to tenants to consider seeking assistance from legal aid, a private attorney, or a housing organization in exercising their rights.
Amends Minn. Stat. § 504B.215, subd. 3(a)

b. *Gas or Electric Service Protections*

1) Right to Pay Current Charges
Gives tenants the right to pay the current bill and receive at least one additional billing cycle of service. Defines current bill to exclude any arrears or late charges.
Amends Minn. Stat. § 504B.215, subd. 3(b) (right to pay)
Amends Minn. Stat. § 504B.215, subd. 3(d) (definition of current charges)

2) Right to Take Over Account
In one-to-four family buildings, gives one tenant the right to take over the account, provided the tenant meets all

requirements necessary to become a new customer. Prohibits utilities from demanding a deposit if requirements are met.
Amends Minn. Stat. § 504B.215, subd. 3(b)

3) Rights Not Mutually Exclusive

Provides that, in one-to-four family buildings, the right to pay current charges and the right to take over the account are not mutually exclusive and may be exercised sequentially. Limits the right to take over the account to once in any 12-month period.
Amends Minn. Stat. § 504B.215, subd. 3(b)

c. *Water Service Protections*

Requires a municipality, upon request of a tenant, to provide a copy to the tenant of each bill the landlord fails to pay. Allows the tenant to: (1) each month, pay the current charges for the most recent billing period and retain service; and (2) pay within the period of time provided by the governing ordinance, policy, or practice for all other customers to pay the charges. Requires the utility to provide a disconnection notice to the tenant. Exempts the tenant from any deposit requirements. Provides that, where there are multiple tenants in an affected property, the municipality is not obligated to offer the right to pay to more than one tenant in any 12-month period.
Amends Minn. Stat. § 504B.215, subd. 3(c)

3. **Mandatory Expungement**

Chapter 174 (SF 2910)

Adds Minn. Stat. § 484.014, subd. 3

Effective August 1, 2008

Entitles a tenant in a foreclosed property against whom an eviction is filed to a mandatory expungement if the tenant: (1) vacates prior to the end of the redemption period (or, in the case of a contract for deed, prior to the cancellation date); or (2) did not receive the statutory notice to vacate.

4. **Notice to Tenants of Their Rights When Property is in Foreclosure**

Chapter 341, Article 5, Sections 9 and 11 (HF 3420)

Amends Minn. Stat. § 580.03

Adds Minn. Stat. § 580.042

Effective for notices of sales first published on or after August 1, 2008

a. *Notice Required*

Requires that a notice to tenants of their rights in foreclosure must be served together with the notice of foreclosure that is served on the mortgagor.

Amends Minn. Stat. § 580.03

b. *Form of Notice*

Specifies type font (14 point) and that the notice must be served separately from, and on different color paper than, the homeowner notice.

Adds Minn. Stat. § 580.042, subd. 2

c. *Content of Notice*
Prescribes the verbatim content of the notice, including advising the tenant that: (1) the tenant has the right to remain in possession during the redemption period; (2) the landlord must maintain the premises; and (3) government and nonprofit agencies are available to provide additional information about their rights and options.
Adds Minn. Stat. § 580.042, subd. 3

d. *Consequences of Failure to Serve Notice*

1) Foreclosure is Not Invalidated

Provides that failure to serve the notice on tenants does not invalidate a foreclosure.

Adds Minn. Stat. § 580.042, subd. 5

2) Tenant Remedy

Provides that a person violating the requirement is liable for \$500 to the lessee of the mortgagor at the time the notice should have been served, except that: (1) no liability attaches if the violator shows by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error and the person adopted and maintained reasonable procedures to avoid the error; and (2) no cause of action lies if the defendant has complied with the service requirements of Minn. Stat. § 580.03.

Adds Minn. Stat. § 580.042, subd. 5

5. **Notice to Vacate**

Chapter 177, Section 3 (SF 2908)

Amends Minn. Stat. § 504B.284, subd. 1

Effective for leases entered into after August 1, 2008

Provides that tenants leasing AFTER the sheriff's sale are also entitled to notice to vacate a property in foreclosure, overturning Broszko v. Principal Mutual Life Ins. Co., 533 N.W.2d 656, 658-59 (Minn. Ct. App. 1995) (holding that only tenants who leased BEFORE the sheriff's sale were entitled to notice). Extends the notice period from one month to two months. Applies the notice provisions to cancellations and terminations of contracts for deed.

6. **Right to Withhold Last Month's Rent**

Chapter 177, Section 2 (SF 2908)

Amends Minn. Stat. § 504B.178, subd. 8

Effective August 1, 2008

Allows a tenant leasing a property in foreclosure or subject to a contract for deed that is cancelled to withhold last month's rent without penalty.

HUMAN RIGHTS

Prepared by:
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I. INCREASED PUNITIVE DAMAGES

Chapter 215, Section 1 (SF 2915)
Amends Minn. Stat. § 363A.29, subd. 4
Effective August 1, 2008

Increases the cap on punitive damages that may be awarded for violations of the Minnesota Human Rights Act, whether committed by a private offender or a political subdivision, from \$8,500 to \$25,000.

JUVENILE LAW

Prepared by:
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I. ACCESS TO RECORDS/HEARINGS

Chapter 361, Article 6, Sections 30, 31, and 34-36 (HF 3376)
Amends Minn. Stat. §§ 260C.163, subd. 1; 260C.171, subd. 2; and 260C.209, subds. 1 and 2
Adds Minn. Stat. § 260C.209, subd. 5
Effective August 1, 2008

- A. Open Hearings
Provides that hearings are presumed accessible to the public unless exceptional circumstances exist. Permits the court to close a hearing and records consistent with the Rules of Juvenile Protection Procedure.
Amends Minn. Stat. § 260C.163, subd. 1

- B. Records
Provides that records are accessible to the public, as authorized by the Rules of Juvenile Protection Procedure, involving the following types of proceedings: (1) child in need of protection or services; (2) permanency; or (3) termination of parental rights.
Amends Minn. Stat. § 260C.171, subd. 2

- C. Social Service Agencies
Grants social service agencies direct access to criminal history and child and adult maltreatment history, including local law enforcement data about the household. Permits social service agencies to obtain histories in relative placement cases to assess whether the placement would endanger the child.
Amends Minn. Stat. § 260C.209, subd. 1 (access to criminal history)
Amends Minn. Stat. § 260C.209, subd. 2 (access to law enforcement data)
Adds Minn. Stat. § 260C.209, subd. 5 (assessment of endangerment)

II. ADMINISTRATIVE/COURT REVIEW OF OUT-OF-HOME PLACEMENT PLANS

Chapter 361, Article 6, Section 40 (HF 3376)

Amends Minn. Stat. § 260C.212, subd. 7

Effective August 1, 2008

A. Administrative Review

Provides that any administrative review of foster care placements conducted by the social services agency must use a panel including at least one person not responsible for case management or services to the parents or child. Requires the review to be available to the parent or guardian and the child, as appropriate. Alternatively, as part of a juvenile hearing, the court may conduct a hearing to monitor the reasonableness of the plan upon a showing of a substantial change of circumstances.

Amends Minn. Stat. § 260C.212, subd. 7(a)

B. Notice of Court Review Hearing

Requires the party requesting court review to provide notice of the hearing.

Amends Minn. Stat. § 260C.212, subd. 7(b)

C. Independent Living Plan Review

1. **Requirement of Review**

Provides that, when a child is age 16 or older, in addition to any administrative review, at any long-term foster care or termination of parental rights hearing, the court must review the child's independent living plan and the provision of services as the child prepares to leave foster care.

Amends Minn. Stat. § 260C.212, subd. 7(d)

2. **Requirement of Showing**

Requires the social services agency to show at the hearing that it has provided notice regarding continued access to services and the right to appeal denial of services.

Amends Minn. Stat. § 260C.212, subd. 7(d)(1)

3. **Requirement of Court Finding**

Requires the court to make findings regarding progress toward or accomplishment of multiple goals, including whether the child is employed or enrolled in postsecondary education, and has obtained financial aid for which the child is eligible and has: (1) obtained a high school diploma or equivalent; (2) completed driver's education or has the ability to use public transportation in the community; (3) health care coverage and providers; (4) obtained disability income, if eligible; (5) obtained affordable housing; (6) enrolled with the selective service; and (7) a permanent connection to a caring adult.

Amends Minn. Stat. § 260C.212, subd. 7(d)(2)

4. **Requirements of Social Service Agency**

Requires the social service agency to assist the child in obtaining essential documents (social security number, birth certificate, driver's license, etc.) and contact information for the child's siblings (if also in foster care) prior to the child leaving foster care.

Amends Minn. Stat. § 260C.212, subd. 7(d)(3)

- D. Review of Permanency Needs and Well-Being of the Child
Requires the social services agency or court to additionally review permanency needs and well-being of the child.
Amends Minn. Stat. § 260C.212, subd. 7(c)

III. AMERICAN INDIAN CHILD WELFARE ADVISORY COUNCIL

Chapter 361, Article 6, Section 22 (HF 3376)
Amends Minn. Stat. § 260.835, subd. 2
Effective August 1, 2008

Extends the life of the American Indian Child Welfare Advisory Council to June 30, 2012. The Council was due to expire on June 30, 2008.

IV. CHILD IN NEED OF PROTECTION OR SERVICES

Chapter 361, Article 6, Sections 24-27 (HF 3376)
Amends Minn. Stat. §§ 260C.001, subd. 2; and 260C.007, subds. 5, 6 and 13
Effective August 1, 2008

A. Additional Purposes of Juvenile Laws

Adds three purposes to the state's juvenile laws:

- Ensuring that removal from a child's family is necessary, by requiring the social services agency to have legal responsibility for removal by either a voluntary placement agreement or a court order;
- Ensuring that all court orders for placement or continuation of placement consider individual circumstances that show that the placement and actual removal coincide with the best interests of the child; and
- Ensuring that when a child is removed, priority of placement is with either a noncustodial parent, the home of a relative pursuant to an emergency placement, or a licensed foster home.

Amends Minn. Stat. § 260C.001, sub. 2

B. Conformance of Definitions

Makes definitions of "child abuse," "child in need of protection or services," and "domestic child abuse" consistent with the Maltreatment of Minors Act. See Minn. Stat. § 626.556. Clarifies that "child abuse" includes physical or sexual abuse.

Amends Minn. Stat. § 260C.007, subd. 5 (child abuse)

Amends Minn. Stat. § 260C.007, subd. 6 (child in need of protection services)

Amends Minn. Stat. § 260C.007, subd. 13 (domestic child abuse)

V. CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT (JUVENILE COURT ACT)

Chapter 361, Article 6, Sections 33, 37, and 44-53 (HF 3376)
Adds Minn. Stat. Chapter 260D (Minn. Stat. §§ 260D.01 - .10)
Effective August 1, 2008

A. Establishment of Juvenile Court Act

Creates the "Juvenile Court Act" to address only voluntary foster care placements for emotional disturbance or developmental disability or related

condition. Establishes: (1) voluntary foster care through an agreement between the agency and the parent; (2) court review requirements; and (3) the ongoing responsibilities of the parent to visit, work with the agency to plan treatment needs, be accessible for treatment decisions, and obtain necessary medical, dental and other care. Provides that Chapter 260C applies if a child requires services due to risk and safety issues, or the child is in foster care for any other reason than emotional disturbance or developmental disability or related condition.

Adds Minn. Stat. § 260D.01

B. Purposes

Expresses the purposes of the Act are to: (1) ensure treatment for children with disabilities; (2) preserve and strengthen the child's family ties; and (3) ensure that the parent retains custody and decision-making authority unless the parent willfully fails or is unable to make decisions. Provides that the Act is to be construed consistent with the provisions of the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act.

Adds Minn. Stat. § 260D.01

C. Required Information for a Child in Voluntary Foster Care for Treatment

Requires that a child age 12 and over must be informed by the public agency: (1) of his or her right to be consulted in preparation for the out-of-home placement plan; (2) of his or her right to visit parents; (3) of his or her right to visit siblings, as the parents and agency determine safe and appropriate; (3) that the agency will include information about the nature of the child's disagreement and, to the extent possible, the agency's understanding of the basis of the child's disagreement in the information provided in the required report to the court; and (4) that he or she has the rights established as the resident of a facility licensed by the State.

Adds Minn. Stat. § 260D.04

D. Administrative Reviews

Provides that the administrative reviews required under Minn. Stat. § 260C.212, subd. 7, apply to a child in voluntary foster care for treatment.

Adds Minn. Stat. § 260D.05

E. Judicial Review/Agency Report

Requires judicial review within 165 days of placement. Requires the agency to submit a written report, including any treatment or service plans. Grants a child age 12 or over – and a parent and foster parent – the right to submit information to the court, and to request a hearing. Requires the court to issue an order within 10 days of receipt of the report stating whether: (1) the arrangement is in the child's best interests; (2) the parent and agency are appropriately planning for the child; and (3) appointment of counsel or a guardian ad litem is appropriate if a child 12 or over disagrees with the plan. Requires the court to hold a hearing and appoint a guardian ad litem if the court does not find that the arrangement is in the child's best interests or the agency and parent are not appropriately planning for the child.

Adds Minn. Stat. § 260D.06

F. Required Permanency Review Hearing

1. **Requirements Imposed on the Agency**

Requires the agency -- when the court has found that the voluntary arrangement is in the child's best interests and the child continues in voluntary foster care for 13 months from the date of the voluntary foster care agreement (or has been in placement for 15 of the last 22 months) – to: (1) terminate the voluntary foster care agreement and return the child home; or (2) determine whether there are compelling reasons to continue the voluntary foster care arrangement; or (3) file a petition for the termination of parental rights.

Adds Minn. Stat. § 260D.07(a)

2. **Timing of the Hearing**

Requires the court to hold the permanency review hearing no later than: (1) 14 months after the date of the voluntary placement agreement; (2) within 30 days of the filing of the petition when the child has been in placement 15 days of the last 22 months; or (3) within 15 days of a motion to terminate jurisdiction and dismiss an order for foster care.

Adds Minn. Stat. § 260D.07(f)

3. **Requirements of the Court at the Hearing**

Requires the court to ask the parent whether: (1) he or she has reviewed the petition to continue care; (2) the petition is accurate; (3) he or she agrees with it; and (4) he or she is satisfied with the agency's reasonable efforts to finalize the permanency plan. Requires the court to ask the parent and the guardian ad litem whether they agree that the court should approve the agency's efforts to finalize the permanency plan and continued placement. Allows a child age 12 or over to object, but the permits the court to approve the plan and continued placement over the child's objection. Requires that, if the court does not approve the voluntary arrangement, the court must dismiss the petition and either: (1) the child must be returned to the parent; or (2) the agency must file a child protection petition under Chapter 260C.

Adds Minn. Stat. § 260D.07(g)(court inquiries)

Adds Minn. Stat. § 260D.07(i)(child's objection and court approval)

Adds Minn. Stat. § 260D.07(j)(requirements if court disapproves petition)

4. **Annual Review**

Requires a review each year that the child continues in care when a plan is approved. Requires the court, at each review, to determine whether the agency has made reasonable efforts to finalize the permanency plan for the child.

Adds Minn. Stat. § 260D.08

G. Permanency Review After Adjudication Under Chapter 260C

Permits a child's parent and the agency to enter into a voluntary foster care agreement if the child was adjudicated under Chapter 260C, and the conditions that led to the placement have been corrected so that the child

could return home but for the child's developmental disability or emotional disturbance. Requires the agency to terminate jurisdiction under Chapter 260C and file the voluntary placement agreement and petition so that the matter is set for a permanency hearing.

Adds Minn. Stat. § 260D.09

H. Termination of the Voluntary Placement Agreement

Allows either party to terminate the placement agreement in writing. Provides that the parties may agree on a date that the child will return home, which must be not less than 72 hours and not more than 30 days after the termination notice is sent or received by the agency. Grants the parent who disagrees with termination the right to a fair hearing. Requires the agency and parents to work on a transition plan for the child's return. Specifies that: (1) the child's return home or a court order terminates the agency's legal authority to place the child; and (2) the notice of termination does not end voluntary foster care agreement.

Adds Minn. Stat. § 260D.10

VI. CUSTODY – BOTH PARENTS DECEASED

Chapter 361, Article 6, Section 43 (HF 3376)

Amends Minn. Stat. § 260C.325, subd. 3

Effective August 1, 2008

Clarifies that in cases where both parents are deceased (or the only known parent is deceased), the court may transfer custody to the Department of Human Services only if there is no individual who is willing or capable of assuming the responsibility for the child.

VII. DUTIES OF SOCIAL SERVICE AGENCY

Chapter 361, Article 6, Sections 38 and 39 (HF 3376)

Amends Minn. Stat. § 260C.212, subd. 4

Adds Minn. Stat. § 260C.212, subd. 4a

Effective August 1, 2008

A. Clarification of Duties

Clarifies that statutory duties of the social service agency apply to "foster care" rather than "placement." Clarifies that the duty to provide notices to parents under Minn. Stat. § 260C.212 does not apply to children in foster care for placement for treatment of developmental disability or emotional disturbance under newly-created Chapter 260D (see above). Requires that, in all cases, the social services agency must provide the child with a copy of the child's medical and social history and education report.

Amends Minn. Stat. § 260C.212, subd. 4

B. Monthly Caseworker Visits

Requires monthly face-to-face caseworker visits with children in foster care, the majority of which must occur in the child's residence. Requires all visits to be of sufficient substance and duration to address any case planning and service delivery needed to ensure the child's safety, permanency, and well-being.

Adds Minn. Stat. § 260C.212, subd. 4a

VIII. EMERGENCY HEARING AND RELEASE REQUIREMENTS

Chapter 361, Article 6, Section 32 (HF 3376)
Amends Minn. Stat. § 260C.178, subd. 1
Effective August 1, 2008

Permits the court to: (1) place a child with the noncustodial parent and order the noncustodial parent to cooperate with conditions of the court, which may include cooperation with paternity establishment; and (2) order the child to be returned to the home from which the child was removed, subject to cooperation with any conditions the court deems appropriate to protect the health and safety of the child. Prohibits the court from granting legal custody to the social services agency prior to adjudication. Requires a finding that foster care placements or continuations are in the best interests of the child.

IX. INTERSTATE COMPACT FOR PLACEMENT OF CHILDREN

Chapter 361, Article 6, Sections 23 and 59
Repeals Minn. Stat. § 260.851
Adds Minn. Stat. § 260.853
Repealer and new statute effective upon enactment in no less than 35 states

Repeals and replaces existing Interstate Compact, effective when 35 states enact the revised Interstate Compact for Placement of Children. Specifies that the revised compact is intended to update and improve consistency between state laws for the placement of children. Provides that, when 35 states enact the law, other states have 12 months to decide whether to adopt the law. Provides that, after the expiration of the 12 months, states with the new compact will only work with each other. Highlights of the new law include:

- Applicability to interstate placements only. Defines placement as an act by a public or private child-placing agency intended to arrange for the care or custody of a child in another state.
- Inapplicability of the compact to foreign adoptions.
- Inapplicability of the compact to interstate placements:
 - ✓ where a public agency is not a party, provided the placement is not intended to move toward adoption;
 - ✓ by a parent to a non-relative in another state, provided the parent has authority to make the placement, and it is not to move toward adoption;
 - ✓ by a parent to a relative, provided the parent has authority to make the placement;
 - ✓ by a parent into a residential facility, provided the placement is not part of a proceeding based upon abuse, neglect or deprivation;
 - ✓ with a noncustodial parent, provided the parent has a substantial relationship with the child and a court finds that the placement is in the child's best interests.
- Addresses continuing jurisdiction and termination of jurisdiction.
- Provides a process for written placement assessments prior to placement.
- Provides that no child can be placed in another state without approval from the placement state. Grants a right to state administrative and judicial review if the two states cannot agree.

- Clarifies financial responsibilities between the sending and receiving states, and who is legally responsible for the child after placement.
- Creates an "Interstate Commission for the Placement of Children." Provides that each member state will have one commissioner and that other interested parties may participate, but cannot vote. Grants the Commission significant authority, including the right to promulgate rules, provide dispute resolution, issue advisory opinions, enforce compliance, collect standardized data, maintain offices, and purchase insurance and bonds. Requires the Commission to annually report to each member state's legislature, judiciary, governor and advisory council.

For more information, see <http://www.aphsa.org/Policy/icpc2006rewrite.htm>

X. TARGETED CASE MANAGEMENT

- A. Federal Conformity and Relocation Service Coordination
Chapter 363, Article 15, Sections 1-4, 7 (HF 1812)
Amends Minn. Stat. §§ 256B.0621, subd. 2, 6 and 10; 256B.0625, subd. 20; 256B.0924, subd. 4 and 6
Effective July 1, 2008, but time limit restrictions become effective April, 2009 due to Congressional action June 26, 2008.
 Changes targeted case management service limits, contingent on Congressional action, for children and child welfare case management to comply with federal interim rule changes. Congressional action on June 26, 2008 means that the changes will not go into effect until April, 2009.
- B. Targeted Case Management for Children with Developmental Disabilities
Chapter 361, Article 6, Section 57 (HF 3376)
Uncodified Language
Effective August 1, 2008
 Requires the Department of Human Services to seek an amendment to the State Plan for Medical Assistance to add children with developmental disabilities to those eligible for targeted case management services to help those children gain access to needed medical, social, educational and other services provided under Minn. Stat. § 256B.092.

XI. TIMELINE FOR MALTREATMENT REPORT

Chapter 361, Article 6, Sections 55 and 56 (HF 3376)
Amends Minn. Stat. § 626.556, subds. 7 and 10a
Effective August 1, 2008

Requires the local social service agency to determine whether a report of maltreatment is accepted for investigation or assessment as soon as possible, but in no event longer than 24 hours after the maltreatment report is received. Permits agencies to rely on law enforcement reports to determine whether injury, rather than harm, occurred.

XII. TREATMENT CENTER APPROPRIATIONS

*Chapter 317, Section 3(h) (SF 3563)
Effective July 1, 2008*

- A. White Earth Juvenile Treatment Center
Appropriates \$50,000 to DHS to study the feasibility and predesign of a Native American juvenile treatment center on or near the White Earth Reservation. Requires the facility to house and treat Native American juveniles and provide culturally specific programming center. Requires the study results to be presented to the Legislature by January 15, 2008 to the chairs of legislative committees having jurisdiction over human.
- B. Leech Lake Youth Treatment Center
Appropriates \$75,000 as a grant to the Leech Lake Youth Treatment Center project partners to pay salaries and other directly related costs associated with the development of this project.

XIII. REPEALERS

*Chapter 361, Article 6, Section 59 (HF 3376)
Repeals various statutes and rules
Effective August 1, 2008*

The repealers are as follows:

- Minn. Stat. § 260.851 – existing Interstate Compact – effective when 35 states adopt new compact
- Minn. Stat. § 260B.241 – Report on extent of goals reached for court-ordered out-of-home placements
- Minn. Stat. § 260C.141, subd. 2a – voluntary foster care placements for children who are emotionally disturbed or developmentally delayed
- Minn. Stat. § 260C.207 – Report on extent of goals reached for out-of-home placements with court-ordered intended outcomes
- Minn. Stat. § 260C.431 – DHS duty to arrange for tests and examinations for diagnosis and treatment of children
- Minn. Stat. § 260C.435 – DHS duties for children under guardianship who have physical or mental disabilities
- Minn. Stat. § 260C.212, subd. 9 – Review of placements for children who have emotional disturbance or are developmentally disabled
- Minnesota Rules – repeals provisions about adoption subsidies and court review of voluntary placements

LANDLORD-TENANT LAW

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I. DISCLOSURE TO TENANTS THAT PROPERTY IS IN FORECLOSURE

*Chapter 177, Section 1 (SF 2908)
Amends Minn. Stat. § 504B.151, subd. 1
Adds Minn. Stat. § 504B.151, subds. 2, 3, and 4
Effective August 1, 2008*

A. Disclosure Requirement

Provides that a landlord whose property is in foreclosure must disclose to a prospective tenant if the property is in foreclosure and the date the redemption period or cancellation period ends.

Amends Minn. Stat. § 504B.151, subd. 1

1. **Exception**

Allows the landlord to avoid the disclosure obligation if the holder or the mortgagee: (i) agrees not to terminate the tenant's lease other than for lease violations for at least one year from the commencement of the tenancy; and (i) does not require prepayments.

Adds Minn. Stat. § 504B.151, subd. 2

a. *Transfer of Lease to Holder by Operation of Law*

Provides that the lease transfers by operation of law to a holder or mortgagee agreeing not to terminate.

Adds Minn. Stat. § 504B.151, subd. 3

b. *Limitation of Liability*

Provides that a holder or mortgagee agreeing not to terminate is not liable for any act or omission by – or setoffs or defenses against -- the prior landlord.

Adds Minn. Stat. § 504B.151, subd. 4

2. **Restriction on Entering Into Lease**

Provides that a property owner in foreclosure can enter into a lease with a maximum term of the lesser of two months or time remaining in the redemption period (or contract for deed cancellation period).

Amends Minn. Stat. § 504B.151, subd. 1

II. **MAINTENANCE/RESTORATION OF UTILITY SERVICE**

Chapter 313 (SF 2909)

Amends Minn. Stat. § 504B.215, subd. 3

Effective August 1, 2008

A. Notice

Provides that a disconnect notice posted in a multi-family building must contain the following information: (1) the date service will be disconnected; (2) the telephone number to call at the utility to obtain further information; (3) a brief description of tenants' rights to continue or restore service; and (4) advice to tenants to consider seeking assistance from legal aid, a private attorney, or a housing organization in exercising their rights.

Amends Minn. Stat. § 504B.215, subd. 3(a)

B. Gas or Electric Service Protections

1. *Right to Pay Current Charges*

Gives tenants the right to pay the current bill and receive at least one additional billing cycle of service. Defines current bill to exclude any arrears or late charges.

Amends Minn. Stat. § 504B.215, subd. 3(b) (right to pay)

Amends Minn. Stat. § 504B.215, subd. 3(d) (definition of current charges)

2. Right to Take Over Account
In one-to-four family buildings, gives one tenant the right to take over the account, provided the tenant meets all requirements necessary to become a new customer. Prohibits the utility from demanding a deposit if requirements are met.

Amends Minn. Stat. § 504B.215, subd. 3(b)

3. Rights Not Mutually Exclusive
Provides that, in one-to-four family buildings, the right to pay current charges and the right to take over the account are not mutually exclusive and may be exercised sequentially. Limits the right to take over the account to once in any 12-month period.

Amends Minn. Stat. § 504B.215, subd. 3(b)

C. Water Service Protections

Requires a municipality, upon request of a tenant, to provide a copy to the tenant of each bill the landlord fails to pay. Allows the tenant to: (1) each month, pay the current charges for the most recent billing period and retain service; and (2) pay within the period of time provided by the governing ordinance, policy, or practice for all other customers to pay the charges. Requires the utility to provide a disconnection notice to the tenant. Exempts the tenant from any deposit requirements. Provides that, where there are multiple tenants in an affected property, the municipality is not obligated to offer the right to pay to more than one tenant in any 12-month period.

Amends Minn. Stat. § 504B.215, subd. 3(c)

III. MANDATORY EXPUNGEMENT

Chapter 174 (SF 2910)

Adds Minn. Stat. § 484.014, subd. 3

Effective August 1, 2008

Entitles a tenant in a foreclosed property against whom an eviction is filed to a mandatory expungement if the tenant: (1) vacates prior to the end of the redemption period (or, in the case of a contract for deed, prior to the cancellation date); or (2) did not receive the statutory notice to vacate.

IV. NOTICE TO TENANTS OF THEIR RIGHTS WHEN PROPERTY IS IN FORECLOSURE

Chapter 341, Article 5, Sections 9 and 11 (HF 3420)

Amends Minn. Stat. § 580.03

Adds Minn. Stat. § 580.042

Effective for notices of sales first published on or after August 1, 2008

A. Notice Required

Requires that a notice to tenants of their rights in foreclosure must be served together with the notice of foreclosure that is served on the mortgagor.

Amends Minn. Stat. § 580.03

B. Form of Notice

Specifies type font (14 point) and that the notice must be served separately from, and on different color paper than, the homeowner notice.

Adds Minn. Stat. § 580.042, subd. 2

C. Content of Notice

Prescribes the verbatim content of the notice, including advising the tenant that: (1) the tenant has the right to remain in possession during the redemption period; (2) the landlord must maintain the premises; and (3) government and nonprofit agencies are available to provide additional information about their rights and options.

Adds Minn. Stat. § 580.042, subd. 3

D. Consequences of Failure to Serve Notice

1. *Foreclosure is Not Invalidated*

Provides that failure to serve the notice on tenants does not invalidate a foreclosure.

Adds Minn. Stat. § 580.042, subd. 5

2. *Tenant Remedy*

Provides that a person violating the requirement is liable for \$500 to the lessee of the mortgagor at the time the notice should have been served, except that: (1) no liability attaches if the violator shows by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error and the person adopted and maintained reasonable procedures to avoid the error; and (2) no cause of action lies if the defendant has complied with the service requirements of Minn. Stat. § 580.03.

Adds Minn. Stat. § 580.042, subd. 5

V. NOTICE TO VACATE

Chapter 177, Section 3 (SF 2908)

Amends Minn. Stat. § 504B.284, subd. 1

Effective for leases entered into after August 1, 2008

Provides that: (1) tenants leasing AFTER the sheriff's sale are also entitled to notice by the foreclosing mortgage holder to vacate a property in foreclosure (previously, under Broszko v. Principal Mutual Life Ins. Co., 533 N.W.2d 656, 658-59 (Minn. Ct. App. 1995), only tenants who leased BEFORE the sheriff's sale were entitled to notice); and (2) extends the notice period from one month to two months. The notice provisions also apply to cancellations and terminations of contracts for deed.

VI. RIGHT TO WITHHOLD LAST MONTH'S RENT

Chapter 177, Section 2 (SF 2908)

Amends Minn. Stat. § 504B.178, subd. 8

Effective August 1, 2008

A tenant leasing a property in foreclosure or subject to a contract for deed that is cancelled has the right to withhold last month's rent without penalty.

LICENSING AND BACKGROUND CHECKS

Prepared by:
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I. BACKGROUND STUDY – LEGAL, NONLICENSED FAMILY CHILD CARE

Chapter 361, Article 3, Sections 5 and 6 (HF 3376)
Amends Minn. Stat. § 119B.125, subd. 2
Adds Minn. Stat. § 119B.125, subd. 1a
Effective August 1, 2008

Expands background study requirement to every member of the provider's household who is age 13 or older for legal, nonlicensed family child care providers at authorization and reauthorization. Provides that background study results of household members disqualify the provider in the same manner as the provider's own background study.

II. DAY TRAINING AND HABILITATION PROGRAMS

Chapter 268 (SF 3256)
Amends Minn. Stat. §§ 245B.07, subd. 12; and 245A.10, subd. 4
Effective August 1, 2008

Clarifies that day training and habilitation programs serving persons with developmental disabilities or related conditions are not required to obtain a separate license from the central operations of the day training and habilitation program if they are: (1) in a separate building but adjacent to the licensed day training and habilitation program or (2) a satellite program affiliated with and in the same county as the licensed program. Provides that the licensing fee is based upon the combined license capacity for each location.

III. DEPARTMENT OF HUMAN SERVICES LICENSING – PERMANENT BAR

Chapter 361, Article 1, Section 1 (HF 3376)
Amends Minn. Stat. § 245C.24, subd. 2
Effective July 1, 2008

Expands current provision permitting application for variance to persons in the corrections field who had a set aside prior to July 1, 2005, and have a criminal record for an offense that otherwise permanently bars the person from licensing eligibility.

IV. MALTREATMENT LICENSE FINES

Chapter 317, Section 1 (SF 3563)
Amends Minn. Stat. § 245A.07, subd. 3
Effective July 1, 2008

Clarifies that fines for maltreatment of a child or vulnerable adult against a license holder may only be assessed in cases where the license holder is determined responsible after consideration of mitigating factors. Clarifies that if the license holder has a license for both residential-based habilitation programs and to provide foster care, fines may be

assessed for both licenses for the same occurrence, but the combined amount still cannot exceed the statutory maximum set forth in Minn. Stat. § 245A.07, subd. 3(c)(4).

PUBLIC BENEFITS LAW

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I. COUNTY PERFORMANCE FUNDING

Chapter 361, Article 1, Section 5 (HF 3376)
Amends Minn. Stat. § 256J.626, subd. 7
Effective January 1, 2009

Provides that county work participation rates will be averaged over 12 months, rather than measured over four quarters. Repeals the 5% bonus that counties or tribes could receive for better-than-expected performance on the self-support index.

II. DELAYED IMPLEMENTATION OF THE \$75 WORK PARTICIPATION BONUS

Chapter 363, Article 16, Section 6 (HF 1812)
Amends Minn. Stat. § 256J.621
Effective October 1, 2009

Delays implementation of the \$75 work participation bonus for MFIP and DWP participants to October 2009. (Implementation was to begin in February 2009.)

III. DELAYED IMPLEMENTATION OF SIMPLIFIED FOOD STAMP REPORTING

Chapter 361, Article 5, Section 3 (HF 3376)
Amends 2007 Session Laws, Chapter 147, Article 2, Section 21
Effective March 1, 2009

Changes the effective date for the implementation of six-month reporting for non-MFIP food stamp participants from May 1, 2008 to March 1, 2009.

IV. DIVERSIONARY WORK PROGRAM PARTICIPANTS

Chapter 361, Article 4, Section 7 (HF 3376)
Amends Minn. Stat. § 256J.95, subd. 3
Effective August 1, 2008

Adds asylees who arrived in the United States in the 12 months prior to the date of application for family cash assistance to the list of participants who are ineligible for the Diversionary Work Program.

V. EDUCATION PLAN

Chapter 361, Article 4, Section 4 (HF 3376)
Amends Minn. Stat. § 256J.54, subd. 2
Effective August 1, 2008

Clarifies that the social services agency or the job counselor (as opposed to “representatives of educational agencies”) must consult with the participant's school in developing the educational plan.

VI. EMERGENCY CASH ASSISTANCE AND COUNTY RESIDENCY

Chapter 361, Article 1, Section 4 (HF 3376)
Amends Minn. Stat. § 256J.626, subd. 3
Effective August 1, 2008

Provides that a county or tribe must not impose a residency requirement on families for county emergency cash assistance other than the 30-day state residency requirement required under Minn. Stat. § 256J.12.

VII. FAMILY STABILIZATION SERVICES PLAN

Chapter 361, Article 1, Section 3 (HF 3376)
Amends Minn. Stat. § 256J.425, subd. 1
Effective August 1, 2008

Clarifies that a participant must have either an employment plan or family stabilization services plan (whichever is appropriate) to maintain eligibility for an MFIP hardship extension.

VIII. FAMILY VIOLENCE WAIVER CRITERIA

Chapter 361, Article 4, Section 6 (HF 3376)
Amends Minn. Stat. § 256J.545
Effective August 1, 2008

Establishes that a sworn statement from the applicant or participant and a sworn statement from any other person with knowledge of the circumstances, or credible evidence that supports the client's statement, are acceptable forms of documentation or verification of family violence for a family violence waiver in MFIP.

IX. I-35W BRIDGE COLLAPSE SURVIVORS

Chapter 370, Section 10 (HF 4166)
Adds Minn. Stat. § 3.7395
Effective May 9, 2008

Provides that any state payments made to survivors of the I-35W bridge collapse are not counted as income, assets, or resources for purposes of eligibility for: (1) general assistance (Chapter 256D); and (2) MFIP and food stamps (Chapter 256J).

X. MFIP TRANSITIONAL STANDARD

Chapter 361, Article 4, Section 2 (HF 3376)
Amends Minn. Stat. § 256J.24, subd. 5
Effective May 24, 2008 and applied retroactively to October 1, 2007

Adjusts the food portion of the MFIP transitional standard by family size to reflect changes to the 2007 federal poverty guidelines.

XI. SELF-EMPLOYMENT INVESTMENT DEMONSTRATION PROGRAM

Chapter 361, Article 4, Section 3
Chapter 326, Article 3, Section 1
Amends Minn. Stat. §§ 256J.521, subd. 4; and 256J.49, subd. 13
Effective August 1, 2008

Deletes obsolete references.

XII. SUPPORTED WORK

Chapter 363, Article 18, Section 3, subd. 4(b) (HF 1812)
Uncodified Language
Effective July 1, 2008

Appropriates \$7.1 million in 2009 and \$7.1 million in 2010 in TANF funds for paid supported work experiences for MFIP participants. Requires that experiences provide a continuum of employment assistance – including outreach and recruitment, program orientation and intake, testing and assessment, job development and marketing, pre-worksite training, supported worksite experience, job coaching, and post-placement follow-up – in addition to extensive case management and referral services.

XIII. VEHICLE VALUATION FOR MFIP/DWP ASSET TEST

Chapter 361, Article 4, Section 1 (HF 3376)
Amends Minn. Stat. § 256J.20, subd. 3
Effective August 1, 2008

Clarifies that, if a participant has more than one licensed vehicle, the county agency is responsible for determining the loan valuation of additional vehicles in the MFIP/DWP asset test.

XIV. UNPAID WORK

Chapter 326, Article 3, Section 1 (HF 3222)
Amends Minn. Stat. § 256J.49, subd. 13
Effective August 1, 2008

Provides that, prior to placing an MFIP participant in unpaid work, the county must notify the participant that he or she will be notified if a paid work experience or supported work position becomes available. Clarifies that a participant's consent to an unpaid work experience must be written.

PUBLIC SAFETY LAW

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I. LOW-INCOME EXCEPTION TO DRIVER'S LICENSE REINSTATEMENT FEES AND SURCHARGES

Chapter 152, Article 6, Section 6 (HF 2800)
Amends Minn. Stat. § 171.29, subd. 2
Effective July 1, 2009

Creates an exception for persons whom the court certifies as being financially eligible for a public defender with respect to paying fees and surcharges required for reinstatement of a driver's license revoked as a result of a failure to submit to a breathalyzer test, a DWI conviction, or criminal vehicular homicide (or criminal infliction of injury while operator a vehicle). Allows an eligible offender to pay 50% of the fee and 50% of the surcharge plus an additional \$25 (which translates to \$365 instead of the full amount, which is \$680), plus an unspecified "handling charge." Provides that the driver's license of a person choosing the exception expires in two years, at which time an additional \$315 payment (plus an unspecified "handling charge") is required to extend the license for an additional two years. Provides that, following the four year period, renewal is at the normal rate. Requires the balance to be paid before the license can be subsequently reinstated if the license is canceled, revoked, or suspended before payment of the total amount of the fee and surcharge over the four year period.

TAX LAW

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I. 4D PROPERTIES

Chapter 154, Article 2, Section 10 (HF 3201)
Amends Minn. Stat. § 273.128, subd. 1
Effective for property taxes payable in 2009, and thereafter

Lowers the threshold for eligibility for 4D status. Provides that, to be eligible for 4D status, 20% of a building's units (as opposed to the current 75%) must receive some form of subsidy, such as Section 8. Provides that 4D status will be granted to properties if they receive city assistance (previously just assistance from the state or federal government qualified). (4D is a tax classification that is used to designate low-income rental housing that qualifies for preferential tax treatment.)

II. MOTOR FUELS TAX CREDIT FOR LOW-INCOME CONSUMERS

Chapter 152, Article 3, Section 2 (HF 2800)

Adds Minn. Stat. § 290.06, subd. 34

Effective for the taxable years beginning after December 31, 2008

Grants lower-income taxpayers eligibility for a small tax credit in 2010 (for the 2009 tax year in recognition of the regressive impact of the gas tax increase enacted this session. Provides that the following taxpayers will be eligible for a \$25 tax credit: (1) married couples filing joint returns; (2) surviving spouses; (3) single filers; and (4) head of household filers. Makes married individuals filing separate returns eligible for a tax credit of \$12.50. Makes any low-income taxpayer eligible, regardless of whether the taxpayer drives or even owns a car. Following are the 2008 income levels for eligibility:

- Married, filing jointly \$0—\$31,860
- Married, filing separately \$0—\$15,930
- Head of household \$0—\$26,830
- Single \$0—\$21,800

III. MORTGAGE DEBT FORGIVENESS

Chapter 154, Article 4, Section 2 (HF 3201)

Amends Minn. Stat. § 290.01, subd. 19

Effective for taxable years beginning after December 31, 2006.

Provides that any debt cancelled as a result of settlement or other disposition (e.g., a short sale) of mortgaged property in default is not reportable income for state tax purposes.

IV. REVENUE RECAPTURE

Chapter 366, Article 16, Sections 2-4 (HF 3149)

Amends Minn. Stat. §§ 16D.02, subds. 3 and 6; 16D.04, subd. 2; and 270A.08, subd. 1

Various effective dates

A. Definitions of "Debt" and "Referring Agency"

Revises the definitions of "debt" and "referring agency" to include a debt owed a local unit of government or to a Minnesota state college or university.

Amends Minn. Stat. § 16D.02, subd. 3 (definition of debt)

Amends Minn. Stat. § 16D.02, subd. 6 (definition of referring agency)

Effective May 30, 2008

B. Collection Actions

Requires decisions with regard to continuing collection and the uncollectibility of referred debts to be made by the Department of Revenue, which must then notify the Department of Finance and the referring agency. Provides that a decision by the Department of Revenue that a referred debt is uncollectible does not prevent the referring agency from taking additional collection action.

Amends Minn. Stat. § 16D.04, subd. 2

Effective for debts referred after December 31, 2008

- C. Notice to Debtor
Requires the Department of Revenue to notify the debtor, personally or by mail to the last known address, prior to using revenue recapture.
Amends Minn. Stat. § 270A.08, subd. 1
Effective for debts referred after December 31, 2008

V. TAX ASSISTANCE GRANTS

Chapter 366, Article 1, Section 2 (HF 3149)
Uncodified Language
Effective July 1, 2008

Appropriates, on a one-time only basis, \$100,000 to the Minnesota Department of Revenue to make grants to nonprofit organizations to increase the availability of taxpayer assistance services after April 15, to assist homeowners in filing claims for the property tax refund, and to increase participation in the program.

TRANSPORTATION LAW

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I. RETRIEVAL OF CONTENTS FROM IMPOUNDED VEHICLES

Chapter 350, Article 1, Sections 19 - 24 (HF 3800)
Amends Minn. Stat. §§ 168B.051, subd. 2; 168B.06, subds. 1 and 3; and 168B.08, subd. 1
Adds Minn. Stat. § 168B.07, subds. 3 and 4
Effective August 1, 2008

- A. Notice of Impound
Adds to the information contained in the notice of impound a requirement that the lot operator must notify the owner of the impounded vehicle of the right to retrieve vehicle contents without charge if the qualifying factors are met.
Amends Minn. Stat. § 168B.06, subd. 1
- B. Retrieval of Contents
1. **Right to a Retrieve Contents for Eligible Vehicle Owners**
Provides that a registered vehicle owner has the unencumbered right to retrieve any and all contents -- without charge and regardless of whether the owner pays incurred charges or fees, transfers title, or reclaims the vehicle -- if the owner provides documentation from a government or nonprofit agency or legal aid office that the owner is: (1) homeless; (2) receives relief based on need; (3) is eligible for legal aid services, or (4) has a household income at or below 50% of state median income.
Provides that an eligible owner may retrieve the contents at any time before the expiration of the statutory period within which a vehicle owner must reclaim or forfeit the vehicle (i.e., 45 days if impounded by a private

tow lot operator; 15 days if impounded by the City of Minneapolis or the City of St. Paul). Defines "contents" to exclude any permanently affixed mechanical or nonmechanical automobile parts; automobile body parts; or automobile accessories, including audio or video players.

2. **Definition of "Relief Based on Need"**

Defines "relief based on need" as including but not limited to: receipt of MFIP and Diversionary Work Program, Medical Assistance, General Assistance, General Assistance Medical Care, Emergency General Assistance, Minnesota Supplemental Aid, MSA Emergency Assistance, MinnesotaCare, Supplemental Security Income, Energy Assistance, Emergency Assistance, Food Stamps, Earned Income Tax Credit, or Minnesota Working Family Tax Credit.

Adds Minn. Stat. § 168B.07, subd. 3

C. Procedures for Retrieval of Contents

Requires municipal and private tow lot operators to establish reasonable procedures for retrieval of vehicle contents, and permits operators to establish reasonable procedures to protect the safety and security of the impound lot and its personnel.

Adds Minn. Stat. § 168B.07, subd. 3

D. Voluntary Transfer of Title

Provides that any vehicle owner whose vehicle is towed to an impound lot *other than an impound lot operated by the City of Minneapolis or the City of St. Paul* may make a voluntary written transfer of title to the impound lot operator any time prior to the expiration of the statutory 45 day period within which the owner may redeem the vehicle. Stipulates that the voluntary written transfer constitutes a waiver of all right, title, and interest in the vehicle.

Amends Minn. Stat. § 168B.051, subd. 2

UNEMPLOYMENT INSURANCE LAW

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I. HARDSHIP PAYMENTS FOR SELECT UNEMPLOYMENT INSURANCE RECIPIENTS

Chapter 363, Article 10, Section 30 (HF 1812)

Uncodified Language

Effective May 30, 2008

Makes hardship payments available to individuals who suffered economic hardship due to delays of at least four weeks in receiving unemployment benefits under the new unemployment insurance application system. Requires the Department of Employment and Economic Development to notify applicants of the hardship payments by posting notice on the Department's Web site and by notifying applicants by mail where Department records show the applicant may be eligible.

II. UNEMPLOYMENT INSURANCE STUDY

Chapter 300, Section 50 (HF 3722)

Uncodified Language

Effective May 13, 2008

Requires the Minnesota Unemployment Insurance Advisory Council to provide recommendations to the Legislature by January 15, 2009 on modifications to the additional unemployment insurance benefits provisions in Minn. Stat § 268.125. Requires, in determining benefit entitlement, consideration be given to the following factors: (1) the applicant's residence within a county, or some other type of regional or labor market area; (2) prior work history; (3) the industry in which the employee works; (4) the applicant's primary occupation; (5) whether benefits should be limited to applicants unemployed only because of a layoff due to a lack of work; and (6) the size of the prior employer's workforce and the percentage decrease in employment.

UTILITIES LAW

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I. CABLE COMPETITION STUDY

Chapter 296, Article 1, Section 29 (SF 3337)

Uncodified Language

Effective May 13, 2008

Directs the Minnesota Department of Commerce to contract with the University of Minnesota to study at least three other states that require state franchises for video (cable, including Internet) service issued by the State. (State franchises typically allow competition on dissimilar terms than the incumbent's municipal franchise provides.) Requires consultation with associations representing communities of color. Requires a report to the Legislature by February 1, 2009.

II. COLD WEATHER RULE

Chapter 162, Sections 2 and 3 (HF 3368)

Amends Minn. Stat. § 216B.096, subds. 5 and 10

Effective September 1, 2008

- A. Restoration of Service After Payment Agreement Established
Requires investor-owned utilities to use "reasonable efforts" to restore service within 24 hours of an accepted payment agreement under the cold weather rule. Provides that reasonable efforts may take into account the availability of the customer and of utility personnel, and whether any physical work on the property is required to restore service.
Amends Minn. Stat. § 216B.096, subd. 5.

- B. Terms of Payment Agreement for Non-Low Income Customers
Amends current law to require that payment agreements offered to customers whose incomes exceed 50% of state median income (i.e., those not eligible for most of the cold weather rule protections) must take into account the customer's financial circumstances as well as any other extenuating circumstances.
Amends Minn. Stat. § 216B.096, subd. 10.

III. DO-NOT-CALL LIST CHANGES

Chapter 363, Article 6, Section 8 (HF 1812)
Amends Minn. Stat. § 325E.313, subd. 2
Effective August 1, 2008

Eliminates the requirement imposed on subscribers to notify the state every four years that the subscriber wishes to be listed on the do-not-call list.

IV. PAYMENT AGREEMENTS

Chapter 162, Section 4 (HF 3368)
Amends Minn. Stat. § 216B.098, subd. 3
Effective August 1, 2008

Amends current law to provide that, like payment agreements entered into during the cold weather rule protection period, payment agreements offered during the non-cold weather rule period must consider the customer's financial circumstances and other extenuating circumstances of the household. Prohibits the utility from seeking additional deposits from a customer who has entered into, and is making timely payments under, an existing agreement.

V. REPEAL OF OBSOLETE TELEPHONE RULES

Chapter 173 (HF 2262)
Repeals Minn. R. Parts 7810.0800; 7810.1300; 7810.2700; 7810.4000; 7810.5700; 7810.6200; 7810.6300; and 7810.6500
Effective August 1, 2008

Repeals a number of rules deemed out-of-date, including Minn. R. part 7810.2700 that required a customer to pay all current bills during the pendency of a complaint.