

STATE OF MINNESOTA

SEVENTY-FOURTH SESSION - 1985

THIRTY-FOURTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 4, 1985

The House of Representatives convened at 2:00 p.m. and was called to order by David M. Jennings, Speaker of the House.

Prayer was offered by Reverend Howard C. Gravrock, House Chaplain.

The roll was called and the following members were present:

Anderson, G.	Ellingson	Krueger	Otis	Sherman
Anderson, R.	Erickson	Kvam	Ozment	Simoneau
Backlund	Fjoslien	Levi	Pappas	Skoglund
Battaglia	Forsythe	Lieder	Pauly	Solberg
Beard	Frederick	Long	Peterson	Sparby
Becklin	Frederickson	Marsh	Piepho	Stanis
Begich	Frerichs	McDonald	Piper	Staten
Bennett	Greenfield	McEachern	Poppenhagen	Sviggum
Bishop	Gruenes	McKasy	Price	Thiede
Blatz	Gutknecht	McLaughlin	Quinn	Thorson
Boerboom	Halberg	McPherson	Quist	Tjornhom
Boo	Hartinger	Metzen	Redalen	Tomlinson
Brandl	Hartle	Miller	Rees	Tompkins
Brinkman	Haukoos	Minne	Rest	Tunheim
Brown	Heap	Munger	Rice	Uphus
Burger	Himle	Murphy	Richter	Valan
Carlson, D.	Jacobs	Nelson, D.	Riveness	Valento
Carlson, J.	Jaros	Nelson, K.	Rodosovich	Vanasek
Carlson, L.	Jennings, L.	Neuenschwander	Rose	Velienga
Clark	Johnson	Norton	Sarna	Voss
Clausnitzer	Kahn	O'Connor	Schafer	Waltman
Cohen	Kalis	Ogren	Scheid	Welle
Dempsey	Kelly	Olsen, S.	Schoenfeld	Wenzel
DenOuden	Kiffmeyer	Olson, E.	Schreiber	Wynia
Dimler	Knickerbocker	Omann	Seaberg	Zaffke
Dyke	Knuth	Onnen	Segal	Spk. Jennings, D.
Elioff	Kostohryz	Osthoff	Shaver	

A quorum was present.

Levi moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, April 8, 1985. The motion prevailed.

The Chief Clerk proceeded to read the Journals of the preceding days. Vanasek moved that further reading of the Jour-

nals be dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 10, 86, 234, 360, 379, 514, 576, 619, 694, 708, 729, 796, 831, 960, 982, 1032, 1057, 1095, 1145, 1180, 855, 876, 881, 897, 930, 988, 1019, 315, 91, 285, 323, 409, 623, 677, 766, 839, 1109, 1242, 191, 245, 264, 611, 634, 800, 847, 815, 848, 997, 1152 and 1216 and S. F. Nos. 63, 342, 472 and 546 have been placed in the members' files.

S. F. No. 472 and H. F. No. 556, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dempsey moved that the rules be so far suspended that S. F. No. 472 be substituted for H. F. No. 556 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 18, A bill for an act relating to game and fish; authorizing resident licenses for trainees at Camp Ripley during open seasons; amending Minnesota Statutes 1984, section 98.47, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 10, strike everything after "Subd. 3."

Page 1, lines 11 to 17, strike the old language and delete the new language

Page 1, line 17, after the period insert "*A resident license for taking fish shall be issued, upon application and payment of the appropriate fee, to any person in the military forces of the United States, or persons in military forces in training at Camp Ripley, or any reserve or component thereof, now or hereafter organized, who has been officially transferred to, and is stationed within the state or who is in training at Camp Ripley during the period of training in the appropriate open season. Written proof of military duty, or training at Camp Ripley is required to receive a resident license under this subdivision. Proper written*

identification authorized for the period of training must be carried by any person using a resident license under this subdivision."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 123, A resolution memorializing the United States Congress to propose an amendment to the United States Constitution to protect human life.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 388, A bill for an act relating to taxation; establishing a commission to study the distribution of property taxes on land values and improvement values; providing for a report by the department of revenue.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 402, A bill for an act relating to agriculture; making the commissioner of agriculture an elective office; amending Minnesota Statutes 1984, sections 15.06, subdivision 1; 15A.081, subdivision 1; and 17.01.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 413, A bill for an act relating to game and fish; closing of lakes to taking of fish by angling and spearing; prohibiting spearing in muskellunge lakes; amending Minnesota Statutes 1984, sections 97.48, subdivision 1; 101.41, subdivision 4; and 101.475, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 14, delete "is" and insert "may be"

Page 2, line 14, after "all" insert "or selective parts of"

With the recommendation that when so amended the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 450, A bill for an act relating to children; replacing the state election campaign fund with a child abuse prevention trust fund; providing for disbursement of funds for child abuse prevention; creating a tax return checkoff to fund the child abuse prevention trust fund; appropriating money; amending Minnesota Statutes 1984, sections 290.06, subdivision 11; and 290.39, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 257 and 290; repealing Minnesota Statutes 1984, sections 10A.30 to 10A.335.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [257.80] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 5.

Subd. 2. [BOARD.] "Board" means the board of trustees created in section 3.

Subd. 3. [CHILD.] "Child" means a person under 18 years of age.

Subd. 4. [CHILD ABUSE.] "Child abuse" means sexual abuse, neglect, or physical abuse as defined in section 626.556, subdivision 2, clauses (a), (c), and (d).

Subd. 5. [PREVENTION PROGRAM.] "Prevention program" means a system of direct provision of child abuse prevention services to a child, parent, or guardian, and may include research programs related to prevention of child abuse.

Subd. 6. [TRUST FUND.] "Trust fund" means the child abuse prevention trust fund established in section 2.

Subd. 7. [COMMISSIONER.] Except where otherwise specified, "commissioner" means the commissioner of the department of human services.

Sec. 2. [257.81] [CHILD ABUSE PREVENTION TRUST FUND.]

Subdivision 1. [CREATION OF TRUST FUND.] A child abuse prevention trust fund is established as an account in the state treasury. The state treasurer shall credit to the trust fund all amounts received under sections 4 and 5. The state treasurer shall invest trust fund money pursuant to section 11A.25. The commissioner of finance shall annually credit the trust fund for interest earnings attributable from the actual receipts deposited into the trust fund. Interest earnings shall be determined based upon a proportionate share of the total annual state investment income.

Subd. 2. [AVAILABILITY OF FUNDS FOR DISBURSEMENT.] Until the total amount of assets in the trust fund exceeds \$20,000,000, not more than one-half of the money contributed to the trust fund each year, plus the earnings credited to the trust fund during the previous fiscal year, shall be available for disbursement by the board as provided in section 3. As soon as the state treasurer certifies that the assets in the trust fund exceed \$20,000,000, only the annual earnings and the moneys received under section 4 that are credited to the trust fund shall be available for disbursement by the board as provided in section 3.

Funds granted or received as gifts or donations to the trust fund under section 4 are not assets of the trust fund for the purposes of this subdivision.

Sec. 3. [257.82] [DISBURSEMENT OF FUNDS FOR CHILD ABUSE PREVENTION.]

Subdivision 1. [BOARD OF TRUSTEES.] A board of trustees is created to administer grants from the children's trust fund account established in section 2 for the prevention of child abuse and neglect.

Subd. 2. [MEMBERSHIP.] The board shall have 12 members. The membership of the board shall include two members

appointed by each of the following: (1) the commissioner of human services; (2) the commissioner of health; and (3) the commissioner of education. The governor shall also appoint two members representing volunteer programs, and one member representing each of the following: organized labor, the business, legal, and religious communities. Board members shall serve without compensation but shall be entitled to reimbursement for actual expenses incurred in the service of the commission. Membership terms, removal of members, and filling of vacancies shall be as provided in section 15.0575.

Subd. 3. [EXPENSES.] *The board may receive payments from the children's trust fund for the actual and necessary operating expenses of the board. The board may, without regard to civil service laws and regulations, appoint and fix the compensation of additional legal and other personnel and consultants as necessary to carry out its functions.*

Subd. 4. [STATE PLAN FOR DISBURSEMENT OF FUNDS.] *By June 1, 1986, and biennially thereafter, the board, with the assistance of the commissioner, shall develop a state plan for disbursement of funds from the trust fund. In developing the plan, the board shall review already existing prevention programs. The plan must assure that all geographic areas of the state have an equal opportunity to establish prevention programs and receive trust fund money. The board shall transmit the plan to the legislature and the governor by June 1 of each even-numbered year.*

Subd. 5. [OTHER BOARD RESPONSIBILITIES.] *In addition to its other responsibilities under sections 2 to 5, the board shall:*

(1) develop criteria for the receipt of trust fund money by new and existing prevention programs;

(2) review and approve the expenditure of trust fund money by prevention programs;

(3) establish a procedure for an annual, internal evaluation of the functions, responsibilities, and performance of the board. In a year in which the state plan is prepared, the evaluation must be coordinated with the preparation of the state plan; and

(4) to the extent possible, assist and cooperate with the commissioner in the performance of the commissioner's responsibilities under subdivision 6.

Subd. 6. [RESPONSIBILITIES OF THE COMMISSIONER.] *(a) The commissioner shall:*

(i) provide for the coordination and exchange of information on the establishment and maintenance of prevention programs;

(ii) publicize criteria for the receipt of trust fund money by new and existing prevention programs;

(iii) monitor the expenditure of trust fund money by prevention programs; and

(iv) provide statewide educational and public informational seminars for the purpose of developing public awareness regarding the prevention of child abuse; encourage professional persons and groups to recognize instances of child abuse and work to prevent them; make information on child abuse prevention available to the public and to organizations and agencies; and encourage the development of prevention programs.

(b) The commissioner and the board may recommend to the governor and the legislature changes in state programs, statutes, policies, budgets, and standards which will reduce the problems of child abuse, improve coordination among state agencies that provide prevention services, and improve the condition of children, parents, or guardians in need of prevention program services.

Subd. 7. [DISBURSEMENT SYSTEM AND CRITERIA.]

(a) Beginning June 1, 1986, the board shall accept and review grant applications, and make grants from trust fund moneys to counties or directly to public or private nonprofit agencies to fund local prevention programs.

(b) Applicants may submit an application and budget for use of the money in the form specified by the board. Only those applicants which demonstrate an ability to match 50 percent of the amount of trust fund money requested and whose proposals meet other criteria developed by the state plan shall be eligible for grants. Funds may not be used to reduce or supplant local, state, or federal expenditure levels supporting existing services unless the reduction in available moneys is the result of a state or federal decision not to refund an existing program. County matching funds may not consist, in whole or in part, of state or federal funds received by the county for funding community social services or public assistance programs. State funds received by the applicants pursuant to this section shall be used only for direct provision of child abuse prevention services.

(c) Only those prevention programs which demonstrate a willingness and ability to provide program models and consultation to other organizations and communities regarding program development and maintenance shall be eligible for grants. Other eligibility criteria shall be developed in the state plan.

Subd. 8. [CONTRACTS.] The board may enter into contracts with public or nonprofit agencies to fulfill the requirements of this section. The board shall utilize existing state resources and staff whenever practicable.

Sec. 4. [257.83] [ACCEPTANCE OF FEDERAL FUNDS AND OTHER DONATIONS.]

The board may accept federal funds granted by the congress or executive order for the purposes of sections 2 to 5 as well as gifts and donations from individuals, private organizations, or foundations. Funds received under this section shall be transmitted to the state treasurer for deposit in the trust fund and must be made available annually to the board for disbursement.

Sec. 5. [290.432] [CHILD ABUSE PREVENTION CHECK-OFF.]

For any taxable year beginning after December 31, 1984, and until the state treasurer certifies to the commissioner of revenue that the assets in the child abuse prevention trust fund, established in section 2, exceed \$20,000,000, every resident of Minnesota who files an income tax return or a property tax refund claim form may designate on his or her original return or form that \$2 shall be paid from the general fund of the state and into the child abuse prevention trust fund. If a husband and wife file a joint return, each spouse may designate that \$2 shall be paid into the trust fund. An individual who is 18 years of age or older, who is a resident of Minnesota, and who is a dependent of another individual who files a tax return or a property tax refund claim, may designate that \$2 shall be paid from the general fund of the state into the child abuse prevention trust fund. No individual shall be allowed to designate \$2 more than once in any year.

The commissioner of the department of revenue shall provide on the first page of the income tax form and the property tax refund claim form a space for the filing individual and any adult dependent of that individual to indicate whether or not he or she wishes to allocate \$2 (\$4 if filing a joint return) from the general fund of the state to finance child abuse prevention programs. The dependent on the tax return or the property tax refund claim form shall sign a statement which authorizes the designation of \$2. The renter and homeowner property tax refund claim form shall include instructions that the individual filing the claim form may designate \$2 on the claim form only if he or she has not designated \$2 on the income tax return.

Upon certification by the state treasurer that the assets in the trust fund exceed \$20,000,000, the checkoff provision shall be

discontinued for all taxable years beginning after December 31 of the year in which certification is made.

Sec. 6. Minnesota Statutes 1984, section 290.06, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] A taxpayer may take a credit against the tax due under this chapter of 50 percent of his contributions to candidates for elective state or federal public office and to any political party. The maximum credit for an individual shall not exceed \$50 and, for a married couple filing jointly or filing a combined return, shall not exceed \$100. (NO CREDIT SHALL BE ALLOWED UNDER THIS SUBDIVISION FOR A CONTRIBUTION TO ANY CANDIDATE, OTHER THAN A CANDIDATE FOR ELECTIVE JUDICIAL OFFICE OR FEDERAL OFFICE, WHO HAS NOT SIGNED AN AGREEMENT TO LIMIT HIS CAMPAIGN EXPENDITURES AS PROVIDED IN SECTION 10A.32, SUBDIVISION 3B.) For purposes of this subdivision, a political party means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a. A major or minor party includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts. A "federal office" means the office of the president or vice president of the United States or the office of United States senator or congressman from Minnesota.

This credit shall be allowed only if the contribution is verified in the manner the commissioner of revenue shall prescribe.

Sec. 7. Minnesota Statutes 1984, section 290.39, subdivision 3, is amended to read:

Subd. 3. [SHORT FORM.] The commissioner may, in his discretion, provide for use a short form individual income tax return which shall be in the form and provide for items as the commissioner may prescribe which are consistent with the provisions of this chapter, notwithstanding any other law to the contrary. The (POLITICAL) *child abuse prevention* checkoff provided in section (10A.31) 5 shall be included on the short form.

Sec. 8. [APPROPRIATION.]

Half of the sum of the amounts collected by the commissioner of revenue under the checkoff provision in section 5 plus any earnings from permanent trust fund assets and all sums received under section 4 are appropriated annually to the board for the implementation of sections 1 to 5.

Sec. 9. [REPEALER.]

Minnesota Statutes 1984, sections 10A.30; 10A.31; 10A.32; 10A.33; and 10A.335, are repealed."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred:

H. F. No. 545, A bill for an act relating to insurance; removing the limits on credits offered on workers' compensation insurance premiums; amending Minnesota Statutes 1984, section 79.55, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 563, A bill for an act relating to real property; changing the manner of serving notice to register title to real estate; amending Minnesota Statutes 1984, sections 508.16, subdivision 1; 508.29; 508.39; and 508A.39.

Reported the same back with the following amendments:

Page 1, lines 14, 15, and 16, reinstate the stricken language

Page 1, line 16, after the stricken "court" insert "or"

Page 1, line 18, reinstate the stricken language

Page 1, line 19, before "mailing" insert "or"

Pages 5 and 6, delete section 5

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson, D., from the Committee on Transportation to which was referred:

H. F. No. 624, A bill for an act relating to state government; transportation; reorganizing certain motor carrier regulation and enforcement responsibilities in state agencies.

Reported the same back with the following amendments:

Page 1, line 8, delete everything before "*The*" and insert "*(a)*"

Page 1, after line 14, insert:

"(b) The 19 employees of the enforcement section, office of motor carrier safety and compliance, department of transportation are transferred to the department of public safety pursuant to section 15.039, subdivision 7."

Page 1, delete lines 15 to 21

Page 2, line 2, after "*responsibilities*" insert "*and employees*" and delete "*agencies*" and insert "*agency*"

Page 2, line 16, delete everything after "*effective*" and insert "*July 1, 1985.*"

Page 2, delete line 17

Amend the title as follows:

Page 1, line 4, before the period, insert "; transferring employees"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 642, A bill for an act relating to education; establishing a science and technology resource center; appropriating money for the technological-economic development initiative at Southwest State University to establish a program dealing with food production, food processing, and food distribution and for an interactive television network among high schools in southwestern Minnesota; proposing coding for new law in Minnesota Statutes, chapter 136.

Reported the same back with the following amendments:

Page 1, after line 12, insert:

"Section 1. [PURPOSE.]

Southwest State University seeks to use its faculty, facility, and technical services to create new wealth and jobs in southwestern Minnesota by focusing segments of its curriculum on food, the economic base of the region. The appropriations in section 3 are for programs dealing with the local processing of food in the region. These programs offer the most promising long-term strategy for diversifying the economy, creating new jobs, and reversing the outflow of population."

Page 2, delete lines 2 to 15, and insert:

"Subd. 4. [CLIENT SELECTION AND AGREEMENTS.] *Recommendations of clients for the science and technology resource center shall be made by an advisory committee comprised of representatives of business, agribusiness, and education in southwestern Minnesota. Approved clients shall enter into an agreement with the state university board on behalf of Southwest State University, in which shall be specified the term and nature of the services provided by the university and the nature and extent of the interest retained by the state university board in the product, process, or underlying work developed by the center and the client or the business developed by the center and the client, as appropriate.*

Subd. 5. [APPROPRIATION.] *Revenue generated from royalties, patents, licenses, or interests retained by the state university board is appropriated to the state university board and shall be allocated by the board to Southwest State University for the continued operation of the science and technology resource center."*

Page 2, line 21, before the period, insert "*, in cooperation with the area vocational technical institutes at Canby, Jackson, Granite Falls, and Pipestone and with Worthington Community College*"

Page 4, line 7, delete "computervision"

Page 4, line 9, delete "Tektronic"

Page 4, delete subdivision 5

Renumber the remaining sections in sequence.

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 645, A bill for an act relating to crimes; specifying elements that may be contained in an order for restitution and the procedures for issuing that order; amending Minnesota Statutes 1984, sections 609.14, by adding a subdivision; 611A.04, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 611A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 611A.04, subdivision 3, is amended to read:

Subd. 3. [EFFECT OF ORDER FOR RESTITUTION.] *An order of restitution may be enforced by any person named in the order to receive the restitution in the same manner as a judgment in a civil action. An order of restitution shall be docketed as a civil judgment by the clerk of the district court in the county in which the restitution order was entered. A decision for or against restitution in any criminal or juvenile proceeding is not a bar to any civil action by the victim or by the state pursuant to section 611A.61 against the offender. The offender shall be given credit, in any order for judgment in favor of a victim in a civil action, for any restitution paid to the victim for the same injuries for which the judgment is awarded.*

Sec. 2. [611A.045] [PROCEDURE FOR ISSUING ORDER OF RESTITUTION.]

Subdivision 1. [CRITERIA.] *The court, in determining whether to order restitution and the amount of the restitution, shall consider the amount of the economic loss sustained by the victim as a result of the offense.*

Subd. 2. [PRESENTENCE INVESTIGATION.] *The court may order that the presentence investigation report made pursuant to section 609.115, subdivision 1, contain information pertaining to the factors set forth in subdivision 1.*

Subd. 3. [DISPUTE; EVIDENTIARY BURDEN.] *A dispute as to the proper amount or type of restitution must be resolved by the court by the preponderance of the evidence. The burden of demonstrating the amount of the loss sustained by a victim as a result of the offense and the appropriateness of a particular type of restitution is on the prosecution."*

Delete the title and insert:

"A bill for an act relating to crimes; specifying the effect of and the procedure for issuing an order of restitution; amending Minnesota Statutes 1984, section 611A.04, subdivision 3; proposing coding for new law in chapter 611A."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 646, A bill for an act relating to local government; providing for fees of the county recorder and registrar of titles; amending Minnesota Statutes 1984, sections 268.161, subdivision 1; 357.18, subdivision 1, and by adding a subdivision; 386.77; 505.08, subdivision 2; 508.47, subdivision 4; 508.82; 508A.11; 508A.47, subdivision 4; and 508A.82.

Reported the same back with the following amendments:

Page 2, delete lines 15 to 36, and insert:

"Sec. 2. Minnesota Statutes 1984, section 270.69, is amended by adding a subdivision to read:

Subd. 9. [LIEN SEARCH FEES.] Upon request of any person, the filing officer shall issue a certificate showing whether there is on file, on the date and hour stated in the certificate, any notice of lien or certificate or notice affecting any lien filed after June 30, 1979, naming a particular person, and giving the date and hour of filing of each notice or certificate naming the person. The fee for a certificate shall be as provided by section 336.9-407 or 357.18, subdivision 1, clause (3). Upon request, the filing officer shall furnish a copy of any notice of state lien, or notice or certificate affecting a state lien, for a fee of 50 cents per page.

Sec. 3. Minnesota Statutes 1984, section 272.483, is amended to read:

272.483 [DUTIES OF FILING OFFICER.]

(a) If a notice of federal lien, a refiling of a notice of federal lien, or a notice of revocation of any certificate described in clause (b) is presented to a filing officer who is:

(1) the secretary of state, he shall cause the notice to be marked, held, and indexed in accordance with the provisions of

section 336.9-403, clause (4) of the uniform commercial code as if the notice were a financing statement within the meaning of that code; or

(2) any other officer described in section 272.481, he shall endorse thereon his identification and the date and time of receipt and forthwith file it alphabetically or enter it in an alphabetical index showing the name and address of the person named in the notice, the date and time of receipt, the file number of the lien, and the total amount appearing on the notice of lien.

(b) If a certificate of release, non-attachment, discharge, or subordination of any lien is presented to the secretary of state for filing he shall:

(1) cause a certificate of release or non-attachment to be marked, held, and indexed as if the certificate were a termination statement within the meaning of the uniform commercial code, but the notice of lien to which the certificate relates may not be removed from the files; and

(2) cause a certificate of discharge or subordination to be marked, held, and indexed as if the certificate were a release of collateral within the meaning of the uniform commercial code.

(c) If a refiled notice of federal lien referred to in clause (a) or any of the certificates or notices referred to in clause (b) is presented for filing to any other filing officer specified in section 272.481, he shall permanently attach the refiled notice or the certificate to the original notice of lien and enter the refiled notice or the certificate with the date of filing in any alphabetical lien index on the line where the original notice of lien is entered.

(d) Upon request of any person, the filing officer shall issue his certificate showing whether there is on file, on the date and hour stated therein, any notice of lien or certificate or notice affecting any lien filed on or after July 1, 1971, naming a particular person, and if a notice or certificate is on file, giving the date and hour of filing of each notice or certificate. The fee for a certificate (IS \$5 PER NAME APPEARING ON THE SEARCH REQUEST, IF ON THE STANDARD FORM PRESCRIBED BY THE SECRETARY OF STATE, AND OTHERWISE, \$10 FOR THE FIRST NAME AND \$5 FOR EACH NAME IN EXCESS OF ONE) shall be that provided by section 336.9-407 or 357.18, subdivision 1, clause (3). Upon request, the filing officer shall furnish a copy of any notice of federal lien, or notice or certificate affecting a federal lien, for a fee of 50 cents per page.

Sec. 4. Minnesota Statutes 1984, section 336.9-407, is amended to read:

336.9-407 [INFORMATION FROM FILING OFFICER.]

(1) If the person filing any financing statement, termination statement, statement of assignment, or statement of release, furnishes the filing officer a copy thereof, the filing officer shall upon request note upon the copy the file number and date and hour of the filing of the original and deliver or send the copy to such person.

(2) Upon request of any person, the filing officer shall conduct a search of his file for any effective financing statements naming a particular debtor and any statement of assignment thereof. He shall report what he finds as of that date and hour by issuing:

(a) His certificate listing the file number, date, and hour of each filing and the names and addresses of each secured party therein;

(b) Photocopies of the original documents on file; or,

(c) Upon request, both his certificate and photocopies of the statements.

The uniform fee for conducting the search and for preparing a certificate showing up to five listed filings or for preparing up to five photocopies of original documents, or any combination of up to five listed filings and photocopies, shall be \$5 if the request is in the standard form prescribed by the secretary of state and otherwise shall be \$10. *Another fee, at the same rate, shall also be charged for conducting a search and preparing a certificate showing federal and state tax liens on file with the filing officer naming a particular debtor.* There shall be an additional fee of 50 cents for each financing statement and each statement of assignment or tax lien listed on the certificate and for each photocopy that he prepares in excess of the first five.

Sec. 5. Minnesota Statutes 1984, section 357.18, subdivision 1, is amended to read:

Subdivision 1. The fees to be charged by the county recorder shall be as follows:

(1) For indexing and recording any deed or other instrument \$1 for each page of an instrument, with a minimum fee of (\$5) \$10;

(2) For certified copies of any records or papers, \$1 for each page of an instrument with a minimum fee of \$3;

(3) For an abstract of title (, \$1.50 FOR EVERY TRANSFER, \$15 FOR CERTIFICATE, AND \$1 PER PAGE FOR EACH EXHIBIT INCLUDED WITHIN AN ABSTRACT AS A

PART OF AN ABSTRACT ENTRY; PROVIDED THAT COUNTY BOARDS MAY, BY RESOLUTION DULY ADOPTED, ESTABLISH LOWER FEES FOR SUCH SERVICES RENDERED BY THE COUNTY RECORDER, AT HIS REQUEST, IN THEIR RESPECTIVE COUNTIES) *and required certificates, the fees shall be determined by resolution of the county board, upon the recommendation of the county recorder, in each county;*

(4) For a copy of an official plat filed pursuant to section 505.08, the fee shall be \$9.50 and an additional 50 cents shall be charged for the certification of each plat;

(5) For filing a condominium floor plan in accordance with section 515.13, the fee shall be 50 cents per apartment with a minimum fee of (\$15) \$30;

(6) For a copy of a condominium floor plan filed pursuant to section 515.13, the fee shall be \$1 for each page of the floor plan with a minimum fee of \$10 and an additional 50 cents shall be charged for the certification of each condominium floor plan."

Page 3, delete lines 1 to 14

Page 5, line 33, delete "Subdivision 1. [AMOUNTS.]"

Page 7, delete lines 26 to 32

Page 9, line 23, delete "Subdivision 1. [AMOUNTS.]"

Page 11, delete lines 17 to 23

Renumber remaining sections

Amend the title as follows:

Page 1, line 2, delete "local government" and insert "public records"

Page 1, line 3, delete "registrar of titles" and insert "secretary of state"

Page 1, line 5, after "1," insert "270.69, by adding a subdivision; 272.483; 336.9-407;"

Page 1, line 5, delete ", and by adding a subdivision"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 659, A bill for an act relating to intoxicating liquor; prohibiting discrimination in sales; amending Minnesota Statutes 1984, section 340.114, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kvam from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 671, A bill for an act relating to financial institutions; authorizing interstate acquisition and formation of banks between this state and certain states on a reciprocal basis; proposing coding for new law in Minnesota Statutes, chapter 48.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 683, A bill for an act relating to probate; allowing a minor to be a donor for purposes of the Uniform Anatomical Gift Act; amending Minnesota Statutes 1984, sections 525.922, subdivision 1; and 525.924, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 12, delete the first "or" and insert a new comma

Page 1, line 12, after "*guardian*" insert "*, or the parent or parents with legal custody*"

Page 1, line 12, after "*his*" insert "*or her*"

Page 1, line 22, after "*parents*" insert "*, legal guardian, or the parent or parents with legal custody*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 739, A bill for an act relating to courts; correcting references to the number of district court judges in law; providing for additional district court judgeships in the tenth judicial district; appropriating money; amending Minnesota Statutes 1984, section 2.722, subdivision 1.

Reported the same back with the following amendments:

Page 2, delete lines 26 to 32 and insert:

"\$ is appropriated from the general fund to the supreme court for salaries and fringe benefits of the additional district court judges."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 757, A bill for an act relating to Hubbard county; authorizing a special levy for park and recreation purposes; requiring a reverse referendum under certain circumstances.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 781, A bill for an act relating to workers' compensation; regulating the membership of the board of directors of the workers' compensation reinsurance association; amending Minnesota Statutes 1984, section 79.37.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 79.37, is amended to read:

79.37 [BOARD OF DIRECTORS.]

A board of directors of the reinsurance association is created and is responsible for the operation of the reinsurance association consistent with the plan of operation and sections 79.34 to 79.42. The board consists of 13 directors. Four directors shall represent insurers, (SIX) *two* directors shall represent employers, (AT LEAST ONE, BUT NOT MORE THAN THREE OF WHOM) *two* shall represent self-insurers; (AND THREE) *two* directors shall represent employees; *the commissioner of finance and the executive director of the state board of investment or their designees shall serve as directors; and one director shall represent the public.* Insurer members of the reinsurance association shall elect the directors who represent insurers; self-insurer members of the reinsurance association shall elect the directors who represent self-insurers; and the commissioner of (COMMERCE) labor and industry shall appoint the remaining directors (WHO REPRESENT EMPLOYERS AND EMPLOYEES) for the terms authorized in the plan of operation. Each director is entitled to one vote. Terms of the directors shall be staggered so that the terms of all the directors do not expire at the same time and so that a director does not serve a term of more than four years. The board shall select a chairman and other officers it deems appropriate.

A majority of the directors currently holding office constitutes a quorum. Action may be taken by a majority vote of the directors present.

Sec. 2. [TRANSFER OF POWER.]

The duties and responsibilities of the department of commerce under Minnesota Statutes 1984, sections 79.34 to 79.40, except section 79.34, subdivision 3, are hereby transferred to the department of labor and industry.

Sec. 3. [INSTRUCTIONS TO THE REVISOR.]

The revisor of statutes shall substitute the term "commissioner of labor and industry" or "department of labor and industry" or similar terms as appropriate for the terms "commissioner of commerce" or "department of commerce" or similar terms wherever they appear in Minnesota Statutes, sections 79.34 to 79.40, except section 79.34, subdivision 3.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective on June 1, 1985. Within 30 days thereafter, the insurer members of the reinsurance association shall elect directors to replace those whose terms expire within the next year; the self-insurer members of the association shall elect two directors to replace the present self-insurer represen-

tative and an employer representative whose term expires within the next year; the commissioner of labor and industry shall appoint a public director to replace an employer director whose term expires in 1986 and an employer director to replace an employer director whose term expires in 1986; the commissioner of finance, or the commissioner's designee, shall replace an employee director whose term expires within the next year; and the executive director of the state board of investment, or the executive director's designee, shall replace an employer representative whose term shall expire in 1987. The remaining directors will be replaced as provided in section 1 as their terms expire.

Sections 2 and 3 are effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 842, A bill for an act relating to commerce; clarifying commissioner's authority to conduct regulatory investigations; clarifying submission of applications for directors and officers liability insurance; providing for the withdrawal of certain registration statements; broadening the securities transaction exemptions for isolated sales and limited offerings; repealing the securities transaction for preorganization offerings; providing a maximum fee for the registration of redeemable securities; simplifying an exemption from franchise registration; providing for disclosure of representation by real estate brokers and salespersons; expanding those officers who may verify corporate broker licenses; altering re-examination requirements for brokers and salespersons who fail to renew their licenses; altering the unclaimed property reporting deadline for life insurance companies; raising the aggregation amount for holders reporting unclaimed property; specifying dates for notifying and advertising owners of abandoned property; and providing for the notification of all lienholders by a unit owners association in an assessment lien foreclosure; amending Minnesota Statutes 1984, sections 60A.08, by adding a subdivision; 80A.10, by adding a subdivision; 80A.13, subdivision 1; 80A.15, subdivision 2; 80A.28, subdivisions 1 and 3; 80C.03; 82.19, subdivision 3, and by adding a subdivision; 82.20, subdivision 4; 82.21, subdivision 1; 82.22, subdivision 10; 82.24, subdivision 4; 345.41; 345.42, subdivisions 1 and 3; and 515A.3-115; proposing coding for new law in Minnesota Statutes, chapters 45 and 82.

Reported the same back with the following amendments:

Pages 1 to 3, delete section 1

Pages 10 and 11, delete sections 6 and 7

Page 19, line 24, delete "14" and insert "11" and delete "16" and insert "13"

Renumber the sections in sequence

Amend the title as follows :

Page 1, line 2, delete "clarifying commissioner's"

Page 1, delete line 3

Page 1, delete line 10

Page 1, line 11, delete "redeemable securities;"

Page 1, line 27, delete "80A.28, subdivisions 1 and 3;"

Page 1, line 31, delete "; proposing coding"

Page 1, line 32, delete everything before the period

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Commerce and Economic Development.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 852, A bill for an act relating to state lands; directing conveyance of an easement over certain state lands to the city of Duluth.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 871, A bill for an act relating to state government; clarifying laws governing fiscal notes on bills affecting state revenues; amending Minnesota Statutes 1984, section 3.98, subdivisions 1, 2, and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [3.981] [FISCAL NOTES.]

Subdivision 1. [REQUIRED FOR EACH BILL; FINANCE COMMISSIONER'S DUTIES.] The commissioner of finance shall prepare a fiscal note for each bill introduced in the legislature.

Subd. 2. [CONTENT.] (a) Each fiscal note must, to the extent feasible:

(1) summarize, in words, apparent fiscal effect of the bill indicating who will be affected and what the effect on revenue or expenditures by government;

(2) state the dollar amount of the effect of the bill on revenue or expenditures by government for the next two fiscal years indicating the level of reliability of that projection and the source of the information;

(3) state the dollar amount of the effect of the bill on revenue or expenditures by government for the period from two years to ten years indicating the level of reliability of that projection and the source of the information;

(4) state what costs incurred as a result of the bill can be absorbed without the need for additional funds indicating the level of reliability of that projection and why it is believed that the costs can be absorbed and the source of that information;

(5) present possible standards to be used by the legislature in the future to judge the efficiency and effectiveness of what is accomplished by the bill's enactment;

(6) compare the cost and benefits or the cost and effectiveness of the bill's proposals indicating the reliability of that analysis and methodology used; and

(7) state whether the bill is part of, or may lead to, a trend that will have effects beyond those in the particular bill.

(b) If the information required by paragraph (a) is impossible to determine, then the fiscal note must state that fact and state the reasons for the impossibility.

Subd. 3. [COOPERATION WITH COMMISSIONER REQUIRED.] The commissioner of finance may request a department or agency of the state government to prepare a draft of

the fiscal note, portions of the fiscal note, or information for use in the fiscal note. The commissioner may set deadlines and form guidelines for response to the request. The department or agency of the state government must furnish the requested material in the required form and within the deadlines.

Subd. 4. [TIME AND DELIVERY OF FISCAL NOTES.] A fiscal note must be filed within one month of the day the bill is first introduced in the senate or house of representatives. However, the senate rules committee, for a senate bill, and the speaker of the house of representatives, for a house bill, may require that the fiscal note be filed by an earlier date. If a fiscal note cannot be completed within the time set, then a preliminary fiscal note must be prepared that provides information known as of the date of preparation and states when a final fiscal note will be available. Fiscal notes must be filed with:

(1) the secretary of the senate and chief clerk of the house of representatives;

(2) the chief author of the bill and the chief author of the bill's companion;

(3) the chairperson of each committee to which the bill has been referred;

(4) the chairperson of the senate finance committee, the house appropriations committee, the senate tax and tax laws committees, the house committee on taxes; and

(5) the director of the senate counsel and research department, the director of the house research division, the director of the legislative reference library, the revisor of statutes, and the legislative auditor.

When a standing committee amends a bill, it may require by majority vote that a revised fiscal note must be prepared. The revised fiscal note must be prepared and filed within one week of the day on which it is requested.

The secretary of the senate and chief clerk of the house must print the fiscal note and have a sufficient supply available to the public without charge.

Sec. 2. [REPEALER.]

Minnesota Statutes 1984, section 3.98, is repealed."

Delete the title and insert:

"A bill for an act relating to the legislature; providing for fiscal notes on all bills; providing for the powers of the commis-

sioner of finance and for the content of fiscal notes; proposing coding for new law in Minnesota Statutes, chapter 3; repealing Minnesota Statutes 1984, section 3.98."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred:

H. F. No. 887, A bill for an act relating to peace officers; regulating hours worked by part-time peace officers; amending Minnesota Statutes 1984, section 179A.03, subdivision 14.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 891, A bill for an act relating to civil procedure; providing for the treatment of certain foreign judgments; enacting the Uniform Foreign Money-Judgments Act; proposing coding for new law in Minnesota Statutes, chapter 548.

Reported the same back with the following amendments:

Page 1, line 12, delete the first comma

Page 1, line 13, delete "*thereof*" and insert "*of the United States*"

Page 1, line 16, before "*taxes*" insert "*(a)*" and after the first comma insert "*or (b)*"

Page 1, lines 16 and 17, delete "*a judgment for support*" and insert "*(c)*"

Page 1, line 20, delete "*therefrom*"

Page 2, line 2, delete "*a sister*" and insert "*another*"

Page 2, line 11, delete "*jursidiction*" and insert "*jurisdiction*"

Page 2, line 16, delete "*enable him to defend*" and insert "*prepare a defense*"

Page 3, line 1, delete "*him*" and insert "*the defendant*"

Page 3, line 15, delete "*such*" and insert "*the*"

Page 3, line 16, delete "*other*" and insert "*additional*"

Page 3, line 19, delete "*he*" and insert "*the defendant*"

Page 3, line 21, after "*proceedings*" insert "*, with or without bond at the court's discretion,*"

Page 3, line 28, after "*Foreign*" insert "*Country*"

Amend the title as follows :

Page 1, line 4, after "*Foreign*" insert "*Country*" and before "*Act*" insert "*Recognition*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred :

H. F. No. 900, A bill for an act relating to courts; providing for additional county court judgeships in the first judicial district; appropriating money; amending Minnesota Statutes 1984, section 487.01, subdivision 5.

Reported the same back with the following amendments :

Page 3, delete lines 12 to 18 and insert :

"\$ is appropriated from the general fund to the supreme court for salaries and fringe benefits of the additional county court judges."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred :

H. F. No. 918, A bill for an act relating to labor; independent school district No. 709; removing educational assistants from

civil service; amending Laws 1967, chapter 252, section 2, as amended.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 921, A bill for an act relating to energy; providing for the method of calculating the payback of certain energy conservation investments; amending Minnesota Statutes 1984, section 116J.37, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 927, A bill for an act relating to watercraft; exempting certain boats from watercraft licensing requirements; amending Minnesota Statutes 1984, section 361.03, subdivision 12.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1984, section 361.03, subdivision 3, is amended to read:

Subd. 3. [FEES FOR LICENSE.] The fee for each watercraft license issued after December 31, 1982 for a period of three calendar years, or a portion thereof, shall be as follows:

(a) Any watercraft 19 feet in length or less which is rented or leased or offered for rent or lease, \$6 each;

(b) Canoes, kayaks, sailboats, sailboards, and paddle boats (AND ROWING SHELLS) 19 feet in length or less, \$7 each;

(c) All other watercraft 19 feet in length or less, not covered in clauses (a), (b), (g), and (i), \$12 each;

(d) Watercraft more than 19 feet but less than 26 feet in length, \$20 each;

(e) Watercraft 26 feet but less than 40 feet in length, \$30 each;

(f) Watercraft 40 feet in length and over, \$40 each;

(g) Dealer's license, regardless of the number of watercraft owned by the dealer, \$30 per dealer;

(h) Any watercraft more than 19 feet in length for hire with an operator, \$50 each;

(i) Any watercraft used by a nonprofit organization for teaching boat and water safety, \$3 each; and

(j) Transfer or duplicate, \$3 each."

Page 2, line 7, delete "boats" and insert "watercraft"

Renumber the section

Amend the title as follows:

Page 1, line 4, delete "subdivision 12" and insert "subdivisions 3 and 12"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 957, A bill for an act relating to agriculture; providing that local governments may enter agreements; providing for soil conservation; imposing a penalty; amending Minnesota Statutes 1984, sections 40.19, subdivisions 1, 2, 5, 6, 7, 8, 9, 11, 13, and by adding a subdivision; 40.20; 40.21; 40.22, subdivisions 1 and 2; 40.23; 40.25; 40.26; 40.28; proposing coding for new law in Minnesota Statutes, chapter 40; repealing Minnesota Statutes 1984, section 40.19, subdivisions 3, 4, 10, 12, 14, and 15.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 40.19, subdivision 1, is amended to read:

Subdivision 1. [(SCOPE) *APPLICABILITY.*] (FOR THE PURPOSES OF SECTIONS 40.20 TO 40.28, THE TERMS DEFINED IN THIS SECTION HAVE THE MEANINGS GIVEN THEM.) *The definitions in this section apply to sections 1 to 22 and sections 40.19 to 40.28.*

Sec. 2. Minnesota Statutes 1984, section 40.19, subdivision 2, is amended to read:

Subd. (2.) 7a. [EXCESSIVE SOIL LOSS.] "Excessive soil loss" means soil loss (RESULTING FROM EROSION THAT IS MORE RAPID THAN THE GRADUAL EROSION OF LAND USED BY MAN WHEN ALL REASONABLE SOIL AND WATER CONSERVATION PRACTICES HAVE BEEN APPLIED) *that is greater than the soil loss limits.* "Excessive soil loss" may be evidenced by sedimentation on adjoining land or in (ANY) *a body of water.* (SOIL LOSS IS EXCESSIVE IF IT IS GREATER THAN THE SOIL LOSS TOLERANCE FOR EACH SOIL TYPE DESCRIBED IN THE UNITED STATES SOIL CONSERVATION SERVICE FIELD OFFICE TECHNICAL GUIDE.)

Sec. 3. Minnesota Statutes 1984, section 40.19, is amended by adding a subdivision to read:

Subd. 2a. [CONSERVATION PLAN.] "*Conservation plan*" means *a set of practices that will decrease soil erosion to the soil loss limits on a particular parcel of land.*

Sec. 4. Minnesota Statutes 1984, section 40.19, subdivision 5, is amended to read:

Subd. 5. [CONSERVATION PRACTICES (, STANDARDS AND SPECIFICATIONS).] "Conservation practices (, STANDARDS AND SPECIFICATIONS)" means *practices and standards containing a definition, purpose, and conditions (UNDER WHICH) that the practice applies including design requirements, and specifications containing a statement of details required for installing a conservation practice, including kinds, quality, and quantity of work and materials needed to meet the standards. A conservation practice may be a permanent or temporary, vegetative or structural, measure that will aid the control of wind and water erosion. Permanent practices are those that have effective life greater than ten years and include grassed waterways, terraces, field windbreaks, water control structures, grade stabilization structures, sediment retention structures, strip-cropping, and other permanent practices approved by the state soil and water conservation board. Temporary practices include conservation tillage, contour farming, grasses and legumes*

in rotation, emergency tillage, and any other cultural practices approved by the state soil and water conservation board.

Sec. 5. Minnesota Statutes 1984, section 40.19, subdivision 6, is amended to read:

Subd. 6. [DEVELOPMENT ACTIVITY.] "Development activity" means (ANY) a physical disturbance (BY MAN) of the land (ASSOCIATED WITH DEVELOPMENT ACTIVITIES WHICH), *that* may result in sedimentation of adjacent lands or waters (. THESE), *associated with activities that include* (, BUT ARE NOT LIMITED TO,) clearing, grading, excavating, transporting, and filling lands. *Road construction by federal, state, county, and municipal (ROAD CONSTRUCTION) governments designed according to department of transportation standard specifications for construction are (EXEMPT FROM THIS ACT) not development activities.*

Sec. 6. Minnesota Statutes 1984, section 40.19, subdivision 7, is amended to read:

Subd. 7. [EROSION.] "Erosion" means (THE) *any process (BY WHICH) that removes soil away from the surface of the land (IS WORN AWAY) by the action of water, wind, or gravity.*

Sec. 7. Minnesota Statutes 1984, section 40.19, subdivision 8, is amended to read:

Subd. (8.) 9a. [(GOVERNING BODY) LOCAL GOVERNMENT.] ("GOVERNING BODY") "*Local government*" means the elected governing body of a county, *home rule charter or statutory* city, or town, or their designated (OFFICIALS OR) agents. Agents may include soil and water conservation districts, water management organizations, joint powers boards, watershed districts, (OR) *and other governmental entities responsible for resource management within the (AFFECTED) local government's jurisdiction.*

Sec. 8. Minnesota Statutes 1984, section 40.19, subdivision 9, is amended to read:

Subd. 9. [LAND OCCUPIER.] "Land occupier" means a person, firm, corporation, municipality, or other legal entity (WHO) *that holds title to, or is possession of any lands, (WHETHER) as owner, lessee, (RENTER, TENANT,) or otherwise. (THE TERM) "Land occupier" includes both the owner and the occupier of the land (WHEN) if they are not the same.*

Sec. 9. Minnesota Statutes 1984, section 40.19, subdivision 11, is amended to read:

Subd. 11. [SEDIMENT.] "*Sediment*" means solid *mineral or organic material* (, BOTH MINERAL AND ORGANIC,) that is in suspension, is being transported, or has been moved from its (SITE OF ORIGIN) *original location* by air, water, gravity, or ice, and has (COME TO REST ON THE EARTH'S SURFACE) *been deposited at another location*.

Sec. 10. Minnesota Statutes 1984, section 40.19, is amended by adding a subdivision to read:

Subd. 11a. [SOIL.] "*Soil*" means the *unconsolidated mineral and organic material on the immediate surface of the earth that serves as natural medium for the growth of land plants*.

Sec. 11. Minnesota Statutes 1984, section 40.19, subdivision 13, is amended to read:

Subd. 13. [SOIL LOSS LIMIT.] "*Soil loss limit*" means the maximum amount of soil loss from water or wind erosion, expressed in tons per acre per year, that (WILL BE PERMITTED) *is allowed* by local regulations on a (GIVEN) *particular* soil.

Sec. 12. Minnesota Statutes 1984, section 40.20, is amended to read:

40.20 [SOIL LOSS (CONTROL) ORDINANCES.]

Each statutory or home rule charter city, town, or county that has planning and zoning authority under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.365 is encouraged to adopt a soil loss ordinance (AS PROVIDED IN SECTION 40.21). *The soil loss ordinance must use the soil loss tolerance for each soil series described in the United States Soil Conservation Service Field Office Technical Guide to determine the soil loss limits but the soil loss limits must be attainable by the best practicable soil conservation practice. A local government that adopts a soil loss ordinance may enter an agreement with its agent allowing the agent to administer the functions and perform the duties of the local government as provided by sections 12 to 22. Ordinances adopted by local (UNITS) governments within the metropolitan area defined in section 473.121 must be consistent with local water management plans adopted under section 473.879.*

Sec. 13. Minnesota Statutes 1984, section 40.21, is amended to read:

40.21 [(PROMULGATION OF) RULES (BY THE COMMISSIONER OF AGRICULTURE; PERIODIC REVIEW), MODEL ORDINANCE, AND PERIODIC REVIEW.]

Subdivision 1. [RULES AND MODEL ORDINANCE AS GUIDE.] The commissioner of agriculture, in consultation with counties, soil and water conservation districts, and other appropriate agencies, shall (PROMULGATE) *adopt a model ordinance and rules (WHICH SHALL) that serve as a guide (TO ENABLE) for local governments to carry out the provisions of (LAWS 1984, CHAPTER 569. THE RULES DEVELOPED BY THE COMMISSIONER OF AGRICULTURE SHALL INCLUDE:)* sections 12 to 22 and sections 40.20 to 40.26, and provide administrative procedures for the state soil and water conservation board for sections 12 to 21 and sections 40.20 to 40.26.

Subd. 2. [MODEL ORDINANCE.] ((A) A) The model ordinance (WHICH SPECIFIES) must specify the technical and administrative procedures required to (IMPLEMENT LAWS 1984, CHAPTER 569) control soil loss and erosion. The model ordinance (SHALL BE CONSIDERED TO BE) is the minimum regulation to be adopted. The model ordinance must use the soil loss tolerance for each soil series described in the United States Soil Conservation Service Field Office Technical Guide to determine soil loss limits, but the soil loss limits must be attainable by the best practicable soil conservation practice.

((B) ADMINISTRATIVE PROCEDURES REQUIRED OF THE STATE SOIL AND WATER CONSERVATION BOARD FOR CARRYING OUT THE PROVISIONS OF LAWS 1984, CHAPTER 569.)

Subd. 3. [PERIODIC REVIEW.] At least once every (TWO) five years the commissioner of agriculture shall review the rules and model ordinance in cooperation with counties, soil and water conservation districts, and appropriate agencies to ensure their continued applicability and relevance. (THE RULES MAY BE REVISED IF DEEMED NECESSARY BY THE COMMISSIONER OF AGRICULTURE.)

Sec. 14. Minnesota Statutes 1984, section 40.22, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTIVITIES.] A person may not cause, conduct, contract for, or authorize an activity (WHICH) that causes excessive soil loss.

Sec. 15. Minnesota Statutes 1984, section 40.22, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL LAND.] A land occupier of agricultural land is not violating subdivision 1 if (HE) the occupier is (USING) farming by methods (WHICH DO NOT CREATE EXCESSIVE SOIL LOSS) that implement the best practicable conservation practices.

Sec. 16. Minnesota Statutes 1984, section 40.23, is amended to read:

Subdivision 1. [COMPLAINT.] (A LAND OCCUPIER ADVERSELY AFFECTED BY THE EFFECTS OF EXCESSIVE SOIL LOSS, OR AN ELECTED LOCAL GOVERNMENT OFFICIAL, MAY SUBMIT A VERBAL OR WRITTEN COMPLAINT AGAINST A LAND OCCUPIER ALLEGING THAT EXCESSIVE SOIL LOSS HAS OCCURRED OR IS OCCURRING. THE COMPLAINT MUST BE MADE TO THE GOVERNING BODY OF THE LOCAL GOVERNMENT UNIT THAT HAS ADOPTED AN ORDINANCE AS PROVIDED IN SECTION 40.21. IF THE COMPLAINT IS VERBAL, IT MUST BE FOLLOWED BY A WRITTEN COMPLAINT WITHIN 72 HOURS. THE COMPLAINT SHALL INCLUDE THE APPROXIMATE DATES AND LOCATION OF THE ALLEGED VIOLATION AND DESCRIBE THE SOURCE, NATURE, AND EXTENT OF THE EXCESSIVE SOIL LOSS ALLEGED TO HAVE OCCURRED OR WHICH IS OCCURRING. THE COMPLAINT MUST BE MADE TO THE GOVERNING BODY OF THE LOCAL GOVERNMENT UNIT THAT HAS ADOPTED A SOIL LOSS ORDINANCE AS PROVIDED IN SECTION 40.21.) (a) *An adversely affected landowner, an elected or appointed official of the local government, or a soil and water conservation district board member may submit a written complaint to the local government if conditions exist that indicate there is excessive soil loss from a tract of land that affects another tract of land or body of water. The written complaint must contain:*

- (1) *the name and address of the landowner;*
 - (2) *the location of the tract of land with the excessive soil loss;*
 - (3) *land or water that is affected by the excessive soil loss; and*
 - (4) *a description of the nature of the excessive soil loss and resulting sedimentation.*
- (b) *The local government shall submit the complaint to the soil and water conservation district for soil loss determination.*

Subd. 2. [DISTRICT DETERMINATION OF SOIL LOSS.] (a) *The soil and water conservation district shall determine the average soil loss in tons per acre per year of the tract of land cited in the complaint.*

(b) *The soil and water conservation district may enter public or private land to make an inspection for the determination of soil loss or to complete the report. The landowners must be*

notified of the time of the inspections and be given an opportunity to be present when the inspection is made.

(c) The soil and water conservation district shall submit a report to the local government that states the average soil loss in tons per acre per year for each tract of land and whether the soil loss is excessive under the applicable soil loss limits. If the soil loss is excessive the report must include identification of existing management practices and a conservation plan and time schedule that will prevent excessive soil loss or reduce the soil loss to the most practicable extent.

Subd. 3. [MEDIATION.] (a) If the soil and water conservation district report shows that soil loss from the tract of land is excessive and alternative practices are available to reduce the soil loss, the local government shall request the allegedly offending landowner to participate in mediation with the local government.

(b) The local government may appoint the planning and zoning director, a planning commissioner, or other county official to act as a mediator. The local government may also contract with a mediation center to provide mediation services.

(c) The landowner, and the local government or its agent must attempt to agree on conservation practices and times to implement the practice that will reduce soil loss to the local soil loss limits.

(d) A mediated settlement must be in writing, and filed with the local government.

(e) If the local government and the landowner do not agree to a mediated settlement, or if the landowner refuses to participate in mediation, the local government shall forward the complaint to the county attorney. The county attorney may dismiss the complaint or petition for a hearing under section 17.

Subd. 4. [APPLICATION FOR COST-SHARING FUNDS.] The landowner has 90 days after a mediated settlement is filed to apply for state cost-sharing funds that will provide 75 percent of the cost of the permanent conservation practices. Only 50 percent cost share will be provided if the application is not made within 90 days after the settlement is filed. The landowner must apply for 50 percent cost share within 270 days after the mediated settlement is filed.

Subd. 5. [PENALTY.] A landowner that does not comply with the provisions of the mediated settlement is subject to a civil penalty up to \$500. Soil conservation practices that are

made in good faith and substantial compliance are a complete defense.

Sec. 17. [40.242] [DISTRICT COURT HEARING.]

Subdivision 1. [DETERMINATION OF PROPER CONSERVATION PLAN.] If the landowner and the local government do not agree to a mediated settlement or if the landowner has refused mediation, the county attorney may petition the district court for a hearing. The landowner shall have the opportunity to present the landowner's conservation plan and time schedule as an alternative to the local government conservation plan and time schedule. The court shall order the landowner to implement the conservation plan and time schedule that is the least burdensome to the landowner and will reduce soil loss to at least the soil loss limit. The court may amend the local government's or landowner's conservation plan and time schedule, or develop a new conservation plan and time schedule. The court shall set times to implement, make satisfactory progress, and complete the conservation plan.

Subd. 2. [COST-SHARING FUNDS.] (a) If the court orders implementation of the landowner's conservation plan and time schedule, or amends the conservation plan and time schedule, or if the court develops a new conservation plan and time schedule, the landowner is eligible to apply for 75 percent cost-share funds for permanent conservation practices. The landowner must apply for the cost share within 90 days after the court order. If the landowner does not apply within 90 days for the cost-sharing funds the cost share is reduced to 50 percent. The court shall establish a time when the landowner is not eligible for cost-sharing funds if an application is not made.

(b) If the court orders a plan and time schedule developed by the district in its report, the landowner is eligible for 50 percent cost share if the landowner applies within 90 days after the court order.

Sec. 18. [40.244] [SOIL AND WATER CONSERVATION ASSISTANCE.]

A landowner who has filed a mediated settlement under section 16 or who has received a court order under section 17 may request the soil and water conservation district to assist in the planning, design, and application of practices necessary to reduce soil loss to the applicable soil loss limit amounts or to the greatest practical extent. The soil and water conservation district must give the landowner a high priority for technical and cost-sharing assistance.

Sec. 19. [40.246] [ATTORNEY AND LOCAL GOVERNMENT MAY PERFORM DUTY OF COUNTY.]

The city attorney or town attorney may perform the duties of a county attorney. A city or town may perform the duties of a local government only if the city or town adopts a soil loss ordinance and the land in the complaint is located within the city or town.

Sec. 20. Minnesota Statutes 1984, section 40.25, is amended to read:

40.25 [EROSION CONTROL PLAN FOR DEVELOPMENT ACTIVITIES.]

Subdivision 1. [SEDIMENTATION CONTROL PLAN.]

(a) A person engaged in a development activity that will disturb over one acre of land must submit (TO THE GOVERNING BODY) a sedimentation control plan and time schedule that will prevent excessive soil loss to the local government having jurisdiction over the land before the development activity is to begin.

(b) A sedimentation control plan and time schedule must specify how the movement of soil and damage to other property during the construction will be minimized, including the use of temporary seeding, fiber mats, plastic, straw, mulch, sediment control basins, and other measures to prevent erosion and sediment damage. The time schedule must establish deadlines for the implementation and completion of each phase or element of the sedimentation control plan.

Subd. 2. [PERMIT REQUIRED.] The local government may appoint the zoning and planning director, building inspector, county engineer, or the soil and water conservation district to review the plan and time schedule. If the sedimentation control plan and time schedule will prevent excessive soil loss to the most practicable extent, the local government must issue a permit that authorizes the development activity contingent upon the implementation and completion of the sedimentation control plan.

Subd. 3. [PENALTY.] A person engaged in a development activity who does not obtain a sedimentation control plan permit or does not commence or complete the plan or make satisfactory progress to complete the plan is subject to a civil penalty. Soil conservation practices made in good faith and substantial compliance are a defense.

Subd. 4. [APPLICATION.] For counties, the provisions of this section apply only to county jurisdiction over unincorporated areas.

Sec. 21. Minnesota Statutes 1984, section 40.26, is amended to read:

40.26 [APPLICATION FOR COST-SHARING FUNDS.]

(a) Except (IN THE CASE OF) for a development activity, a land occupier may not be required to establish soil conservation practices unless state cost-sharing funds have been specifically approved for that land and have been made available to the land occupier (IN AN AMOUNT) under sections 16 and 17, equal to at least 75 percent of the cost of the permanent conservation practices on a voluntary basis, (AND) or a 50 percent cost share if (IMPLEMENTATION IS NOT COMMENCED FOLLOWING THE ISSUANCE OF AN ADMINISTRATIVE ORDER AS PROVIDED IN THIS SECTION. THE STATE SOIL AND WATER CONSERVATION BOARD SHALL REVIEW THESE REQUIREMENTS AT LEAST ONCE EACH YEAR, AND MAY AUTHORIZE DISTRICTS IN ANY PARTICULAR CASE TO PROVIDE A HIGHER PERCENTAGE OF PUBLIC COST SHARING THAN IS REQUIRED BY THIS SECTION. TO AID IN THIS DETERMINATION, THE STATE BOARD MAY CONSIDER THE LOCATION OF THE AFFECTED AREA IN RELATION TO THE PRIORITY AREAS AS ESTABLISHED IN THE DISTRICT ANNUAL AND LONG-RANGE PLANS. EVIDENCE THAT AN APPLICATION FOR STATE COST-SHARING FUNDS HAS BEEN SUBMITTED TO THE SOIL AND WATER CONSERVATION DISTRICT SHALL CONSTITUTE COMMENCEMENT OF THE WORK WITHIN THE MEANING OF SECTION 40.24. WHEN NOTIFIED OF THE APPROVAL OF THE APPLICATION, THE LOCAL UNIT SHALL ISSUE TO THE SAME PARTIES WHO RECEIVED THE ORIGINAL ADMINISTRATIVE ORDER, OR THEIR SUCCESSORS IN INTEREST, A SUPPLEMENTAL ORDER, TO BE DELIVERED IN THE SAME MANNER AS PROVIDED BY SECTION 40.24. THE SUPPLEMENTAL ORDER SHALL STATE A TIME, NOT MORE THAN 90 DAYS AFTER APPROVAL OF THE APPLICATION FOR STATE COST-SHARING FUNDS, BY WHICH THE WORK NEEDED TO COMPLY WITH THE ORIGINAL ADMINISTRATIVE ORDER SHALL ACTUALLY BE COMMENCED, AND A TIME NOT MORE THAN ONE YEAR THEREAFTER WHEN THE WORK IS TO BE SATISFACTORILY COMPLETED) *an application for cost share is not made within 90 days after the board approves a mediated written agreement or within 90 days after the court orders implementation of a plan and time schedule prepared by the landowner or the court. For mediated settlements, a court order that implements the landowner's alternatives or the court's alternatives must state the time schedule for application for 50 percent cost share. If the court orders implementation of the district's plan and time schedule, a landowner is only eligible for 50 percent cost share.*

(b) *The state soil and water conservation board shall review these requirements at least once each year, and may authorize a district to provide a higher percentage of cost sharing than is required by this section. To aid in this determination, the state board may consider the location of the affected area in relation*

to the priority areas as established in the soil and water conservation district annual and long-range plans.

Sec. 22. Minnesota Statutes 1984, section 40.28, is amended to read:

40.28 [PENALTY.]

(A VIOLATION OF AN ADMINISTRATIVE ORDER ISSUED UNDER SECTION 40.24 OR A SUPPLEMENTAL ORDER ISSUED UNDER SECTION 40.26 IS A MISDEMEANOR.) *A person who violates section 14 is subject to a civil penalty up to \$500.*

Sec. 23. [REPEALER.]

Minnesota Statutes 1984, section 40.19, subdivisions 3, 4, 10, 12, 14, and 15, are repealed.

Sec. 24. [EFFECTIVE DATE.]

This act is effective July 1, 1985."

Amend the title as follows:

Page 1, line 6, delete "a subdivision" and insert "subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 959, A bill for an act relating to negligence; clarifying immunity from liability for volunteer firefighters who render assistance at scenes of emergency; amending Minnesota Statutes 1984, section 604.05, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 964, A bill for an act relating to wild animals; directing removal and confinement of an elk herd in northwestern Minnesota.

Reported the same back with the following amendments :

Page 1, line 12, after "*counties*" insert "*or any other area in the state, or another state,*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Erickson from the Committee on Education to which was referred :

H. F. No. 968, A bill for an act relating to education; permitting payroll deductions in the state university system for a certain nonprofit university foundation; proposing coding for new law in Minnesota Statutes, chapter 136.

Reported the same back with the following amendments :

Page 2, after line 8, insert :

"Subd. 3. [SOLICITATION.] Any effort to secure payroll deductions authorized in subdivision 1 shall not interfere with, require a modification of, nor be conducted during the period of any payroll deduction fund drive for state employees authorized by section 309.501."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred :

H. F. No. 985, A bill for an act relating to human services; expanding time of eligibility for aid for unborn children; authorizing prenatal care payments; amending Minnesota Statutes 1984, section 256.73, subdivision 5.

Reported the same back with the following amendments :

Page 1, line 17, after "*1*" delete "*, clause 4*"

Page 2, line 5, delete "*medically necessary*"

Page 2, line 6, delete "*prenatal care of the pregnant woman and child, and*"

Page 2, line 9, after the period insert "*The commissioner shall, according to rules, make payments for medically necessary prenatal care of the pregnant woman and the unborn child.*"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 992, A bill for an act relating to education; consolidating the regulation of private post-secondary schools under the higher education coordinating board; amending Minnesota Statutes 1984, sections 136A.61; 136A.62, subdivision 3; 136A.64, by adding a subdivision; and 136A.66; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 1984, sections 136A.653, subdivision 1; 141.21; 141.22; 141.23; 141.25; 141.26; 141.271; 141.28; 141.29; 141.30; 141.31; 141.32; 141.35; and 141.36.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 141.23, is amended to read:

141.23 [RULES (AND REGULATIONS).]

The state board of education may adopt rules (AND REGULATIONS) *according to chapter 14* to carry out the provisions of (SECTIONS 141.21 TO 141.36 PURSUANT TO CHAPTER 14) *this chapter*.

Sec. 2. Minnesota Statutes 1984, section 141.25, subdivision 9, is amended to read:

Subd. 9. [CATALOG OR BROCHURE.] ((A) NO) *Before a license (SHALL BE) is issued to a school, other than one which offers exclusively a correspondence course of instruction, (UNTIL SUCH) the school (HAS FURNISHED) shall furnish to the commissioner a catalog or brochure containing the following:*

((A)) (1) Identifying data, such as volume number and date of publication;

((B)) (2) Name and address of the school and its governing body and officials;

((C)) (3) A calendar of the school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;

((D)) (4) School policy and regulations on enrollment (WITH RESPECT TO ENROLLMENT) *including* dates and specific entrance requirements for each course;

((E)) (5) School policy and regulations (RELATIVE TO) *about* leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;

((F)) (6) School policy and regulations (RELATIVE TO) *about* standards of progress (REQUIRED OF) *for* the student (BY THE SCHOOL WHICH POLICY MUST DEFINE) *including* the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress (AND), a description of (THE) *any* probationary period (, IF ANY,) allowed by the school, and conditions of re-entrance for those dismissed for unsatisfactory progress;

((G)) (7) School policy and regulations (RELATIVE TO) *about* student conduct and conditions for dismissal for unsatisfactory conduct;

((H)) (8) Detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

((I)) (9) Policy and regulations (OF THE SCHOOL RELATIVE TO THE REFUND OF THE UNUSED PORTION OF), *including an explanation of section 141.271, about refunding* tuition, fees, and other charges (IN THE EVENT) *if* the student does not enter the course (OR), withdraws, or is discontinued (THEREFROM, WHICH POLICY SHALL INCLUDE AN EXPLANATION OF ALL PROVISIONS OF SECTION 141.271);

((J)) (10) A description of the available facilities and equipment;

((K)) (11) A course outline for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time (OR CLOCK HOURS) to be spent on each subject or unit; *and*

((L)) (12) Policy and regulations (OF THE SCHOOL RELATIVE TO) *about* granting credit for previous education and training.

((B)) *Subd. 9a.* [CORRESPONDENCE CATALOG.] (NO) *Before a license (SHALL BE) is issued to a school (WHICH*

OFFERS) exclusively *offering* a correspondence course of instruction, (UNTIL SUCH) *the* school (HAS FURNISHED) *shall furnish* to the commissioner a catalog or brochure containing the following:

((A) IDENTIFYING DATA SUCH AS VOLUME NUMBER AND DATE OF PUBLICATION;)

((B) NAME AND ADDRESS OF THE SCHOOL, ITS GOVERNING BODY AND OFFICIALS;)

((C) SCHOOL POLICY AND REGULATIONS ON ENROLLMENT WITH RESPECT TO ENROLLMENT DATES AND SPECIFIC ENTRANCE REQUIREMENTS FOR EACH COURSE;)

((D)) (1) School policy and regulations (RELATIVE TO) *about* standards of progress (REQUIRED OF) *for* the student (BY THE SCHOOL WHICH POLICY MUST DEFINE) *including* the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress (AND), a description of (THE) *any* probationary period (, IF ANY,) allowed by the school, and conditions of re-enrollment for those students terminated for unsatisfactory progress.

((E) DETAILED SCHEDULE OF FEES, CHARGES FOR TUITION, BOOKS, SUPPLIES, TOOLS, STUDENT ACTIVITIES, LABORATORY FEES, SERVICE CHARGES, RENTALS, DEPOSITS, AND ALL OTHER CHARGES;)

((F) POLICY AND REGULATIONS OF THE SCHOOL RELATIVE TO THE REFUND OF THE UNUSED PORTION OF TUITION, FEES AND OTHER CHARGES IN THE EVENT THE STUDENT DOES NOT ENTER THE COURSE OR WITHDRAWS OR IS DISCONTINUED THEREFROM, WHICH POLICY SHALL INCLUDE AN EXPLANATION OF ALL PROVISIONS OF SECTION 141.271;)

((G) A DESCRIPTION OF FACILITIES AND EQUIPMENT USED BY THE SCHOOL;)

((H)) (2) A course outline for each course offered showing course objectives, subjects or units in each lesson of the course, type of work or skill to be learned, and the total number of lessons for each course of instruction; *and*

((I) POLICY AND REGULATIONS OF THE SCHOOL RELATIVE TO GRANTING CREDIT FOR PREVIOUS EDUCATION AND TRAINING.)

(3) *All items listed in subdivision 9, except items in clauses (3) and (5).*

((C)) *Subd. 9b. [DELIVERY OF CATALOG.] (EACH) A school or its agent (THEREOF) shall deliver the catalog or brochure required in (SUBDIVISION) subdivisions 9 and 9a to each prospective student in such time or manner as to provide the prospective student ample opportunity to read (SAID) the catalog or brochure before signing any contract or enrollment agreement or before being accepted by a school which does not utilize a written contract or enrollment agreement.*

Sec. 3. Minnesota Statutes 1984, section 141.25, subdivision 10, is amended to read:

Subd. 10. [PLACEMENT RECORDS.] (a) (NO) *Before a license (SHALL BE) is issued to a school (WHICH) that offers, advertises or implies a placement service (UNTIL), the school (FILES) shall file with the commissioner for the past year and thereafter at reasonable intervals (TO BE) determined by the commissioner, a certified copy of the school's placement record, containing a list of graduates, a description of their job, name of their employer, and (SUCH) other information as the commissioner may prescribe.*

(b) *Each school (WHICH) that offers a placement service shall furnish to each prospective student, prior to enrollment, written information concerning the percentage of the previous year's graduates who were placed in the occupation for which trained.*

Sec. 4. Minnesota Statutes 1984, section 141.25, is amended by adding a subdivision to read:

Subd. 12. [PERMANENT RECORDS.] *Before a license is issued to a school, each school located in Minnesota shall maintain permanent records for all students enrolled at any time. Each school offering a correspondence course of instruction to a student located in Minnesota shall maintain permanent records for Minnesota students enrolled at any time. Records include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance. To preserve permanent records, a school shall submit a plan that meets the following requirements:*

(a) *at least one copy of the records must be held in a secure depository;*

(b) *an appropriate official must be designated to provide a student with copies of records or a transcript upon request;*

(c) *an alternative method of complying with (a) and (b) must be established if the school ceases to exist; and*

(d) *a continuous surety bond must be filed with the department in an amount not to exceed \$20,000 if the school has no binding agreement for preserving student records or a trust must be arranged if the school ceases to exist.*

Sec. 5. Minnesota Statutes 1984, section 141.26, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR PERMIT.] (a) The application for such permit shall state the full name, address, previous employment, and such other information concerning the solicitor applicant as the commissioner may require.

(b) The application shall have attached to it a certified affidavit signed by a school official and the solicitor attesting to the fact that the applicant has been furnished a copy, has read and has knowledge of the provisions of Minnesota Statutes, Chapter 141 and Minnesota (REGULATIONS, CHAPTER 20) Rules, parts 3530.6500 to 3530.7800.

Sec. 6. Minnesota Statutes 1984, section 141.28, subdivision 4, is amended to read:

Subd. 4. [ACCEPTANCE OF CONTRACTS.] No school shall accept contracts, enrollment agreements or enrollment applications from an agent or solicitor who does not have a current permit (AS REQUIRED BY LAWS 1973, CHAPTER 714).

Sec. 7. Minnesota Statutes 1984, section 141.32, is amended to read:

141.32 [PENALTY.]

Violation of any provisions of (SECTIONS 141.21 TO 141.36) *this chapter* shall be a misdemeanor. Each day's failure to comply with (THE PROVISIONS OF LAWS 1973, CHAPTER 714) *this chapter* shall be a separate violation.

Sec. 8. [TASK FORCE ON PRIVATE PROPRIETARY SCHOOLS.]

Subdivision 1. There is created a task force on private proprietary schools whose purpose is to study issues and make recommendations relating to private proprietary schools.

Subd. 2. The task force shall consist of 11 members as follows: one member appointed by the higher education coordinating board; one member appointed by the state board of educa-

tion; one member appointed by the Minnesota association of private post-secondary schools; one member appointed by the private college council; one member appointed by the governor to represent schools regulated under Minnesota Statutes, chapter 141, that are not members of the Minnesota association of private post-secondary schools; one member appointed by the governor to represent institutions registered under Minnesota Statutes, sections 136A.61 to 136A.71, that are not members of the private college council; one member appointed by the governor to represent schools regulated by Minnesota Statutes, chapter 141, and sections 136A.61 to 136A.71; and four members appointed by the governor who are knowledgeable about the areas of study. The task force shall elect a chair from its membership.

Subd. 3. The task force shall:

(1) study the appropriate agency to regulate private schools subject to Minnesota Statutes, chapter 141, and sections 136A.61 to 136A.71;

(2) study statutes and rules that apply to private schools subject to Minnesota Statutes, chapter 141, and sections 136A.61 to 136A.71, as well as other related statutes, rules, and policies;

(3) study the regulations in other states concerning the types of schools being studied; and

(4) make recommendations for any changes that may be needed to implement appropriate and equitable regulation of the various types of schools. In making the recommendations the task force may consider statutes and policies in effect for similar public institutions.

The task force study and report shall be coordinated by the higher education coordinating board.

Subd. 4. The department of education and the higher education coordinating board shall provide staff assistance and information for the task force. Compensation of task force members shall be according to Minnesota Statutes, section 15.059, subdivision 3.

Subd. 5. By February 1, 1986, the task force shall submit to the education committees of the legislature its report and recommendations. The task force shall terminate on June 30, 1986.

Sec. 9. [APPROPRIATION.]

The sum of \$10,000 is appropriated for fiscal year 1986 from the general fund to the higher education coordinating board for the task force on private proprietary schools. The sum is available until June 30, 1986.

Sec. 10. [EFFECTIVE DATE.]

Section 8 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; requiring preservation of student records by private proprietary vocational schools; requiring a study of private proprietary schools; creating a task force; clarifying and simplifying language; making technical changes; appropriating money; amending Minnesota Statutes 1984, sections 141.23; 141.25, subdivisions 9, 10, and by adding a subdivision; 141.26, subdivision 2; 141.28, subdivision 4; and 141.32."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 999, A bill for an act relating to education; excluding assets from parental contributions for some state scholarship and grant applicants; requiring a study; requiring notification of financial aid changes; appropriating money.

Reported the same back with the following amendments:

Page 1, after line 19, insert:

"Sec. 3. [LEGISLATIVE AUDITOR'S STUDY.]

According to the provisions of section 3.97, subdivision 7, the legislative auditor is requested to review the method used to determine the need a student has for financial aid for post-secondary education. The review shall include the effect of the present method on students and parents who have various types of assets and modest income, such as farmers, small business owners, home owners without large mortgages, and others. Alternate methods of calculating parental contributions that are more closely related to income shall be considered by the auditor. A report of the review and recommendation shall be submitted to the legislature by February 1, 1986."

Page 2, line 5, delete "3" and insert "4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "a study" and insert "studies"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

H. F. No. 1000, A bill for an act relating to taxation; clarifying definitions for sales and use tax; clarifying exemptions; imposing civil and criminal penalties for underreporting or failing to report motor vehicle excise tax; repealing certain refund procedures; amending Minnesota Statutes 1984, sections 297A.01, subdivisions 4, 11, and by adding subdivisions; 297A.-041; 297A.25, subdivision 1; 297B.10; and 297B.11; repealing Minnesota Statutes 1984, section 297A.35, subdivision 3.

Reported the same back with the following amendments:

Page 1, delete lines 13 to 28

Page 2, delete lines 1 to 17

Page 2, after line 25, insert:

"Personal property does not include:

(a) large ponderous machinery and equipment used in a business or production activity which at common law would be considered to be real property;

(b) property which is subject to an ad valorem property tax;

(c) property described in section 272.02, subdivision 1, clause (8), paragraphs (a) through (d);

(d) property described in section 272.03, subdivision 2, clauses (3) and (5)."

Page 2, delete lines 26 to 36

Page 3, delete lines 1 to 5

Page 3, line 36, after the period insert *"This section shall not apply to any meeting or convention of a nonprofit organization*

if (a) the meeting is held no more frequently than annually and (b) the nonprofit organization obtains a written statement from the exhibitor that it holds a valid seller's permit issued pursuant to section 297A.01 or that the exhibitor will not offer for sale items taxable under this chapter."

Page 13, line 16, after "or" insert "any purchaser"

Page 14, line 30, delete "6" and insert "3"

Page 14, line 31, delete "7" and insert "4"

Page 14, line 31, delete "8" and insert "5"

Page 14, line 32, delete "9" and insert "6"

Page 14, line 33, delete "1986" and insert "1987"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything after "297A.01," and insert "subdivision 11"

Page 1, line 8, delete "subdivisions"

With the recommendation that when so amended the bill pass.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1016, A bill for an act relating to animals; prohibiting transfer of certain animals for use in research or experimentation; providing a penalty; amending Minnesota Statutes 1984, section 35.71.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 35.71, is amended to read:

35.71 [UNCLAIMED AND UNREDEEMED ANIMALS IMPOUNDED; SCIENTIFIC USE OR OTHER DISPOSITION.]

Subdivision 1. [(INSTITUTION DEFINED) DEFINITIONS.] As used in this section, *the following terms have the meanings given them:*

(a) "Adoption" means the delivery of a dog or cat to a person 18 years of age or older to be kept as a pet or companion animal.

(b) "Cat" means any member of the felid family.

(c) "Dealer" means any licensed or unlicensed public or private agency, person, society, or corporation which buys or sells live dogs or cats for research purposes.

(d) "Dog" means any member of the canid family.

(e) "Establishment" means any public or private agency, person, society, or corporation which assumes lawful custody of live animals seized under the authority of the state or any political subdivision of the state.

(f) "Institution" means any school or college of agriculture, veterinary medicine, medicine, pharmacy, or dentistry, or other educational or scientific (ESTABLISHMENT) organization properly concerned with the investigation of (, OR) living organisms, instruction concerning the structure or functions of living organisms, or the cause, prevention, control, or cure of diseases or abnormal conditions of human beings or animals.

(g) "Research" means the activities of institutions described in paragraph (f).

Subd. 2. [APPLICATION FOR LICENSE.] (SUCH INSTITUTIONS) An institution may apply to the board for a license to obtain animals from establishments (AS DEFINED IN SUBDIVISION 3). If, after investigation, the board finds that the institution making request for license is a fit and proper agency, within the meaning of this section, to receive a license, and that the public interest will be served (THEREBY) by issuance of a license, it may issue a license to (SUCH) the institution authorizing it to obtain animals (HEREUNDER, SUBJECT TO THE RESTRICTIONS AND LIMITATIONS HEREIN PROVIDED) under this section.

Subd. 3. [(ESTABLISHMENT DEFINED, POWERS,) STRAY ANIMALS, SEIZURE, DISPOSITION.] ("ESTABLISHMENT" SHALL INCLUDE ANY PUBLIC OR PRIVATE AGENCY, PERSON, SOCIETY OR CORPORATION HAVING CUSTODY OF ANIMALS WHICH ARE SEIZED UNDER THE AUTHORITY OF THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE.) All animals seized by public authority (SHALL) must be held for redemption by the owner

for a period not less than five regular business days of the impounding agency, or for a longer period of time specified by municipal ordinance. For the purpose of this subdivision, the term "regular business day" means any day during which the establishment having custody of an animal is open to the public not less than four consecutive hours between (THE HOURS OF) 8:00 A.M. and 7:00 P.M. These establishments shall maintain the following records of the animals in custody, and preserve the records for a minimum of six months:

- (a) the description of the animal, by species, breed, sex, approximate age, and other distinguishing traits;
- (b) the location at which the animal was seized;
- (c) the date of *the* seizure;
- (d) the name and address of the person from whom any animal three months of age or over was received;
- (e) the name and address of the person to whom any animal three months of age or over was transferred.

The records (SHALL) *must* be maintained in a form permitting easy perusal by the public. A person may view the records and may view any and all animals in custody at any time during which the establishment is open to the public. At the end of this five day period all animals which remain unredeemed by their owners or any other person entitled to (DO SO) *redeem them*, shall be made available to any institution licensed (HEREUNDER) *under this section* which has submitted a prior request for the numbers which the institution requests. However, if a tag affixed to the animal, or a statement by the animal's owner after seizure, specifies that an animal (SHALL) *may* not be used for research, the animal (SHALL) *must* not be made available to any institution but may, in the discretion of the establishment, be destroyed after the expiration of the five-day period. If a request is made by a licensed institution to an establishment for a larger number of animals than are available at the time of the request, the establishment shall withhold from destruction (,) all unclaimed and unredeemed animals until the request has been filled, provided that the actual expense of holding animals beyond the time of notice to the institution of their availability, (SHALL) *must* be borne by the institution receiving them. Any establishment which fails or refuses to comply with (THESE PROVISIONS SHALL BECOME) *this section* is immediately ineligible for any further public funds from any county or municipality. Upon receipt of a sworn statement by an authorized officer or employee of any institution licensed (HEREUNDER) *under this section* of noncompliance by any establishment with (THESE PROVISIONS) *this section*, it (SHALL BE) *is* unlawful for the treasurer of any municipality or other political subdivision of the state to pay any public funds to an establishment

until the complainant withdraws its statement of noncompliance or until the board (SHALL) either (DETERMINE) *determines* that the complaint of noncompliance was without foundation or that the establishment has given adequate assurance of future compliance, and the treasurer of the municipality or other political subdivision has been notified of the determination in writing. If it appears upon the complaint of any person that any officer, agent, or employee of an establishment is violating or failing to carry out the provisions of this section, the attorney general or county attorney of the county in which the establishment is located, in addition to any other remedies, may bring an action in the name of the state of Minnesota against any establishment, officer, agent or employee thereof to enjoin compliance with this section.

Subd. 4. [TRANSPORTATION OF ANIMALS.] (THE) A licensed institution shall provide, at its own expense, for the transportation of (SUCH) animals from the establishment to the institution and shall use them only in the conduct of its scientific and educational activities and for no other purpose.

Subd. 5. [ANNUAL LICENSE FEE.] Each institution licensed under this section shall pay an annual license fee of \$50 for each calendar year, or part (THEREOF) *of a year*, to the board. All (SUCH) license fees (SHALL) *must* be deposited in the general fund of the state of Minnesota.

Subd. 6. [REVOCATION OF LICENSE.] The board upon 15 days written notice and an opportunity to be heard, may revoke the license granted any institution ((1)) if the institution has violated any provisions of this section, or ((2) HAS) failed to comply with the conditions required by the board in respect to the issuance of (SUCH) *its* license.

Subd. 7. [DISPOSITION OF DOGS AND CATS.] *Any identified dog or cat not redeemed by its owner after five days becomes the property of the establishment and must either be placed for adoption under the procedures of the establishment or be euthanized humanely.*

Subd. 8. [VOLUNTARY CONTRIBUTION.] *Nothing contained in this section prohibits any person from making a voluntary contribution of a dog or cat owned by the person to an institution, without consideration.*

Subd. 9. [NO ESTABLISHMENT TO BE A DEALER.] *No establishment or person who has an interest in an establishment may be a dealer.*

Subd. 10. [DEALERS TO PROVIDE PUBLIC NOTICE AND ACCESS.] *A person licensed as a dealer shall post a con-*

spicuous notice in a format no less than 24 by 36 inches and easily readable by the general public, that states: (1) that the person is a licensed dealer in dogs and cats; (2) that dogs and cats left with the dealer may be used for research purposes; and (3) the hours the dealer is open to the public. The notice must be placed in not less than two locations on the dealer's premises, one of which must be on or near the mail delivery point and one of which must be at the regularly used point of exchange of dogs and cats. A person may view dogs and cats in the custody of a dealer during the time the dealer is open to the public. Dealers are required to be open on a regular basis at least four consecutive hours between 8:00 a.m. and 7:00 p.m. on at least five of the seven days of each week. Any advertisement placed by a dealer seeking dogs or cats must inform the public that dogs and cats brought to the dealer may be used for research purposes.

Subd. 11. [RULES.] The board (SHALL HAVE THE POWER TO) may adopt rules, not inconsistent with this section, necessary to carry out the provisions of this section, and (SHALL HAVE THE RIGHT) may whenever it (DEEMS) considers it advisable (,) or in the public interest (, TO) inspect or investigate any institution which has applied for a license or has been granted a license (HEREUNDER) under this section.

Subd. (8) 12. [VIOLATIONS, PENALTIES.] (IT SHALL BE) A violation of this section is a misdemeanor (FOR ANY PERSON OR CORPORATION TO VIOLATE ANY OF THE PROVISIONS OF THIS SECTION)."

Delete the title and insert:

"A bill for an act relating to animals; prohibiting transfer of certain animals for use in research; regulating dealers in certain animals; amending Minnesota Statutes 1984, section 35.71."

With the recommendation that when so amended the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 1020, A bill for an act relating to higher education; allowing systems to spend appropriations for scholarships; proposing coding for new law in Minnesota Statutes, chapter 135A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1023, A bill for an act relating to probate; clarifying provisions relating to the award of costs in guardianship and conservatorship proceedings; providing for the payment of reasonable fees and expenses for certain guardians and conservators; amending Minnesota Statutes 1984, section 525.703.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 1025, A bill for an act relating to public utilities; deregulating providers of coin telephone service; imposing a penalty; amending Minnesota Statutes 1984, section 237.01, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 237.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 237.01, subdivision 2, is amended to read:

Subd. 2. [TELEPHONE COMPANY.] "Telephone company," means and applies to any person, firm, association or any corporation, private or municipal, owning or operating any telephone line or telephone exchange for hire, wholly or partly within this state, or furnishing any telephone service to the public.

A "telephone company" does not include a radio common carrier as defined in subdivision 4. A telephone company which also conforms with the definition of a radio common carrier is subject to regulation as a telephone company. However, none of chapter 237 applies to telephone company activities which conform to the definition of a radio common carrier.

A telephone company does not include a coin telephone business as defined in section 2.

Sec. 2. Minnesota Statutes 1984, section 237.01, is amended by adding a subdivision to read:

Subd. 6. [COIN TELEPHONE BUSINESS.] "Coin telephone business" means a person, firm, association, or corpora-

tion which furnishes telephone service to the public solely by means of a customer-owned, coin-operated telephone set connected to the lines or transmission facilities of a telephone company.

Sec. 3. [237.48] [COIN TELEPHONE BUSINESS; REQUIREMENTS.]

Subdivision 1. [SERVICES PROVIDED.] A coin telephone business shall offer telephone service which must provide access for local telephone calls of unlimited duration, permit long distance and credit card telephone calls, permit telephone calls to directory assistance (411), and permit, without charge, telephone calls to emergency service (911) and to an operator for emergency aid. The telephone set of a coin telephone business must be compatible with hearing aids and installed at a height above the floor not exceeding 54 inches to the highest working component. The rate per call and per minute charged by a coin telephone business must equal the rate for coin-operated telephones set by the public utilities commission for the largest telephone company in the state. The rate for directory assistance (411) charged to users by a coin telephone business must not exceed the rate for directory assistance set by the public utilities commission for coin telephones operated by the largest telephone company in the state.

Subd. 2. [PENALTY.] A coin telephone business that violates subdivision 1 is guilty of a petty misdemeanor."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1055, A bill for an act relating to lawful gambling; transferring certain functions of the charitable gambling control board to local units of government and to the commissioner of revenue; imposing penalties; amending Minnesota Statutes 1984, section 340.14, subdivision 2; 349.12, subdivision 11 and by adding subdivisions; 349.14; 349.151; 349.16; 349.161; 349.162; 349.17; 349.18, subdivisions 1 and 2; 349.19, subdivisions 5 and 6, and by adding a subdivision; 349.20; 349.21; 349.211, subdivisions 3 and 4; 349.213, subdivision 1; 349.214, subdivisions 1 and 2; 349.22, subdivision 2; 349.31, subdivision 1; 609.75, subdivision 3; and 609.761; repealing Minnesota Statutes 1984, sections 349.19, subdivision 4; 349.212; and 349.213, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 297C.

Reported the same back with the following amendments:

Page 2, line 6, after "if" insert "(1)"

Page 2, line 7, after "gambling" and before the period insert "*or if (2) the organization conducting lawful gambling on the licensed premises is the auxiliary of the intoxicating liquor licensee*"

Page 4, line 19, after "suspend" insert "*or revoke*"

Page 5, line 10, delete "*for not*" and insert "*or revocation*"

Page 5, line 11, delete "*more than 30 days*"

Pages 8 and 9, delete section 9 and insert:

"Sec. 9. Minnesota Statutes 1984, section 349.162, is amended to read:

349.162 [EQUIPMENT REGISTERED.]

Subdivision 1. [STAMP REQUIRED.] A distributor may not sell to an organization and an organization may not purchase from a distributor gambling equipment unless the equipment has been registered with the (BOARD) *commissioner* and has a registration stamp affixed. The (BOARD) *commissioner* may charge a fee of up to 25 cents for each stamp. Each stamp must bear a registration number assigned by the (BOARD) *commissioner*.

Subd. 2. [RECORDS REQUIRED.] A distributor must maintain a record of all gambling equipment which it sells to organizations. The record must include:

- (1) the identity of the person or firm from whom the equipment was purchased;
- (2) the registration number of the equipment;
- (3) the name and address of the organization to which the sale was made; (AND)
- (4) the date of the sale; *and*
- (5) *the organization's tax identification number.*

The record for each sale must be retained for at least three years after the sale is completed. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

Each distributor must report monthly to the (BOARD) *commissioner*, on a form the (BOARD) *commissioner* prescribes, its sales of each type of gambling equipment. Employees of the (BOARD) *commissioner* may inspect the books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.

Subd. 3. [SALES FROM FACILITIES.] All gambling equipment purchased by a licensed distributor for resale in Minnesota must prior to its resale be unloaded into a facility located in Minnesota which the distributor owns or leases."

Page 20, line 17, delete "*all necessary*" and after "*rules*" insert "*, including emergency rules,*"

Page 20, line 19, delete "*not*"

Page 20, line 21, delete everything after the period

Page 20, delete line 22

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1064, A bill for an act relating to public employment; providing that criminal offenders applying for public employment in the fire services must be fingerprinted; amending Minnesota Statutes 1984, section 364.09.

Reported the same back with the following amendments:

Page 1, line 19, delete "*The*" and insert "*Any*"

Amend the title as follows:

Page 1, line 2, delete "*criminal*" and insert "*applicants*"

Page 1, line 3, delete "*offenders applying*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 1073, A bill for an act relating to education; authorizing the collection and setoff of debts to the University of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 137.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 136A.09, is amended to read:

136A.09 [STUDENT SCHOLARSHIPS, PURPOSE.]

The legislature (HAS FOUND) *finds* and (HEREBY) declares that (THE) identification of the talented (YOUNG) men and women of the state and (THE) encouragement of their maximum educational development is in the best interest of the state. The state scholarship program (PROVIDED FOR HEREIN) is designed to encourage (SUCH) able and worthy students to continue their education in the eligible institutions of their own choosing and to provide financial assistance for those (WHO WOULD NOT) otherwise (BE) *not* able to do so.

Sec. 2. Minnesota Statutes 1984, section 136A.095, is amended to read:

136A.095 [GRANTS-IN-AID; PURPOSE.]

The legislature (HAS FOUND) *finds* and (HEREBY) declares that the identification of (YOUNG) men and women of the state who are economically disadvantaged and the encouragement of their educational development in eligible institutions of their choosing are in the best interests of the state and of the students.

Sec. 3. Minnesota Statutes 1984, section 136A.101, is amended to read:

136A.101 [DEFINITIONS.]

Subdivision 1. For purposes of sections 136A.09 to 136A.131, the terms defined in this section have the meanings ascribed to them:

Subd. 2. "Board" means the Minnesota higher education coordinating board.

Subd. 3. "Director" means the executive director of the Minnesota higher education coordinating board.

Subd. 4. "Eligible institution" means (AN) *a post-secondary educational institution* (OF HIGHER EDUCATION) located in this state or in a state with which the board has entered into a higher education reciprocity agreement on state student aid programs (WHICH PROVIDES AN ORGANIZED COURSE OF INSTRUCTION OF AT LEAST TWO YEARS DURATION IN THE SCIENCES OR LIBERAL ARTS, INCLUDING PERFORMING AND VISUAL ARTS, OR A COMBINATION OF THESE, AT THE COLLEGIATE LEVEL WHICH) *that* either (1) is operated by this state, or (2) is operated publicly or privately and, as determined by the board, maintains academic standards substantially equivalent to those of comparable institutions operated in this state (OR AN AREA VOCATIONAL-TECHNICAL SCHOOL OR OTHER VOCATIONAL SCHOOL APPROVED BY THE BOARD).

Subd. 5. "Financial need" means the demonstrated need of the applicant for financial assistance to meet the actual costs of attending the eligible institution of (HIS) choice as determined from financial information on the applicant *and, if required, on the applicant's parents*, by a college scholarship service or equivalent service under criteria established by the board.

Subd. 6. "Qualified applicant" means (THOSE STUDENTS) *a person who ranked in the upper quarter of the class at the end of the junior year in high school according to academic standards prescribed by the board for (PURPOSES OF) the state scholarship program (AND). It also means (ALL) any eligible (STUDENTS) person regardless of academic rank for (PURPOSES OF) the state grant-in-aid program.*

Subd. 7. "Student" means a (STUDENT) *person who (MEETS THE REQUIREMENTS FOR FULL TIME STUDENT STATUS AS DEFINED BY THE ELIGIBLE INSTITUTION HE ATTENDS) is enrolled at least half time, as defined by the board, in a program or course of study that applies to a degree, diploma, or certificate.*

Sec. 4. Minnesota Statutes 1984, section 136A.121, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY FOR SCHOLARSHIPS.] An applicant (SHALL BE) *is* eligible to be considered for a scholarship under (THE PROVISIONS OF) sections 136A.09 to 136A.131 if the board finds that *the* applicant:

- (1) is a resident of the state of Minnesota;

(2) has met all the requirements for admission as a (FULL-TIME) student to an eligible institution of (HIS) choice as defined in sections 136A.09 to 136A.131;

(3) has demonstrated capacity for superior achievement at the institutional level as measured by standards prescribed by the board;

(4) is a qualified applicant (AS DEFINED HEREIN).

Sec. 5. Minnesota Statutes 1984, section 136A.121, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR GRANTS-IN-AID.] An applicant (SHALL BE) *is* eligible to be considered for a grant-in-aid, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under (THE PROVISIONS OF) sections 136A.09 to 136A.131 if the board finds that *the* applicant:

(1) is a resident of the state of Minnesota;

(2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a (FULL-TIME) student to an eligible college or vocational school of (HIS) choice as defined in sections 136A.09 to 136A.131;

(3) has met (SUCH) *the* criteria (PERTAINING TO) *about* financial need (AS THE BOARD SHALL MAKE BY REGULATION) *established in rules.*

Sec. 6. Minnesota Statutes 1984, section 136A.121, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION.] Scholarships and grants-in-aid shall be awarded (ANNUALLY) on a funds available basis to those applicants (FOR INITIAL AWARDS AND APPLICANTS FOR RENEWAL AWARDS) who meet the board's requirements.

Sec. 7. Minnesota Statutes 1984, section 136A.121, subdivision 4, is amended to read:

Subd. 4. [SCHOLARSHIP STIPENDS.] An eligible scholarship applicant shall be considered for a financial stipend if the applicant demonstrates financial need. (AN ELIGIBLE SCHOLARSHIP APPLICANT WHO DOES NOT DEMONSTRATE FINANCIAL NEED UNDER CRITERIA PRESCRIBED BY THE BOARD SHALL BE AWARDED AN HONORARY SCHOLARSHIP.) The amount of a financial stipend (SHALL) *must* not exceed a scholarship applicant's cost of attendance, as defined in subdivision 6, after deducting the following:

(a) a contribution by the scholarship applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(b) a contribution by the scholarship applicant's parents, as determined by a standardized need analysis; and

(c) the amount of a federal Pell grant award for which the scholarship applicant is eligible.

The minimum financial stipend (SHALL BE) is \$100.

Sec. 8. Minnesota Statutes 1984, section 136A.121, subdivision 5, is amended to read:

Subd. 5. [GRANTS-IN-AID STIPENDS.] A financial stipend based on financial need (SHALL) *must* accompany grants-in-aid. The amount of a financial stipend (SHALL) *must* not exceed a grant applicant's cost of attendance, as defined in subdivision 6, after deducting the following:

(a) a contribution by the grant applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(b) a contribution by the grant applicant's parents, as determined by a standardized need analysis; and

(c) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend (SHALL BE) is \$100.

Sec. 9. Minnesota Statutes 1984, section 136A.121, subdivision 6, is amended to read:

Subd. 6. [COST OF ATTENDANCE.] The cost of attendance (SHALL CONSIST) *consists* of allowances specified by the board for room and board and miscellaneous expenses, and

(a) for public institutions, tuition and fees charged by the institution; or

(b) for private institutions, (BEGINNING JULY 1, 1985,) an allowance for tuition and fees equal to the lesser of (1) the actual tuition and fees charged by the institution, or (2) the instructional costs per full-year equivalent student in comparable public institutions. (PRIOR TO JULY 1, 1985, THE TUITION AND FEES ALLOWANCE SHALL NOT EXCEED THE INSTRUCTIONAL COSTS PER FULL-YEAR EQUIVALENT STUDENT IN COMPARABLE PUBLIC INSTITUTIONS.)

Sec. 10. Minnesota Statutes 1984, section 136A.121, subdivision 7, is amended to read:

Subd. 7. [INSUFFICIENT APPROPRIATION.] If the amount appropriated is *determined by the board to be insufficient to make full awards to applicants (PURSUANT TO SUBDIVISION) under subdivisions 4 and 5, before any award for that year has been disbursed*, then awards shall be reduced by

(a) adding a surcharge to the contribution of the applicant's parents, and

(b) a percentage increase in the applicant's contribution.

Sec. 11. Minnesota Statutes 1984, section 136A.121, subdivision 9, is amended to read:

Subd. 9. [INITIAL AWARDS.] (ONLY FIRST YEAR STUDENTS SHALL BE ELIGIBLE TO APPLY FOR AND RECEIVE INITIAL SCHOLARSHIP AWARDS. ANY) *An undergraduate student who has not previously received a scholarship or grant-in-aid and who meets the board's requirements (SHALL BE) is eligible to apply for and receive an initial scholarship or grant-in-aid in any year of undergraduate study.*

Sec. 12. Minnesota Statutes 1984, section 136A.121, subdivision 10, is amended to read:

Subd. 10. [RENEWALS.] Each scholarship or grant-in-aid shall be awarded for one academic year (BUT SHALL BE), *is renewable for a maximum of six semesters or nine quarters or their equivalent, but may not continue after the recipient has obtained a baccalaureate degree (OR BEEN ENROLLED FULL-TIME OR THE EQUIVALENT FOR THE NUMBER OF SEMESTERS OR QUARTERS NORMALLY REQUIRED TO COMPLETE A BACCALAUREATE DEGREE, WHICH-EVER OCCURS FIRST).*

Sec. 13. Minnesota Statutes 1984, section 136A.121, subdivision 11, is amended to read:

Subd. 11. [RENEWAL CONDITIONS.] Each scholarship or grant-in-aid (SHALL BE) *is renewable, contingent on continued residency in Minnesota, satisfactory academic standing (AND), recommendation of the (COLLEGE OR VOCATIONAL SCHOOL) eligible institution currently attended, and (, IN THE CASE OF FINANCIAL ASSISTANCE,) evidence of continued need.*

Sec. 14. Minnesota Statutes 1984, section 136A.121, subdivision 12, is amended to read:

Subd. 12. [ANNUAL APPLICATION.] *To continue to receive a scholarship or grant-in-aid, the student (MUST) shall apply for renewal (OF HIS SCHOLARSHIP OR GRANT-IN-AID) each year.*

Sec. 15. Minnesota Statutes 1984, section 136A.121, subdivision 13, is amended to read:

Subd. 13. [DEADLINE.] The board (MUST) *shall* accept applications for state scholarships and grants-in-aid until February 15 and may establish a deadline for the acceptance of applications (WHICH) *that* is later than February 15.

Sec. 16. Minnesota Statutes 1984, section 136A.121, subdivision 16, is amended to read:

Subd. 16. [HOW APPLIED; ORDER.] (FINANCIAL) Scholarships and grants-in-aid awarded under (THE TERMS OF) sections 136A.09 to 136A.131 shall be applied to educational costs in the following order: tuition, fees, books, supplies and other expenses. Unpaid portions of (SUCH) *the* awards (SHALL) revert to the board scholarship or grant-in-aid account.

Sec. 17. Minnesota Statutes 1984, section 136A.132, subdivision 3, is amended to read:

Subd. 3. (ANY STUDENT ATTENDING AN ELIGIBLE INSTITUTION LESS THAN FULL-TIME AND PURSUING A PROGRAM OR COURSE OF STUDY LEADING TO A DEGREE, DIPLOMA OR CERTIFICATE SHALL BE ELIGIBLE FOR A PART-TIME STUDENT GRANT-IN-AID) *An applicant is eligible to be considered for a part-time student grant if the applicant:*

(a) *is a resident of the state of Minnesota;*

(b) *is an undergraduate student who has not earned a baccalaureate degree, except a post-baccalaureate student enrolled in an undergraduate or graduate program who had been enrolled in the same program and had received a part-time grant during the 1984-1985 school year shall be eligible to be considered for a part-time student grant in the 1985-1986 school year;*

(c) *is pursuing a program or course of study that applies to a degree, diploma, or certificate; and*

(d) *is attending an eligible institution (1) in the 1985-1986 school year less than full time as defined by the board, or (2) after July 1, 1986, either less than half time as defined by the board, or as a new or returning student enrolled at least half time but less than full time as defined by the board.*

Sec. 18. Minnesota Statutes 1984, section 136A.132, subdivision 4, is amended to read:

Subd. 4. A recipient of a part-time grant-in-aid shall be selected by the post-secondary education institution of attendance in accordance with guidelines, (CRITERIA,) policies and (PROCEDURES) *rules* established by the higher education coordinating board.

Sec. 19. Minnesota Statutes 1984, section 136A.132, subdivision 5, is amended to read:

Subd. 5. The amount of any part-time student grant-in-aid award shall be based on the need of the applicant determined by the institution in accordance with policies *and rules* established by the higher education coordinating board (BUT THE AMOUNT OF AN AWARD SHALL NOT EXCEED THE COST OF TUITION AND REQUIRED FEES PAID OR TO BE PAID BY THE STUDENT OR THE COST OF TUITION AND FEES FOR A COMPARABLE PROGRAM AT THE UNIVERSITY OF MINNESOTA, WHICHEVER IS THE LESSER).

Sec. 20. Minnesota Statutes 1984, section 136A.132, subdivision 6, is amended to read:

Subd. 6. Part-time student grants-in-aid shall be awarded for a single term as defined by the institution in accordance with guidelines and policies of the higher education coordinating board. Awards shall not be renewable but the recipient of an award may apply for additional awards for subsequent terms *as follows*:

(a) *In the 1985-1986 school year a recipient of an award who is enrolled less than full time as defined by the board may apply for additional awards.*

(b) *After July 1, 1986, a recipient of an award who is enrolled less than half time as defined by the board may apply for additional awards.*

A new or returning student enrolled at least half time but less than full time as defined by the board and pursuing a program or course of study that applies to a degree, diploma, or certificate shall be eligible for an award for only one term.

Sec. 21. Minnesota Statutes 1984, section 136A.162, is amended to read:

136A.162 [CLASSIFICATION OF DATA.]

All data on applicants for financial assistance collected and used by the higher education coordinating board for (THE PUR-

POSES OF) student financial aid programs administered by that board shall be classified as private data on individuals (PURSUANT TO) *under* section 13.02, subdivision 12. Exceptions to this classification are *that*:

(a) the names and addresses of program recipients or participants are public data; and

(b) the following data collected in the Minnesota supplemental loan program under section 136A.1701 may be disclosed to a consumer credit reporting agency:

- (1) the lender-assigned borrower identification number;
- (2) the name and address of borrower;
- (3) the name and address of cosigner;
- (4) the date the account is opened;
- (5) the outstanding account balance;
- (6) the dollar amount past due;
- (7) the number of payments past due;
- (8) the number of late payments in previous 12 months;
- (9) the type of account;
- (10) the responsibility for the account; and
- (11) the status or remarks code.

Sec. 22. [GRADUATE FINANCIAL NEED STUDY.]

The higher education coordinating board shall study the need for financial aid for post-baccalaureate undergraduate and graduate students with consideration of aid currently available, loan indebtedness, and the costs of graduate and professional education. The board shall report its findings and recommendations to the legislature by February 1, 1987.

Sec. 23. [EMERGENCY RULES.]

The higher education coordinating board shall adopt emergency rules under Minnesota Statutes, sections 14.29 to 14.36 to implement the part-time student grant program under Minnesota Statutes, section 136A.132, as amended, for the 1985-1986 academic year. Notwithstanding Minnesota Statutes, section

14.35, the emergency rules are effective until permanent rules are adopted or June 30, 1986, whichever is earlier.

Sec. 24. [PEER COUNSELING.]

Subdivision 1. [PILOT PROGRAMS.] The higher education coordinating board shall develop a pilot program for peer counseling in financial aid. This program shall consist of trained students employed in the financial aid offices of post-secondary institutions to offer counseling to post-secondary students and outreach services to secondary and other potential students. Students selected to be peer counselors shall be eligible for and compensated through work-study grants.

Subd. 2. [TRAINING.] The higher education coordinating board shall develop a training program to prepare students to become peer counselors. Counselors shall be trained to begin working prior to the start of the 1986 application period for state scholarships and grants.

Subd. 3. [APPLICATIONS.] All public and private post-secondary institutions in Minnesota are eligible to apply to participate in the pilot program.

Applicants shall propose the manner in which they intend to utilize peer counselors, including plans for serving current students and outreach services for potential students. Each proposal shall provide for the necessary number of counselors to meet the needs of the students at a maximum ratio of one counselor for 500 students. Each proposal shall also specify the manner in which students are to be selected as counselors, including necessary criteria to assure the selection of well qualified students. The higher education coordinating board shall develop necessary procedures for institutions to follow in developing and filing their applications.

Subd. 4. [SELECTION.] The higher education coordinating board shall select three institutions from those applying for the initial pilot program to begin in February 1986 and run through the 1986-1987 school year. Institutions shall be selected on the basis of the proposals contained in their applications.

Subd. 5. [ALLOCATIONS.] The higher education coordinating board shall determine the allocation of funds to each selected institution based on the number of students employed for approximately ten hours per week at a rate of approximately four dollars per hour.

Sec. 25. [APPROPRIATIONS.]

Subdivision 1. \$..... is appropriated from the general fund to the higher education coordinating board for the fiscal

biennium ending June 30, 1987, for the purposes of implementing section 24. This appropriation shall be used for the costs of development and training and for the additional work-study grants necessary under section 24. This money shall not be considered in determining other work-study grant appropriations.

Subd. 2. \$ is appropriated from the general fund to the higher education coordinating board for the fiscal year ending June 30, 1986, for the purpose of funding part-time grants to post-baccalaureate students under section 17.

Sec. 26. [REPEALER.]

Minnesota Statutes 1984, section 136A.121, subdivisions 8 and 14, are repealed.

Sec. 27. [EFFECTIVE DATES.]

Subdivision 1. [IMMEDIATE.] Sections 17, 18, 19, 20, and 23 are effective the day after final enactment.

Subd. 2. [JULY 1, 1986.] Sections 3, subdivision 7; 4; 5; 25; and 26 are effective July 1, 1986."

Delete the title and insert:

"A bill for an act relating to education; allowing eligibility for state scholarships or grants when students are enrolled at least half time in certain programs; providing for part-time student grants for certain students; modifying the years of eligibility for scholarships and grants; establishing peer counseling pilot program and graduate financial need study; appropriating money; amending Minnesota Statutes 1984, sections 136A.09; 136A.095; 136A.101; 136A.121, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, and 16; 136A.132, subdivisions 3, 4, 5, and 6; and 136A.162; repealing Minnesota Statutes 1984, section 136A.121, subdivisions 8 and 14."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1075, A bill for an act relating to courts; raising the jurisdictional limit on claims heard in conciliation court; amend-

ing Minnesota Statutes 1984, sections 487.30, subdivision 1; 488A.12, subdivision 3; 488A.14, subdivision 6; 488A.29, subdivision 3; and 488A.31, subdivision 6.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1086, A bill for an act relating to agriculture; regulating organic foods; proposing coding for new law in Minnesota Statutes, chapter 31.

Reported the same back with the following amendments:

Page 2, line 4, after "*fertilizers*," insert "*chemical*"

Page 2, line 6, after the period insert "*Other natural substances, such as diatomaceous earth, soaps, elemental sulfur, lime sulfur, and copper sulfate may be used in the growing of organic food.*"

Page 2, delete lines 7 to 14

Renumber the subdivisions in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

Levi from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1088, A resolution memorializing the President and Congress of the United States to award posthumous Medals of Freedom to Andrew Goodman, Michael Schwerner, and James Chaney.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1093, A resolution memorializing the President and Secretary of Agriculture of the United States to insist to the government of Canada on fair trade regulations on hogs, or impose quotas and strict tariffs on Canadian hog imports.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Bennett from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1106, A bill for an act relating to consumer protection; regulating prepayments of certain funeral and burial goods and services; amending Minnesota Statutes 1984, section 149.11.

Reported the same back with the following amendments:

Page 1, line 11, strike everything after the comma

Page 1, line 12, strike "his behalf," and insert "*that person or another*"

Page 1, line 16, strike "for or related to the disposition of his body,"

Page 1, line 17, after "property" insert "*related to the funeral services or the burial, cremation, or other disposition of dead human remains*" and strike "delivered"

Page 1, line 18, strike "upon his death" and insert "*used upon the death of the person for whom the property is to be used*" and after "or" insert "*when*"

Page 1, line 20, strike "so" and strike "such" and insert "*the*"

Page 1, line 23, strike everything after "until"

Page 1, strike line 24

Page 1, line 25, strike everything before the comma and insert "*the death of the person for whose benefit the money was paid*"

Page 2, line 1, strike "his"

Page 2, line 2, strike "so"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kvam from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1117, A bill for an act relating to gifts to minors; permitting securities to be registered in the name of a broker or financial institution; amending Minnesota Statutes 1984, sections 527.02, subdivision 1; and 527.04, subdivision 7.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1129, A bill for an act relating to real estate; providing for service in forcible entry and unlawful detainer actions; amending Minnesota Statutes 1984, section 566.06.

Reported the same back with the following amendments:

Page 2, line 2, delete "*personal or substitute*"

Page 2, line 3, delete "*or by the sheriff or constable*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1130, A bill for an act relating to workers' compensation; providing for miscellaneous changes; amending Minnesota Statutes 1984, sections 176.021, subdivision 3b; 176.101, subdivision 3e; 176.102, subdivisions 3 and 8; 176.103, subdivision 3; 176.136, by adding a subdivision; 176.138; 176.191, subdivision 3; 176.511, subdivisions 1 and 2; and 176.66, subdivision 10;

proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1984, sections 79.22, subdivision 2; 176.081, subdivision 4; and 176.134.

Reported the same back with the following amendments:

Page 2, line 7, delete "*seciton*" and insert "*section*"

Page 7, line 3, delete "176.135" and insert "176.136"

Page 7, line 5, delete "6" and insert "5"

Page 9, line 5, after "*for*" insert "*at least*"

Page 11, line 2, delete "*79.22, subdivision 2;*"

Amend the title as follows:

Page 1, line 11, delete "*79.22, subdivision 2;*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1150, A bill for an act relating to state lands; providing for the sale of certain tax-forfeited land in Chisago county.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Erickson from the Committee on Education to which was referred:

H. F. No. 1158, A bill for an act relating to education; authorizing state universities to make and enforce parking rules on their property; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred:

H. F. No. 1163, A bill for an act relating to crimes; defining the crime of using police radios while committing a criminal act; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 609.035, is amended to read:

609.035 [CRIME PUNISHABLE UNDER DIFFERENT PROVISIONS.]

Except as provided in (SECTION) sections 609.251 (AND), 609.585, and section 2 of this act, if a person's conduct constitutes more than one offense under the laws of this state, he may be punished for only one of the offenses and a conviction or acquittal of any one of them is a bar to prosecution for any other of them. All the offenses, if prosecuted, shall be included in one prosecution which shall be stated in separate counts.

Sec. 2. [609.856] [USE OF POLICE RADIOS DURING COMMISSION OF CRIME; PENALTIES.]

Subdivision 1. [ACTS CONSTITUTING.] Whoever has in his or her possession or uses a radio or device capable of receiving or transmitting a police radio signal, message, or transmission of information used for law enforcement purposes, while in the commission of a criminal act or the attempt to commit a criminal act is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both. A prosecution for or conviction of the crime of use or possession of a police radio is not a bar to conviction for any other crime committed while possessing or using the police radio. Any imprisonment sentence imposed under this subdivision shall run consecutively with any sentence imposed for the other crime.

Subd. 2. [FORFEITURE.] A radio or device defined in subdivision 1 that is used in the commission of a criminal act or attempt to commit a criminal act is contraband property and subject to the forfeiture provisions of section 609.531.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective August 1, 1985, and applies to all crimes committed on or after that date."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "amending Minnesota Statutes 1984, section 609.035;"

With the recommendation that when so amended the bill pass.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1170, A bill for an act relating to drainage; authorizing the construction of roads rather than crossings in certain instances; proposing coding for new law in Minnesota Statutes, chapter 106.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1178, A bill for an act relating to courts; providing conciliation court with jurisdiction to determine actions brought by educational institutions to recover student loans; amending Minnesota Statutes 1984, sections 487.30, by adding a subdivision; 488A.12, subdivision 3; and 488A.29, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 23, after "are" insert "*at least 120 days*"

Page 3, line 22, after "are" insert "*at least 120 days*"

Page 5, line 10, after "are" insert "*at least 120 days*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred :

H. F. No. 1185, A bill for an act relating to transportation; advertising devices; authorizing advertising on certain telephone booths; amending Minnesota Statutes 1984, section 160.27, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Blatz from the Committee on Crime and Family Law to which was referred :

H. F. No. 1193, A bill for an act relating to corrections; updating the recordkeeping systems of jails and lockups; amending Minnesota Statutes 1984, sections 641.05; and 642.07.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred :

H. F. No. 1197, A bill for an act relating to cities of Circle Pines and Lino Lakes; permitting cities to determine the size of Circle Pines utilities commission.

Reported the same back with the following amendments :

Page 1, line 15, delete everything after the period

Page 1, delete lines 16 to 18

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Levi from the Committee on Rules and Legislative Administration to which was referred :

H. F. No. 1202, A resolution memorializing the President and Congress of the United States to take action to reverse the action

by the Internal Revenue Service requiring elaborate and unnecessary recordkeeping regarding use of a personal automobile in business.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1210, A bill for an act relating to natural resources; grants to counties to aid in timber development; amending Minnesota Statutes 1984, section 282.38.

Reported the same back with the following amendments:

Page 3, after line 10, insert:

"Sec. 2. [APPROPRIATION.]

There is appropriated to the commissioner of natural resources from the general fund \$ or so much thereof as may be required for the purpose of making grants to counties for forestry management purposes as authorized by section 1 during the biennium beginning July 1, 1985."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "appropriating money;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1224, A bill for an act relating to courts; providing that tax court judges must be learned in the law; permitting retired tax court judges and district court judges to serve on the tax court; amending Minnesota Statutes 1984, section 271.01, subdivision 1, and by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 1, reinstate the stricken language and delete the new language

With the recommendation that when so amended the bill pass.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 1234, A bill for an act relating to energy; extending certain residential energy credits; providing an energy investment tax credit for businesses; authorizing rules; amending Minnesota Statutes 1984, section 290.06, subdivision 14, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 1, line 26, delete "*section 1*" and insert "*sections 1 and 4*"

Page 6, after line 20, insert:

"No credit may be claimed under this subdivision on an expenditure for which a credit is claimed under section 4."

Page 6, line 31, before the period insert "*installed in conjunction with property used in a trade or business*"

Page 7, line 11, after "*peat,*" insert "*and biomass-derived*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Fjoslien from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1244, A bill for an act appropriating funds for the Chatfield Brass Band Music Lending Library.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1250, A bill for an act relating to public safety; authorizing commissioner to prescribe fees and prescribing fees; providing for statutory inclusion of state patrol lieutenants; providing that commissioner control video game of chance license fees; abolishing fire code regulations relating to theaters, halls, and dry cleaning and dyeing establishments; amending Minnesota Statutes 1984, sections 299A.01, subdivision 6; 299C.37, subdivision 3; 299D.03, subdivision 2; 299F.19, subdivision 1; and 349.52, subdivisions 2 and 3; repealing Minnesota Statutes 1984, sections 299H.211 to 299H.28; 299I.01 to 299I.08; 299I.10; and 299I.20 to 299I.24.

Reported the same back with the following amendments:

Page 1, line 23, delete "*promulgate rules under chapter 14 to prescribe fees*" and insert "*prescribe a fee of \$5*"

Page 3, line 2, after "*rule*" insert "*pursuant to chapter 14*"

Page 3, line 22, strike "The" and after the stricken "commissioner" insert "*Each*"

Page 3, line 24, strike "located" and insert "*operated by him or her*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 1254, A bill for an act relating to local government; permitting insurance and indemnification of certain municipal electric power personnel; correcting a statutory cross reference; amending Minnesota Statutes 1984, section 453.55, subdivision 11.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

McDonald from the Committee on Agriculture to which was referred:

H. F. No. 1261, A bill for an act relating to agriculture; creating the Minnesota agriculture finance agency and Minnesota agriculture loan fund; prescribing penalties; authorizing the issuance of state bonds; appropriating money; amending Minnesota Statutes 1984, section 290.01, subdivision 20b; proposing coding for new law as Minnesota Statutes, chapter 17C.

Reported the same back with the following amendments:

Page 13, line 31, delete "*members*" and insert "*residents of the county*"

Page 13, line 33, delete "*from the agricultural community*"

Page 13, line 34, delete everything before the period and insert "*farm operators*"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Knickerbocker from the Committee on Governmental Operations to which was referred:

H. F. No. 1267, A bill for an act relating to government operations; establishing a certification process for set-aside programming in the department of administration; providing penalties; amending Minnesota Statutes 1984, sections 16B.19, subdivisions 2, 5, and 6; 16B.21, subdivision 1; 16B.22; 187.31, subdivision 3; 161.321, subdivisions 3 and 6; 473.129, subdivision 3, and by adding a subdivision; 473.406, subdivision 6; 473.523, by adding a subdivision; and 473.652, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reported the same back with the following amendments:

Page 5, line 25, after the period insert "*The commissioner may delegate to the commissioner of transportation the responsibility to perform the certification of socially or economically disadvantaged businesses for transportation related set-aside programs.*"

Page 5, delete lines 31 and 32

Page 7, line 6, delete "7" and insert "1"

Page 10, line 15, after the period insert "*The commissioner may delegate this responsibility to the commissioner of transportation.*"

Page 12, after line 15, insert:

"Sec. 18. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of administration to carry out the responsibilities in sections 1 to 17."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1279, A bill for an act relating to natural resources; making groundwater protection a watershed district purpose; establishing a procedure for increasing the number of watershed district managers; defining certain proceedings as contested cases; providing a procedure for noncontroversial proceedings; allowing demands for contested case hearings in certain proceedings; amending Minnesota Statutes 1984, sections 112.36, subdivision 2; 112.37, subdivision 1a; and 112.401; proposing coding for new law in Minnesota Statutes, chapter 112; repealing Minnesota Statutes 1984, section 112.37, subdivision 6.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Redalen from the Committee on Regulated Industries and Energy to which was referred:

H. F. No. 1281, A bill for an act relating to horse racing; making certain technical and clarifying amendments; providing for certain name changes; modifying certain license revocation and suspension procedures; modifying the amounts deducted by the licensee for purses; amending Minnesota Statutes 1984, sections 240.01, subdivision 10; 240.02, subdivision 5; 240.03; 240.04; 240.05, subdivision 2; 240.06, subdivision 2; 240.08, subdivisions 1 and 5; 240.09, subdivisions 2, 3, and 6; 240.13, subdivisions 5

and 6; 240.15, subdivision 6; 240.16, subdivisions 1 and 6; 240.-18; 240.22; 240.25, subdivisions 1 and 4; and 240.29.

Reported the same back with the following amendments:

Page 1, line 27, strike the first "the" and strike "on the"

Page 1, line 28, strike "secretary of state" and insert "*, in the manner provided in Minnesota rules of court,*"

Page 1, line 29, strike everything after the period

Page 2, lines 1 to 7, strike the old language and delete the new language

Page 2, line 8, strike "changes in it."

Page 4, line 13, after "of" insert "*raciny*"

Page 8, after line 19, insert:

"Sec. 14. Minnesota Statutes 1984, section 240.14, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNMENT OF RACING DAYS.] The commission shall assign racing days to each racetrack licensee authorized to conduct racing with pari-mutuel betting, and a licensee may conduct racing with pari-mutuel betting only on a racing day assigned by the commission. The commission may assign racing days for up to three years beyond the year in which the assignment is made. Assignments of racing days in any year must be made by (JULY 1) *December 31* of the previous year, except that days may be assigned after that date to a licensee whose license is issued after that date.

Sec. 15. Minnesota Statutes 1984, section 240.15, subdivision 5, is amended to read:

Subd. 5. [UNREDEEMED TICKETS.] Not later than 100 days after the end of a racing meeting a licensee who sells pari-mutuel tickets must remit to the commission or its representative an amount equal to the total value of unredeemed tickets from the racing meeting. The remittance must be accompanied by a detailed statement of the money on a form the commission prescribes.

Notwithstanding any provision to the contrary in chapter 345, unredeemed pari-mutuel tickets shall not be considered unclaimed funds and shall be handled in accordance with the provisions of this subdivision. Any person claiming to be entitled to the proceeds of any unredeemed ticket who fails to claim said

proceeds prior to their being remitted to the commission, may within one year after the date of remittance to the commission file with the commission a verified claim for such proceeds on such form as the commission prescribes along with the pari-mutuel ticket. Unless the claimant satisfactorily establishes the right to the proceeds, the claim shall be rejected. If the claim is allowed, the commission shall pay the proceeds without interest to the claimant. There is hereby appropriated from the general fund to the commission an amount sufficient to make payment to persons entitled to such proceeds."

Page 11, after line 3, insert:

"Sec. 21. Minnesota Statutes 1984, section 240.24, is amended to read:

240.24 [MEDICATION.]

Subdivision 1. [RULES.] The commission shall make and enforce rules governing medication and medical testing for horses running at licensed racetracks. The rules must provide that no medication, as the commission defines that term by rule, may be administered to a horse within 48 hours of a race it runs at a licensed racetrack. The commission shall by rule establish the qualifications for laboratories used by it as testing laboratories to enforce its rules under this section.

Subd. 2. [FEES.] The commission shall establish by rule a fee or schedule of fees to recover the costs of medical testing of horses running at racetracks licensed by the commission. Fees charged for the testing of horses shall not exceed \$30 per horse. Fee receipts shall be deposited in the state treasury and credited to the equine drug testing account in the special revenue fund."

Page 12, after line 3, insert:

"Sec. 25. Minnesota Statutes 1984, section 541.20, is amended to read:

541.20 [RECOVERY OF MONEY LOST.]

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240.

Sec. 26. Minnesota Statutes 1984, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. *The provisions of this section shall not apply to pari-mutuel wagering conducted under a license issued pursuant to chapter 240.*

Sec. 27. Minnesota Statutes 1984, section 624.02, is amended to read:

624.02 [THINGS PROHIBITED; EXCEPTIONS.]

All horse racing, except horse racing *licenses under chapter 240* or at the annual fairs held by the various county agricultural societies of the state, gaming, and shows; all noises disturbing the peace of the day; all trades, manufacturers, and mechanical employments, except works of necessity performed in an orderly manner so as not to interfere with the repose and religious liberty of the community; all public selling or offering for sale of property, and all other labor except works of necessity and charity are prohibited on the Sabbath day.

Meals to be served upon the premises or elsewhere by caterers, prepared tobacco in places other than where intoxicating liquors are kept for sale, fruits, confectionery, newspapers, drugs, medicines, and surgical appliances may be sold in a quiet and orderly manner. In works of necessity or charity is included whatever is needful during the day for good order, health, or comfort of the community, including the usual shoe shining service; but keeping open a barber shop or shaving and hair cutting shall not be deemed works of necessity or charity, and nothing in this section shall be construed to permit the selling of uncooked meats, groceries, clothing, boots, or shoes. The games of baseball, football, hockey, basketball, golf, soccer and other contests of athletic skill when conducted in a quiet and orderly manner so as not to interfere with the peace, repose, and comfort of the community, may be played on the Sabbath day.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 14 and 16 to 27 are effective the day following final enactment. Section 15 is effective August 1, 1985."

Renumber the sections in sequence

Amend the title as follows :

Page 1, line 11, after the second semicolon insert "240.14, subdivision 1;"

Page 1, line 11, delete "subdivision" and insert "subdivisions
5 and"

Page 1, line 12, after "240.22;" insert "240.24;"

Page 1, line 13, delete the second "and" and before the period insert "; 541.20; 541.21; and 624.02"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rose from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1300, A bill for an act relating to the development of timber resources on tax-forfeited lands; transferring certain powers and duties of the commissioner of iron range resources and rehabilitation to the commissioner of natural resources; amending Minnesota Statutes 1984, section 282.38, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Heap from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1319, A bill for an act relating to St. Louis county; providing a retirement contribution exemption for emergency jobs program employees; amending Laws 1984, chapter 501, section 1.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1359, A bill for an act relating to state government; providing for indemnification of judges and employees of the legislative and judicial branches from tort, civil, or equitable claims; preserving immunities; amending Minnesota Statutes 1984, sections 3.732, subdivision 1; and 3.736, subdivisions 1 and 9.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1370, A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws affected; amending Minnesota Statutes 1984, chapters 35; 37; 92; 219; 315; 344; 390; 458; 589; 629; and 631; Laws 1959, chapter 699, section 4; Laws 1961, chapter 545, section 1; Laws 1963, chapters 254, section 1; and 827, section 1; Laws 1965, chapter 344, as amended; Laws 1967, chapter 541, section 1, as amended; Laws 1971, extra session, chapter 35, sections 7, 8, and 9; Laws 1974, chapter 218; Laws 1975, chapter 326, section 1; Laws 1976, chapter 234, section 3, as amended; Laws 1979, chapters 269, section 1; and 303, article 10, section 16; Laws 1980, chapter 453, section 1; and chapter 595, section 5; Laws 1982, chapter 523, article 24, section 2; Laws 1983, chapters 110, sections 1 and 2; and 257, section 1; Laws 1984, chapters 397, section 1; 498, section 1; and 548, section 9; repealing Minnesota Statutes 1984, sections 458.13; 458.16, subdivision 3; 458.192, subdivision 3a; 458.41; 458.50; 458.51; 458.52; 458.54; 458.55; 458.56; 458.57; 458.58; and 458.60.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Halberg from the Committee on Judiciary to which was referred:

H. F. No. 1371, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting,

and superseded provisions; reenacting certain laws; providing instructions to the revisor; amending Minnesota Statutes 1984, sections 3C.12, subdivision 2; 8.31, subdivision 2; 13.37, subdivision 2; 14.47, subdivision 8; 16A.065; 16A.133, subdivision 1; 16B.64, subdivision 2; 21.92; 35.09, subdivision 1; 42.09, subdivision 9; 46.046, subdivision 1; 47.101, subdivisions 2 and 3; 47.29, subdivision 1; 47.30, subdivisions 2 and 3; 47.51; 48.89, subdivision 1; 60A.03, subdivision 2; 62D.04, subdivision 1; 62D.041, subdivision 5; 62D.09; 62H.06; 83.23, subdivision 3; 106.631, subdivisions 2 and 4; 116J.58, subdivision 4; 122.531, subdivisions 3a and 5; 124A.03, subdivision 3; 204B.14, subdivision 5; 214.13, subdivision 4; 240.16, subdivision 6; 256B.431, subdivision 4; 257.67, subdivision 3; 260.121, subdivision 3; 268.04, subdivision 32; 268.08, subdivision 1; 268.675, subdivision 1; 270.84, subdivision 1; 290.531; 290A.111, subdivision 2; 296.18, subdivision 1; 297A.391; 307.06; 309.502; 349.51, subdivision 5; 352.01, subdivision 2A; 360.531, subdivision 7; 363.071, subdivision 1; 388.051, subdivision 2; 422A.101, subdivision 2; 453.55, subdivision 11; 473.384, subdivision 6; 473.446, subdivision 1; 474.17, subdivision 3; 474.19, subdivisions 3 and 7; 519.01; 525.619; 571.41, subdivision 5b; amending Laws 1984, chapter 463, article 7, section 53, subdivision 2; reenacting Minnesota Statutes 1984, sections 10A.31, subdivision 5; 62D.03, subdivision 4; repealing Minnesota Statutes 1984, sections 124A.035, subdivision 6; 177.-295; 204B.19, subdivision 3; repealing Laws 1977, chapter 434, sections 4 and 5; chapter 386, section 1; Laws 1978, chapter 772, section 8; Laws 1980, chapter 522, section 4; Laws 1983, chapter 222, section 14; chapter 247, sections 122, 176, and 217; chapter 253, section 19; chapter 299, section 20; chapter 301, section 220; chapter 314, article 11, section 19; chapter 359, section 149; Laws 1984, chapter 464, section 12, clause (g), and the second paragraph after clause (g); chapter 468, section 1; chapter 471, sections 14, 15, and 16; chapter 514, article 2, section 13; chapter 541, section 1; chapter 543, section 8; chapter 618, section 59; that part of Laws 1984, chapter 629, section 2, that amends section 375.193; Laws 1984, chapter 638, section 3; chapter 654, article 2, section 118.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Schreiber from the Committee on Taxes to which was referred:

S. F. No. 450, A bill for an act relating to taxation; providing for collection of outstate liabilities; changing certain time limitations; changing tax lien provisions; providing for certain disclosures; changing entry for confessions of judgment; amending Minnesota Statutes 1984, sections 270.06; 270.063; 270.66, subdivision 1; 270.68, subdivisions 1 and 4; 270.69, subdivisions 1,

2, 3, and 4; 270.70, subdivisions 1 and 13; 290.49, subdivision 7; 290.58; 290.92, subdivisions 6 and 23; 296.15, subdivision 6; 297A.34, subdivision 5; 297A.42, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1984, section 270.69, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 17 to page 4, line 30, delete section 1

Page 11, line 27 to page 12, line 16, delete section 14

Page 20, lines 17 to 34, delete section 19

Page 21, line 4, delete "17" and insert "15"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "providing"

Page 1, line 5, delete "for certain disclosures;"

Page 1, line 7, delete "270.06;"

Page 1, line 10, delete "290.58;"

Page 1, line 12, delete "297A.42, subdivision 2;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Levi from the Committee on Rules and Legislative Administration to which was referred:

House Resolution No. 6, A house resolution recognizing the outstanding Parents are Teachers program and Family Oriented Structured Preschool Activity program achievements at the St. Cloud Area Vocational Technical Institute.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

Erickson from the Committee on Education to which was referred:

House Resolution No. 18, A house resolution congratulating the Flyers girls basketball team from Little Falls High School for winning the 1985 Class AA Girls State High School Basketball Championship.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 18, 123, 413, 545, 563, 645, 659, 671, 683, 781, 852, 887, 891, 918, 921, 957, 959, 968, 985, 1000, 1016, 1023, 1025, 1064, 1075, 1086, 1088, 1093, 1106, 1117, 1129, 1130, 1150, 1163, 1170, 1178, 1185, 1193, 1197, 1202, 1224, 1250, 1254, 1279, 1281, 1300, 1319, 1370 and 1371 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 472 and 450 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Forsythe introduced:

H. F. No. 1439, A bill for an act relating to independent school district No. 273, Edina, and independent school district No. 274, Hopkins, both in Hennepin county; providing for the transfer of territory from independent school district No. 274 to independent school district No. 273.

The bill was read for the first time and referred to the Committee on Education.

Begich and Battaglia introduced:

H. F. No. 1440, A bill for an act relating to independent school district No. 697, Eveleth; authorizing the issuance of general obligation bonds following electoral approval to finance the acquisition and betterment of school buildings and facilities and the levy of ad valorem taxes therefor; authorizing the transfer of certain taconite taxes to the district for payment of debt service on the bonds.

The bill was read for the first time and referred to the Committee on Education.

Ogren introduced:

H. F. No. 1441, A bill for an act relating to real property; allowing closed bids to be made by Fond du Lac governing body on tax-forfeited lands within the Fond du Lac reservation; proposing coding for new law in Minnesota Statutes, chapter 282.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Jennings, L., introduced:

H. F. No. 1442, A bill for an act relating to local improvements; requiring certain information to be included in the notice of the hearing on proposed assessments; amending Minnesota Statutes 1984, section 429.061, subdivision 1.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Onnen and Pappas introduced:

H. F. No. 1443, A bill for an act relating to notaries; providing procedures for various notarial acts; enacting the uniform law on notarial acts; proposing coding for new law in Minnesota Statutes, chapter 358; repealing Minnesota Statutes 1984, sections 358.32 to 358.40.

The bill was read for the first time and referred to the Committee on Judiciary.

Shaver introduced:

H. F. No. 1444, A bill for an act relating to waters and watercraft safety; requiring liability insurance on all licensed watercraft in the state; amending Minnesota Statutes 1984, section 361.03, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Fjoslien introduced:

H. F. No. 1445, A bill for an act relating to crimes; requiring the commissioner of public safety to reinstate driving privileges that have been civilly revoked upon acquittal of a criminal charge of driving under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1984, sections 169.123, subdivision 4, and by adding a subdivision; and 169.1261.

The bill was read for the first time and referred to the Committee on Transportation.

Clark, Greenfield, Long and Kahn introduced:

H. F. No. 1446, A bill for an act relating to human rights; prohibiting unfair discriminatory practices on the basis of affectional or sexual orientation; amending Minnesota Statutes 1984, sections 363.01, subdivision 24, and by adding a subdivision; 363.02, subdivisions 1 and 2; 363.03, subdivisions 1, 2, 3, 4, 5, 7, and 8; 363.05, subdivision 1; 363.11; 363.115; and 363.12, subdivision 1.

The bill was read for the first time and referred to the Committee on Judiciary.

Rodosovich introduced:

H. F. No. 1447, A bill for an act relating to health; requiring insurance coverage for special dietary treatment for phenylketonuria; providing an educational testing program; allowing a deduction for the costs of the special dietary treatment; amending Minnesota Statutes 1984, sections 62E.06, subdivision 1; and 290.089, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62A and 144.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Vellenga and Boo introduced:

H. F. No. 1448, A bill for an act relating to liquor; authorizing municipalities to permit holders of both on-sale wine and non-intoxicating malt liquor licenses to sell intoxicating malt liquors; amending Minnesota Statutes 1984, section 340.11, subdivision 20.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Gruenes introduced:

H. F. No. 1449, A bill for an act relating to state employees; extending insurance benefits to certain state employees selecting early retirement; amending Minnesota Statutes 1984, section 43A.24, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Backlund introduced:

H. F. No. 1450, A bill for an act relating to the legislature; eliminating a scheduled pay increase for legislators; amending Minnesota Statutes 1984, section 3.099, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Wenzel introduced:

H. F. No. 1451, A bill for an act relating to local government; clarifying the authority of counties to employ accountants; amending Minnesota Statutes 1984, section 6.55.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Simoneau and Dempsey introduced:

H. F. No. 1452, A bill for an act relating to retirement; highway patrol formula; amending Minnesota Statutes 1984, section 352B.08, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Simoneau and Dempsey introduced:

H. F. No. 1453, A bill for an act relating to retirement; authorizing reimbursement of retired members of the state patrol retirement fund for the cost of medicare supplemental insurance; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 352B.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Dempsey introduced:

H. F. No. 1454, A bill for an act relating to motor vehicles; establishing a special account to reimburse municipalities with unpaid citations for traffic violations committed by operators of leased or rented motor vehicles; imposing a surcharge; proposing coding for new law in Minnesota Statutes, chapter 168.

The bill was read for the first time and referred to the Committee on Transportation.

Voss introduced:

H. F. No. 1455, A bill for an act relating to courts; providing court reporters with travel expenses; amending Minnesota Statutes 1984, section 486.05, subdivision 1.

The bill was read for the first time and referred to the Committee on Judiciary.

Heap, Marsh, Fjoslien and Dempsey introduced:

H. F. No. 1456, A bill for an act relating to taxation; income; providing an exclusion for military pension payments; amending Minnesota Statutes 1984, sections 290.01, subdivision 20b; and 290.08, subdivision 26.

The bill was read for the first time and referred to the Committee on Taxes.

Blatz, Kvam, Marsh and Osthoff introduced:

H. F. No. 1457, A bill for an act relating to traffic regulations; removing certain restrictions on special permits to move manufactured homes; amending Minnesota Statutes 1984, section 169.86, subdivision 1.

The bill was read for the first time and referred to the Committee on Transportation.

Valan, DenOuden and Kalis introduced:

H. F. No. 1458, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Valan, DenOuden and Kalis introduced:

H. F. No. 1459, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Ozment introduced:

H. F. No. 1460, A bill for an act relating to Dakota county; permitting electronic funds transfers.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Knickerbocker introduced:

H. F. No. 1461, A bill for an act relating to retirement; public employees retirement association; omitted deductions; police and fire disability benefit formula; amending Minnesota Statutes 1984, sections 353.27, subdivision 12; and 353.656, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Himle, Poppenhagen, Shaver, Tjornhom and Thiede introduced:

H. F. No. 1462, A bill for an act relating to the legislature; providing for a statement of economic impact for bills and rules; amending Laws 1984, chapter 640, section 7; proposing coding for new law in Minnesota Statutes, chapter 3.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Jaros introduced:

H. F. No. 1463, A bill for an act relating to human services; requiring general assistance payments to be in the form of vouchers or vendor payments; amending Minnesota Statutes 1984, sections 256D.02, subdivision 4; and 256D.09, subdivision 1; repealing Minnesota Statutes 1984, section 256D.09, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Thiede, by request, introduced:

H. F. No. 1464, A bill for an act relating to natural resources and agriculture; allowing compensation to owners of crops damaged by deer, bear, or other wild animals; permitting the killing of bear which are damaging crops; appropriating money; amending Minnesota Statutes 1984, sections 3.737, by adding subdivisions; and 98.48, subdivision 5.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Jaros introduced:

H. F. No. 1465, A bill for an act relating to public safety; making it a felony to use a bulletproof garment in the commission of a crime; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 624.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Vanasek, Wenzel, Rose, Rodosovich and Ogren introduced:

H. F. No. 1466, A bill for an act relating to taxation; changing the property tax exemption and credit for wetlands; amending Minnesota Statutes 1984, sections 272.02, subdivision 1; and 273.115.

The bill was read for the first time and referred to the Committee on Taxes.

Welle, Blatz, Himle, Krueger and Voss introduced:

H. F. No. 1467, A bill for an act relating to energy; providing for the terms of payment for district heating and qualified energy improvement loans; amending Minnesota Statutes 1984, section 116J.36, subdivision 6.

The bill was read for the first time and referred to the Committee on Regulated Industries and Energy.

Valan introduced:

H. F. No. 1468, A bill for an act relating to the city of Breckenridge; permitting the establishment of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Brinkman introduced:

H. F. No. 1469, A bill for an act relating to education; changing provisions relating to second tier levy fund balances; amending Minnesota Statutes 1984, section 124A.08, subdivision 5.

The bill was read for the first time and referred to the Committee on Education.

Brinkman introduced:

H. F. No. 1470, A bill for an act relating to occupations and professions; barbers; providing for compensation of board members for the performance of their examination duties; amending Minnesota Statutes 1984, section 154.22.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Brinkman and Welle introduced:

H. F. No. 1471, A bill for an act relating to waters; prohibiting certain ice blocks upon the surface of frozen waters; amending Minnesota Statutes 1984, section 101.42, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Dempsey, Ozment, Bishop, Clausnitzer and Ellingson introduced:

H. F. No. 1472, A bill for an act relating to human services; authorizing a court to order release of certain confidential information; amending Minnesota Statutes 1984, section 254A.09.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Sherman, Johnson, Becklin and Nelson, D., introduced:

H. F. No. 1473, A bill for an act relating to elections; clarifying the provision of time off to vote; amending Minnesota Statutes 1984, section 204C.04.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Begich, Battaglia and Eliooff introduced:

H. F. No. 1474, A bill for an act relating to transportation; municipal state-aid streets; allowing cities with a population decrease to continue to receive municipal state-aid for streets; amending Minnesota Statutes 1984, section 162.09, subdivision 4.

The bill was read for the first time and referred to the Committee on Transportation.

Vellenga and Clausnitzer introduced:

H. F. No. 1475, A bill for an act relating to vocational technical education; requiring the state board to establish a two-year pilot program at a vocational technical institute for vocational generalist; appropriating money; amending Minnesota Statutes 1984, section 136C.04, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Price introduced:

H. F. No. 1476, A bill for an act relating to health; requiring chemical dependency treatment facilities to report data; requiring the department of health to report data to the legislature; proposing coding for new law in Minnesota Statutes, chapter 254A.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Price introduced:

H. F. No. 1477, A bill for an act relating to crime; using force or threat of force against revenue department employees; amending Minnesota Statutes 1984, section 609.50.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

McLaughlin introduced:

H. F. No. 1478, A bill for an act relating to insurance; providing flexibility in the amount of coverage for structures other than the dwelling under a homeowner's policy; proposing coding for new law in Minnesota Statutes, chapter 65A.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Jaros introduced:

H. F. No. 1479, A bill for an act relating to taxation; establishing an income tax checkoff for the purpose of providing funds for organ transplants; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

Valento, by request, Skoglund and Schreiber introduced:

H. F. No. 1480, A bill for an act relating to the metropolitan sports facilities commission; renaming it the metropolitan sports and convention facilities commission; authorizing it to acquire, design, construct, equip, improve, control, operate, and maintain convention and trade show facilities and related facilities in the city of Minneapolis and to expend certain money for it; authorizing it to exercise eminent domain; authorizing it to issue bonds to finance the acquisition and betterment of convention and trade show facilities and related facilities; authorizing the city of Minneapolis to expend certain funds, including taxes and tax increments, for commission purposes; authorizing the city of

Minneapolis and the metropolitan council to contract with the commission and to exercise powers of the commission and perform other acts; authorizing the city to levy and collect certain taxes and to issue bonds to finance the acquisition and betterment of the facility; authorizing the city to proceed with the convention and trade show facilities if the commission does not; authorizing the council to issue bonds to finance the acquisition and betterment of convention and trade show facilities or to refund outstanding bonds issued to finance certain sports facilities, and to levy taxes; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 473.

The bill was read for the first time and referred to the Committee on Budget.

Valento, Hartinger and Clausnitzer introduced:

H. F. No. 1481, A bill for an act relating to local government aid; modifying the distribution formula for cities; amending Minnesota Statutes 1984, sections 477A.011, subdivision 3, and by adding subdivisions; and 477A.013; repealing Minnesota Statutes 1984, sections 477A.011, subdivision 10; and 477A.0131.

The bill was read for the first time and referred to the Committee on Taxes.

Elioff introduced:

H. F. No. 1482, A bill for an act relating to crimes; authorizing courts to set aside convictions in certain circumstances; amending Minnesota Statutes 1984, section 609.166.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Elioff, Battaglia and Begich introduced:

H. F. No. 1483, A bill for an act relating to education; prohibiting use of professional strikebreakers during a teacher strike; establishing certain actions by a school board as unfair labor practices; amending Minnesota Statutes 1984, sections 179A.03, by adding a subdivision; and 179A.13, subdivision 2.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Segal and Simoneau introduced:

H. F. No. 1484, A bill for an act relating to employment; regulating entertainment agencies; providing a penalty; amending Minnesota Statutes 1984, sections 184A.01; 184A.03; 184A.04; 184A.05; 184A.06; 184A.10; 184A.12; 184A.13; 184A.14; 184A.15; 184A.16; 184A.18; 184A.19; and 184A.20; proposing coding for new law in Minnesota Statutes, chapter 184A.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Redalen, Uphus, Bishop and Dyke introduced:

H. F. No. 1485, A bill for an act relating to taxation; sales and use; reducing the general rate to five percent; amending Minnesota Statutes 1984, sections 297A.02, subdivision 1; 297A.03, subdivision 2; 297A.14; 297B.02; and 297B.08.

The bill was read for the first time and referred to the Committee on Taxes.

Nelson, K., introduced:

H. F. No. 1486, A bill for an act relating to education; requiring school boards to grant contracts to licensed personnel who are employed by the board for a position requiring licensure and who are in the teacher bargaining unit; provides for providing negotiated contractual rights and continuing contract status; amending Minnesota Statutes 1984, section 123.35, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Wenzel, McDonald, Richter, Krueger and Tunheim introduced:

H. F. No. 1487, A bill for an act relating to natural resources and agriculture; allowing compensation to owners of crops damaged by wild animals; amending Minnesota Statutes 1984, section 3.737, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Agriculture.

Kelly, Marsh, Seaberg, Pappas and Bishop introduced:

H. F. No. 1488, A bill for an act relating to public safety; establishing a state reimbursement program for purchases of soft body armor by and for peace officers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

Shaver, Gutknecht, Himle, Tjornhom and McPherson introduced:

H. F. No. 1489, A bill for an act relating to taxation; income; abolishing the combined reporting method of apportioning the income of multistate businesses; allowing certain corporations to elect to file consolidated returns; amending Minnesota Statutes 1984, sections 290.07, subdivision 1; 290.095, subdivision 3; 290.17, subdivision 2; 290.175; 290.21, subdivision 4; 290.34, by adding a subdivision; repealing Minnesota Statutes 1984, sections 290.06, subdivision 15; 290.068, subdivision 6; 290.21, subdivision 8; and 290.34, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Shaver, Clausnitzer and Heap introduced:

H. F. No. 1490, A bill for an act relating to the city of Plymouth; authorizing the reassessment of special assessments against certain lands in the city.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Olson, E.; Tunheim; Rodosovich; Wenzel and Brown introduced:

H. F. No. 1491, A bill for an act relating to agriculture; restricting limited partnership ownership of agricultural land; amending Minnesota Statutes 1984, section 500.24.

The bill was read for the first time and referred to the Committee on Agriculture.

Boo; Munger; Jennings, D.; Norton and Begich introduced:

H. F. No. 1492, A bill for an act relating to taxation; segregating certain sales tax revenues; providing for the establishment of a national class state convention center in the city of Duluth; authorizing the issuance of bonds and appropriating money.

The bill was read for the first time and referred to the Committee on Taxes.

Segal and Cohen introduced:

H. F. No. 1493, A resolution memorializing the negotiators for the United States at the Geneva arms talks to demand Soviet action to stop anti-Jewish discrimination and to allow Jews to emigrate.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Sherman, Munger, Begich, Sviggum and Carlson, D., introduced:

H. F. No. 1494, A bill for an act relating to game and fish; requiring expenditure data in syllabi accompanying game and fish licenses or stamps; amending Minnesota Statutes 1984, section 97.53, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Jennings, L., introduced:

H. F. No. 1495, A bill for an act relating to Chisago county; providing conditions for the sale of certain types of tax-forfeited land.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Jennings, L., introduced:

H. F. No. 1496, A bill for an act relating to state lands; providing for the sale of certain tax-forfeited land in Chisago county.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Battaglia introduced :

H. F. No. 1497, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in St. Louis county.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Neuenschwander introduced :

H. F. No. 1498, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Koochiching County.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Boo and Munger introduced :

H. F. No. 1499, A bill for an act relating to economic development; creating a state grant program for area labor-management committees; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

Battaglia, Minne, Begich and Eliooff introduced :

H. F. No. 1500, A bill for an act relating to taxation; exempting electricity sold for residential use from the sales tax; amending Minnesota Statutes 1984, section 297A.25, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Sviggum introduced :

H. F. No. 1501, A bill for an act relating to state government; providing for fees for cooperative purchasing and transfer of state surplus property; amending Minnesota Statutes 1984, sections 16B.09, by adding a subdivision; and 16B.29.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Simoneau introduced:

H. F. No. 1502, A bill for an act relating to taxation; exempting certain nonprofit nursing homes from taxation; amending Minnesota Statutes 1984, section 272.02, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Thorson introduced:

H. F. No. 1503, A bill for an act relating to the city of Bemidji; permitting the city to contribute to a community seed capital fund.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Simoneau introduced:

H. F. No. 1504, A bill for an act relating to education; providing incentive aid for school consolidation; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

The bill was read for the first time and referred to the Committee on Education.

Hartinger introduced:

H. F. No. 1505, A bill for an act relating to environment; authorizing the collection by municipalities of certain fees from the operators of sanitary landfills; providing for a landfill victims' compensation trust fund and administration of the fund; establishing a market value and method of assessment of certain landfills and property surrounding those landfills; providing for assessments against landfills of the cost of public improvements; appropriating money; amending Minnesota Statutes 1984, sections 115A.921; and 429.051; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; and 273.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Fjoslien and Uphus introduced :

H. F. No. 1506, A bill for an act relating to natural resources ; providing for payment of attorney fees for proceedings involving the determination of public waters and wetlands ; amending Minnesota Statutes 1984, section 105.391, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Begich, Eliooff and Battaglia introduced :

H. F. No. 1507, A bill for an act relating to taxation ; providing for the allocation among governmental units of increases in the assessed valuation of commercial-industrial property within the taconite tax relief area ; providing a formula for the distribution of additional revenues to municipalities within the taconite tax relief area ; proposing coding for new law as Minnesota Statutes, chapter 276A.

The bill was read for the first time and referred to the Committee on Taxes.

Begich and Battaglia introduced :

H. F. No. 1508, A bill for an act relating to taxation ; extending the 3cc classification to homesteads of recipients of private disability pensions ; amending Minnesota Statutes 1984, section 273.13, subdivision 7.

The bill was read for the first time and referred to the Committee on Taxes.

Begich and Battaglia introduced :

H. F. No. 1509, A bill for an act relating to taxation ; property ; extending the assessment years for which reimbursement may be made to taxing districts for certain refunds or abatements made to railroads ; allowing a levy in 1986 for certain abatements or refunds made to railroads ; clarifying terms ; appropriating money ; amending Laws 1984, chapter 502, article 9, section 5.

The bill was read for the first time and referred to the Committee on Taxes.

Beginch and Battaglia introduced:

H. F. No. 1510, A bill for an act relating to government operations; mandating a full-time auditor to be assigned by the legislative auditor to the iron range resources and rehabilitation board; amending Minnesota Statutes 1984, section 298.22, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Beginch introduced:

H. F. No. 1511, A bill for an act relating to labor; defining a professional strikebreaker; amending Minnesota Statutes 1984, section 179.01, subdivision 16.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Jaros and Munger introduced:

H. F. No. 1512, A bill for an act relating to the city of Duluth; authorizing the issuance of bonds to purchase capital equipment.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

McDonald introduced:

H. F. No. 1513, A bill for an act relating to agriculture; requiring the inspection of certain animals to ensure their compliance with Minnesota standards; amending Minnesota Statutes 1984, section 31A.03.

The bill was read for the first time and referred to the Committee on Agriculture.

Dempsey, Schreiber, Dimler and Tomlinson introduced:

H. F. No. 1514, A bill for an act relating to levy limits; providing a levy base adjustment for loss of revenue sharing funds; amending Minnesota Statutes 1984, section 275.51, subdivision 3h.

The bill was read for the first time and referred to the Committee on Taxes.

Sparby introduced:

H. F. No. 1515, A bill for an act relating to teachers; early retirement incentive program; changing the deadline for applying for retirement under the state-reimbursed incentive grant program; extending the state-reimbursed program; appropriating money; amending Minnesota Statutes 1984, section 125.611, subdivisions 3, 5, and 13.

The bill was read for the first time and referred to the Committee on Governmental Operations.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 14, a senate concurrent resolution relating to adjournment for more than three days.

PATRICK E. FLAHAVEN, Secretary of the Senate

SUSPENSION OF RULES

Levi moved that the rules be so far suspended that Senate Concurrent Resolution No. 14 be now considered and be placed upon its adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 14

A senate concurrent resolution relating to adjournment for more than three days.

Be It Resolved, by the Senate, the House of Representatives concurring:

1. Upon its adjournment on Thursday, April 4, 1985, the Senate may set its next day of meeting for Tuesday, April 9, 1985.

2. Pursuant to the Minnesota Constitution, Article IV, Section 12, the House of Representatives consents to the adjournment of the Senate for more than three days.

Levi moved that Senate Concurrent Resolution No. 14 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 14 was adopted.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 122.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee.

Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 122

A bill for an act relating to retirement; public employees retirement association; setting the salary range of the executive director; changing the membership of the board; providing qualifications for the executive director; requiring advice and consent of the senate for appointment of the executive director; defining the duties of the board; ending the terms of current board members; defining the duties of the executive director; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1; 43A.10, subdivision 6; and 353.03, subdivisions 1, 1a, 2, 3, 3a, and 5; proposing coding for new law in Minnesota Statutes, chapter 353.

March 28, 1985

The Honorable Jerome M. Hughes
President of the Senate

The Honorable David M. Jennings
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 122, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 122 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [FINDINGS.]

The legislature reaffirms that the public employees retirement association is a public agency, created by and subject to the control of the legislature. The legislature is responsible for assuring that the laws establishing the association lead to responsible governance and efficient administration. The legislature must assure that the board of trustees fulfills its fiduciary obligations to the state, to the taxpayers, and to the members of the association.

The legislature finds that actions of the association board of trustees have damaged public confidence in the association's ability to fulfill its fiduciary obligations and to operate in accordance with legislative intent. The legislature finds that this act is necessary to assure that the board of trustees will fulfill its fiduciary obligations and will responsibly administer the affairs of the association in keeping with legislative intent.

Sec. 2. Minnesota Statutes 1984, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Salary Range Effective July 1, 1983
Commissioner of education;	\$57,500-\$70,000
Commissioner of finance;	
Commissioner of transportation;	
Commissioner of human services;	
Chancellor, community college system;	
Chancellor, state university system;	
Director, vocational technical education;	
Executive director, state board of investment;	
Commissioner of administration;	\$50,000-\$60,000
Commissioner of agriculture;	
Commissioner of commerce;	

Commissioner of corrections;

Commissioner of economic security;

Commissioner of employee relations;

Commissioner of energy and economic development;

Commissioner of health;

Commissioner of labor and industry;

Commissioner of natural resources;

Commissioner of revenue;

Commissioner of public safety;

Chairperson, waste management board;

Chief administrative law judge; office of administrative hearings;

Director, pollution control agency;

Director, state planning agency;

Executive director, higher education coordinating board;

Executive director, housing finance agency;

Executive director, public employees retirement association;

Executive director, teacher's retirement association;

Executive director, state retirement system;

Commissioner of human rights; \$40,000-\$52,500

Director, department of public service;

Commissioner of veterans' affairs;

Director, bureau of mediation services;

Commissioner, public utilities commission;

Member, transportation regulation board;

Director, zoological gardens.

Sec. 3. Minnesota Statutes 1984, section 43A.04, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE LEADERSHIP.] The commissioner shall be the chief personnel and labor relations manager of the civil service in the executive branch.

(a) Whenever any power or responsibility is given to the commissioner by any provision of Laws 1981, Chapter 210, unless otherwise expressly provided, the power or authority shall apply to all employees of agencies in the executive branch and to employees in classified positions in the office of the legislative auditor, the Minnesota state retirement system, *the public employees retirement association*, and the teacher's retirement association. Unless otherwise provided by law, the power or authority shall not apply to unclassified employees in the legislative and judicial branches.

(b) The commissioner shall operate an information system from which personnel data, as defined in section 13.43, concerning employees and applicants for positions in the classified service can be retrieved.

The commissioner shall have access to all public and private personnel data kept by appointing authorities which will aid in the discharge of the commissioner's duties.

(c) The commissioner may consider and investigate any matters concerned with the administration of provisions of Laws 1981, Chapter 210 and may order any remedial actions consistent with law.

Sec. 4. Minnesota Statutes 1984, section 43A.10, subdivision 6, is amended to read:

Subd. 6. [ELIGIBILITY FOR COMPETITIVE PROMOTIONAL EXAMINATIONS.] Competitive promotional examinations shall be open only to employees of the civil service, the Minnesota state retirement system, *the public employees retirement association*, and the teacher's retirement association. The commissioner may require that competition be extended to all employees as defined above or may limit competition to employees of one or more agencies or organizational units thereof or to employees meeting specified employment conditions.

Sec. 5. Minnesota Statutes 1984, section 353.03, subdivision 1, is amended to read:

Subdivision 1. [MANAGEMENT; COMPOSITION; ELECTION.] The management of the public employees retirement fund is (HEREBY) vested in a board of trustees consisting of (15) *the state auditor and eight members* (, WHO SHALL BE KNOWN AS THE BOARD OF TRUSTEES). (THIS BOARD SHALL CONSIST OF FOUR TRUSTEES) *The governor shall appoint five trustees to four-year terms*, one of whom shall be designated (BY EACH OF THE FOLLOWING ASSOCIATIONS OR ORGANIZATIONS, MINNESOTA) *to represent school boards (ASSOCIATION), (LEAGUE OF MINNESOTA) one to represent cities, (ASSOCIATION OF MINNESOTA) one to represent counties* (AND THE EXECUTIVE COMMITTEE OF THE STATEWIDE GENERAL LABOR ORGANIZATION WHICH INCLUDES AMONG ITS MEMBERSHIP THE EMPLOYEE ORGANIZATIONS, AS DEFINED IN SECTION 179A.03, SUBDIVISION 6, WHICH REPRESENT THE LARGEST NUMBER OF EMPLOYEES WHO ARE ASSOCIATION MEMBERS; NINE AREA TRUSTEES, WHO SHALL BE ELECTED FROM THE MEMBERSHIP EMPLOYED IN ONE OF THE AREAS DESCRIBED BELOW BY THE MEMBERS EMPLOYED IN SUCH AREA EXCEPT MEMBERS OF THE POLICE AND FIRE FUND;), one (TRUSTEE) who shall be a retired annuitant (ELECTED AT LARGE BY OTHER RETIRED ANNUITANTS AND DISABILITANTS;), and one (TRUSTEE) who is a *public* member (OF THE POLICE AND FIRE FUND ELECTED AT LARGE BY THE MEMBERSHIP OF THE POLICE AND FIRE FUND) *knowledgeable in pension matters*. (TRUSTEES ELECTED BY) The membership of the association (OR BY THE RETIRED ANNUITANTS AND DISABILITANTS OF THE ASSOCIATION) shall (BE ELECTED) *elect three trustees* for (A TERM) *terms* of four years. Trustees (DESIGNATED BY AN ASSOCIATION OR ORGANIZATION OR) *elected* (OR SELECTED BY THE USE OF A PROCEDURE OTHER THAN DIRECT ELECTION) by the membership of the association (OR BY THE ANNUITANTS OF THE ASSOCIATION) shall (HOLD OFFICE FOR A TERM OF TWO YEARS OR UNTIL THE DESIGNATION, ELECTION OR SELECTION PROCEDURE IS CHANGED, IF THAT OCCURS EARLIER) *be public employees and members of the association*. For seven days beginning November 1 of each year *preceding a year in which an election is held*, the association shall accept at its office filings in person or by mail of candidates for the board of trustees. (AN AREA) A candidate shall submit at the time of filing a nominating petition signed by 25 or more members of the fund (FROM THE AREA OF THE CANDIDATE, A RETIRED ANNUITANT CANDIDATE, A NOMINATING PETITION SIGNED BY ANY COMBINATION OF 25 OR MORE RETIRED ANNUITANTS OR DISABILITANTS, AND A POLICE AND FIRE FUND CANDIDATE, A NOMINATING PETITION SIGNED BY 25 OR MORE MEMBERS OF SUCH FUND). No name may be withdrawn from nomination by the nominee after November 15. *At the request of a candidate for an elected position on the board of trustees, the board shall mail a*

statement of up to 300 words prepared by the candidate to all persons eligible to vote in the election of the candidate. The board may adopt policies to govern form and length of these statements, timing of mailings, and deadlines for submitting materials to be mailed. These policies must be approved by the secretary of state. Disputes between the board and a candidate concerning application of these policies to a particular statement shall be resolved by the secretary of state. A candidate who:

(a) receives contributions or makes expenditures in excess of \$100; or

(b) has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100;

for the purpose of bringing about the candidate's election, must file a report with the ethical practices board disclosing the source and amount of all contributions to his or her campaign. The ethical practices board shall prescribe forms governing these disclosures. Expenditures and contributions have the meaning defined in section 10A.01. These terms do not include the mailing made by the association board on behalf of the candidate. A candidate must file a report within 30 days from the day that the results of the election are announced. The ethical practices board shall maintain these reports and make them available for public inspection in the same manner as the board maintains and makes available other reports filed with it. By January 10 of each year in which elections are to be held the board shall distribute by mail to the members (, RETIRED ANNUITANTS AND DISABILITIES,) ballots listing the candidates. No member may vote for more than one candidate for each board position to be filled. A ballot indicating a vote for more than one person for any position shall be void. No special marking may be used on the ballot to indicate incumbents. The last day for mailing ballots to the fund shall be January 31. (EXCEPT AS PROVIDED IN THIS SECTION, ALL) Terms expire on January 31 of the fourth year, and (THE POSITION SHALL REMAIN) positions are vacant until (THE) newly elected (MEMBER IS) members are qualified. The ballot envelopes shall be so designed and the ballots shall be counted in such a manner as to insure that each vote is secret. (FOR THE PURPOSE OF ELECTING THE NINE AREA TRUSTEES, THE STATE SHALL BE DIVIDED INTO THREE AREAS AS FOLLOWS: AREA ONE SHALL INCLUDE ANOKA, HENNEPIN, RAMSEY AND WASHINGTON COUNTIES. AREA TWO SHALL INCLUDE BIG STONE, SWIFT, KANDIYOHI, MEEKER AND WRIGHT COUNTIES AND ALL COUNTIES SOUTH THEREOF, EXCEPT COUNTIES IN AREA ONE. AREA THREE SHALL INCLUDE ALL THE REMAINING COUNTIES OF THE STATE. IF ANY GOVERNMENTAL UNIT IS LOCATED IN MORE THAN ONE AREA, PLACE OF EMPLOYMENT SHALL BE DEEMED TO BE IN THE AREA IN WHICH THE

MAIN OFFICE OF THE GOVERNMENTAL UNIT IS LOCATED. EACH YEAR FOR THREE YEARS ONE AREA TRUSTEE SHALL BE ELECTED TO A FOUR-YEAR TERM FROM EACH AREA BY THE MEMBERS EMPLOYED IN THE RESPECTIVE AREAS. IN THE FOURTH YEAR ONE TRUSTEE SHALL BE ELECTED AT LARGE BY THE POLICE AND FIRE FUND MEMBERSHIP AND ONE TRUSTEE ELECTED AT LARGE BY THE RETIRED ANNUITANTS AND DISABILITANTS.)

The elections shall be supervised by the secretary of state. It shall be the duty of the board of trustees to faithfully administer the law without prejudice and consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers of the governmental subdivisions which aid in financing it and the public employees who are its beneficiaries. *They shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs.*

Sec. 6. Minnesota Statutes 1984, section 353.03, subdivision 1a, is amended to read:

Subd. 1a. [VACANCY, HOW FILLED.] Any vacancy on the board caused by death, resignation, or removal of any (MEMBER SO ELECTED SHALL) *trustee, or occurring because an elected trustee ceases to be a public employee and an active member of the association, must be filled by the board for trustees elected by members, and by the governor for other trustees,* for the unexpired portion of the term in which the vacancy occurs.

Sec. 7. Minnesota Statutes 1984, section 353.03, subdivision 2, is amended to read:

Subd. 2. [NO COMPENSATION EXPENSES.] The members of the board of trustees (AND MEMBERS OF ANY AUTHORIZED COMMITTEE OF SAID RETIREMENT ASSOCIATION) shall serve without compensation, but shall be reimbursed out of the retirement fund for expenses actually and necessarily paid or incurred in the performance of their duties. Members of the board of trustees shall suffer no loss of compensation from (THEIR) *a public employer by reason of service on or for the board or on any authorized committee thereof.*

Sec. 8. Minnesota Statutes 1984, section 353.03, subdivision 3, is amended to read:

Subd. 3. [(OFFICERS; EMPLOYEES; BYLAWS) DUTIES AND POWERS OF THE BOARD.] (a) The board shall elect a (CHAIRMAN) *president* and (VICE-CHAIRMAN, AND SHALL APPOINT AN EXECUTIVE DIRECTOR

AND OTHER EMPLOYEES AND MAY ADOPT BYLAWS, AND PROCURE OTHER SERVICES AS IT MAY REASONABLY DEEM NECESSARY AND FIX THEIR COMPENSATION SUBJECT TO SUBDIVISION 2 HEREOF) vice-president. The board shall approve the staffing complement necessary to administer the fund. The cost of administering this chapter must be paid by the fund.

(b) The board shall adopt bylaws for its own government and for the management of the fund consistent with the laws of the state and may modify them at pleasure. It shall adopt, alter, and enforce reasonable rules consistent with the laws of the state for the administration and management of the fund, for the payment and collection of payments from members, and for the payment of withdrawals and benefits. It shall pass upon and allow or disallow all applications for membership in the fund and shall allow or disallow claims for withdrawals, pensions, or benefits payable from the fund. It shall adopt an appropriate mortality table based on experience of the fund as recommended by the association actuary, with interest set at the rate specified in section 356.215, subdivision 4, clause (4). It shall provide for the payment out of the fund of all necessary expenses for the administration of the fund and of all claims for withdrawals, pensions, or benefits allowed. The board shall approve or disapprove all recommendations and actions of the executive director made subject to its approval or disapproval by subdivision 3a.

(c) In passing upon all applications and claims, the board may summon, swear, hear, and examine witnesses and, in the case of claims for disability benefits, may require the claimant to submit to a medical examination by a physician of the board's choice, at the expense of the fund, as a condition precedent to the passing on the claim, and, in the case of all applications and claims, may conduct investigations necessary to determine their validity and merit.

(d) The board may continue to authorize the sale of life insurance to members under the insurance program in effect on January 1, 1985, but must not change that program without the approval of the commissioner of finance. The association shall not receive any financial benefit from the life insurance program beyond the amount necessary to reimburse the association for costs incurred in administering the program. The association shall not engage directly or indirectly in any other activity involving the sale or promotion of goods or services, or both, whether to members or nonmembers.

(e) The board shall establish procedures governing reimbursement of expenses to board members. These procedures shall define the types of activities and expenses that qualify for reimbursement, shall provide that all out-of-state travel must be authorized by the board, and shall provide for independent verification of claims for expense reimbursement. The procedures must

comply with applicable rules and policies of the department of finance, the department of administration, and the department of employee relations.

Sec. 9. Minnesota Statutes 1984, section 353.03, subdivision 3a, is amended to read:

Subd. 3a. [(DUTIES AND POWERS OF THE) EXECUTIVE DIRECTOR.] (a) [(QUALIFICATIONS) APPOINTMENT.] *The board shall appoint, with the advice and consent of the senate, an executive director on the basis of education, experience in the retirement field, and leadership ability. The executive director shall have had at least five years' experience in an executive level management position, which has included responsibility for pensions, deferred compensation, or employee benefits. The executive director serves at the pleasure of the board. The salary of the executive director is as provided by section 15A.081, subdivision 1.*

(b) [DUTIES.] *The management of the association is vested in the executive director who shall be the executive and administrative head of the association. He shall act as adviser to the board on all matters pertaining to the association. He shall also act as the secretary of the board. (IT IS THE DUTY OF) The executive director (AND HE HAS THE POWER TO) shall:*

- (1) *Attend all meetings of the board;*
- (2) *Prepare and recommend to the board rules (AND REGULATIONS) for the purpose of carrying out the provisions of this chapter;*
- (3) *Establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;*
- (4) *Designate an assistant director, with the approval of the board, who shall serve in the unclassified service and whose salary is set in accordance with section 43A.18, subdivision 3, appoint a confidential secretary in the unclassified service, and appoint (SUCH) employees (, BOTH PERMANENT AND TEMPORARY, AS ARE NECESSARY) to carry out (THE PROVISIONS OF SAID) this chapter, (AND WITH THE APPROVAL OF THE BOARD FIX THEIR COMPENSATION) who are subject to chapters 43A and 179A in the same manner as are executive branch employees;*
- (5) *Organize the work of the association as he deems necessary to fulfill the functions of the association, and define the duties of its employees and delegate to them any of his powers or duties, subject to his control and under such conditions as he may prescribe;*

(6) With the approval of the board, contract for actuarial services, professional management services, and consulting services as (MAY BE) necessary (AND FIX THE COMPENSATION THEREFOR) *to fulfill the purposes of this chapter.* (SUCH) All contracts (SHALL NOT BE) *are* subject to (THE COMPETITIVE BIDDING PROCEDURE PRESCRIBED BY) chapter (16) 16B. *The commissioner of administration shall not approve, and the association shall not enter into, any contract to provide lobbying services or legislative advocacy of any kind.* Copies of all professional management survey reports shall be sent directly to the legislature and the legislative auditor at the same time reports are furnished the board. Only management firms experienced in conducting management surveys of federal, state or local public retirement systems shall be qualified to contract with the director hereunder;

(7) With the approval of the board provide inservice training for all employees of the association;

(8) Make refunds of accumulated contributions to former members and to the designated beneficiary, surviving spouse, legal representative or next of kin of deceased members or deceased former members, all as provided in this chapter;

(9) Determine the amount of the annuities and disability benefits of members covered by the association and authorize payment thereof beginning as of the dates such annuities and benefits begin to accrue, all in accordance with the provisions of (SAID) *this* chapter;

(10) Pay annuities, (REFUNDMENTS) *refunds*, survivor benefits, salaries and all necessary operating expenses of the association;

(11) Prepare and submit to the board and the legislature an annual report covering the operation of the association, as required by chapter 356;

(12) *Prepare and submit biennial and annual budgets to the board for its approval and submit the approved budgets to the department of finance for approval by the commissioner; and*

(13) With the approval of the board, perform such other duties as may be required for the administration of the association and the other provisions of this chapter and for the transaction of its business.

Sec. 10. Minnesota Statutes 1984, section 353.03, subdivision 5, is amended to read:

Subd. 5. [APPLICATION OF LAWS.] Laws applicable to state agencies and agencies with statewide jurisdiction shall

(NOT BE CONSTRUED TO) apply to the association (UNLESS SUCH LAWS MAKE SPECIFIC REFERENCE TO THIS SUBDIVISION; PROVIDED, HOWEVER, THE APPLICABLE PROVISIONS OF CHAPTERS 355 AND 356 SHALL APPLY TO THE ASSOCIATION).

Sec. 11. [TERMS ENDED.]

Notwithstanding any other law to the contrary, the terms of all people who are members of the public employees retirement association board prior to the effective date of this section, whether they were elected or designated, end on the effective date of this section. Incumbent members, including those elected in January 1985, do not hold over and cease to have any authority to carry out the decisions of the board unless reappointed or re-elected to the board. If individuals elected in January 1985 have not become members of the board by the effective date of this section, they shall not take office. In addition, all committees established by the board are abolished on the effective date of this section.

Sec. 12. [TRANSITION.]

Subdivision 1. [APPOINTMENTS.] Within 30 days after the effective date of this act, the governor shall appoint the five trustees specified in Minnesota Statutes, section 353.03, subdivision 1. In addition, and notwithstanding any provision of section 353.03, subdivision 1, the governor shall appoint three trustees who are public employees and members of the association. The term of one trustee who is a public employee and member of the association and who is appointed under this subdivision ends January 31, 1986. The terms of the other two trustees who are public employees and members of the association and who are appointed under this subdivision end January 31, 1987. In making those appointments, the governor shall designate the trustee whose term ends in 1986 and the trustees whose terms end in 1987. Minnesota Statutes, section 15.0597 does not govern appointments made under this subdivision.

Subd. 2. [INTERIM DIRECTOR.] The acting interim director of the association, actively serving in that position on the effective date of this section, from that date until a new board has taken office may exercise all powers vested in the board by Minnesota Statutes, section 353.03, subdivisions 1, 3, and 3a. Until a new executive director has been appointed by the board, the acting interim director has the powers and duties assigned to the executive director under Minnesota Statutes, section 353.03, subdivision 3a.

Subd. 3. [ELECTION PROCEDURES.] The board shall accept filings for one elected position on the board in November 1985 and shall conduct an election for that position in January

1986. The board shall accept filings for two elected positions on the board in November 1986 and shall conduct an election for those positions in January 1987. Thereafter, the board shall follow the election procedures described in Minnesota Statutes, section 353.03, subdivision 1, as necessary to fill the positions of elected trustees.

Subd. 4. [EMPLOYEES.] Notwithstanding any provision of Minnesota Statutes, section 353.03, subdivision 3a, employees of the association are not subject to Minnesota Statutes, chapters 43A and 179A until July 1, 1985.

Sec. 13. [CURRENT EMPLOYEES.]

Employees who hold or are on leave from positions of the association on July 1, 1985, are appointed to the civil service of the state without competitive or qualifying examination. The commissioner of employee relations shall place the employees in the proper classifications in the classified service, except for those holding or on leave from unclassified positions listed in Minnesota Statutes, section 353.03, subdivision 3a, who are to be placed in the proper classifications in the unclassified service. Each employee is appointed at no loss in salary or accrued vacation benefits, but no increase in salary until the employee's salary comes within the range for the employee's class and no additional accrual of vacation benefits until the employee's total accrued vacation benefits falls below the maximum permitted by the state for the employee's position. An employee so appointed shall begin on July 1, 1985, to serve a probationary period not to exceed six months, which the executive director may terminate earlier. Employees who retire by June 30, 1985, are entitled to the cash value of their accrued sick leave under the formula in use by the association the day before the day of final enactment of this act. The association shall provide health insurance for employees who are retired on the day of final enactment of this act and employees who retire or qualify for retirement by June 30, 1985. The health insurance provided under this section is subject to any change in plan design or coverage that occurs through collective bargaining or implementation of a plan established under Minnesota Statutes, section 43A.18 for employees in positions equivalent to that from which the insured employee retired. Coverages must be coordinated with relevant health insurance benefits provided through the federal medicare program. Notwithstanding other law to the contrary, the commissioners of employee relations and finance may adjust reporting of hours worked by association employees after July 1, 1985, as needed to facilitate the transition to the state's biweekly payroll system.

Sec. 14. [SEVERABILITY.]

The provisions of this act are severable. If any provision is found to be void, the remaining provisions shall remain valid.

Sec. 15. [EFFECTIVE DATE.]

Sections 1, 2, 5 to 12, and 14 are effective the day following final enactment. Sections 3, 4, and 13 are effective July 1, 1985."

Delete the title and insert:

"A bill for an act relating to retirement; public employees retirement association; setting the salary range of the executive director; changing the membership of the board; providing qualifications for the executive director; requiring advice and consent of the senate for appointment of the executive director; defining the duties of the board; ending the terms of current board members; defining the duties of the executive director; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1; 43A.04, subdivision 1; 43A.10, subdivision 6; and 353.03, subdivisions 1, 1a, 2, 3, 3a, and 5."

We request adoption of this report and repassage of the bill.

Senate Conferees: DONALD M. MOE, DARRIL WEGSCHEID, ALLAN H. SPEAR, EARL W. RENNEKE and FRITZ KNAAK.

House Conferees: GERALD C. KNICKERBOCKER, RICH O'CONNOR, TONY BENNETT, DALE A. CLAUSNITZER and DEE LONG.

Knickerbocker moved that the report of the Conference Committee on S. F. No. 122 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 122, A bill for an act relating to retirement; public employees retirement association; setting the salary range of the executive director; changing the membership of the board; providing qualifications for the executive director; requiring advice and consent of the senate for appointment of the executive director; defining the duties of the board; ending the terms of current board members; defining the duties of the executive director; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1; 43A.10, subdivision 6; and 353.03, subdivisions 1, 1a, 2, 3, 3a, and 5; proposing coding for new law in Minnesota Statutes, chapter 353.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Battaglia	Begich	Blatz	Brandl
Anderson, R.	Beard	Bennett	Boerboom	Brinkman
Backlund	Becklin	Bishop	Boo	Burger

Carlson, D.	Hartle	Miller	Quinn	Staten
Carlson, J.	Haukoos	Minne	Redalen	Sviggum
Carlson, L.	Himle	Murphy	Rees	Thiede
Clark	Jacobs	Nelson, D.	Rest	Thorson
Clausnitzer	Jaros	Nelson, K.	Rice	Tjornhom
Cohen	Jennings, L.	Neuenschwander	Richter	Tomlinson
Dempsey	Johnson	Norton	Riveness	Tompkins
DenOuden	Kahn	O'Connor	Rodosovich	Tunheim
Dimler	Kalis	Ogren	Rose	Uphus
Dyke	Kiffmeyer	Olsen, S.	Sarna	Valan
Elioff	Knickerbocker	Olson, E.	Schafer	Valento
Ellingson	Knuth	Omann	Scheid	Vanasek
Erickson	Kostohryz	Onnen	Schoenfeld	Vellenga
Fjoslien	Kvam	Osthooff	Schreiber	Voss
Forsythe	Levi	Otis	Seaberg	Waltman
Frederick	Lieder	Ozment	Segal	Welle
Frederickson	Long	Pappas	Shaver	Wenzel
Frerichs	Marsh	Pauly	Sherman	Wynia
Greenfield	McDonald	Peterson	Simoneau	Zaffke
Gruenes	McEachern	Piepho	Skoglund	Spk. Jennings, D.
Gutknecht	McLaughlin	Piper	Solberg	
Halberg	McPherson	Poppenhagen	Sparby	
Hartinger	Metzen	Price	Stanius	

The bill was repassed, as amended by Conference, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 374 and 679.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 77, 625, 635 and 923.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 374, A bill for an act relating to property transfers; regulating transfers to persons under a certain age; enacting the uniform transfers to minors act; proposing coding for new law in Minnesota Statutes, chapter 527; repealing Minnesota Statutes 1984, sections 527.01 to 527.11.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 679, A bill for an act relating to natural resources; providing for annual timber harvest public informational meetings; amending Minnesota Statutes 1984, section 90.041, subdivision 4.

The bill was read for the first time.

Thorson moved that S. F. No. 679 and H. F. No. 881, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 77, A bill for an act relating to real property; extending the provisions authorizing courts to approve postponements of mortgage foreclosure and contract for deed terminations and making them permanent law in certain cases; abolishing certain exclusionary provisions; clarifying certain provisions; declaring a public economic emergency to exist; prohibiting mortgage foreclosure and foreclosure sales for one year; prohibiting repossession, foreclosure, and foreclosure sales of agricultural personal property for one year; providing for an application to the court to allow repossession, foreclosure, and foreclosure sale; prohibiting actions for deficiency judgments; providing for the parties to compromise; and repealing the act after one year; amending Minnesota Statutes 1984, sections 47.20, subdivision 15; 559.21, subdivision 6; 580.031; 583.02; 583.03; 583.04; 583.05; 583.07; and 583.10; repealing Laws 1983, chapter 215, section 16, as amended.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 625, A bill for an act relating to energy; delaying the effective date of energy efficiency ratings for certain devices sold in Minnesota; amending Minnesota Statutes 1984, section 116J.19, subdivision 13.

The bill was read for the first time.

Gruenes moved that S. F. No. 625 and H. F. No. 626, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 635, A bill for an act relating to advertising devices; allowing "star city" signs on interstate highways; amending Minnesota Statutes 1984, sections 173.02, subdivisions 2 and 6; and 173.13, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 173.

The bill was read for the first time.

McEachern moved that S. F. No. 635 and H. F. No. 586, now on the Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 923, A bill for an act relating to controlled substances; prescribing "small amount" of marijuana; clarifying certain Schedule II controlled substances; prescribing amount of marijuana for possession in a motor vehicle; amending Minnesota Statutes 1984, sections 152.01, subdivision 16; 152.02, subdivision 3; and 152.15, subdivision 2.

The bill was read for the first time and referred to the Committee on Crime and Family Law.

CONSENT CALENDAR

H. F. No. 835 was reported to the House.

Price moved to amend H. F. No. 835, the first engrossment, as follows:

Page 2, line 9, after the period insert:

"If the license of a spouse has expired at the time of establishment of residence within the state, the license shall be renewed within 90 days."

Page 2, strike lines 10 and 11

The motion prevailed and the amendment was adopted.

H. F. No. 835, A bill for an act relating to driver's licenses; allowing same time for expiration of driver's license for spouse of active duty member of armed forces; amending Minnesota Statutes 1984, section 171.27.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Bishop	Carlson, D.	Dimler	Frederickson
Anderson, R.	Blatz	Carlson, J.	Dyke	Frerichs
Backlund	Boerboom	Carlson, L.	Elioff	Greenfield
Battaglia	Boo	Clark	Ellingson	Gruenes
Beard	Brandl	Clausnitzer	Erickson	Gutknecht
Becklin	Brinkman	Cohen	Fjoslien	Halberg
Begich	Brown	Dempsey	Forsythe	Hartinger
Bennett	Burger	DenOuden	Frederick	Hartle

Haukoos	Marsh	Olson, E.	Richter	Sviggunn
Heap	McDonald	Omann	Riveness	Thiede
Himle	McEachern	Onnen	Rodosovich	Tjornhom
Jacobs	McKasy	Osthoff	Rose	Tomlinson
Jaros	McLaughlin	Otis	Sarna	Tompkins
Jennings, L.	McPherson	Ozment	Schafer	Tunheim
Johnson	Metzen	Pappas	Scheid	Uphus
Kalis	Miller	Pauly	Schoenfeld	Valan
Kelly	Minne	Peterson	Seaberg	Valento
Kiffmeyer	Munger	Piepho	Segal	Vanasek
Knickerbocker	Murphy	Piper	Shaver	Vellenga
Knuth	Nelson, D.	Poppenhagen	Sherman	Voss
Kostohryz	Nelson, K.	Price	Simoneau	Waltman
Krueger	Neuenschwander	Quinn	Skoglund	Welle
Kvam	Norton	Redalen	Solberg	Wenzel
Levi	O'Connor	Rees	Sparby	Wynia
Lieder	Ogren	Rest	Stanius	Zaffke
Long	Olsen, S.	Rice	Staten	Spk. Jennings, D.

The bill was passed, as amended, and its title agreed to.

H. F. No. 991, A bill for an act relating to local government; regulating certain municipal dissolutions and annexations; amending Minnesota Statutes 1984, sections 412.091; 414.033, by adding subdivisions; and 414.061, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Kvam	Otis	Simoneau
Anderson, R.	Ellingson	Levi	Ozment	Skoglund
Backlund	Erickson	Lieder	Pappas	Solberg
Battaglia	Fjoslien	Long	Peterson	Sparby
Beard	Forsythe	Marsh	Piepho	Stanius
Becklin	Frederick	McDonald	Piper	Staten
Begich	Frederickson	McEachern	Poppenhagen	Sviggunn
Bennett	Frerichs	McKasy	Price	Thiede
Bishop	Greenfield	McLaughlin	Quinn	Thorson
Blatz	Gruenes	McPherson	Quist	Tjornhom
Boerboom	Gutknecht	Metzen	Redalen	Tomlinson
Brandl	Halberg	Miller	Rees	Tunheim
Brinkman	Hartinger	Minne	Rest	Uphus
Brown	Haukoos	Munger	Rice	Valan
Burger	Himle	Murphy	Richter	Valento
Carlson, D.	Jacobs	Nelson, D.	Rodosovich	Vanasek
Carlson, J.	Jaros	Nelson, K.	Rose	Vellenga
Carlson, L.	Jennings, L.	Neuenschwander	Sarna	Voss
Clark	Kalis	Norton	Schafer	Waltman
Clausnitzer	Kelly	Ogren	Scheid	Welle
Cohen	Kiffmeyer	Olsen, S.	Schoenfeld	Wenzel
Dempsey	Knickerbocker	Olson, E.	Seaberg	Wynia
DenOuden	Knuth	Omann	Segal	Zaffke
Dimler	Kostohryz	Onnen	Shaver	Spk. Jennings, D.
Dyke	Krueger	Osthoff	Sherman	

The bill was passed and its title agreed to.

H. F. No. 10, A bill for an act relating to the city of New Ulm; authorizing payment of health insurance costs for certain retired police officers.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Kostohryz	Osthoff	Sherman
Anderson, R.	Ellingson	Krueger	Otis	Simoneau
Backlund	Erickson	Kvam	Ozment	Skoglund
Battaglia	Fjoslien	Levi	Pauly	Sparby
Beard	Forsythe	Lieder	Peterson	Stanius
Becklin	Frederick	Long	Piepho	Staten
Begich	Frederickson	Marsh	Piper	Sviggum
Bennett	Frerichs	McDonald	Poppenhagen	Thiede
Bishop	Greenfield	McEachern	Price	Thorson
Blatz	Gruenes	McKasy	Quinn	Tomlinson
Boerboom	Gutknecht	McLaughlin	Quist	Tompkins
Boo	Halberg	McPherson	Redalen	Tunheim
Brandl	Hartinger	Metzen	Rees	Uphus
Brinkman	Hartle	Miller	Rest	Valan
Brown	Haukoos	Minne	Rice	Valento
Burger	Heap	Munger	Richter	Vanasek
Carlson, D.	Himle	Murphy	Riveness	Voss
Carlson, J.	Jacobs	Nelson, D.	Rodosovich	Waltman
Carlson, L.	Jaros	Nelson, K.	Rose	Welle
Clark	Jennings, L.	Neuenschwander	Sarna	Wenzel
Clausnitzer	Johnson	Norton	Schafer	Wynia
Cohen	Kahn	Ogren	Scheid	Zaffke
Dempsey	Kalis	Olsen, S.	Schoenfeld	Spk. Jennings, D.
DenOuden	Kelly	Olson, E.	Seaberg	
Dimler	Kiffmeyer	Omann	Segal	
Dyke	Knickerbocker	Onnen	Shaver	

Those who voted in the negative were:

Solberg Vellenga

The bill was passed and its title agreed to.

H. F. No. 86, A bill for an act relating to retirement; increasing survivor benefits payable by the Thief River Falls police relief association; amending Laws 1981, chapter 68, section 42, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Kostohryz	Onnen	Seaberg
Anderson, R.	Erickson	Krueger	Osthoff	Segal
Backlund	Fjoslien	Kvam	Otis	Shaver
Battaglia	Forsythe	Levi	Ozment	Sherman
Beard	Frederick	Lieder	Pappas	Simoneau
Becklin	Frederickson	Long	Pauly	Skoglund
Begich	Frerichs	Marsh	Peterson	Solberg
Bennett	Greenfield	McDonald	Piepho	Sparby
Bishop	Gruenes	McEachern	Piper	Stanisus
Blatz	Gutknecht	McKasy	Poppenhagen	Sviggunn
Boerboom	Halberg	McLaughlin	Price	Thiede
Boo	Hartinger	McPherson	Quinn	Thorson
Brandl	Hartle	Metzen	Quist	Tomlinson
Brinkman	Haukoos	Miller	Redalen	Tunheim
Brown	Heap	Minne	Rees	Uphus
Burger	Himle	Munger	Rest	Valan
Carlson, D.	Jacobs	Murphy	Rice	Valento
Carlson, J.	Jaros	Nelson, D.	Richter	Vanasek
Carlson, L.	Jennings, L.	Nelson, K.	Riveness	Vellenga
Clark	Johnson	Neuenschwander	Rodosovich	Voss
Cohen	Kahn	Norton	Rose	Waltman
Dempsey	Kalis	O'Connor	Sarna	Welle
DenOuden	Kelly	Ogren	Schafer	Wenzel
Dimler	Kiffmeyer	Olsen, S.	Scheid	Wynia
Dyke	Knickerbocker	Olson, E.	Schoenfeld	Zaffke
Elioff	Knuth	Omann	Schreiber	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 91, A bill for an act relating to elections; providing for the preparation and availability of correct precinct lists; amending Minnesota Statutes 1984, section 201.091, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, J.	Greenfield	Knickerbocker	Munger
Anderson, R.	Carlson, L.	Gruenes	Knuth	Murphy
Backlund	Clark	Gutknecht	Kostohryz	Nelson, D.
Battaglia	Clausnitzer	Halberg	Krueger	Nelson, K.
Beard	Cohen	Hartinger	Kvam	Neuenschwander
Becklin	Dempsey	Hartle	Levi	Norton
Begich	DenOuden	Haukoos	Lieder	O'Connor
Bennett	Dimler	Heap	Long	Ogren
Bishop	Dyke	Himle	Marsh	Olsen, S.
Blatz	Elioff	Jacobs	McDonald	Olson, E.
Boerboom	Ellingson	Jaros	McEachern	Omann
Boo	Erickson	Jennings, L.	McKasy	Onnen
Brandl	Fjoslien	Johnson	McLaughlin	Osthoff
Brinkman	Forsythe	Kahn	McPherson	Otis
Brown	Frederick	Kalis	Metzen	Ozment
Burger	Frederickson	Kelly	Miller	Pappas
Carlson, D.	Frerichs	Kiffmeyer	Minne	Pauly

Peterson	Rice	Seaberg	Thiede	Voss
Piepho	Richter	Segal	Thorson	Waltman
Piper	Riveness	Sherman	Tomlinson	Welle
Poppenhagen	Rodosovich	Simoneau	Tompkins	Wenzel
Price	Rose	Skoglund	Tunheim	Zaffke
Quinn	Sarna	Solberg	Uphus	Spk. Jennings, D.
Quist	Schafer	Sparby	Valan	
Redalen	Scheid	Stanius	Valento	
Rees	Schoenfeld	Staten	Vanasek	
Rest	Schreiber	Sviggum	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 234, A bill for an act relating to retirement; authorizing benefit increases for retired Eveleth police officers, firefighters, and surviving spouses.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Kostohryz	Otis	Shaver
Anderson, R.	Erickson	Krueger	Ozment	Sherman
Backlund	Fjoslien	Kvam	Pappas	Simoneau
Battaglia	Forsythe	Levi	Pauly	Skoglund
Beard	Frederick	Lieder	Peterson	Solberg
Becklin	Frederickson	Marsh	Piepho	Sparby
Begich	Frerichs	McDonald	Piper	Stanius
Bennett	Greenfield	McEachern	Poppenhagen	Staten
Bishop	Gruenes	McKasy	Price	Sviggum
Blatz	Gutknecht	McLaughlin	Quinn	Thiede
Boerboom	Halberg	McPherson	Quist	Thorson
Boo	Hartinger	Metzen	Redalen	Tomlinson
Brandl	Hartle	Miller	Rees	Tompkins
Brinkman	Haukoos	Munger	Rest	Tunheim
Brown	Heap	Murphy	Rice	Uphus
Burger	Himle	Nelson, D.	Richter	Valan
Carlson, D.	Jacobs	Nelson, K.	Riveness	Valento
Carlson, J.	Jaros	Neuenschwander	Rodosovich	Vanasek
Carlson, L.	Jennings, L.	Norton	Rose	Vellenga
Clark	Johnson	O'Connor	Sarna	Voss
Cohen	Kahn	Ogren	Schafer	Waltman
Dempsey	Kahis	Olsen, S.	Scheid	Welle
DenOuden	Kelly	Olson, E.	Schoenfeld	Wenzel
Dimler	Kiffmeyer	Omann	Schreiber	Wynia
Dyke	Knickerbocker	Onnen	Seaberg	Zaffke
Elioff	Knuth	Osthoff	Segal	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 245, A bill for an act relating to crimes; clarifying elements of the crime of depriving another of custodial or parental rights; amending Minnesota Statutes 1984, section 609.26, subdivisions 1 and 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Krueger	Ozment	Simoneau
Anderson, R.	Erickson	Kvam	Pappas	Skoglund
Backlund	Fjoslien	Levi	Pauly	Solberg
Battaglia	Forsythe	Lieder	Peterson	Sparby
Beard	Frederick	Long	Piepho	Stanisus
Becklin	Frederickson	Marsh	Piper	Staten
Begich	Frerichs	McDonald	Poppenhagen	Sviggum
Bennett	Greenfield	McEachern	Price	Thiede
Bishop	Gruenes	McLaughlin	Quinn	Thorson
Blatz	Gutknecht	McPherson	Quist	Tjornhom
Boerboom	Halberg	Metzen	Redalen	Tomlinson
Boo	Harteringer	Miller	Rees	Tompkins
Brandl	Hartle	Minne	Rest	Tunheim
Brinkman	Haukoos	Munger	Rice	Uphus
Brown	Heap	Murphy	Richter	Valan
Burger	Himle	Nelson, D.	Riveness	Valento
Carlson, D.	Jacobs	Nelson, K.	Rodosovich	Vanasek
Carlson, J.	Jaros	Neuenschwander	Rose	Vellenga
Carlson, L.	Jennings, L.	Norton	Sarna	Voss
Clark	Johnson	O'Connor	Schafer	Waltman
Clausnitzer	Kahn	Ogren	Scheid	Welle
Cohen	Kalis	Olsen, S.	Schoenfeld	Wenzel
Dempsey	Kelly	Olson, E.	Schreiber	Wynia
DenOuden	Kiffmeyer	Omman	Seaberg	Zaffke
Dimler	Knickerbocker	Onnen	Segal	Spk. Jennings, D.
Dyke	Knuth	Osthoff	Shaver	
Elioff	Kostohryz	Otis	Sherman	

The bill was passed and its title agreed to.

H. F. No. 360, A bill for an act relating to retirement; changing the method for computing benefits for members of the Buhl police relief association; amending Laws 1984, chapter 574, section 18.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Bishop	Carlson, J.	Dyke	Frerichs
Anderson, R.	Blatz	Carlson, L.	Elioff	Greenfield
Backlund	Boerboom	Clark	Ellingson	Gruenes
Battaglia	Brandl	Clausnitzer	Erickson	Gutknecht
Beard	Brinkman	Cohen	Fjoslien	Halberg
Becklin	Brown	Dempsey	Forsythe	Harteringer
Begich	Burger	DenOuden	Frederick	Hartle
Bennett	Carlson, D.	Dimler	Frederickson	Haukoos

Heap	Marsh	Omamm	Riveness	Thiede
Himle	McDonald	Osthoff	Rodosovich	Thorson
Jacobs	McEachern	Otis	Rose	Tjornhom
Jaros	McLaughlin	Ozment	Sarna	Tomlinson
Jennings, L.	McPherson	Pappas	Schafer	Tompkins
Johnson	Metzen	Pauly	Scheid	Tunheim
Kahn	Miller	Peterson	Schoenfeld	Uphus
Kalis	Minne	Piepho	Schreiber	Valan
Kelly	Munger	Piper	Segal	Valento
Kiffmeyer	Murphy	Poppenhagen	Shaver	Vanasek
Knickerbocker	Nelson, D.	Price	Sherman	Vellenga
Knuth	Nelson, K.	Quinn	Simoneau	Voss
Kostohryz	Neuenschwander	Quist	Skoglund	Waltman
Krueger	Norton	Redalen	Solberg	Welle
Kvam	O'Connor	Rees	Sparby	Wenzel
Levi	Ogren	Rest	Stanius	Wynia
Lieder	Olsen, S.	Rice	Staten	Zaffke
Long	Olson, E.	Richter	Sviggum	Spk. Jennings, D.

Those who voted in the negative were:

Onnen

The bill was passed and its title agreed to.

H. F. No. 379, A bill for an act relating to elections; qualifying certain persons to be election judges; amending Minnesota Statutes 1984, section 204B.19, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dimler	Kalis	Norton	Richter
Backlund	Dyke	Kelly	O'Connor	Riveness
Battaglia	Elioff	Kiffmeyer	Ogren	Rodosovich
Beard	Ellingson	Knickerbocker	Olsen, S.	Rose
Becklin	Erickson	Kostohryz	Olson, E.	Sarna
Begich	Fjoslien	Krueger	Omamm	Schafer
Bennett	Forsythe	Kvam	Onnen	Scheid
Bishop	Frederick	Levi	Otis	Schoenfeld
Blatz	Frederickson	Lieder	Ozment	Schreiber
Boerboom	Frerichs	Long	Pappas	Seaberg
Brandl	Greenfield	McDonald	Pauly	Segal
Brinkman	Gruenes	McEachern	Peterson	Shaver
Brown	Gutknecht	McKasy	Piepho	Sherman
Burger	Halberg	McPherson	Piper	Simoneau
Carlson, D.	Haukoos	Metzen	Poppenhagen	Skoglund
Carlson, J.	Heap	Miller	Price	Solberg
Carlson, L.	Himle	Minne	Quinn	Sparby
Clark	Jacobs	Munger	Quist	Stanius
Clausnitzer	Jaros	Murphy	Redalen	Sviggum
Cohen	Jennings, L.	Nelson, D.	Rees	Thiede
Dempsey	Johnson	Nelson, K.	Rest	Thorson
DenOuden	Kahn	Neuenschwander	Rice	Tjornhom

Tomlinson
Tunheim
Uphus

Valan
Valento
Vanasek

Vellenga
Voss
Waltman

Welle
Wenzel
Wynia

Zaffke
Spk. Jennings, D.

Those who voted in the negative were:

Marsh

McLaughlin

Osthoff

Staten

The bill was passed and its title agreed to.

H. F. No. 611, A bill for an act relating to retirement; refunding excess employee contributions to retired St. Paul health bureau employees.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.
Backlund
Battaglia
Beard
Becklin
Begich
Bennett
Bishop
Blatz
Boerboom
Boo
Brandl
Brinkman
Brown
Burger
Carlson, D.
Carlson, J.
Carlson, L.
Clark
Clausnitzer
Cohen
Dempsey
DenOuden
Dimler
Dyke
Elioff
Ellingson

Erickson
Fjoslien
Forsythe
Frederick
Frederickson
Frerichs
Greenfield
Gruenes
Gutknecht
Halberg
Hartinger
Haukoos
Heap
Himle
Jacobs
Jaros
Jennings, L.
Johnson
Kahn
Kalis
Kelly
Kiffmeyer
Knickerbocker
Knuth
Kostohryz
Krueger
Kvam

Levi
Lieder
Long
Marsh
McDonald
McEachern
McKasy
McLaughlin
McPherson
Metzen
Miller
Minne
Munger
Murphy
Nelson, D.
Nelson, K.
Neuenschwander
Norton
O'Connor
Ogren
Olsen, S.
Olson, E.
Omman
Onnen
Osthoff
Otis
Ozment

Pappas
Pauly
Peterson
Piepho
Piper
Poppenhagen
Price
Quinn
Quist
Redalen
Rees
Rest
Rice
Richter
Riveness
Rodosovich
Rose
Sarna
Schafer
Scheid
Schoenfeld
Schreiber
Seaberg
Segal
Shaver
Sherman
Simoneau

Skoglund
Solberg
Sparby
Stanisus
Staten
Sviggum
Thiede
Thorson
Tjornhom
Tomlinson
Tunheim
Uphus
Valan
Valento
Vanasek
Vellenga
Voss
Waltman
Welle
Wenzel
Wynia
Zaffke
Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 729, A bill for an act relating to retirement; providing for an increased redemption benefit option for participants in the Hennepin county supplemental retirement program; allowing withdrawal from the program; amending Laws 1969,

chapter 950, sections 1, subdivision 1, as amended; and 4, as amended; and Laws 1983, chapter 100, section 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Levi	Ozment	Sherman
Backlund	Forsythe	Lieder	Pappas	Simoneau
Battaglia	Frederick	Long	Pauly	Skoglund
Beard	Frederickson	Marsh	Peterson	Solberg
Becklin	Frerichs	McDonald	Piepho	Sparby
Begich	Greenfield	McEachern	Piper	Stanius
Bennett	Gruenes	McKasy	Poppenhagen	Staten
Blatz	Gutknecht	McLaughlin	Price	Thiede
Boerboom	Halberg	McPherson	Quinn	Thorson
Brandl	Hartinger	Metzen	Quist	Tjornhom
Brinkman	Haukoos	Miller	Redalen	Tomlinson
Brown	Heap	Minne	Rees	Tunheim
Burger	Himle	Munger	Rest	Uphus
Carlson, D.	Jacobs	Murphy	Rice	Valan
Carlson, J.	Jaros	Nelson, D.	Richter	Valento
Carlson, L.	Jennings, L.	Nelson, K.	Riveness	Vanasek
Clark	Johnson	Neuenschwander	Rodosovich	Vellenga
Clausnitzer	Kahn	Norton	Rose	Voss
Cohen	Kalis	O'Connor	Sarna	Waltman
Dempsey	Kelly	Ogren	Schafer	Welle
DenOuden	Kiffmeyer	Olsen, S.	Scheid	Wenzel
Dimler	Knickerbocker	Olsen, E.	Schoenfeld	Wynia
Dyke	Knuth	Omann	Schreiber	Zaffke
Elioff	Kostohryz	Onnen	Seaberg	Spk. Jennings, D.
Ellingson	Krueger	Osthoff	Segal	
Erickson	Kvam	Otis	Shaver	

The bill was passed and its title agreed to.

H. F. No. 796, A bill for an act relating to Ramsey county; exempting county highways from seasonal load restrictions unless posted by the county authority; proposing coding for new law in Minnesota Statutes, chapter 383A.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Battaglia	Begich	Boerboom	Brinkman
Anderson, R.	Beard	Bennett	Boo	Brown
Backlund	Becklin	Blatz	Brandl	Burger

Carlson, D.	Haukoos	McPherson	Poppenhagen	Sparby
Carlson, J.	Heap	Metzen	Price	Stanius
Carlson, L.	Himle	Miller	Quinn	Staten
Clark	Jacobs	Minne	Quist	Sviggum
Clausnitzer	Jaros	Munger	Redalen	Thiede
Cohen	Jennings, L.	Murphy	Rees	Thorson
Dempsey	Johnson	Nelson, D.	Rest	Tjornhom
DenOuden	Kahn	Nelson, K.	Rice	Tomlinson
Dindler	Kalis	Neuenschwander	Richter	Tompkins
Dyke	Kelly	Norton	Rivness	Tunheim
Elioff	Kiffmeyer	O'Connor	Rodosovich	Uphus
Ellingson	Knickerbocker	Ogren	Rose	Valan
Erickson	Knuth	Olsen, S.	Sarna	Valento
Fjoslien	Kostohryz	Olson, E.	Schafer	Vanasek
Forsythe	Krueger	Omann	Scheid	Vellenga
Frederick	Kvam	Onnen	Schoenfeld	Voss
Frederickson	Levi	Osthoff	Schreiber	Waltman
Frerichs	Lieder	Otis	Seaberg	Welle
Greenfield	Long	Ozment	Segal	Wenzel
Gruenes	Marsh	Pappas	Shaver	Wynia
Guiknecht	McDonald	Pauly	Sherman	Zaffke
Halberg	McEachern	Peterson	Simoneau	Spk. Jennings, D.
Hartinger	McKasy	Piepho	Skoglund	
Hartle	McLaughlin	Piper	Solberg	

The bill was passed and its title agreed to.

H. F. No. 831 was reported to the House.

Ozment moved to amend H. F. No. 831, as follows:

Page 2, delete lines 3 to 10 and insert:

"The extradition of any convicted offender from the custody of the commissioner of corrections shall not diminish the effect of any sentence pursuant to which he was committed to the custody of the commissioner of corrections. His sentence shall continue to run during the time that he is in the custody of the appropriate officials of the United States or the foreign country to which extradited. The offender shall not be subject to return to the territory of the United States and to the custody of the commissioner of corrections pursuant to this section unless there remains an unserved portion of his Minnesota sentence."

The motion prevailed and the amendment was adopted.

H. F. No. 831, A bill for an act relating to crimes; prescribing the powers of the governor and the commissioner of corrections with respect to extradition under treaty; amending Minnesota Statutes 1984, section 243.515.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Krueger	Osthoff	Sherman
Anderson, R.	Erickson	Kvam	Otis	Skoglund
Backlund	Fjoslien	Levi	Ozment	Solberg
Battaglia	Forsythe	Lieder	Pappas	Sparby
Beard	Frederick	Long	Pauly	Stanis
Becklin	Frederickson	Marsh	Piepho	Staten
Begich	Frerichs	McDonald	Poppenhagen	Sviggum
Bennett	Greenfield	McEachern	Price	Thiede
Blatz	Gruenes	McKasy	Quinn	Thorson
Boerboom	Gutknecht	McLaughlin	Quist	Tjornhom
Boo	Halberg	McPherson	Redalen	Tomlinson
Brandl	Hartle	Metzen	Rees	Tompkins
Brinkman	Haukoos	Miller	Rest	Tunheim
Brown	Heap	Minne	Rice	Uphus
Burger	Himle	Munger	Richter	Valan
Carlson, D.	Jacobs	Murphy	Riveness	Valento
Carlson, J.	Jaros	Nelson, D.	Rodosovich	Vanasek
Carlson, L.	Jennings, L.	Nelson, K.	Rose	Vellenga
Clark	Johnson	Neuenschwander	Sarna	Voss
Clausnitzer	Kahn	Norton	Schafer	Waltman
Cohen	Kalis	O'Connor	Scheid	Welle
Dempsey	Kelly	Ogren	Schoenfeld	Wenzel
DenOuden	Kiffmeyer	Olsen, S.	Schreiber	Wynia
Dimler	Knickerbocker	Olson, E.	Seaberg	Zaffke
Dyke	Knuth	Omann	Segal	Spk. Jennings, D.
Elioff	Kostohryz	Onnen	Shaver	

The bill was passed, as amended, and its title agreed to.

H. F. No. 855 was reported to the House.

Knickerbocker moved to amend H. F. No. 855, the first engrossment, as follows:

Page 1, delete section 1

Re number the remaining sections

Page 3, delete line 22

Page 3, line 23, delete "*The remaining sections*" and insert "*Sections 1 to 4*"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 855, A bill for an act relating to retirement; police and salaried firefighters relief associations; permitting retirees on the board of trustees; St. Louis Park firefighters service, disability, and survivor benefits; amending Laws 1969, chapter 576, sections 3, subdivision 1; and 4, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 423A.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Krueger	Pappas	Skoglund
Anderson, R.	Erickson	Kvam	Pauly	Solberg
Backlund	Fjoslien	Levi	Peterson	Sparby
Battaglia	Forsythe	Lieder	Piepho	Stanisus
Beard	Frederick	Long	Piper	Staten
Becklin	Frederickson	Marsh	Poppenhagen	Svigggum
Begich	Frerichs	McDonald	Price	Thiede
Bennett	Greenfield	McEachern	Quinn	Thorson
Bishop	Gruenes	McLaughlin	Quist	Tjornhom
Blatz	Gutknecht	McPherson	Redalen	Tomlinson
Boerboom	Halberg	Miller	Rees	Tunheim
Boo	Hartinger	Minne	Rest	Uphus
Brandl	Hartle	Munger	Rice	Valan
Brinkman	Haukoos	Murphy	Richter	Valento
Brown	Heap	Nelson, D.	Riveness	Vanasek
Burger	Himle	Nelson, K.	Rodosovich	Vellenga
Carlson, D.	Jacobs	Neuenschwander	Rose	Voss
Carlson, J.	Jaros	Norton	Sarna	Waltman
Carlson, L.	Jennings, L.	O'Connor	Schafer	Welle
Clark	Johnson	Ogren	Scheid	Wenzel
Clausnitzer	Kahn	Olsen, S.	Schoenfeld	Wynia
Cohen	Kalis	Olson, E.	Schreiber	Zaffke
Dempsey	Kelly	Omann	Seaberg	Spk. Jennings, D.
DenOuden	Kiffmeyer	Onnen	Segal	
Dimler	Knickerbocker	Osthoff	Shaver	
Dyke	Knuth	Otis	Sherman	
Elioff	Kostohryz	Ozment	Simoneau	

The bill was passed, as amended, and its title agreed to.

H. F. No. 930, A bill for an act relating to retirement; volunteer firefighters serving new fire district; service credit; amending Minnesota Statutes 1984, section 424A.02, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Bishop	Carlson, J.	Elioff	Greenfield
Anderson, R.	Blatz	Carlson, L.	Ellingson	Gruenes
Backlund	Boo	Clark	Erickson	Gutknecht
Battaglia	Brandl	Clausnitzer	Fjoslien	Halberg
Beard	Brinkman	Dempsey	Forsythe	Hartinger
Becklin	Brown	DenOuden	Frederick	Hartle
Begich	Burger	Dimler	Frederickson	Haukoos
Bennett	Carlson, D.	Dyke	Frerichs	Heap

Himle	McDonald	Osthoff	Rodosovich	Thorson
Jacobs	McEachern	Otis	Rose	Tjornhom
Jaros	McLaughlin	Ozment	Sarna	Tomlinson
Jennings, L.	McPherson	Pappas	Schafer	Tunheim
Johnson	Metzen	Pauly	Scheid	Uphus
Kahn	Miller	Peterson	Schoenfeld	Valan
Kalis	Minne	Piepho	Seaberg	Valento
Kelly	Munger	Piper	Segal	Vanasek
Kiffmeyer	Murphy	Poppenhagen	Shaver	Vellenga
Knickerbocker	Nelson, D.	Price	Sherman	Voss
Knuth	Nelson, K.	Quinn	Simoneau	Waltman
Kostohryz	Neuenschwander	Quist	Skoglund	Welle
Krueger	Norton	Redalen	Solberg	Wenzel
Kvam	O'Connor	Rees	Sparby	Wynia
Levi	Ogren	Rest	Stanius	Zaffke
Lieder	Olsen, S.	Rice	Staten	Spk. Jennings, D.
Long	Omann	Richter	Sviggum	
Marsh	Onnen	Riveness	Thiede	

The bill was passed and its title agreed to.

H. F. No. 960, A bill for an act relating to peace officers; eligibility for benefits of certain firefighters killed in the line of duty; amending Minnesota Statutes 1984, sections 352E.01, subdivision 2; and 352E.04.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Kostohryz	Otis	Shaver
Anderson, R.	Erickson	Kvam	Ozment	Sherman
Backlund	Fjoslien	Levi	Pappas	Simoneau
Battaglia	Forsythe	Lieder	Pauly	Skoglund
Beard	Frederick	Long	Peterson	Solberg
Becklin	Frederickson	Marsh	Piepho	Sparby
Begich	Frerichs	McDonald	Piper	Stanius
Bennett	Greenfield	McEachern	Poppenhagen	Staten
Bishop	Gruenes	McKasy	Price	Sviggum
Blatz	Gutknecht	McLaughlin	Quinn	Thiede
Boerboom	Halberg	Metzen	Quist	Thorson
Boo	Hartinger	Miller	Redalen	Tjornhom
Brandl	Hartle	Minne	Rees	Tomlinson
Brinkman	Haukoos	Munger	Rest	Tunheim
Brown	Heap	Murphy	Rice	Uphus
Burger	Himle	Nelson, D.	Richter	Valan
Carlson, D.	Jacobs	Nelson, K.	Riveness	Valento
Carlson, J.	Jaros	Neuenschwander	Rodosovich	Vanasek
Carlson, L.	Jennings, L.	Norton	Rose	Vellenga
Clark	Johnson	O'Connor	Sarna	Voss
Clausnitzer	Kahn	Ogren	Schafer	Waltman
Cohen	Kalis	Olsen, S.	Scheid	Welle
Dempsey	Kelly	Olson, E.	Schoenfeld	Wenzel
DenOuden	Kiffmeyer	Omann	Schreiber	Wynia
Dyke	Knickerbocker	Onnen	Seaberg	Zaffke
Elioff	Knuth	Osthoff	Segal	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 982, A bill for an act relating to veterans; providing space in the veterans service building for certain veterans organizations; amending Minnesota Statutes 1984, section 197.58.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Krueger	Otis	Simoneau
Anderson, R.	Erickson	Kvam	Ozment	Skoglund
Backlund	Fjoslien	Levi	Pappas	Solberg
Battaglia	Forsythe	Lieder	Pauly	Sparby
Beard	Frederick	Long	Peterson	Stanislaus
Becklin	Frederickson	Marsh	Piepho	Staten
Begich	Frerichs	McDonald	Piper	Swiggum
Bennett	Greenfield	McEachern	Poppenhagen	Thiede
Bishop	Gruenes	McKasy	Price	Thorson
Blatz	Gutknecht	McLaughlin	Quinn	Tjornhom
Boerboom	Halberg	McPherson	Quist	Tomlinson
Boo	Hartinger	Metzen	Redalen	Tunheim
Brandl	Hartle	Miller	Rees	Uphus
Brinkman	Haukoos	Minne	Rice	Valan
Brown	Heap	Munger	Richter	Valento
Burger	Himle	Murphy	Riveness	Vanasek
Carlson, D.	Jacobs	Nelson, D.	Rodosovich	Vellenga
Carlson, J.	Jaros	Nelson, K.	Rose	Voss
Carlson, L.	Jennings, L.	Neuenschwander	Sarna	Waltman
Clark	Johnson	Norton	Schafer	Welle
Clausnitzer	Kahn	O'Connor	Scheid	Wenzel
Cohen	Kalis	Ogren	Schoenfeld	Wynia
Dempsey	Kelly	Olsen, S.	Schreiber	Zaffke
DenOuden	Kiffmeyer	Olson, E.	Seaberg	Spk. Jennings, D.
Dimler	Knickerbocker	Omman	Segal	
Dyke	Knuth	Onnen	Shaver	
Elioff	Kostohryz	Osthoff	Sherman	

The bill was passed and its title agreed to.

H. F. No. 1019, A bill for an act relating to retirement; Virginia police; definition of prevailing pay; retirement and survivor benefit supplements; amending Laws 1982, chapter 574, sections 3, subdivision 9; and 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Battaglia	Begich	Blatz	Brandl
Anderson, R.	Beard	Bennett	Boerboom	Brinkman
Backlund	Becklin	Bishop	Boo	Brown

Burger	Haukoos	McPherson	Popenhagen	Stanius
Carlson, D.	Heap	Metzen	Price	Staten
Carlson, J.	Himle	Miller	Quinn	Sviggum
Carlson, L.	Jacobs	Minne	Quist	Thiede
Clark	Jaros	Munger	Redalen	Thorsen
Clausnitzer	Jennings, L.	Murphy	Rees	Tjornhom
Cohen	Johnson	Nelson, D.	Rest	Tomlinson
Dempsey	Kahn	Nelson, K.	Rice	Tompkins
DenOuden	Kalis	Neuenschwander	Richter	Tunheim
Dyke	Kelly	Norton	Rodosovich	Uphus
Elioff	Kiffmeyer	O'Connor	Rose	Valan
Ellingson	Knickerbocker	Ogren	Sarna	Valento
Erickson	Knuth	Olsen, S.	Schafer	Vanasek
Fjoslien	Kostohryz	Olson, E.	Scheid	Vellenga
Forsythe	Krueger	Omann	Schoenfeld	Voss
Frederick	Kvam	Onnen	Schreiber	Waltman
Frederickson	Levi	Osthoff	Seaberg	Welle
Frerichs	Lieder	Otis	Segal	Wenzel
Greenfield	Long	Ozment	Shaver	Wynia
Gruenes	Marsh	Pappas	Sherman	Zaffke
Gutknecht	McDonald	Pauly	Simoneau	Spk. Jennings, D.
Halberg	McEachern	Peterson	Skoglund	
Hartinger	McKasy	Piepho	Solberg	
Hartle	McLaughlin	Piper	Sparby	

The bill was passed and its title agreed to.

H. F. No. 1032, A bill for an act relating to the borough of Belle Plaine; permitting Belle Plaine to use the term "borough" for all purposes; amending Minnesota Statutes 1984, sections 410.015; and 413.02, subdivision 5, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dimler	Johnson	Murphy	Redalen
Anderson, R.	Dyke	Kahn	Nelson, D.	Rees
Backlund	Elioff	Kalis	Nelson, K.	Rest
Battaglia	Ellingson	Kelly	Neuenschwander	Rice
Beard	Erickson	Kiffmeyer	Norton	Richter
Becklin	Fjoslien	Knickerbocker	O'Connor	Riveness
Begich	Forsythe	Knuth	Ogren	Rodosovich
Bennett	Frederick	Kostohryz	Olsen, S.	Rose
Bishop	Frederickson	Krueger	Olson, E.	Sarna
Blatz	Frerichs	Kvam	Omann	Schafer
Boerboom	Greenfield	Levi	Onnen	Scheid
Brandl	Gruenes	Lieder	Otis	Schoenfeld
Brinkman	Gutknecht	Long	Ozment	Seaberg
Burger	Halberg	Marsh	Pappas	Segal
Carlson, D.	Hartinger	McDonald	Pauly	Shaver
Carlson, J.	Hartle	McKasy	Peterson	Sherman
Carlson, L.	Haukoos	McLaughlin	Piepho	Simoneau
Clark	Heap	McPherson	Piper	Skoglund
Clausnitzer	Himle	Metzen	Popenhagen	Solberg
Cohen	Jacobs	Miller	Price	Sparby
Dempsey	Jaros	Minne	Quinn	Staten
DenOuden	Jennings, L.	Munger	Quist	Sviggum

Thiede
Thorson
Tjornhom
Tomlinson

Tompkins
Tunheim
Uphus
Valento

Vanasek
Vellenga
Voss

Waltman
Welle
Wenzel

Wynia
Zaffke
Spk. Jennings, D.

Those who voted in the negative were:

McEachern

Osthoff

The bill was passed and its title agreed to.

H. F. No. 1095, A bill for an act relating to retirement; public employees retirement association; permitting certain former municipal court judges to receive a deferred early retirement annuity notwithstanding the law in effect on the date of their termination of public service; amending Minnesota Statutes 1984, section 353.34, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.
Anderson, R.
Backlund
Battaglia
Beard
Becklin
Begich
Bennett
Bishop
Blatz
Boerboom
Boo
Brandl
Brinkman
Brown
Burger
Carlson, D.
Carlson, J.
Carlson, L.
Clark
Clausnitzer
Cohen
Dempsey
DenOuden
Dimler
Dyke
Elioff

Ellingson
Erickson
Fjoslien
Forsythe
Frederick
Frederickson
Frerichs
Greenfield
Gruenes
Cutknecht
Halberg
Hartinger
Hartle
Haukoos
Heap
Himle
Jacobs
Jaros
Jennings, L.
Johnson
Kahn
Kalis
Kelly
Kiffmeyer
Knickerbocker
Knutth
Kostohryz

Krueger
Kvam
Levi
Lieder
Long
Marsh
McDonald
McEachern
McKasy
McLaughlin
McPherson
Metzen
Miller
Minne
Munger
Murphy
Nelson, D.
Nelson, K.
Neuenschwander
Norton
O'Connor
Ogren
Olsen, S.
Olson, E.
Omann
Onnen
Osthoff

Otis
Ozment
Pappas
Pauly
Peterson
Piepho
Piper
Poppenhagen
Price
Quinn
Redalen
Rees
Rest
Rice
Richter
Rodosovich
Rose
Sarna
Schafer
Scheid
Schoenfeld
Schreiber
Seaberg
Segal
Shaver
Sherman
Simoneau

Skoglund
Solberg
Sparby
Stanis
Staten
Sviggum
Thiede
Thorson
Tjornhom
Tomlinson
Tompkins
Tunheim
Uphus
Valan
Valento
Vanasek
Vellenga
Voss
Waltman
Welle
Wenzel
Wynia
Zaffke
Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 1145, A bill for an act relating to liquor; recodifying statutory provisions relating to intoxicating liquor and non-intoxicating malt liquor; amending Minnesota Statutes 1984,

sections 260.015, subdivision 22; 299A.02; 473F.02, subdivision 17; and 624.701; proposing coding for new law in Minnesota Statutes, chapter 171; proposing coding for new law as Minnesota Statutes, chapters 297C and 340A; repealing Minnesota Statutes 1984, sections 340.001 to 340.988.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Krueger	Otis	Sherman
Anderson, R.	Ellingson	Kvam	Ozment	Simoneau
Backlund	Fjoslien	Levi	Pappas	Skoglund
Battaglia	Forsythe	Lieder	Pauly	Solberg
Beard	Frederick	Long	Peterson	Sparby
Becklin	Frederickson	Marsh	Piepho	Stanius
Begich	Frerichs	McDonald	Piper	Staten
Bennett	Greenfield	McEachern	Poppenhagen	Sviggum
Bishop	Gruenes	McKasy	Price	Thiede
Blatz	Gutknecht	McLaughlin	Quinn	Thorson
Boerboom	Halberg	McPherson	Quist	Tjornhom
Boo	Hartle	Metzen	Redalen	Tomlinson
Brandl	Haukoos	Miller	Rees	Tompkins
Brinkman	Heap	Minne	Rest	Tunheim
Brown	Himle	Munger	Richter	Uphus
Burger	Jacobs	Murphy	Rivencas	Valan
Carlson, D.	Jaros	Nelson, K.	Rodosovich	Valento
Carlson, J.	Jennings, L.	Neuenschwander	Rose	Vellenga
Carlson, L.	Johnson	Norton	Sarna	Voss
Clark	Kahn	O'Connor	Schafer	Waltman
Clausnitzer	Kalis	Ogren	Scheid	Welle
Cohen	Kelly	Olsen, S.	Schoenfeld	Wenzel
Dempsey	Kiffmeyer	Olson, E.	Schreiber	Wynia
DenOuden	Knickerbocker	Omann	Seaberg	Zaffke
Dimler	Knuth	Onnen	Segal	Spk. Jennings, D.
Dyke	Kostohryz	Osthoff	Shaver	

Those who voted in the negative were:

Erickson Hartinger Nelson, D.

The bill was passed and its title agreed to.

H. F. No. 1152, A bill for an act relating to Winona county; authorizing the sale of certain property.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Elioff	Krueger	Osthoff	Sherman
Anderson, R.	Ellingson	Kvam	Otis	Simoneau
Backlund	Erickson	Levi	Ozment	Skoglund
Battaglia	Fjoslien	Lieder	Pappas	Solberg
Beard	Forsythe	Long	Pauly	Sparby
Becklin	Frederick	Marsh	Peterson	Stanius
Begich	Frederickson	McDonald	Piepho	Staten
Bennett	Frerichs	McEachern	Piper	Swiggum
Bishop	Greenfield	McKasy	Poppenhagen	Thiede
Blatz	Gruenes	McLaughlin	Price	Thorson
Boerboom	Gutknecht	McPherson	Quinn	Tjornhom
Boo	Halberg	Metzen	Quist	Tomlinson
Brandl	Harteringer	Miller	Redalen	Tompkins
Brinkman	Hartle	Minne	Rees	Tunheim
Brown	Haukoos	Munger	Rest	Uphus
Burger	Heap	Murphy	Richter	Valan
Carlson, D.	Himle	Nelson, D.	Riveness	Valento
Carlson, J.	Jacobs	Nelson, K.	Rodosovich	Vanasek
Carlson, L.	Jaros	Neuenschwander	Rose	Vellenga
Clark	Jennings, L.	Norton	Sarna	Voss
Clausnitzer	Kahn	O'Connor	Schafer	Waltman
Cohen	Kalis	Ogren	Scheid	Welle
Dempsey	Kelly	Olsen, S.	Schoenfeld	Wenzel
DenOuden	Knickerbocker	Olsen, E.	Schreiber	Wynia
Dimler	Knuth	Omann	Seaberg	Zaffke
Dyke	Kostohryz	Onnen	Segal	Spk. Jennings, D.

The bill was passed and its title agreed to.

H. F. No. 1242, A bill for an act relating to retirement; authorizing an amendment to the articles of incorporation of the Duluth teachers retirement fund association.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Clark	Halberg	Levi	O'Connor
Anderson, R.	Clausnitzer	Harteringer	Lieder	Ogren
Backlund	Cohen	Hartle	Long	Olsen, S.
Battaglia	Dempsey	Haukoos	Marsh	Olsen, E.
Beard	DenOuden	Heap	McDonald	Omann
Becklin	Dimler	Himle	McEachern	Onnen
Begich	Dyke	Jacobs	McKasy	Osthoff
Bennett	Elioff	Jaros	McLaughlin	Otis
Bishop	Ellingson	Jennings, L.	McPherson	Ozment
Blatz	Erickson	Kahn	Metzen	Pappas
Boerboom	Fjoslien	Kalis	Miller	Pauly
Boo	Forsythe	Kelly	Minne	Peterson
Brandl	Frederick	Kiffmeyer	Munger	Piepho
Brinkman	Frederickson	Knickerbocker	Murphy	Piper
Brown	Frerichs	Knuth	Nelson, D.	Poppenhagen
Carlson, D.	Greenfield	Kostohryz	Nelson, K.	Price
Carlson, J.	Gruenes	Krueger	Neuenschwander	Quinn
Carlson, L.	Gutknecht	Kvam	Norton	Redalen

Rees	Scheid	Skoglund	Tjornhom	Voss
Rest	Schoenfeld	Solberg	Tomlinson	Waltman
Richter	Schreiber	Sparby	Tompkins	Welle
Riveness	Seaberg	Stanis	Tunheim	Wenzel
Rodosovich	Segal	Staten	Uphus	Wynia
Rose	Shaver	Sviggum	Valan	Zaffke
Sarna	Sherman	Thiede	Valento	Spk. Jennings, D.
Schafer	Simoneau	Thorson	Vellenga	

The bill was passed and its title agreed to.

S. F. No. 247, A bill for an act relating to veterans; establishing a memorial to veterans of certain wars in the Court of Honor on the Capitol grounds.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Krueger	Otis	Simoneau
Anderson, R.	Erickson	Kvam	Ozment	Skoglund
Backlund	Fjoslien	Levi	Pappas	Solberg
Battaglia	Forsythe	Lieder	Pauly	Sparby
Beard	Frederick	Long	Peterson	Stanis
Becklin	Frederickson	Marsh	Piepho	Staten
Begich	Frerichs	McDonald	Piper	Sviggum
Bennett	Greenfield	McEachern	Poppenhagen	Thiede
Bishop	Gruenes	McKasy	Price	Thorson
Blatz	Gutknecht	McLaughlin	Quinn	Tjornhom
Boerboom	Halberg	McPherson	Quist	Tomlinson
Boo	Hartinger	Metzen	Redalen	Tompkins
Brandl	Hartle	Miller	Rees	Tunheim
Brinkman	Haukoos	Minne	Rest	Uphus
Brown	Heap	Munger	Richter	Valan
Burger	Himle	Murphy	Riveness	Valento
Carlson, D.	Jacoba	Nelson, D.	Rodosovich	Vanasek
Carlson, J.	Jaros	Nelson, K.	Rose	Vellenga
Carlson, L.	Jennings, L.	Neuenschwander	Sarna	Voss
Clark	Johnson	Norton	Schafer	Waltman
Clausnitzer	Kahn	O'Connor	Scheid	Welle
Cohen	Kalis	Ogren	Schoenfeld	Wenzel
Dempsey	Kelly	Olsen, S.	Schreiber	Wynia
DenOuden	Kiffmeyer	Olson, E.	Seaberg	Zaffke
Dimler	Knickerbocker	Omman	Segal	Spk. Jennings, D.
Dyke	Knuth	Onnen	Shaver	
Elioff	Kostohryz	Osthoff	Sherman	

The bill was passed and its title agreed to.

CALENDAR

H. F. No. 825, A bill for an act relating to occupations and professions; regulating electricians; amending Minnesota Statutes 1984, sections 326.01, subdivisions 2, 5, 6b, and by adding a

subdivision; 326.242, subdivisions 1, 2, 3, 6, and 9; 326.243; 326.244, subdivisions 1, 2, and 5; and 326.246.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Kvam	Pappas	Solberg
Anderson, R.	Fjoslien	Levi	Pauly	Sparby
Backlund	Forsythe	Lieder	Peterson	Stanius
Battaglia	Frederick	Long	Piepho	Staten
Beard	Frederickson	Marsh	Piper	Swiggum
Becklin	Frerichs	McDonald	Poppenhagen	Thiede
Begich	Greenfield	McEachern	Price	Thorson
Bennett	Gruenes	McKasy	Quinn	Tjornhom
Blatz	Gutknecht	McLaughlin	Quist	Tomlinson
Boerboom	Halberg	McPherson	Redalen	Tompkins
Boo	Hartinger	Metzen	Rees	Tunheim
Brandl	Hartle	Miller	Rest	Uphus
Brinkman	Haukoos	Minne	Richter	Valan
Brown	Heap	Munger	Riveness	Valento
Burger	Himle	Murphy	Rodosovich	Vanasek
Carlson, D.	Jacobs	Nelson, K.	Rose	Vellenga
Carlson, J.	Jaros	Neuenschwander	Sarna	Voss
Carlson, L.	Jennings, L.	Norton	Schafer	Waltman
Clark	Johnson	O'Connor	Scheid	Welle
Clausnitzer	Kahn	Ogren	Schoenfeld	Wenzel
Cohen	Kalis	Olsen, S.	Schreiber	Wynia
Dempsey	Kelly	Olson, E.	Seaberg	Zaffke
DenOuden	Kiffmeyer	Omann	Segal	Spk. Jennings, D.
Dimler	Knickerbocker	Onnen	Shaver	
Dyke	Knuth	Osthoff	Sherman	
Elioff	Kostohryz	Otis	Simoneau	
Ellingson	Krueger	Ozment	Skoglund	

The bill was passed and its title agreed to.

POINT OF ORDER

Knickerbocker raised a point of order pursuant to section 114, paragraph 5, of "Mason's Manual of Legislative Procedure" relating to asking questions of members. The Speaker ruled the point of order well taken.

H. F. No. 848, A bill for an act relating to children and families; providing judicial procedures to protect the welfare of alleged child abuse victims; requiring juvenile and criminal courts to give docket priority to child abuse cases; providing certain protections for parents in juvenile court proceedings; clarifying the scope and effect of juvenile court orders; changing the crimes of "intrafamilial sexual abuse" to "criminal sexual abuse" and limiting the discretion of courts to stay sentences for these crimes; requiring that investigative interviews with child abuse

victims be tape-recorded; providing a training program for child protection workers and requiring a new job classification in child protection; amending Minnesota Statutes 1984, sections 260.011, subdivision 2; 260.133, subdivision 2; 260.135, subdivision 1; 260.155, by adding a subdivision; 260.156; 260.171, subdivision 4; 260.172, subdivision 4, and by adding subdivisions; 260.191, subdivision 1, and by adding subdivisions; 260.301; 595.02, subdivision 3; 609.364 to 609.3644; and 630.36; proposing coding for new law in Minnesota Statutes, chapters 626 and 631.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	Krueger	Otis	Solberg
Anderson, R.	Erickson	Kvam	Ozment	Sparby
Backlund	Fjoslien	Levi	Pappas	Stanius
Battaglia	Forsythe	Lieder	Pauly	Staten
Beard	Frederick	Long	Peterson	Sviggum
Becklin	Frederickson	Marsh	Piper	Thiede
Begich	Greenfield	McDonald	Poppenhagen	Thorson
Bennett	Gruenes	McEachern	Price	Tjornhom
Blatz	Gutknecht	McKasy	Quinn	Tomlinson
Boerboom	Halberg	McPherson	Quist	Tunheim
Boo	Hartinger	Metzen	Redalen	Uphus
Brandl	Hartle	Miller	Rees	Valan
Brinkman	Haukoos	Minne	Rice	Valento
Brown	Heap	Munger	Riveness	Vanasek
Burger	Himle	Murphy	Rodosovich	Vellenga
Carlson, D.	Jacobs	Nelson, D.	Sarna	Voss
Carlson, J.	Jaros	Nelson, K.	Schafer	Waltman
Carlson, L.	Johnson	Neuenschwander	Schoenfeld	Welle
Clausnitzer	Kahn	Norton	Schreiber	Wenzel
Cohen	Kalis	O'Connor	Seaberg	Wynia
Dempsey	Kelly	Ogren	Segal	Zaffke
DenOuden	Kiffmeyer	Olsen, S.	Shaver	Spk. Jennings, D.
Dimler	Knickerbocker	Olson, E.	Sherman	
Dyke	Knuth	Omann	Simoneau	
Elioff	Kostohryz	Onnen	Skoglund	

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Forsythe requested immediate consideration of H. F. No. 876.

H. F. No. 876 was reported to the House.

Munger moved to amend H. F. No. 876, the third engrossment, as follows:

Page 1, line 8, before "DEFINITIONS" insert "PURPOSE AND"

Page 1, after line 8, insert:

"Subdivision 1. [PURPOSE.] It is the purpose of the legislature of the state of Minnesota in enacting sections 1 to 14 to ensure that persons who suffered a personal injury as the result of a release from a facility of a hazardous substance be compensated for their injuries."

Page 1, line 9, before the first "The" insert "Subd. 2. [DEFINITIONS.]"

The motion prevailed and the amendment was adopted.

Kahn moved to amend H. F. No. 876, the third engrossment, as amended, as follows:

Page 1, line 9, delete "14" and insert "15"

Page 1, line 19, delete "and 14" and insert ", 14, and 15"

Page 2, line 32, delete "14" and insert "15"

Page 3, line 32, delete "14" and insert "15"

Page 4, line 14, delete "14" and insert "15"

Page 10, after line 24, insert:

"Sec. 15. [115B.39] [PARTIAL RECOUPMENT.]

At the end of each fiscal year, the board shall certify to the commissioner of revenue the amount expended from the fund to compensate persons injured by hazardous substances, less amounts recovered under subrogation claims under section 14. The commissioner of revenue shall compute a surtax to be added to the hazardous waste generator tax in section 115B.22 which, collected over the next calendar year, will recoup 50 percent of the expenditures made from the fund during the previous fiscal year in excess of the subrogation claims recovered. Surtaxes collected under this section must be deposited in the fund."

Page 10, line 25, delete "15" and insert "16"

Page 10, line 28, delete "14" and insert "15"

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Voss and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, G.	Erickson	Kvam	Otis	Sherman
Backlund	Fjoslien	Levi	Ozment	Simoneau
Battaglia	Forsythe	Lieder	Pappas	Skoglund
Beard	Frederick	Long	Pauly	Solberg
Becklin	Frederickson	Marsh	Peterson	Sparby
Begich	Frerichs	McDonald	Piepho	Stanius
Bennett	Greenfield	McEachern	Piper	Staten
Bishop	Gruenes	McKasy	Poppenhagen	Sviggum
Blatz	Gutknecht	McLaughlin	Price	Thiede
Boerboom	Halberg	McPherson	Quist	Thorson
Boo	Hartinger	Metzen	Redalen	Tjornhom
Brandl	Hartle	Miller	Rees	Tomlinson
Brinkman	Haukoos	Minne	Rest	Tompkins
Brown	Heap	Munger	Rice	Tunheim
Burger	Himle	Murphy	Richter	Uphus
Carlson, J.	Jacobs	Nelson, D.	Riveness	Valan
Carlson, L.	Jaros	Nelson, K.	Rodosovich	Valento
Clark	Johnson	Neuenschwander	Rose	Vanasek
Clausnitzer	Kahn	Norton	Sarna	Vellenga
Cohen	Kalis	O'Connor	Schafer	Voss
Dempsey	Kelly	Ogren	Scheid	Welle
DenOuden	Kiffmeyer	Olsen, S.	Schoenfeld	Wenzel
Dimler	Knickerbocker	Olson, E.	Schreiber	Wynia
Dyke	Knuth	Omamn	Seaberg	Zaffke
Elioff	Kostohryz	Onnen	Segal	Spk. Jennings, D.
Ellingson	Krueger	Osthoff	Shaver	

Levi moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Kahn amendment and the roll was called.

Levi moved that those not voting be excused from voting. The motion prevailed.

There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	Munger	Price	Solberg
Battaglia	Jennings, L.	Murphy	Quinn	Sparby
Beard	Kahn	Nelson, D.	Rest	Staten
Begich	Kalis	Nelson, K.	Rice	Tomlinson
Brandl	Kelly	Norton	Riveness	Tunheim
Brown	Knuth	O'Connor	Rodosovich	Vanasek
Carlson, L.	Kostohryz	Ogren	Rose	Vellenga
Clark	Krueger	Olson, E.	Sarna	Voss
Cohen	Lieder	Osthoff	Scheid	Welle
Elioff	Long	Otis	Schoenfeld	
Ellingson	McEachern	Pappas	Segal	
Greenfield	McLaughlin	Peterson	Simoneau	
Hartinger	Minne	Piper	Skoglund	

Those who voted in the negative were:

Anderson, R.	Dyke	Kiffmeyer	Ozment	Sviggum
Backlund	Erickson	Knickerbocker	Pauly	Thiede
Becklin	Forsythe	Kvam	Piepho	Thorson
Bennett	Frederick	Levi	Poppenhagen	Tjornhom
Blatz	Frederickson	Marsh	Quist	Tompkins
Boerboom	Frerichs	McDonald	Redalen	Uphus
Boo	Gruenes	McKasy	Rees	Valan
Brinkman	Gutknecht	McPherson	Richter	Valento
Burger	Halberg	Metzen	Schafer	Waltman
Carlson, J.	Hartle	Miller	Schreiber	Wenzel
Clausnitzer	Haukoos	Neuenschwander	Seaberg	Zaffke
Dempsey	Heap	Olsen, S.	Shaver	Spk. Jennings, D.
DenOuden	Himle	Omann	Sherman	
Dimler	Johnson	Onnen	Stanius	

The motion did not prevail and the amendment was not adopted.

Schoenfeld moved to amend H. F. No. 876, the third engrossment, as amended, as follows:

Page 5, delete lines 33 to 36 and insert:

"A claimant who receives an administrative award from the fund is not precluded from later bringing a personal injury action in court for the same injury. Any judgment won by a claimant in a court action must be used first to repay the fund the amount of the administrative award. In any case where the final judgment does not exceed the administrative award by at least 25 percent, the presiding judge may assess costs and fees not including attorney fees against the claimant. A determination by the board whether to grant or deny compensation and the rationale for the determination are inadmissible as evidence in any later court action brought on the basis of the same injury, except the board determination is admissible solely as a basis for determining the amount to be subtracted from the judgment and returned to the fund."

Page 6, delete lines 1 to 14

A roll call was requested and properly seconded.

The question was taken on the Schoenfeld amendment and the roll was called. There were 69 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brinkman	Greenfield	Knuth	Metzen
Battaglia	Brown	Jacobs	Kostohryz	Minne
Beard	Carlson, L.	Jaros	Krueger	Munger
Begich	Clark	Jennings, L.	Lieder	Murphy
Bishop	Cohen	Kahn	Long	Nelson, D.
Boo	Elioff	Kalis	McEachern	Nelson, K.
Brandl	Ellingson	Kelly	McLaughlin	Neuenschwander

Norton	Pappas	Riveness	Simoneau	Vanasek
O'Connor	Peterson	Rodosovich	Skoglund	Vellenga
Ogren	Piper	Rose	Solberg	Voss
Olson, E.	Price	Sarna	Sparby	Welle
Osthoff	Quinn	Scheid	Staten	Wenzel
Otis	Rest	Schoenfeld	Tomlinson	Wynia
Ozment	Rice	Segal	Tunheim	

Those who voted in the negative were:

Anderson, R.	Dyke	Heap	Omann	Sherman
Backlund	Erickson	Himle	Onnen	Stanius
Becklin	Fjoslien	Johnson	Pauly	Sviggunn
Bennett	Forsythe	Kiffmeyer	Piepho	Thiede
Blatz	Frederick	Knickerbocker	Poppenhagen	Thorson
Boerboom	Frederickson	Kvam	Quist	Tjornhom
Burger	Frerichs	Levi	Redalen	Tompkins
Carlson, D.	Gruenes	Marsh	Rees	Uphus
Carlson, J.	Gutknecht	McDonald	Richter	Valan
Clausnitzer	Halberg	McKasy	Schafer	Valento
Dempsey	Hartinger	McPherson	Schreiber	Waltman
DenOuden	Hartle	Miller	Seaberg	Zaffke
Dimler	Haukoos	Olsen, S.	Shaver	Spk. Jennings, D.

The motion prevailed and the amendment was adopted.

Segal moved to amend H. F. No. 876, the third engrossment, as amended, as follows:

Page 4, line 33, delete "or"

Page 4, line 36, delete the period and insert "; or"

Page 4, after line 36 insert:

"(4) the claimant elects to file a claim against the trust account rather than proceed directly against a person responsible under section 115B.05 or any other law, including common law."

A roll call was requested and properly seconded.

The question was taken on the Segal amendment and the roll was called.

Levi moved that those not voting be excused from voting. The motion prevailed.

There were 62 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brandl	Elioff	Kahn	Lieder
Battaglia	Brown	Greenfield	Kelly	Long
Beard	Carlson, L.	Jacobs	Knuth	McEachern
Begich	Clark	Jaros	Kostohryz	McLaughlin
Bishop	Cohen	Jennings, L.	Krueger	Metzen

Minne	Ogren	Quinn	Segal	Vanasek
Munger	Olson, E.	Rest	Simoneau	Vellenga
Murphy	Osthoff	Rice	Skoglund	Voss
Nelson, D.	Otis	Riveness	Solberg	Welle
Nelson, K.	Pappas	Rodosovich	Sparby	Wynia
Neuenschwander	Peterson	Sarna	Staten	
Norton	Piper	Scheid	Tomlinson	
O'Connor	Price	Schoenfeld	Tunheim	

Those who voted in the negative were:

Anderson, R.	Dyke	Kalis	Piepho	Thiede
Backlund	Erickson	Kiffmeyer	Poppenhagen	Thorson
Becklin	Forsythe	Knickerbocker	Quist	Tjornhom
Blatz	Frederick	Kvam	Redalen	Tompkins
Boerboom	Frederickson	Levi	Rees	Uphus
Boo	Gruenes	Marsh	Richter	Valan
Brinkman	Gutknecht	McDonald	Rose	Valento
Burger	Halberg	McKasy	Schafer	Waltman
Carlson, D.	Hartinger	McPherson	Schreiber	Wenzel
Carlson, J.	Hartle	Miller	Seaberg	Zaffke
Clausnitzer	Haukoos	Olsen, S.	Shaver	Spk. Jennings, D.
Dempsey	Heap	Onnen	Sherman	
DenOuden	Himle	Ozment	Stanis	
Dimler	Johnson	Pauly	Swiggum	

The motion did not prevail and the amendment was not adopted.

Kelly moved to amend H. F. No. 876, the third engrossment, as amended, as follows:

Page 7, delete lines 32 to 36 and insert:

"(1) the claimant suffers a medically verified injury that is eligible for compensation from the fund and that has resulted in a compensable loss; and

(2) the claimant has been exposed to a hazardous substance in an amount and duration sufficient to cause or significantly contribute to injury of the type suffered by claimant."

Page 8, delete lines 1 to 6

A roll call was requested and properly seconded.

The Speaker called Halberg to the Chair.

The Speaker resumed the Chair.

The question was taken on the Kelly amendment and the roll was called.

Levi moved that those not voting be excused from voting. The motion prevailed.

There were 68 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	McLaughlin	Pappas	Skoglund
Battaglia	Halberg	Metzen	Peterson	Solberg
Beard	Jacobs	Minne	Piper	Sparby
Begich	Jaros	Munger	Price	Staten
Bishop	Jennings, L.	Murphy	Quinn	Tomlinson
Brandl	Kahn	Nelson, D.	Rest	Tunheim
Brinkman	Kalis	Nelson, K.	Rice	Vanasek
Brown	Kelly	Neuenschwander	Riveness	Vellenga
Carlson, L.	Knuth	Norton	Rodosovich	Voss
Clark	Kostohryz	O'Connor	Sarna	Welle
Clausnitzer	Krueger	Ogren	Scheid	Wenzel
Cohen	Lieder	Olson, E.	Schoenfeld	Wynia
Elioff	Long	Osthoff	Segal	
Ellingson	McEachern	Otis	Simoneau	

Those who voted in the negative were:

Anderson, R.	Dyke	Himle	Ozment	Sherman
Backlund	Erickson	Johnson	Pauly	Stanius
Becklin	Fjoslien	Kiffmeyer	Piepho	Sviggum
Bennett	Forsythe	Knickerbocker	Poppenhagen	Thiede
Blatz	Frederick	Kvam	Quist	Thorson
Boerboom	Frederickson	Levi	Redalen	Tjornhom
Boo	Frerichs	Marsh	Rees	Tompkins
Burger	Gruenes	McDonald	Richter	Uphus
Carlson, D.	Gutknecht	McKasy	Rose	Valan
Carlson, J.	Hartinger	McPherson	Schafer	Valento
Dempsey	Hartle	Miller	Schreiber	Waltman
DenOuden	Haukoos	Olsen, S.	Seaberg	Zaffke
Dimler	Heap	Onnen	Shaver	Spk. Jennings, D.

The motion prevailed and the amendment was adopted.

Murphy was excused for the remainder of today's session.

Vanasek moved to amend H. F. No. 876, the third engrossment, as amended, as follows:

Page 3, line 8, delete the second “,” and insert “;”

Page 3, delete lines 9 to 11

Page 3, line 34, delete “, *provided that the rules governing*”

Page 3, delete lines 35 and 36

Page 9, delete lines 8 to 12 and insert: “*request the claimant and other appropriate persons to appear before it for further questioning, after which the board shall make a final decision.*”

A roll call was requested and properly seconded.

The question was taken on the Vanasek amendment and the roll was called.

Levi moved that those not voting be excused from voting. The motion prevailed.

There were 65 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ellingson	McEachern	Otis	Segal
Battaglia	Greenfield	McLaughlin	Pappas	Simoneau
Beard	Jacobs	Metzen	Peterson	Skoglund
Begich	Jaros	Minne	Piper	Solberg
Bishop	Jennings, L.	Munger	Price	Sparby
Brandl	Kahn	Nelson, D.	Quinn	Staten
Brinkman	Kalis	Nelson, K.	Rest	Tomlinson
Brown	Kelly	Neuenschwander	Rice	Tunheim
Carlson, D.	Knuth	Norton	Riveness	Vanasek
Carlson, L.	Kostohryz	O'Connor	Rodosovich	Vellenga
Clark	Krueger	Ogren	Sarna	Voss
Cohen	Lieder	Olson, E.	Scheid	Welle
Elioff	Long	Osthoff	Schoenfeld	Wynia

Those who voted in the negative were:

Backlund	Fjoslien	Knickerbocker	Poppenhagen	Thorson
Becklin	Forsythe	Kvam	Quist	Tjornhom
Bennett	Frederick	Levi	Redalen	Tompkins
Blatz	Frederickson	Marsh	Rees	Uphus
Boerboom	Frerichs	McDonald	Richter	Valan
Boo	Gruenes	McKasy	Rose	Valento
Burger	Gutknecht	McPherson	Schafer	Waltman
Carlson, J.	Hartinger	Miller	Schreiber	Wenzel
Clausnitzer	Hartle	Olsen, S.	Seaberg	Zaffke
Dempsey	Haukoos	Omann	Shaver	Spk. Jennings, D.
DenOuden	Heap	Onnen	Sherman	
Dimler	Himle	Ozment	Stanis	
Dyke	Johnson	Pauly	Sviggum	
Erickson	Kiffmeyer	Piepho	Thiede	

The motion did not prevail and the amendment was not adopted.

Kostohryz was excused for the remainder of today's session.

Nelson, D., moved to amend H. F. No. 876, the third engrossment, as amended, as follows:

Page 5, line 3, after "result of" insert "(1) verifiable damage to property excluding diminution in property value and excluding any losses recoverable pursuant to sections 115B.01 to 115B.24, or (2)"

Page 5, line 24, delete "damage to property;" and insert "claims for losses totalling less than \$500;"

Page 7, line 14, delete "and"

Page 7, after line 14, insert "(8) evidence of property damage suffered by claimant due to release of a hazardous substance; and"

Renumber remaining clause

Page 7, lines 28 and 29, delete "PERSONAL INJURY"

Page 7, line 30, before "The" insert "Subdivision 1. [PERSONAL INJURY.]"

Page 8, after line 6, insert:

"Subd. 2. [PROPERTY DAMAGE.] The board shall grant compensation to a claimant who shows that it is more likely than not that:

(1) the claimant has suffered property damage that is eligible for compensation and that has resulted in compensable loss; and

(2) the presence of the hazardous substance in or on the property could reasonably have resulted from the release of the hazardous substance from an identified site where the substance was deposited."

Page 8, line 14, after "illness" insert "; and

(4) one hundred percent of losses due to property damage compensable pursuant to section 5, subdivision 2, not to exceed \$8,000."

A roll call was requested and properly seconded.

The question was taken on the Nelson, D., amendment and the roll was called.

Levi moved that those not voting be excused from voting. The motion prevailed.

There were 63 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	Minne	Peterson	Solberg
Battaglia	Jaros	Munger	Piper	Sparby
Beard	Jennings, L.	Nelson, D.	Price	Staten
Begich	Kahn	Nelson, K.	Quinn	Tomlinson
Brandl	Kalis	Neuenschwander	Rest	Tunheim
Brown	Kelly	Norton	Rice	Vanasek
Carlson, L.	Knuth	O'Connor	Riveness	Vellenga
Clark	Krueger	Ogren	Rodosovich	Voss
Cohen	Lieder	Olson, E.	Sarna	Welle
Elioff	Long	Osthoff	Scheid	Wenzel
Ellingson	McEachern	Otis	Schoenfeld	Wynia
Fjoslien	McLaughlin	Ozment	Segal	
Greenfield	Metzen	Pappas	Skoglund	

Those who voted in the negative were:

Backlund	Dimler	Johnson	Piepho	Thiede
Becklin	Dyke	Kiffmeyer	Poppenhagen	Thorson
Bennett	Erickson	Knickerbocker	Quist	Tjornhom
Bishop	Forsythe	Kvam	Redalen	Tompkins
Blatz	Frederick	Levi	Rees	Uphus
Boerboom	Frederickson	Marsh	Richter	Valan
Boo	Frerichs	McDonald	Rose	Valento
Brinkman	Gruenes	McKasy	Schafer	Waltman
Burger	Gutknecht	McPherson	Schreiber	Zaffke
Carlson, D.	Halberg	Miller	Seaberg	Spk. Jennings, D.
Carlson, J.	Hartinger	Olsen, S.	Shaver	
Clausnitzer	Hartle	Omann	Sherman	
Dempsey	Haukoos	Onnen	Stanlius	
DenOuden	Himle	Pauly	Sviggum	

The motion did not prevail and the amendment was not adopted.

Knuth moved to amend H. F. No. 876, the third engrossment, as amended, as follows:

Page 8, delete lines 8 to 14 and insert:

"Losses due to personal injury compensable from the fund are limited to:

(1) medical expenses directly related to the claimant's death, personal injury or disease;

(2) up to two-thirds of the claimant's lost wages not to exceed \$2,000 per month or \$24,000 per year;

(3) up to two-thirds of a self-employed claimant's lost profits, not to exceed \$2,000 per month or \$24,000 per year;

(4) death benefits to dependents as follows:

(i) to a spouse with no dependent children, a sum computed by one-half of the deceased claimant's lost wages or lost profits, calculated on a monthly basis not to exceed \$2,000 per month, multiplied by 60 months;

(ii) to a spouse with three or fewer dependent children, a sum computed by two-thirds the deceased claimant's lost wages or lost profits, calculated on a monthly basis not to exceed \$2,000 per month, multiplied by the number of months remaining until the youngest dependent child attains the age of 18 or the benefit computed in (i), whichever is greater;

(iii) to a spouse with four or more dependent children, a sum computed by three-fourths the deceased claimant's lost wages or lost profits, calculated on a monthly basis not to exceed \$2,000

per month, multiplied by the number of months remaining until the youngest dependent child attains the age of 18 or the benefit computed in (i), whichever is greater;

(iv) to three or fewer dependent children where there is no surviving spouse, an amount as calculated in paragraph (ii) but using one-half the deceased claimant's lost wages or lost profits as the base for the calculation;

(v) to four or more dependent children where there is no surviving spouse, an amount as calculated in paragraph (iii) but using two-thirds the deceased claimant's lost wages or lost profits as the base for the calculation; and

(vi) to any one else who can show dependence on the deceased claimant, an amount equal to the amount of actual average monthly contribution made by the claimant to the dependents prior to his or her inability to contribute or one-fourth of the deceased claimant's lost wages or lost profits, calculated on a monthly basis not to exceed \$2,000 per month, whichever is less, multiplied by 36 months. No one who cannot show actual dependence on the deceased claimant may recover death benefits. For the purposes of all the provisions in clause (d), lost wages includes the value of lost household labor; and

(5) the value of household labor lost due to the claimant's injury or disease."

A roll call was requested and properly seconded.

The question was taken on the Knuth amendment and the roll was called.

Levi moved that those not voting be excused from voting. The motion prevailed.

There were 65 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Metzen	Pappas	Segal
Battaglia	Jacobs	Minne	Peterson	Simoneau
Beard	Jaros	Munger	Piper	Skoglund
Begich	Jennings, L.	Nelson, D.	Price	Solberg
Bishop	Kahn	Nelson, K.	Quinn	Sparby
Brandl	Kalis	Neuenschwander	Rest	Staten
Brinkman	Kelly	Norton	Rice	Tomlinson
Brown	Knuth	O'Connor	Riveness	Tunheim
Carlson, L.	Krueger	Ogren	Rodosovich	Vanasek
Clark	Lieder	Olson, E.	Rose	Vellenga
Cohen	Long	Osthoff	Sarna	Voss
Elioff	McEachern	Otis	Scheid	Welle
Ellingson	McLaughlin	Ozment	Schoenfeld	Wynia

Those who voted in the negative were:

Anderson, R.	Dyke	Himle	Piepho	Thorson
Backlund	Erickson	Johnson	Poppenhagen	Tjornhom
Becklin	Fjoslien	Kiffmeyer	Quist	Tompkins
Bennett	Forsythe	Knickerbocker	Redalen	Uphus
Blatz	Frederick	Kvam	Rees	Valan
Boerboom	Frederickson	Levi	Richter	Valento
Boo	Frerichs	Marsh	Schafer	Waltman
Burger	Gruenes	McDonald	Schreiber	Wenzel
Carlson, D.	Gutknecht	McPherson	Seaberg	Zaffke
Carlson, J.	Halberg	Miller	Shaver	Spk. Jennings, D.
Clausnitzer	Hartinger	Olsen, S.	Sherman	
Dempsey	Hartle	Omann	Stanius	
DenOuden	Haukoos	Onnen	Stiggum	
Dimler	Heap	Pauly	Thiede	

The motion did not prevail and the amendment was not adopted.

Kahn moved to amend H. F. No. 876, the third engrossment, as amended, as follows:

Page 10, line 26, before "\$1,000,000" insert "Subdivision 1. [GENERAL.]"

Page 10, after line 28, insert:

"Subd. 2. [ADMINISTRATIVE EXPENSES.] \$290,000, is appropriated from the general fund to the commissioner of health to pay administrative costs of the hazardous substances injury compensation board, to be available until June 30, 1987. The complement of the department of health is increased by 2.5 positions which may be in the unclassified service."

A roll call was requested and properly seconded.

The question was taken on the Kahn amendment and the roll was called. There were 61 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Minne	Price	Sparby
Battaglia	Jacobs	Munger	Quinn	Staten
Beard	Jaros	Nelson, D.	Rest	Tomlinson
Begich	Kahn	Nelson, K.	Rice	Tunheim
Bishop	Kalis	Norton	Rivness	Vanasek
Brandl	Kelly	O'Connor	Rodosovich	Vellenga
Brinkman	Knuth	Ogren	Sarna	Voss
Brown	Krueger	Olson, E.	Scheid	Welle
Carlson, L.	Lieder	Osthoff	Schoenfeld	Wynia
Clark	Long	Otis	Segal	
Cohen	McEachern	Pappas	Simoneau	
Elioff	McLaughlin	Peterson	Skoglund	
Ellingson	Meizen	Piper	Solberg	

Those who voted in the negative were:

Anderson, R.	Erickson	Johnson	Pauly	Thiede
Backlund	Fjoslien	Kiffmeyer	Piepho	Thorson
Becklin	Forsythe	Knickerbocker	Poppenhagen	Tjornhom
Bennett	Frederick	Kvam	Quist	Tompkins
Blatz	Frederickson	Levi	Redalen	Uphus
Boerboom	Frerichs	Marsh	Rees	Valan
Boo	Gruenes	McDonald	Richter	Valento
Burger	Gutknecht	McKasy	Rose	Waltman
Carlson, D.	Halberg	McPherson	Schafer	Wenzel
Carlson, J.	Hartinger	Miller	Schreiber	Zaffke
Clausnitzer	Hartle	Neuenschwander	Seaberg	Spk. Jennings, D.
Dempsey	Haukoos	Olsen, S.	Shaver	
DenOuden	Heap	Omann	Sherman	
Dimler	Himle	Onnen	Stanlius	
Dyke	Jennings, L.	Ozment	Swiggum	

The motion did not prevail and the amendment was not adopted.

Long moved to amend H. F. No. 876, the third engrossment, as amended, as follows:

Page 9, delete lines 13 to 15.

A roll call was requested and properly seconded.

The question was taken on the Long amendment and the roll was called. There were 63 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Metzen	Peterson	Skoglund
Anderson, R.	Jacobs	Minne	Piper	Solberg
Battaglia	Jaros	Munger	Price	Sparby
Beard	Jennings, L.	Nelson, D.	Quinn	Staten
Begich	Kahn	Nelson, K.	Rest	Tomlinson
Brandl	Kalis	Neuenschwander	Rice	Tunheim
Brinkman	Kelly	Norton	Riveness	Vanasek
Brown	Knuth	O'Connor	Rodosovich	Vellenga
Carlson, L.	Krueger	Ogren	Sarna	Voss
Clark	Lieder	Olson, E.	Scheid	Welle
Cohen	Long	Osthoft	Schoenfeld	Wynia
Elioff	McEachern	Otis	Segal	
Ellingson	McLaughlin	Pappas	Simoneau	

Those who voted in the negative were:

Backlund	Dempsey	Gutknecht	Levi	Piepho
Becklin	DenOuden	Halberg	Marsh	Poppenhagen
Bennett	Dimler	Hartinger	McDonald	Quist
Bishop	Dyke	Hartle	McKasy	Redalen
Blatz	Erickson	Haukoos	McPherson	Rees
Boerboom	Fjoslien	Heap	Miller	Richter
Boo	Forsythe	Himle	Olsen, S.	Rose
Burger	Frederick	Johnson	Omann	Schafer
Carlson, D.	Frederickson	Kiffmeyer	Onnen	Schreiber
Carlson, J.	Frerichs	Knickerbocker	Ozment	Seaberg
Clausnitzer	Gruenes	Kvam	Pauly	Shaver

Sherman
Stanis
Sviggum

Thiede
Thorson
Tjornhom

Tompkins
Uphus
Valan

Valento
Waltman
Wenzel

Zaffke
Spk. Jennings, D.

The motion did not prevail and the amendment was not adopted.

H. F. No. 876, A bill for an act relating to hazardous waste; establishing a hazardous substance compensation trust account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115B.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, C.	Ellingson	Kvam	Ozment	Sherman
Anderson, R.	Erickson	Levi	Pappas	Simoneau
Backlund	Fjoslien	Lieder	Pauly	Skoglund
Battaglia	Forsythe	Long	Peterson	Solberg
Beard	Frederick	Marsh	Piepho	Sparby
Becklin	Frederickson	McDonald	Piper	Stanis
Begich	Frerichs	McEachern	Poppenhagen	Staten
Bennett	Greenfield	McKasy	Price	Sviggum
Bishop	Cruenes	McLaughlin	Quinn	Thiede
Blatz	Gutknecht	McPherson	Quist	Thorson
Boerboom	Halberg	Metzen	Redalen	Tjornhom
Boo	Hartinger	Miller	Rees	Tomlinson
Brandl	Hartie	Minne	Rest	Tompkins
Brinkman	Haukoos	Munger	Rice	Tunheim
Brown	Heap	Nelson, D.	Richter	Uphus
Burger	Himle	Nelson, K.	Riveness	Valan
Carlson, D.	Jacobs	Neuenschwander	Rodosovich	Valento
Carlson, L.	Jaros	Norton	Rose	Vanasek
Clark	Jennings, L.	O'Connor	Sarna	Vellenga
Clausnitzer	Johnson	Ogren	Schafer	Voss
Cohen	Kalis	Olsen, S.	Scheid	Waltman
Dempsey	Kelly	Olson, E.	Schoenfeld	Welle
DenOuden	Kiffmeyer	Gmann	Schreiber	Wenzel
Dimler	Knickerbocker	Onnen	Seaberg	Wynia
Dyke	Knuth	Osthoff	Segal	Zaffke
Elioff	Krueger	Otis	Shaver	Spk. Jennings, D.

Those who voted in the negative were:

Kahn

The bill was passed, as amended, and its title agreed to.

GENERAL ORDERS

Levi moved that the bills on General Orders for today be continued one day. The motion prevailed.

There being no objection the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 849, A bill for an act relating to water pollution control; establishing a state financial assistance program for the abatement of combined sewer overflow; reauthorizing the state independent grants program; appropriating money; amending Minnesota Statutes 1984, sections 116.16, subdivisions 1, 2, and 5; 116.18, subdivisions 1, 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116; repealing Minnesota Statutes 1984, section 116.18, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 116.16, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] A Minnesota state water pollution control fund is created as a separate bookkeeping account in the general books of account of the state, to record receipts of the proceeds of state bonds and other money appropriated to the fund and disbursements of money appropriated or loaned from the fund to agencies and subdivisions of the state for the acquisition and betterment of public land, buildings, and improvements of a capital nature needed for the prevention, control, and abatement of water pollution in accordance with the long range state policy, plan, and program established in sections 115.41 to 115.63, and in accordance with standards adopted pursuant to law by the Minnesota pollution control agency. It is determined that state financial assistance for the construction of water pollution prevention and abatement facilities for municipal disposal systems *and combined sewer overflow* is a public purpose and a proper function of state government, in that the state is trustee of the waters of the state and such financial assistance is necessary to protect the purity of state waters, and to protect the public health of the citizens of the state, which is endangered whenever pollution enters state waters at one point and flows to other points in the state.

Sec. 2. Minnesota Statutes 1984, section 116.16, is amended by adding a subdivision to read:

Subd. 3a. [RECEIPTS.] The revenues required to be deposited in the fund by section 7 must be apportioned as provided in this subdivision.

(a) *The amount required for loans for combined sewer overflow abatement under section 3, subdivision 5, must be credited annually to a separate account. These amounts are appropriated annually to the agency for expenditure under section 3.*

(b) *The remaining amount must be spent by the agency, upon appropriation by the legislature, for water pollution control under sections 116.16 to 116.18.*

Sec. 3. [116.162] [FINANCIAL ASSISTANCE FOR COMBINED SEWER OVERFLOW.]

Subdivision 1. [DEFINITIONS.] (a) Except as otherwise provided in this section, the terms used in this section have the meanings given in section 116.16, subdivision 2.

(b) *"Combined sewer" means a sewer that is designed and intended to serve as a sanitary sewer and a storm sewer, or as an industrial sewer and a storm sewer.*

(c) *"Combined sewer overflow" means a discharge of a combination of storm and sanitary wastewater or storm and industrial wastewater directly or indirectly into the waters of the state, occurring when the volume of wastewater flow exceeds the conveyance or storage capacity of a combined sewer system.*

(d) *"Combined sewer overflow abatement plan" means the plan approved by the agency which constitutes the basis for a combined sewer overflow construction schedule contained in a permit, stipulation agreement, consent decree, or order issued by the agency subsequent to the effective date of this section.*

(e) *"Rainleader" means any structure or device, excluding catch basins on public property, constructed to direct or convey storm water, snow melt, or surface water from private or public property into a public sanitary or combined sewer.*

Subd. 2. [LOAN PROGRAM; PURPOSE.] *The pollution control agency shall administer a state loan program to assist eligible recipients to abate combined sewer overflow to the Mississippi River.*

Subd. 3. [ELIGIBLE RECIPIENTS.] *Any statutory or home rule charter city of the first class that has separated less than 75 percent of its combined sewers on the effective date of this section is eligible for assistance under the program, if the city has a permit, stipulation agreement, consent decree, or order issued by the agency requiring construction to abate combined sewer overflow and if the city adopts an approved plan to abate combined sewer overflow within a specified period, not exceeding 15 years.*

Subd. 4. [ELIGIBLE COSTS.] *The eligible cost of a loan applicant under this section includes the costs listed in section 116.16, subdivision 2, paragraph (6), as determined by the agency, using as guidelines the regulations promulgated by the United States environmental protection agency under the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1314, et seq., except that the eligible cost includes easements necessary for implementing the combined sewer overflow abatement plan and does not include:*

(a) *the preparation of combined sewer overflow abatement plans,*

(b) *acquisition of interests in real property other than easements,*

(c) *storm water treatment facilities,*

(d) *costs for a rainleader disconnection program,*

(e) *costs incurred before the effective date of this section, and*

(f) *costs incurred after the effective date of this section but without prior written approval of the agency.*

Subd. 5. [LOANS.] *During the period commencing January 1, 1986, and ending 15 years after the date of the first loan to an eligible recipient, the agency shall award annually to an eligible recipient a loan for the eligible costs in that year that are not paid by federal grants and that are not required by this subdivision to be paid by the recipient. The recipient is required to pay 50 percent of the difference between the eligible costs in that year and the amount of federal grant money received by the recipient in that year for combined sewer overflow projects, or \$3,500,000, whichever is more.*

Subd. 6. [LOAN CONDITIONS; ADMINISTRATION.] *A recipient of loans under this section shall construct the combined sewer overflow abatement facilities in accordance with the construction schedule contained in the permit, stipulation agreement, consent decree, or order issued by the agency. As a condition of receiving a loan, the recipient shall implement a rainleader disconnection program approved by the agency. The deadlines for submittal of facilities plans, plans and specifications, and other documents to the agency for a loan are governed by the construction schedule contained in the permit, stipulation agreement, consent decree, or order issued by the agency requiring combined sewer overflow abatement construction.*

Subd. 7. [LOAN REPAYMENT.] *A recipient of loans under this section shall repay the principal amount of each an-*

nual loan within 16 years of the date of the loan. The amounts repaid must be deposited in the Minnesota state water pollution control fund for use under sections 116.16 to 116.18.

Subd. 8. [RULES.] By October 31, 1985, the agency shall promulgate emergency rules for the administration of the loan program established by this section. By October 31, 1986, the agency shall promulgate permanent rules. The emergency and permanent rules must contain as a minimum:

- (a) procedures for application;*
- (b) criteria for eligibility of combined sewer overflow abatement projects;*
- (c) conditions for use of the loans;*
- (d) procedures for the administration of the loans; and*
- (e) other matters that the agency finds necessary for the proper administration of the program.*

Sec. 4. Minnesota Statutes 1984, section 116.18, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATION FROM THE FUND.]
(THE SUM OF \$167,000,000,) \$ **or so**
much thereof as may be necessary, is appropriated from the Minnesota state water pollution control fund in the state treasury to the pollution control agency, for the period commencing on July 23, 1971 and ending June 30, (1985) 1987, to be granted and disbursed to municipalities and agencies of the state in aid of the construction of projects conforming to section 116.16, in accordance with the rules, priorities, and criteria therein described.

Sec. 5. Minnesota Statutes 1984, section 116.18, subdivision 3a, is amended to read:

Subd. 3a. [STATE INDEPENDENT GRANTS PROGRAM.]
(a) The agency may award independent grants for projects for 50 percent or, if the agency requires advanced treatment, 65 percent of the eligible cost of construction. The agency may award independent grants for up to an additional 15 percent or, if the agency requires advanced treatment, up to an additional ten percent of the eligible cost of construction to municipalities for which the construction would otherwise impose significant financial hardship; the amounts of the additional grants shall be based on per connection capital cost, median household income, and per capita adjusted assessed valuation. These grants may be awarded in separate steps for planning and design in addition to actual construction. (NOT MORE THAN 20 PERCENT OF

THE TOTAL AMOUNT OF GRANTS AWARDED UNDER THIS SUBDIVISION IN ANY SINGLE FISCAL YEAR MAY BE AWARDED FOR PROJECTS FOR THE CONTROL OF COMBINED SEWER OVERFLOW AS DEFINED BY FEDERAL REGULATION.) Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.

(b) Up to ten percent of the money to be awarded as grants under this subdivision in any single fiscal year shall be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements. The agency shall forward its municipal needs list to the commissioner of energy and economic development at the beginning of each fiscal year, and the commissioner shall review the list and identify those municipalities having substantial economic development projects. After the first 90 percent of the total available money is allocated to municipalities in accordance with agency priorities, the set-aside shall be used by the agency to award grants to remaining municipalities that have been identified.

(c) Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and (APPLY TO) be reimbursed in (THE) a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year. The maximum amount of the reimbursement the agency may commit in any single fiscal year is equal to the amount newly appropriated under subdivision 1 for that year.

Sec. 6. Minnesota Statutes 1984, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter. "Sales" also include the transfer of computer software, meaning information and directions which dictate the function to be performed by data processing equipment and which are sold without adaptation to the specific requirements of the purchaser. This type of computer software, whether contained on tape, discs, cards, or other devices, shall be considered tangible personal property;

(b) The production, fabrication, printing or processing of tangible personal property for a consideration for consumers

who furnish either directly or indirectly the materials used in the production, fabrication, printing or processing;

(c) The furnishing, preparing or serving for a consideration of food, meals or drinks, not including hospitals, sanatoriums, nursing homes or senior citizens homes, meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served, meals and lunches served at public and private schools, universities or colleges, or the occasional meal thereof by a charitable or church organization. Notwithstanding section 297A.25, subdivision 1, clause (a), taxable food or meals include, but are not limited to, the following:

- (i) heated food or drinks;
 - (ii) sandwiches prepared by the retailer;
 - (iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;
 - (iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;
 - (v) soft drinks and other beverages prepared or served by the retailer;
 - (vi) gum;
 - (vii) ice;
 - (viii) all food sold in vending machines;
 - (ix) party trays prepared by the retailers; and
 - (x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;
- (d) The granting of the privilege of admission to places of amusement or athletic events and the privilege of use of amusement devices or athletic facilities;
- (e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, *sewer service*, or steam for use or consumption within this state, or local exchange telephone service and intrastate toll service; the tax imposed on amounts paid for telephone services is the liability of and shall be paid by the person paying for the services. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause (**THE FURNISHING OF WATER AND SEWER SERVICES FOR RESIDENTIAL USE SHALL NOT BE CONSIDERED A SALE**);

(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar television services;

(h) Notwithstanding subdivision 4, and section 297A.25, subdivision 1, clause (h), the sales of horses including claiming sales and fees paid for breeding a stallion to a mare. This clause applies to sales and fees with respect to a horse to be used for racing whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association but shall not apply with respect to the sale of a horse bred and born in the state of Minnesota.

Sec. 7. Minnesota Statutes 1984, section 297A.44, is amended by adding a subdivision to read:

Subd. 4. The commissioner of revenue shall semi-annually estimate the revenue received from the tax imposed by this chapter on the furnishing of water and sewer services by municipal corporations. On July 15 and January 15 of each year, the commissioner of finance shall transfer the revenue estimated to have been received during the preceding six calendar months, including the interest earned during that period, from the general fund to the Minnesota state water pollution control fund. The amount necessary to make these transfers is appropriated from the general fund.

Sec. 8. [MUNICIPAL POWERS.]

Subdivision 1. [PURPOSE.] Notwithstanding any provision of any statute or home rule charter to the contrary, for the purpose of abating combined sewer overflow and of providing funds to pay all or any portion of the costs of the abatement, a recipient of loans under section 3 may exercise the authority provided in this section.

Subd. 2. [GENERAL.] A recipient may acquire any real or personal property by purchase, lease, condemnation, gift, or grant, and it may construct, enlarge, improve, replace, repair, maintain and operate a public sewer system, including storm

sewers, sanitary sewers and facilities for separating storm sewers from combined storm and sanitary sewers. To accomplish these purposes, a recipient may exercise all of the powers granted any municipality by Minnesota Statutes, chapters 115, 117, 412, 429, 435, 444, 471 and 475.

Subd. 3. [DEBT.] A recipient may incur indebtedness and may issue and sell bonds or other obligations pledging the full faith and credit of the city to its payment for storm and sanitary sewers and systems without submitting the question of the issuance of the bonds to the electors. Except as provided in this section, the bonds must be issued and sold according to the provisions of chapter 475.

Subd. 4. [PROPERTY TAX.] In addition and supplemental to the foregoing grant of authority, the governing body may establish a special taxing district or districts within the corporate limits of the city, and may levy and collect ad valorem taxes on some or all of the real or personal property within the city. The taxes must be collected by the county of Ramsey and paid over to the city as are other taxes. The taxes are not restricted by any other tax levy limitations imposed upon the city by any other law or charter provision.

Subd. 5. [ASSESSMENTS.] The governing body of the city may divide the city into drainage districts or areas, and may levy and collect assessments based on benefit to property, whether the benefit be direct or indirect, and the assessments so levied may be based upon the existing or highest and best land usage, square footage, front footage or area. The assessments may be levied in accordance with the procedures set forth in the city's home rule charter or chapter 429, as the council determines. The assessments may be levied and collected from all property whether public or private, and in the case of public property the agency of government responsible for the property shall provide the necessary funds in their budget appropriations.

Subd. 6. [PRIVATE FINANCE.] The governing body of the city may use private financing methods, such as private construction and ownership and city lease, or sale and leaseback financing of city sewer and water utility assets to secure revenue bond financing.

Sec. 9. [COMPLEMENT.]

The complement of the agency is increased by . . . positions.

Sec. 10. [REPEALER.]

Minnesota Statutes 1984, section 116.18, subdivision 2, is repealed."

Delete the title and insert:

"A bill for an act relating to water pollution control; establishing a state financial assistance program for the abatement of combined sewer overflow; reauthorizing the state independent grants program; imposing a sales tax on water and sewer services; appropriating money; amending Minnesota Statutes 1984, sections 116.16, subdivision 1, and by adding a subdivision; 116.18, subdivisions 1 and 3a; 297A.01, subdivision 3; 297A.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116; repealing Minnesota Statutes 1984, section 116.18, subdivision 2."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources.

The report was adopted.

Valento from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 961, A bill for an act relating to water; providing for comprehensive local water management; requiring counties to develop and implement county water and related land resources plans; authorizing the water resources board to make comprehensive water planning grants to counties; providing additional authorities to counties; providing additional duties of the water resources board; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 110B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [110B.01] [TITLE.]

Sections 1 to 15 may be cited as the "comprehensive local water management act."

Sec. 2. [110B.02] [PURPOSES.]

In order to safeguard the public health and sensitive environmental systems, to reduce the public capital expenditures necessary for wise water and related land resources management, and to foster a local-state partnership in the management of groundwater systems and watershed units, it is the purpose of sections 1 to 15 to:

(1) encourage communication and cooperation among local units of government and between local and state governments in managing water resources;

(2) *provide an ongoing focus for water-related planning and management in each county; and*

(3) *identify local water-related problems and opportunities, minimize future problems, and set local directions for addressing these needs.*

Sec. 3. [110B.03] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 15.

Subd. 2. [BOARD.] "Board" means the water resources board.

Subd. 3. [COMPREHENSIVE WATER PLAN.] "Comprehensive water plan" means the plan required of counties by sections 4 and 5.

Subd. 4. [GROUNDWATER SYSTEMS.] "Groundwater systems" means the 14 principal aquifers of the state as defined by the United States Geological Survey in the Water-Resources Investigations 81-51, entitled "Designation of Principal Water Supply Aquifers in Minnesota" (August 1981), or its revisions.

Subd. 5. [LOCAL UNITS OF GOVERNMENT.] "Local units of government" means statutory or home rule charter cities, towns, counties, soil and water conservation districts, organizations formed for the joint exercise of powers under section 471.59, and other special purpose districts or authorities exercising authority in water and related land resources management at the local level, excluding watershed districts.

Subd. 6. [OFFICIAL CONTROLS.] "Official controls" means ordinances and regulations that control the physical development of the whole or part of a local government unit, or that implement the general objectives of the local government unit.

Subd. 7. [RELATED LAND RESOURCES.] "Related land resources" means land affected by present or projected management practices that have significant effects on the quantity and quality, or use of groundwater or surface water.

Subd. 8. [WATERSHED UNITS.] "Watershed units" means each of the 81 major watershed units identified in the state watershed boundaries map prepared pursuant to the requirements of Laws 1977, chapter 455, section 33, subdivision 7, paragraph (a) and the accompanying data base, or the revisions of that data base.

Subd. 9. [MUNICIPALITY.] "Municipality" means a statutory or home rule charter city.

Sec. 4. [110B.04] [COUNTY WATER PLANNING AND MANAGEMENT.]

Subdivision 1. [COUNTY DUTIES.] Each county shall develop and implement a comprehensive water plan. Each county has the duty and authority to:

(1) prepare and adopt a comprehensive water plan that meets the requirements of this section and sections 5 and 9;

(2) review water and related land resources plans and official controls submitted by local units of government to assure consistency with the comprehensive water plan; and

(3) exercise any and all powers necessary to assure implementation of comprehensive water plans.

Subd. 2. [WATER PLAN REQUIREMENTS.] The following requirements apply to comprehensive water plans:

(a) A comprehensive water plan must cover the entire area within a county. A plan must address water problems in the context of watershed units and groundwater systems, and must be based upon principles of sound hydrologic management of water, effective environmental protection, and efficient management. Comprehensive water plans prepared by counties wholly or partially within a single watershed unit or groundwater system must be consistent.

(b) Existing water and related land resources plans, including plans related to agricultural land preservation programs developed pursuant to chapter 40A, must be fully utilized in preparing the comprehensive water plan and no duplication of those existing plans is required.

(c) The comprehensive water plan must apply to every year through the year 1995 or any later year that is evenly divisible by five and shall be updated prior to the expiration of the period covered.

Subd. 3. [DELEGATION.] The county is responsible for preparing, adopting, and assuring implementation of the comprehensive water plan, but may delegate all or part of the preparation of the plan to a local unit of government, a regional development commission, or a resource conservation and development committee. The county may not delegate authority for the exercise of eminent domain, taxation, or assessment to a local unit of government that does not possess those powers.

Subd. 4. [COORDINATION.] (a) To assure the coordination of efforts of all local units of government within a county during the preparation and implementation of a comprehensive water plan, each county shall conduct meetings with other local units of government and may execute agreements with other local units of government establishing the responsibilities of each unit during the preparation and implementation of the comprehensive water plan.

(b) Each county shall coordinate its planning program with contiguous counties. Before meeting with local units of government, a county board shall notify the county boards of each county contiguous to it that it is about to begin preparing its comprehensive water plan and request and hold a joint meeting with those county boards in order to consider the planning process.

Subd. 5. [SCOPE OF PLANS.] Comprehensive water plans must include:

(1) a description of the existing physical environment, land use, and development in the county and expected changes thereto;

(2) available information about the surface water, groundwater, and related land resources in the county, including existing and potential distribution, availability, quality, and use;

(3) objectives for future development, use, and conservation of water and related land resources, including those objectives that concern water quality and quantity and related land use conditions, and a description of actions that will be taken in affected watersheds or groundwater systems to achieve those objectives;

(4) a description of potential changes in state programs, policies, and requirements considered important by the county to management of water resources in the county;

(5) a description of conflicts between the comprehensive water plan and existing plans of other local units of government;

(6) a description of possible conflicts between the comprehensive water plan and existing or proposed comprehensive water plans of other counties in the affected watershed units or groundwater systems;

(7) a program for implementation of the plan that is consistent with the plan's management objectives and includes schedules for amending official controls and water and related land resources plans of local units of government to conform with the comprehensive water plan, and, if a project to imple-

ment the comprehensive water plan is proposed, its schedule, components, and expected state and local costs; and

(8) a procedure for amending the comprehensive water plan.

Subd. 6. [COMPLETION.] The comprehensive water plan shall be prepared and submitted for review under section 5 within three years after appropriations are available for the purposes of sections 1 to 15. Existing water and related land resources plans and official controls shall remain in effect until amended or superseded by a comprehensive water plan adopted under sections 1 to 15.

Sec. 5. [110B.05] [COMPREHENSIVE WATER PLAN REVIEW AND ADOPTION.]

Subdivision 1. [LOCAL REVIEW.] Upon completion of the comprehensive water plan, but before final adoption by the county board, the county board shall submit the comprehensive water plan for review and comment to all local units of government wholly or partly within the county and to the applicable regional development commission, if any. The county shall submit the comprehensive water plan to each contiguous county and watershed management organization, as defined in section 473.876, for review and comment. In addition, the county shall submit the comprehensive water plan to other counties or watershed management organizations within the same watershed unit that may be affected by proposals in its comprehensive water plan. In comments to the county board:

(a) A local unit of government whose existing water and related land resources plans or official controls may need to be amended to bring them into conformance with the comprehensive water plan shall describe in a general way possible amendments to its existing plans or official controls, and the general fiscal or policy effects it expects would be associated with those amendments.

(b) A county or watershed management organization within the same watershed unit or groundwater system shall describe possible conflicts with its existing or proposed comprehensive water plan and suggest measures to resolve the conflicts.

(c) The regional development commission shall review the plan pursuant to section 462.391, subdivision 1.

Subd. 2. [LOCAL REVIEW PERIOD.] Comments under subdivision 1 must be submitted to the county board within 60 days after receiving a comprehensive water plan for comment, unless the county board of the county that prepared the plan determines that good cause exists for an extension of this period and grants an extension.

Subd. 3. [PUBLIC HEARING.] *The county board shall conduct a public hearing on the comprehensive water plan pursuant to section 375.51 after the 60-day period for local review and comment is completed, but before submitting it to the state for review.*

Subd. 4. [STATE REVIEW.] (a) *After conducting the public hearing but before final adoption, the county board shall submit its comprehensive water plan, all written comments it has received, a record of the public hearing, and a summary of changes incorporated as a result of the review process to the board for review. The board shall complete the review within 90 days after receiving a comprehensive water plan and supporting documents. The board shall consult with the departments of agriculture, health, and natural resources; the pollution control agency; the state planning agency; the environmental quality board; and other appropriate state agencies during the review.*

(b) *The board may disapprove a comprehensive water plan that it determines is not consistent with state laws or rules. If a plan is disapproved, the board shall provide a written statement of its reasons for disapproval. A disapproved comprehensive water plan must be revised by the county board and resubmitted for approval by the board within 120 days after receiving notice of disapproval of the comprehensive water plan, unless the board extends the period for good cause. The decision of the board to disapprove the plan may be appealed by the county to the district court.*

Subd. 5. [ADOPTION; IMPLEMENTATION.] *A county board shall adopt and begin implementation of its comprehensive water plan within 120 days after receiving notice of approval of the plan from the board.*

Subd. 6. [AMENDMENTS.] *Amendments to a comprehensive water plan must be submitted to local units of government and to the board in the same manner as a comprehensive water plan.*

Sec. 6. [110B.06] [PLANNING GRANTS TO COUNTIES.]

Subdivision 1. [GRANTS.] *The board shall make grants to counties to assist them carrying out the provisions of sections 1 to 15. Only counties or watershed management organizations are eligible to receive grants but they may contract with other local units of government to complete planning responsibilities under sections 1 to 15. Grants may be used to employ staff or to contract with other local units of government to:*

(1) *develop, evaluate, and update comprehensive water plans required by sections 4 and 5; and*

(2) *assist local units of government in revising existing local water and related land resources plans or official controls.*

Subd. 2. [FUNDS TO LOCAL UNITS.] Counties that receive grants under this section shall make funds directly available to other local units of government that are required to make substantial amendments to local water and related land resources plans and official controls as the result of the adoption of a comprehensive water plan or an amendment to it. Counties shall identify the potential recipients of funds in the application to the board.

Subd. 3. [LOCAL MATCH.] Each grant to a county or watershed management organization shall be 50 percent of the total cost necessary under sections 1 to 15. A county or watershed management organization may pay for that portion of water planning costs incurred in implementing sections 1 to 15 that are not covered by a grant through in-kind services and may include the in-kind services of other local units of government in determining the local share of the costs, but only if the local units of government providing in-kind services receive direct financial assistance under sections 1 to 15.

Sec. 7. [110B.07] [AUTHORITY UNDER APPROVED COMPREHENSIVE WATER PLANS.]

Upon adoption of an approved comprehensive water plan:

(a) The county may regulate the use and development of water and related land resources within incorporated areas when one or more of the following conditions exists:

(1) the municipality does not have a local water and related land resources plan or official controls consistent with the comprehensive water plan;

(2) the municipality has authorized the county to require permits for the use and development of water and related land resources; and

(3) a state agency has delegated the administration of a state permit program to the county.

(b) A county may:

(1) acquire in the name of the county, by condemnation under chapter 117, real and personal property found by the county board to be necessary for the implementation of an approved comprehensive water plan;

(2) assess the costs of projects necessary to implement the comprehensive water plan undertaken under sections 1 to 15

upon the property benefited within the county in the manner provided by chapter 429, except that the definition of benefited properties provided in section 112.501, subdivision 2, shall apply;

(3) charge users for services provided by the county necessary to implement the comprehensive water plan; and

(4) utilize the bond and tax provisions of section 473.882 for financing capital improvements under sections 1 to 15.

Sec. 8. [110B.08] [CONSISTENCY OF LOCAL PLANS AND CONTROLS WITH THE COMPREHENSIVE WATER PLAN.]

Subdivision 1. [REQUIREMENT.] Local units of government shall amend existing water and related land resources plans and official controls as necessary to conform them to the applicable, approved comprehensive water plan following the procedures in this section.

Subd. 2. [PROCEDURE.] Within 90 days after local units of government are notified by the county board of the adoption of a comprehensive water plan or of adoption of an amendment to a comprehensive water plan, the local units of government exercising water and related land resources planning and regulatory responsibility for areas within the county shall submit existing water and related land resources plans and official controls to the county board for review. The county board shall identify any inconsistency between those plans and controls and the comprehensive water plan and shall recommend the amendments necessary to bring local plans and official controls into conformance with the comprehensive water plan.

Subd. 3. [REVISION; IMPLEMENTATION.] Local units of government shall revise existing plans and official controls to conform them to the recommendations of the county board and shall initiate implementation of the revised plans and controls within 90 days after receiving the recommendations of the county board, or 90 days after resolution of an appeal, whichever is later.

Subd. 4. [APPEALS.] A local unit of government may, within 60 days after receiving the recommendations of the county board, appeal any recommendation to the water resources board for a hearing as provided in section 14.

Subd. 5. [NEW PLANS AND CONTROLS.] New or amended water and related land resources plans and official controls proposed by local units of government for their adoption following adoption of the comprehensive water plan shall be submitted to the county board for review and recommendation as provided under subdivisions 2 to 4.

Sec. 9. [110B.09] [WATERSHED DISTRICT AND INTERCOUNTY JOINT POWERS BOARD PLANS AND RULES.]

A county must incorporate into its comprehensive water plan any existing plans and rules adopted by an intercounty joint powers board having jurisdiction wholly or partly within the county. A county may change the plans and rules it incorporates if it demonstrates in its comprehensive water plan why the changes are necessary and if the changes are agreed to by each county represented on the joint powers board.

Sec. 10. [110B.10] [PUBLIC DRAINAGE.]

Projects necessary to implement the comprehensive water plan that are intended for the purpose of improving drainage shall be established, repaired, and improved under chapter 106 and not sections 1 to 15.

Sec. 11. [110B.11] [EXEMPTION FROM LEVY LIMIT.]

The governing body of any county or municipality or the town board of a town may levy a tax in the amount required to implement sections 1 to 15. A levy to pay the cost of implementing sections 1 to 15 or to pay the cost of projects or programs identified in an adopted comprehensive water plan shall be in addition to other taxes authorized by law and shall be disregarded in the calculation of limits on taxes imposed by chapter 275.

Sec. 12. [110B.12] [DUTIES OF THE BOARD.]

Subdivision 1. [DUTIES.] *The board shall:*

(1) develop guidelines for the contents of comprehensive water plans that provide for a flexible approach to meeting the different water and related land resources needs of counties and watersheds across the state;

(2) coordinate assistance of all state agencies to counties and other local units of government involved in preparation of comprehensive water plans;

(3) identify all pertinent data and studies available from the state and federal government;

(4) conduct an active program of information and education concerning the requirements and purposes of sections 1 to 15 in conjunction with the association of Minnesota counties;

(5) develop uniform procedures for the award and disbursement of grants and administer the grants as provided for in section 6;

(6) *determine contested cases under section 14; and*

(7) *establish a process for review of comprehensive water plans under section 5 that assures the plans are consistent with state law and rules.*

Subd. 2. [RULEMAKING AUTHORITY; ADVISORY COMMITTEE.] The board shall adopt rules to implement sections 1 to 15 and shall utilize a committee representative of local governments and other persons interested in water planning to assist it in this process. Members shall be appointed, serve, and be paid their expenses, but shall receive no other compensation, pursuant to section 15.014.

Sec. 13. [110B.13] [INFORMAL CONFLICT RESOLUTION.]

When (1) the interpretation and implementation of a comprehensive water plan is challenged by a local unit of government aggrieved by the plan; (2) two or more counties disagree about the apportionment of the costs of a project implementing a comprehensive water plan; or (3) a county and another local unit of government disagree about a change in a local water and related land resources plan or official control recommended by the county under section 8, the county, or other local unit of government, as the case may be, may request a meeting with the chair of the water resources board to informally resolve the dispute prior to the initiation of contested case procedure under section 14.

Sec. 14. [110B.14] [CONTESTED CASES.]

Any dispute specified in clauses (1) to (3) of section 13, may be contested by the county, or other local unit of government by the filing of a petition for hearing with the board pursuant to this section. The county or other local unit of government, as the case may be, has 60 days from (a) the date of the adoption or approval of the ordinance, or other decision to which the dispute related that is required by law to be made by the governing body to implement the comprehensive water plan, or (b) the date a local unit of government receives a recommendation of the county board under section 8, to file a petition for a hearing. If the aggrieved county or other local unit of government files a petition for a hearing, a hearing shall be conducted by the state office of administrative hearings under the contested case procedure of chapter 14 within 60 days of the request. The subject of the hearing may not extend to questions concerning the need for a comprehensive water plan. In the report of the administrative law judge, the cost of the proceeding shall be equally apportioned among the parties to the proceeding. Within 60 days after receiving the report of the administrative law judge, the board shall, by resolution containing findings of fact and conclusions of law, make a final decision with respect to the issue before it. Any

local unit of government aggrieved by the final decision of the board may appeal the decision to the district court in the manner provided by sections 14.63 to 14.69.

Sec. 15. [110B.15] [APPLICATION.]

Sections 1 to 14 apply to all counties except as follows:

(a) In the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, sections 1 to 14 apply only in the portions of the counties not subject to the requirements of sections 473.875 to 473.883.

(b) If a local unit of government in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county not subject to the requirements of sections 473.875 to 473.883 has formed a joint powers watershed management organization with local units of government subject to the requirements of sections 473.875 to 473.883 before December 31, 1985, sections 1 to 14 do not apply to that local unit of government in any of those counties.

Sections 1 to 14 do not apply to counties or portions of counties contained within watershed districts established pursuant to chapter 112.

Sec. 16. [APPROPRIATION.]

\$ is appropriated from the general fund to the board for the purpose of carrying out section 6, to be available until June 30, 1987."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Onnen from the Committee on Health and Human Services to which was referred:

H. F. No. 1438, A bill for an act relating to health and human services; providing for maternal and child health grant distribution; requiring parent contribution; providing day care program rates; abolishing state share of Title IV-E foster care payments; creating permanency planning grants to counties; providing services for the elderly; creating a consolidated chemical dependency services fund; clarifying case management services for the mentally retarded; changing the health maintenance organization provisions; requiring a health care market report; expanding duties of the interagency board for quality assur-

ance; creating a legislative commission on quality assurance and cost containment; requiring a study of home health care, services for mentally retarded persons, and services for mentally ill persons; requiring a study of guardianship; requiring a home equity conversion study; establishing prepaid health plans; changing nursing home reimbursement provisions; expanding medical assistance for young mothers; increasing incentives for enforcing child support payments; placing certain limitations on aid to families with dependent children and general assistance; appropriating money; amending Minnesota Statutes 1984, sections 62D.03; 62D.04; 62D.05, subdivision 2, and by adding a subdivision; 62D.07, subdivision 3; 62D.08; 62D.10, by adding subdivisions; 62D.12, subdivision 1; 62D.14; 62D.16; 62D.17; 62D.20; 62D.21; 144.695; 144.70; 145.882; 145.884; 145.885; 145.886; 245.84; 246.04; 246.18; 246.23; 246.50, by adding a subdivision; 246.51, subdivision 1; 246.54; 256.045, subdivision 3, and by adding a subdivision; 256.74, subdivision 5, and by adding subdivisions; 256.79; 256.82, subdivision 2; 256.87, subdivisions 1, 1a, and 3; 256.967; 256.969, subdivisions 1, 2, and by adding a subdivision; 256.99; 256B.02, subdivisions 2, 3, 8, and by adding a subdivision; 256B.042, by adding a subdivision; 256B.06, subdivision 1; 256B.062; 256B.091, subdivision 8; 256B.092, subdivisions 5, 7, and by adding subdivisions; 256B.17, subdivision 6; 256B.19, subdivision 1; 256B.431, subdivisions 2b, 3, and 4; 256B.50; 256B.70; 256D.03, subdivisions 4 and 6; 256D.06, by adding subdivisions; 256D.37, subdivisions 1 and 2; 257.58, subdivision 1; 260.38; 393.07, by adding a subdivision; 518.551, subdivision 7; 518.611, subdivisions 2, 3, 4, 6, and by adding subdivisions; 518.645; proposing coding for new law in Minnesota Statutes, chapters 62D; 246; 254B; 256; 256B; and 256F; repealing Minnesota Statutes 1984, sections 256.045, subdivision 2; 256.966, subdivision 2; 257.62, subdivision 4; and 259.405.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“COMPREHENSIVE HEALTH AND WELFARE POLICY ACT

ARTICLE 1

LEGISLATIVE POLICY STATEMENT

Section 1. [LEGISLATIVE PURPOSE.]

The legislature finds: As evidenced by the number and variety of legislative proposals, the health and human services system is barraged with many proposed policy changes. These proposals have originated due to a crisis in funding an excessively costly system and due to concern for the quality and availability of services. The current system was created through a 15 to 20

year history of policy development. Policy change to revise or correct past deficiencies in the system and, in some cases, an entire revamping and reordering of the existing system should be undertaken in a prudent and deliberate manner. Recent experience with department policy and rulemaking indicates the need for more aggressive and definitive legislative involvement in setting policy. The outcome and effect on citizens who are vulnerable and at risk is the legislature's primary concern.

Sec. 2. [BASIC PRINCIPLES OF THE POLICY ACT.]

Subdivision 1. State policy change should complement and maximize federal policy funding approaches; for example, block granting and transfer of responsibility for policy making to states.

Subd. 2. State policy change should be developed in collaboration with local government that is primarily responsible for the direct implementation of health and human services programs.

Subd. 3. Minimal amounts of funding should be utilized for administration so that the limited number of dollars available can benefit the maximum number of persons in need of services.

Subd. 4. Emphasis on cost containment should be paramount with attention given to appropriate utilization of competitive factors, the private sector, and reporting accountability to ensure assistance to those who cannot help themselves.

Subd. 5. Client protection and cost-effective service delivery require the development and implementation of quality assurance methods with a minimal amount of regulation.

Sec. 3. [CRITERIA TO BE IMMEDIATELY IMPLEMENTED.]

Subdivision 1. The legislature should defer shifts in funding to local government whenever necessary and possible to allow adequate collaborative planning.

Subd. 2. The legislature should maintain current funding and staffing levels in departments pending a thorough review and analysis of policy direction and program needs.

Subd. 3. The legislature should specify areas needing long-term analysis and policy recommendation.

Sec. 4. [OUTCOME EXPECTATIONS AND RATIONALE OF THE LEGISLATURE.]

Subdivision 1. [INITIAL ATTEMPT TO ARTICULATE A COMPREHENSIVE POLICY DIRECTION.] Health and welfare policy has been addressed in a piecemeal approach and neither the federal nor state level of government has articulated a coherent and comprehensive policy statement.

Subd. 2. [PRUDENT LONG-RANGE PLAN.] A comprehensive policy statement will provide direction for appropriate ongoing health and human services legislation.

Subd. 3. [FRAMEWORK TO ESTABLISH A COMPREHENSIVE POLICY STATEMENT IN 1986.] Additional information and planning is necessary to complete this policy statement effectively, especially since current policy proposals have not been available with adequate time to review or develop.

ARTICLE 2

PROGRAMS

MATERNAL AND CHILD HEALTH

Section 1. Minnesota Statutes 1984, section 145.882, is amended to read:

145.882 [MATERNAL AND CHILD HEALTH BLOCK GRANT DISTRIBUTION.]

Subdivision 1. [CONTINUATION OF 1983 PROJECTS.] Recipients of maternal and child health grants for special projects in state fiscal year 1983 shall continue to be funded at the same level as in state fiscal year 1983 until (SEPTEMBER 30, 1985, IF THEY COMPLY WITH THE PROVISIONS OF SECTIONS 145.881, AND 145.882 TO 145.888) December 31, 1986. Beginning January 1, 1987, recipients of maternal and child health special project grants awarded in state fiscal year 1983 must receive:

(1) for calendar year 1987, no less than 90 percent of the amount awarded in state fiscal year 1983;

(2) for calendar year 1988, no less than 80 percent of the amount awarded in state fiscal year 1983; and

(3) for calendar year 1989, no less than 70 percent of the amount awarded in state fiscal year 1983.

The amount of grants awarded under this subdivision to grantees receiving an excess of \$100,000 annually must be deducted from the allocation due to the community health services area within which the grantee is located. If the community health

services area includes more than one local board of health, the amount of the grant must be deducted only from the allocation due to the area served by the local board of health within which the grantee is located. The remaining areas served by local boards of health within that community health services area which do not include a grantee under this subdivision must be treated as a separate community health services area for purposes of the formula in subdivision 4. In order to receive money under this subdivision, grantees must continue to comply with the provisions of sections 145.881, and 145.882 to 145.888. These recipients are also eligible to apply for (STATE) grants under sections 145.883 to 145.888. Any increase or decrease in the amount of federal funding to the state for the maternal and child health block grant shall be apportioned to reflect a proportional increase or decrease for each recipient (UNTIL SEPTEMBER 30, 1985). Any increase in the amount of federal funding to the state shall be distributed (FOR SERVICES TO CHILDREN WITH HANDICAPS AND TO SPECIAL PROJECTS AS PROVIDED IN SECTIONS 145.883 TO 145.888, EXCEPT THAT AN AMOUNT NOT TO EXCEED TEN PERCENT MAY BE RETAINED BY THE COMMISSIONER OF HEALTH TO ADDRESS COST OF LIVING INCREASES AND INCREASES IN SUPPLIES AND SERVICES) according to the formula in subdivision 3 of this section.

(AFTER SEPTEMBER 30, 1985,) The advisory task force shall review and recommend the proportion of maternal and child health block grant funds to be expended for indirect costs, direct services and special projects. (THE PROPORTION OF FUNDS EXPENDED IN DIRECT SERVICES THROUGH SPECIAL PROJECTS SHALL BE MAINTAINED AT NOT LESS THAN THE LEVEL EXPENDED IN STATE FISCAL YEAR 1984.)

Subd. 2. [ALLOCATION TO THE DEPARTMENT OF HEALTH.] Beginning January 1, 1986, up to one-third of the total maternal and child health block grant money may be retained by the commissioner of health for administrative and technical assistance services, projects of regional or statewide significance, direct services to children with handicaps, indirect costs, and other activities of the department.

Subd. 3. [DISTRIBUTION FORMULA.] The maternal and child health block grant money remaining after distributions made under subdivisions 1 and 2 shall be allocated to community health services area for distribution by local boards of health to qualified programs that provide essential services within the community health services area. For purposes of this section, "community health services area" means a city, county, or multi-county area which is organized as a local board of health under section 145.913 and for which a state subsidy is received pursuant to sections 145.911 to 145.922. The amount of funds available for each community health services area shall be determined according to the following formula:

(a) *Each community health services area shall be allocated an amount based on the following three variables:*

(1) *proportion of resident mothers within the county or counties who are under 20 years of age or over 35 years of age, as determined by averaging the data available for the three most current years;*

(2) *proportion of resident infants within the county or counties whose weight at birth is less than 2,500 grams, as determined by averaging the data available for the three most current years; and*

(3) *proportion of resident children within the county or counties under the age of 19 who are on general assistance or medicaid and the proportion of resident women within the county or counties aged 19 to 49 who are on general assistance or medicaid, as determined by using the data available for the most current year.*

(b) *Each variable must be expressed as a county score consisting of the county frequency of each variable divided by the statewide frequency of the variable.*

(c) *A total score for each county jurisdiction shall be computed by totaling the scores of the foregoing three factors and dividing the score obtained by three.*

(d) *Each community health services area must be allocated an amount equal to the score obtained above for the city, county, or counties in its area multiplied by the amount of funds determined to be available for special projects of local significance.*

If no approvable applications are received for a community health services area, the commissioner may reallocate the funds available for that area to other community health service areas for which approvable applications have been received.

This formula also applies to any city or county that is not participating in the community health services subsidy in order to determine the amount of funds available for purposes of this subdivision. The commissioner shall convene a meeting of public and private nonprofit agencies in cities or counties who have expressed an intent to submit an application for funding. The meeting shall be used for purposes of attempting to develop a single coordinated grant application for each city or county. All applications, whether consolidated into a single application or as individual applications, shall be submitted according to section 145.885. If no approvable applications are received, the commissioner may reallocate the funds to community health service areas for which applications have been received.

Subd. 4. [USE OF BLOCK GRANT MONEY.] Maternal and child health block grant money received by a local board of health or community health services area under this section must be used for qualified programs for high risk and low income individuals. Block grant money must be used for programs that:

(1) specifically address the highest risk populations, particularly low income and minority groups with a high rate of infant mortality and low birth weight children, by providing services calculated to produce measurable decreases in infant mortality rates and instances of low birth weight children and medical complications associated with pregnancy and childbirth;

(2) specifically target pregnant women whose age, medical condition, or maternal history substantially increases the likelihood of complications associated with pregnancy and childbirth, or the birth of a child with an illness, disability, or special medical needs;

(3) specifically address the health needs of young children who have, or are likely to have, a chronic disease or disability or special medical needs;

(4) provide preventive and primary care services, including dental services, to low income and high risk children from birth through 18 years of age; or

(5) provide family planning and preventive medical care for specifically identified target populations, such as minority and low income teenagers, in a manner calculated to decrease the occurrence of inappropriate pregnancy and minimize the risk of complications associated with pregnancy and childbirth.

Maternal and child health block grant money may be used for purposes other than the purposes listed in this subdivision only if the local board of health or community health services area can demonstrate that existing programs fully address the needs of the highest risk target populations described in this subdivision.

Subd. 5. [REPORT.] The commissioner shall prepare, with the advice of the advisory task force, an annual report to the legislature which details the distribution of maternal and child health block grant funds, including the amounts to be expended for indirect costs, direct services, and (SPECIAL PROJECTS) local grants. The report shall (ALSO) identify the statewide needs of low income and high risk populations and the department of health's plans and local board plans for meeting their needs. The report must also identify recommended decreases in funding of programs by the department of health and the effects of those decreases in funding on maternal and child health care programs. Decreases in funding must not be made in direct services to children with handicaps.

The commissioner of health, after consulting with the chairs of the house of representatives and senate health and human services committees, and the chairs of the house appropriations and senate finance committees, may allocate funds under section 1, subdivision 2. The legislature must receive the report no later than January of each year.

Sec. 2. Minnesota Statutes 1984, section 145.883, subdivision 8, is amended to read:

Subd. 8. [MATERNAL AND CHILD HEALTH BLOCK GRANT MONEY.] "Maternal and child health block grant money" means the money received by the state from the federal maternal and child health block grant. The commissioner shall carry forward from state fiscal year 1985, and succeeding years, only sufficient funds for qualified programs approved through the federal (FISCAL YEAR) *award period*.

Sec. 3. Minnesota Statutes 1984, section 145.884, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The commissioner shall, in the name of the state and within the limit of the federal maternal and child health block grant appropriation, make grants (TO PUBLIC AND PRIVATE NONPROFIT AGENCIES ADMINISTERING) *under sections 145.881 to 145.888 for* qualified programs of maternal and child health care services. The commissioner shall promulgate rules for the administration of grants (AUTHORIZED BY THIS SUBDIVISION). The rules shall establish and contain as a minimum:

- (a) procedures for grant applications;
- (b) conditions and procedures for the administration of grants;
- (c) criteria of eligibility for grants; and
- (d) other matters the commissioner finds necessary for the proper administration of the grant program.

Sec. 4. Minnesota Statutes 1984, section 145.885, is amended to read:

145.885 [APPLICATION FOR A GRANT.]

An application for a grant shall be submitted to the commissioner at a time and in a form and manner as the commissioner prescribes. Department of health technical staff shall be available to provide technical assistance in development of grant applications. The application must contain:

(a) A complete description of the program and the manner in which the applicant intends to conduct the program;

(b) *A description of the manner in which the program responds to needs and priorities for services identified by the maternal and child health task force pursuant to section 145.881, subdivision 2, and rules adopted by the commissioner. The rationale for any differences must be explained in detail;*

(c) A budget and justification for the amount of grant funds requested;

((C)) (d) A description of the target population served by the qualified program and estimates of the number of low income or high risk patients the program is expected to serve;

((D)) (e) The name or names of the person or persons who shall have primary responsibility for the administration and delivery of services of the qualified program; and

((E)) (f) The reporting and accounting procedures to be followed by the qualified agency to enable the commissioner to evaluate the activities of the qualified program.

Applications by local boards under section 145.882, subdivision 3, must also contain a summary of the process used to develop the local program, including evidence that the local board notified local public and private providers of the availability of funding through the local board for maternal and child health services, a list of all public and private agency requests for grants submitted to the local board indicating which requests were included in the grant application, and an explanation of how priorities were established for selecting the requests to be included in the grant application. The local board shall include, with grant application materials, a written statement of the criteria to be applied to public and private agency requests for funding. Written criteria of the grant selection process shall be available to public and private agencies making requests for funding. In addition, the local board shall include a written assurance which provides that:

(1) *maternal and child health block grant funds will not be used to supplant any other funding source;*

(2) *maternal and child health programs will be conducted in accordance with applicable federal and state requirements;*

(3) *administrative costs will conform with guidelines as prescribed by the federal government and negotiated by the state department of health; and*

(4) consideration will be given to contracting with public and private agencies which provide comparable quality and cost maternal and child health service.

Sec. 5. Minnesota Statutes 1984, section 145.886, is amended to read:

145.886 [GRANT REVIEW PROCESS.]

Primary review of all grant applications shall be conducted by the department of health technical staff. All technically completed applications will be forwarded for secondary review to (A GRANTS REVIEW PANEL ESTABLISHED BY THE COMMISSIONER. A MAJORITY OF THE GRANTS REVIEW PANEL MUST BE PROFESSIONALS WITH EXPERTISE IN MATERNAL AND CHILD HEALTH CARE. NO MEMBER OF THE PANEL MAY BE AN EMPLOYEE OF A PUBLIC OR PRIVATE NONPROFIT AGENCY RECEIVING OR APPLYING FOR MATERNAL AND CHILD HEALTH BLOCK GRANT MONEY. THE ADVISORY TASK FORCE SHALL REVIEW THE RECOMMENDATIONS OF THE GRANTS REVIEW PANEL FOR COMMENT TO THE COMMISSIONER) *the advisory task force*. The commissioner shall award grants under section 145.885 and this section only after receiving the comments and recommendation of (THE GRANTS REVIEW PANEL AND) *the advisory task force* on completed grant applications.

Sec. 6. [FUND DISTRIBUTION.]

Any additional maternal and child health program state funds shall be distributed proportionately according to section 1.

ASSISTANCE—PARENT CONTRIBUTION

Sec. 7. Minnesota Statutes 1984, section 256.87, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS AGAINST PARENTS FOR ASSISTANCE FURNISHED.] (AT ANY TIME DURING THE CONTINUANCE OF ASSISTANCE TO A CHILD GRANTED UNDER SECTIONS 256.72 TO 256.87 EXCEPT AS SET FORTH BELOW,) A parent of a child is liable for the amount of assistance furnished (DURING THE TWO YEARS IMMEDIATELY PRECEDING THE COMMENCEMENT OF THE ACTION) *under sections 256.72 to 256.87 to and for the benefit of the child, including any assistance furnished for the benefit of the caretaker of the child, which the parent (IS REASONABLY ABLE) has had the ability to pay. (PROVIDED, HOWEVER,) The parent's liability is limited to the amount of assistance furnished during the two years immediately preceding*

the commencement of the action, except that where child support has been previously ordered, the state or county agency providing the assistance, as assignee of the obligee, shall be entitled to judgments for child support payments accruing within ten years preceding the date of the commencement of the action (TO COLLECT) up to the full amount of assistance furnished. The action may be ordered by the state agency or county agency and shall be brought in the name of the county by the county attorney of the county in which the assistance was granted, or by the state agency against the parent for the recovery of the amount of assistance granted, together with the costs and disbursements of the action.

CHILD DAY CARE SLIDING FEE PROGRAM

Sec. 8. Minnesota Statutes 1984, section 245.84, is amended to read:

245.84 [AUTHORIZATION TO MAKE GRANTS.]

Subdivision 1. [AUTHORITY.] The county board is authorized to provide child care services, to make grants from the community social service fund or other sources to any municipality, corporation or combination thereof for the cost of providing technical assistance and child care services, or to contract for services with any licensed day care facility, as the board deems necessary or proper to carry out the purposes of sections 245.83 to 245.87.

The board is further authorized to make grants to or contract with any municipality, incorporated licensed child care facility, or corporation or combination thereof for any of the following purposes:

(a) For creating new licensed day care facilities and expanding existing facilities including, but not limited to, supplies, equipment, and facility renovation and remodeling;

(b) For improving licensed day care facility programs, including, but not limited to, staff specialists, staff training, supplies, equipment, and facility renovation and remodeling;

(c) For supportive child development services including, but not limited to, inservice training, curriculum development, consulting specialist, resource centers, and program and resource materials;

(d) For carrying out programs including, but not limited to, staff, supplies, equipment, facility renovation, and training; and,

(e) For interim financing.

Subd. 2. [ALLOCATION, (ELIGIBILITY,) SLIDING FEE PROGRAM.] ((A)) Within the limit of appropriations available and subject to the allocation requirements of section 245.87 the commissioner shall establish a program to allocate available appropriations to counties for the purpose of reducing according to a sliding fee schedule the costs of child care for eligible families. (THE COMMISSIONER SHALL PROMULGATE RULES TO GOVERN THE PROGRAM IN ACCORDANCE WITH THIS SUBDIVISION) *No more than seven percent of the allocation received by any county may be used by the county for expenses of administration.*

Subd. 3. [ALLOCATION PROCEDURES; REPORT.] No later than April 1 of each odd-numbered year, the commissioner shall notify all county boards of the allocation procedures for the sliding fee program. No later than June 1 of each odd-numbered year, each county shall inform the commissioner of the number of persons estimated to be entitled to child care services, the number of persons estimated to use the program, and the expected cost for the following two state fiscal years. No later than July 1 of that year, the commissioner shall allocate to each county its proportionate share of the appropriation for that and the next fiscal year, determined according to the county's report. If the appropriation is insufficient to meet the needs in all counties, the amount shall be prorated among the counties. The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the program in preventing and reducing dependence of participants on public assistance and in providing other benefits. The commissioner shall report to the legislature no later than January 15 of each odd-numbered year of the effectiveness of the program.

((B) IN ADDITION TO PAYMENTS FROM PARENTS, CONTRIBUTIONS TO THE COST OF THE PROGRAM SHALL BE MADE BY COUNTIES AS FOLLOWS: 5 PERCENT IN THE FIRST YEAR, AND 15 PERCENT IN THE SECOND AND SUBSEQUENT YEARS, THAT THE COUNTY PROVIDES SERVICES UNDER THIS SUBDIVISION.)

((C) FAMILIES RECEIVING CHILD CARE SERVICES UNDER THIS SUBDIVISION ON JULY 1, 1983 ARE ENTITLED TO CHILD CARE SERVICES UNDER THIS PARAGRAPH.)

Subd. 4. [ELIGIBILITY.] As money that is allowed or required to be used for providing child care becomes available to the county from federal, state, or local sources, the county board shall to the extent practical make child care services available to single parent families in which the parent needs child care services under this section to secure or retain employment, or to obtain the training or education necessary to secure employment, or for other circumstances, established by the commissioner, re-

lated to education, training, or employment (, AND, IN). *The county shall observe the following order of priority in establishing eligibility for assisting families with payment for child care services:*

((1)) (a) *families who are receiving aid to families with dependent children under sections 256.72 to 256.87. Counties shall make child care services available to these families (SHALL BE MADE AVAILABLE) as in-kind services, and to cover the difference between the actual cost and \$160 per month per child or the amount disregarded under rules for persons not employed full-time; (THEN) and*

((2)) (b) *families whose household income is within the income range established by the county board. Child care services to these families shall be made available on a sliding fee.*

Subd. 5. [SLIDING FEE SCHEDULE.] (a) The county board shall establish the income ranges for families eligible for services according to a sliding fee. The minimum income range a county board may establish is between the aid to families with dependent children eligibility limit and household income of less than 70 percent of the state median income for a family of four adjusted for family size (, AND). The maximum income range is between the aid to families with dependent children eligibility limit and household income of less than 90 percent of the state median income for a family of four adjusted for family size.

(b) The county board may limit the subsidy allowed to any family eligible under subdivision 4 by setting a maximum on the provider day care rate that the county shall subsidize. The maximum set by any county shall not be lower than the median rate for like care arrangements in that county minus the amount paid by the state according to the sliding fee schedule. Recipients shall be responsible for any additional charges.

(c) In addition to payments from parents, contributions to the cost of the program shall be made by counties as follows: five percent in the first year, and 15 percent in the second and subsequent years, that the county provides services under this subdivision.

(d) In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility under the income range established by the county board an amount for federal and state income and social security taxes attributable to that income level according to federal and state standardized tax tables. The total fee charged for child care to any family shall not exceed 75 percent of the income so determined to be above the maximum allowable for fully subsidized child care.

(e) In each case where the county charges a fee that is less than the fee set by the commissioner for the same service, the

state's payment shall be limited to the difference between the fee set by the commissioner and the charge for care.

In cases where the provider of the child care service charges in excess of 125 percent of the median charge for like care arrangements in the geographic area defined by the commissioner for the purposes of ascertaining the median charge, the state's payment shall be limited to the difference between 125 percent of the median charge for like care arrangements in the geographic area and the parents' fee.

((F)) *Subd. 6. [ADVERTISEMENT OF SERVICES.]* The county board shall ensure that *the availability of assistance for child care services (ARE AVAILABLE TO COUNTY RESIDENTS ENTITLED TO THEM UNDER PARAGRAPH (C), THAT THE AVAILABILITY OF SERVICES)* is well-advertised, and that all recipients of and applicants for aid to families with dependent children are informed of *(ANY) that availability (OF CHILD CARE SERVICES UNDER PARAGRAPH (C)).* The county board may accept any gifts, grants, bequests, devises, or offers of inclusion of services as employees' fringe benefits for use in providing services under *(LAWS 1983, CHAPTER 312, ARTICLE 2, SECTIONS 1 TO 8) this section.*

((G)) *Subd. 7. [RULES.]* The commissioner shall promulgate emergency and permanent rules *(IN ACCORDANCE WITH SECTIONS 14.05 TO 14.36)* to implement this section. *(NO MORE THAN SEVEN PERCENT OF ANY ALLOCATION SHALL BE USED FOR THE COUNTY'S ADMINISTRATION EXPENSES)* *Within 180 days of the effective date of this section, the commissioner may adopt emergency rules to implement this section.*

Subd. (3) 8. [DONATIONS.] For the purposes of this section, donated professional and volunteer services, program materials, equipment, supplies, and facilities may be approved as part of a matching share of the cost, provided that total costs shall be reduced by the costs charged to parents if a sliding fee scale has been used.

Subd. (4) 9. [ADVISORY TASK FORCE.] The commissioner may appoint an advisory task force of not more than 35 members which shall advise the commissioner on grants and other child care issues. One-third of the members of the advisory council shall be parents who use child care services. The membership expiration, terms, compensation and removal from office of members of the advisory council shall be according to section 15.059.

Subd. (5) 10. [BIENNIAL PLAN.] The county board shall biennially develop a plan for the distribution of money for child care services as part of the community social services plan prescribed in section 256E.09. All licensed child care programs

shall be given written notice concerning the availability of money and the application process.

PERMANENCY PLANNING

STATE SHARE OF TITLE IV-E

Sec. 9. Minnesota Statutes 1984, section 256.82, subdivision 2, is amended to read:

Subd. 2. [FOSTER CARE MAINTENANCE PAYMENTS.] Notwithstanding subdivision 1, for the purposes of foster care maintenance payments under Title IV-E of the federal Social Security Act, 42 U.S.C. Sections 670 to 676, during the (BIENNIUM ENDING JUNE 30, 1983) *period beginning July 1, 1985, and ending December 31, 1985*, the county paying the maintenance costs shall be reimbursed for the costs from those federal funds available for that purpose together with an amount of state funds equal to a percentage of the difference between the total cost and the federal funds made available for payment. This percentage shall not exceed the percentage specified in subdivision 1 for the aid to families with dependent children program. In the event that the state appropriation for this purpose is less than the state percentage set in subdivision 1, the reimbursement shall be rateably reduced to the county. *Beginning January 1, 1986, for the purpose of foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676, the county paying the maintenance costs shall be reimbursed for the costs from the federal funds available for the purpose.*

Sec. 10. Minnesota Statutes 1984, section 260.38, is amended to read:

260.38 [COST, PAYMENT.]

In addition to the usual care and services given by public and private agencies, the necessary cost incurred by the commissioner of human services in providing care for such child shall be paid by the county committing such child which, subject to uniform regulations established by the commissioner of human services, may receive a reimbursement not exceeding one-half of such costs from funds made available for this purpose by the legislature *during the period beginning July 1, 1985, and ending December 31, 1985. Beginning January 1, 1986, the necessary cost incurred by the commissioner of human services in providing care for the child shall be paid by the county committing the child.* Where such child is eligible to receive a grant of aid to families with dependent children or supplemental security income for the aged, blind, and disabled, or a foster care maintenance payment under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676, his needs shall be met through these programs.

Sec. 11. [256F.01] [PUBLIC POLICY.]

It is the public policy of this state that all children, regardless of minority racial or ethnic heritage, are entitled to live in families that offer a safe, permanent relationship with nurturing parents or caretakers and have the opportunity to establish lifetime relationships. To help assure this opportunity, public social services shall be directed toward accomplishment of the following purposes:

(1) preventing the unnecessary separation of children from their families by identifying family problems, assisting families in resolving their problems, and preventing breakup of the family where the prevention of child removal is desirable and possible;

(2) restoring to their families children who have been removed, by the continued provision of services to the reunited child and the families;

(3) placing children in suitable adoptive homes, in cases where restoration to the biological family is not possible or appropriate; and

(4) assuring adequate care of children away from their homes, in cases where the child cannot be returned home or cannot be placed for adoption.

Sec. 12. [256F.02] [CITATION.]

Sections 12 to 17 of this article may be cited as the "permanency planning grants to counties act."

Sec. 13. [256F.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 12 to 17 of this article, the terms defined in this section have the meanings given them, unless the context clearly indicates otherwise.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of human services.

Subd. 3. [COUNTY PLAN.] "County plan" means the community social services plan required by section 256E.09.

Subd. 4. [COUNTY BOARD.] "County board" means the board of county commissioners in each county.

Subd. 5. [FAMILY-BASED SERVICES.] "Family-based services" means the provision of intensive family-centered services to families primarily in their own home for a time-limited period.

Subd. 6. [HUMAN SERVICES BOARD.] "Human services board" means a board established under section 402.02, Laws 1974, chapter 293, or Laws 1976, chapter 340.

Subd. 7. [PERMANENCY PLANNING.] "Permanency planning" means the systematic process of carrying out, within a brief, time-limited period, a set of goal-oriented activities designed to help children live in families that offer continuity of relationships with nurturing parents or caretakers, and the opportunity to establish lifetime relationships.

Subd. 8. [PLACEMENT PREVENTION AND FAMILY REUNIFICATION SERVICES.] "Placement prevention and family reunification services" means a continuum of services designed to help children remain with their families or to facilitate reunification of children with their parents.

Subd. 9. [RESIDENTIAL FACILITY.] "Residential facility" means a residential facility as defined in section 257.071, subdivision 1.

Sec. 14. [256F.04] [DUTIES OF COMMISSIONER OF HUMAN SERVICES.]

Subdivision 1. [GRANT PROGRAM.] The commissioner shall establish a statewide permanency planning grant program to assist counties in providing placement prevention and family reunification services beginning January 1, 1986.

Subd. 2. [FORMS AND INSTRUCTIONS.] The commissioner shall provide necessary forms and instructions to the counties for their community social services plan, as required in section 256E.09, that incorporate the permanency plan format and information necessary to apply for a permanency planning grant.

For purposes of calendar year 1986, the local social services agency shall submit an amendment to their approved biennial community social services plan according to the forms and instructions provided by the commissioner. Beginning January 1, 1986, the biennial community social services plan shall include the permanency plan.

Subd. 3. [MONITORING.] The commissioner shall design and implement methods for monitoring the delivery and evaluating the effectiveness of placement prevention and family reunification services including family-based services within the state according to section 256E.05, subdivision 3, paragraph (e). An evaluation report describing program implementation, client outcomes, cost, and the effectiveness of those services in relation to measurable objectives and performance criteria to keep families unified and minimize the use of out-of-home placements for

children shall be prepared by the commissioner covering the period January 1, 1986 through June 30, 1988.

Sec. 15. [256F.05] [DISTRIBUTION OF GRANTS.]

Subdivision 1. [FUNDS AVAILABLE DUE TO TRANSFER; MINIMUM FUNDING LEVEL.] No county shall receive less in state aids for its permanency planning grant in calendar years 1986 and 1987 than the sum of their reimbursement received under title IV-E foster care and children under state guardianship accounts in state fiscal year 1984. Beginning calendar year 1988, the reimbursement received under title IV-E foster care and children under state guardianship accounts shall be distributed according to formula in this section.

Subd. 2. [ADDITIONAL FUNDS.] Additional funds appropriated for family-based services, together with a sum as determined by the commissioner of title IV-B funds distributed to Minnesota according to the Social Security Act, United States Code, title 42, section 621, shall be distributed to counties according to formula.

Subd. 3. [FORMULA.] The amount of funds in subdivision 2 which a county board may receive shall be based upon the population of the county under age 19 years as compared to the state as a whole as determined by the most recent data from the state demographer's office.

Subd. 4. [PAYMENTS.] The commissioner shall make grant payments to each county whose biennial community social services plan includes a permanency plan under subdivision 2 of this article. The payment must be made in four installments per year. The commissioner may certify the payments for the first three months of a calendar year. The following three payments must be made on April 1, July 1, and October 1 of each calendar year.

Subd. 5. [INAPPROPRIATE EXPENDITURES.] Permanency planning grant funds shall not be used for the following expenditures:

(1) child day care necessary solely because of the employment, or training to prepare for employment, of a parent or other relative with whom the child is living;

(2) residential facility payments;

(3) adoption assistance payments;

(4) public assistance payments known as aid to families with dependent children; Minnesota supplemental aid; medical as-

sistance; general assistance; general assistance medical care; community health services authorized by sections 145.911 to 145.922; and

(5) administrative costs for local social services agency public assistance staff.

Subd. 6. [TERMINATION OF GRANT.] A grant may be reduced or terminated by the commissioner when the county agency has failed to comply with the terms of the grant or the provisions of sections 12 to 17 of this article.

Subd. 7. [TRANSFER OF FUNDS.] Notwithstanding subdivision 1, the commissioner may transfer funds from the permanency planning grants to counties' appropriation into the subsidized adoption account when a deficit in the subsidized adoption program occurs. The amount of the transfer shall not exceed five percent of the permanency planning grants to counties' appropriation.

Sec. 16. [256F.06] [DUTIES OF COUNTY BOARDS.]

Subdivision 1. [RESPONSIBILITIES.] The county board of each county may singly, or in combination with other county boards, apply for a permanency planning grant as provided in section 15, subdivision 2, of this article. Upon approval of the permanency planning grant, the county board may contract for or directly provide placement prevention and family reunification services.

Subd. 2. [USES OF GRANTS.] This grant must be used exclusively for placement prevention, family reunification services and training for family-based service and permanency planning. This grant may not be used as a match for other federal funds or to meet the requirements of section 256E.06, subdivision 5.

Subd. 3. [DESCRIPTION OF FAMILY-BASED SERVICE.] When a county board elects to provide family-based service as a part of its permanency plan, its written description of family-based service shall include: the number of families to be served in each caseload; the providers of the service; the planned frequency of contacts with the families; and the maximum length of time family-based service shall be provided to families.

Subd. 4. [FINANCIAL STATEMENT BY COUNTIES.] Beginning in calendar year 1986, each county receiving a permanency planning grant shall submit to the commissioner a financial accounting of the county's expenditures attributable to this grant. A quarterly statement must be submitted no later than 15 days after the end of the calendar quarter and must include:

(1) *a detailed statement of expenses attributable to the grant during the preceding quarter; and*

(2) *a statement of the expenditure of all money used for placement prevention and family reunification services by the county during the preceding quarter, including the number of clients served and the expenditures for each service provided by client.*

Sec. 17. [256F.07] [PLACEMENT PREVENTION AND FAMILY REUNIFICATION SERVICES.]

Subdivision 1. [PREPLACEMENT REVIEW.] Each county board shall establish a preplacement review procedure to review each request for substitute care placement and to determine if appropriate community resources have been utilized before making a substitute care placement.

Subd. 2. [PROCEDURE FOR PLACEMENT.] When the preplacement review has determined that a substitute care placement is required because the child is in imminent risk of abuse or neglect, or requires treatment of an emotional disorder, chemical dependency, or mental retardation, the agency shall:

(1) *determine the level of care most appropriate to meet the child's needs in the least restrictive setting and in closest proximity to the child's family; and*

(2) *estimate the length of time of the placement, project a placement goal, and provide a statement of the anticipated outcome of the placement.*

Subd. 3. [TYPES OF SERVICES.] Placement prevention and family reunification services include:

(1) *family-based service;*

(2) *individual and family counseling;*

(3) *crisis intervention and crisis counseling;*

(4) *day care;*

(5) *24-hour emergency caretaker and homemaker services;*

(6) *emergency shelter care, not to exceed 30 calendar days within any 12-month period;*

(7) *access to emergency financial assistance;*

(8) *arrangements for the provision of temporary respite care to the family for a brief period not to exceed 72 hours consecutively or 30 calendar days within any 12-month period; and*

(9) *transportation services to the child and parents in order to prevent placement or accomplish reunification of the family.*

Subd. 4. [RIGHTS OF THE CHILD AND FAMILY.] The child and the family may refuse placement prevention and family reunification services or to appeal the denial of the services.

AGING STRATEGY

Sec. 18. Minnesota Statutes 1984, section 256B.091, subdivision 8, is amended to read:

Subd. 8. [ALTERNATIVE CARE GRANTS.] The commissioner shall provide grants to counties participating in the program to pay costs of providing alternative care to individuals screened under subdivision 4. Payment is available under this subdivision only for individuals (1) for whom the screening team would recommend nursing home admission if alternative care were not available; (2) who are receiving medical assistance (OR WHO WOULD BE ELIGIBLE FOR MEDICAL ASSISTANCE WITHIN 180 DAYS OF ADMISSION TO A NURSING HOME); and (3) who need services that are not available at that time in the county through other public assistance.

Grants may be used for payment of costs of providing services such as, but not limited to, foster care for elderly persons, day care whether or not offered through a nursing home, nutritional counseling, or medical social services, which services are provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency. The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e) (2). The plan shall include any services prescribed by the individual's attending physician as necessary and follow-up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program and shall provide documentation in each individual's plan of care that the most cost effective alternatives available have been offered to the individual. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

(THE COMMISSIONER SHALL ESTABLISH A SLIDING FEE SCHEDULE FOR REQUIRING PAYMENT FOR THE COST OF PROVIDING SERVICES UNDER THIS SUBDIVI-

SION TO PERSONS WHO ARE ELIGIBLE FOR THE SERVICES BUT WHO ARE NOT YET ELIGIBLE FOR MEDICAL ASSISTANCE. THE SLIDING FEE SCHEDULE IS NOT SUBJECT TO CHAPTER 14 BUT THE COMMISSIONER SHALL PUBLISH THE SCHEDULE AND ANY LATER CHANGES IN THE STATE REGISTER AND ALLOW A PERIOD OF 20 WORKING DAYS FROM THE PUBLICATION DATE FOR INTERESTED PERSONS TO COMMENT BEFORE ADOPTING THE SLIDING FEE SCHEDULE IN FINAL FORMS.)

The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. The commissioner shall provide grants to counties from the nonfederal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of nursing home care that the recipient would receive if placed in a nursing home. The nonfederal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. Each county agency that receives a grant shall pay ten percent of the costs.

The commissioner shall promulgate emergency rules in accordance with sections 14.29 to 14.36, to establish required documentation and reporting of care delivered.

Sec. 19. [256D.44] [CITATION.]

Sections 19 to 45 may be cited as the "Minnesota Supplemental Aid Act."

Sec. 20. [256D.45] [POLICY.]

The purpose of sections 19 to 46 is to provide a sound administrative structure for public assistance programs; to maximize the use of federal funds for public assistance purposes; and to provide an integrated public assistance program for all Minnesota state residents who are recipients of supplemental security income or to persons who, except for excess income or resources, would be receiving supplemental security income, who are found to have maintenance needs as determined by application of state standards of assistance, or who have need of a clothing and per-

sonal needs allowance while residing in a state hospital, nursing home, or facility with a negotiated rate.

Sec. 21. [256D.46] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms defined in sections 19 to 46 have the meanings given them unless otherwise provided or indicated within the contents of these sections.

Subd. 2. [AGED.] "Aged" means a person who has reached age 65 or one who shall reach the age of 65 during the month of application.

Subd. 3. [APPLICANT.] "Applicant" means a person who has filed a Minnesota supplemental aid application or for whom an application has been filed and whose application has neither been acted upon nor voluntarily withdrawn.

Subd. 4. [BLIND.] "Blind" means the condition of a person who has no vision or who, even with the help of glasses or other device, does not have sufficient ocular power for ordinary affairs of life. A person without sufficient ocular vision is a person whose vision is 20/200 or less in the better eye with the Standard Snellen Chart and whose vision cannot be remedied or improved. If the vision in the better eye is more than 20/200 but is accompanied by a contraction of the peripheral field to such an extent that the widest diameter of the visual field subtends an angular distance no greater than 20 degrees, it is considered as coming within the definition. The definition shall also include persons with an aphacic eye with a vision of 20/70 in the better eye.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of human services or the commissioner's designee.

Subd. 6. [COUNTABLE INCOME.] "Countable income" means net earned and unearned income that is not exempt or disregarded under section 30 and which is actually available to the recipient.

Subd. 7. [DEPARTMENT.] "Department" means the department of human services.

Subd. 8. [DISABILITY.] "Disability" means the inability to engage in a self-supporting occupation by reason of a permanent and total physical or mental impairment.

Subd. 9. [EARNED INCOME.] "Earned income" means wages, salary, commission, or benefits received by a person as monetary compensation from employment or self-employment.

Subd. 10. [EMERGENCY.] "Emergency" means a set of circumstances which involve a lack or loss of a maintenance

need, which demands immediate action, and which, if unresolved, will threaten the health or safety of the individual.

Subd. 11. [EXCLUDED TIME FACILITY.] "Excluded time facility" means any facility listed in section 256B.02, subdivision 2.

Subd. 12. [GROSS INCOME.] "Gross income" means all earned and unearned income before any deduction, disregard, or exclusion.

Subd. 13. [HOMESTEAD.] "Homestead" means a house owned and occupied by the applicant or recipient as his or her dwelling place together with the land upon which it is situated. This area may be no greater than two contiguous lots in a platted or laid out city or town or 80 contiguous acres in areas which are rural in nature. Real estate not used as a home shall have its value counted under section 29, subdivision 2 unless it produces countable income applicable to the family's needs; the family is making a continuing effort to sell the property at a fair and reasonable price; sale of the real estate would not result in countable income equal to or exceeding the family's monthly needs; or sale of the real estate would cause undue hardship.

Subd. 14. [INCOME.] "Income" means generally any benefit with a cash value received by and available to an applicant or recipient as earnings or otherwise.

Subd. 15. [LOCAL AGENCY.] "Local agency" means the agency designated by the county board of commissioners, human services boards, county welfare boards in the several counties of the state or multi-county welfare boards or departments where those have been established in accordance with law to administer public assistance programs.

Subd. 16. [NEGOTIATED RATE FACILITY.] "Negotiated rate facility" means a nonmedical facility for which the local or state agency determines per diem or monthly standards of payments.

Subd. 17. [OTHER MAINTENANCE BENEFITS.] "Other maintenance benefits" means maintenance benefits provided under law or rule pertaining to workers' compensation, unemployment compensation, railroad retirement, veteran's disability benefits, supplemental security income, social security disability insurance, or other maintenance benefits identified by the local agency for which the applicant or recipient is potentially eligible.

Subd. 18. [PERMANENT.] "Permanent" means the impairment will persist throughout a person's life.

Subd. 19. [REAL PROPERTY.] "Real property" means land, and all buildings, structures, and improvements or other

fixtures on it, all rights and privileges belonging or appertaining to it, all manufactured homes attached to it on permanent foundations and all mines, minerals, quarries, fossils, and trees on or under it.

Subd. 20. [RECIPIENT.] "Recipient" means a person who is receiving assistance under the Minnesota supplemental aid program, except that a person who returns an uncashed monthly payment and withdraws from the program shall not be considered a recipient. A person who receives and cashes the monthly payment and is subsequently determined ineligible for assistance for that period of time shall remain a recipient, whether or not the assistance is repaid.

Subd. 21. [SUPPLEMENTAL SECURITY INCOME.] "Supplemental security income" means benefits paid under the federal program of supplemental security income for the aged, blind, and disabled under Title XVI of the Social Security Act, as enacted by section 301 of the Social Security Amendments of 1972.

Subd. 22. [TOTAL.] "Total" relates to the degree of the disability. Totality involves consideration of age, training, skills, and work experience.

Subd. 23. [UNDUE HARDSHIP.] "Undue hardship" means a situation when Minnesota supplemental aid eligibility is prevented because the applicant or recipient owns more property than the limit in section 29 and the property is for sale at a reasonable price but has not been sold; or the property is essential to the applicant or recipient for other reasons as determined by the local agency.

Subd. 24. [UNEARNED INCOME.] "Unearned income" means any benefit received by the applicant or recipient which does not directly result from that person's labor.

Sec. 22. [256D.47] [CLIENT RIGHTS AND RESPONSIBILITIES.]

Subdivision 1. [INFORMATION.] The local agency shall provide, to each person inquiring about Minnesota supplemental aid, any information germane to a determination of eligibility.

Subd. 2. [ELIGIBILITY AND PROGRAM REQUIREMENTS.] Upon receiving a request for assistance, the local agency shall promptly advise the inquirer, applicant, or recipient of the eligibility criteria or other program information that bears upon eligibility or monthly payment amounts. The local agency shall offer informational brochures to prospective applicants, and shall inform them that eligibility cannot be officially determined and that the right to appeal the agency's decision does not exist without making a formal application.

Subd. 3. [INFORMATION ABOUT OTHER PROGRAMS.] *The local agency shall inform applicants and recipients of the availability of other programs which, from its knowledge of the person's situation, could be of interest to the applicant or recipient.*

Subd. 4. [RIGHT TO APPLY.] *All persons making inquiry regarding the program shall be informed by the local agency of the right to apply and the manner in which formal application can be made.*

Subd. 5. [RIGHT TO NOTICE.] *No grant of Minnesota supplemental aid, except one made pursuant to section 19, shall be reduced, terminated or suspended unless the recipient receives notice and is afforded an opportunity to be heard prior to action by the local agency. Nothing herein shall deprive a recipient of the right to full administrative and judicial review of an order or determination of a local agency as provided for in section 256.045 subsequent to any action taken by a local agency after a prior hearing.*

Subd. 6. [RIGHT TO REPRESENTATION.] *Applicants and recipients have the right to have someone act in their behalf to ensure that their legal, civil, and human rights are upheld, and to have someone assist or represent them in the application, eligibility review, or fair hearing process, and in any other contacts with the local or state agency. An applicant who wishes to be represented by an individual of his or her own choosing may do so only by specifying this intent, in writing, to the local agency.*

Subd. 7. [RIGHT TO REVIEW RECORDS.] *An applicant or recipient shall be allowed to review records held by the local agency which are related to his or her eligibility for or the amount of benefits he or she receives from Minnesota supplemental aid, except for those records classified under the Minnesota data practices act as "confidential."*

Subd. 8. [CLIENT RESPONSIBILITIES.] *Any applicant or recipient who is otherwise eligible for Minnesota supplemental aid and possibly eligible for maintenance benefits from any other source shall:*

(1) make application for those benefits within 30 days of the local agency's determination of potential eligibility for those benefits; and

(2) execute an interim assistance authorization agreement on a form prescribed by the commissioner.

If found eligible for benefits from other sources, and a payment received from another source relates to the period during

which Minnesota supplemental aid was also being received, the recipient shall be liable to reimburse the local agency for the interim assistance paid, including amounts issued as emergency assistance. Reimbursement shall not exceed the amount of Minnesota supplemental aid paid during the time period to which the other maintenance benefits apply. The commissioner shall adopt rules authorizing local agencies to retain from the amount recovered under an interim assistance agreement 25 percent plus actual reasonable fees, costs, and disbursements of appeals and litigation, of providing advocacy assistance to the recipient in processing the recipient's claim for maintenance benefits from another source. The money retained under this section shall be from the state share of the recovery. The local agency may contract with qualified persons to provide the advocacy assistance. The rules adopted by the commissioner shall include the methods by which local agencies shall identify, refer, and assist recipients who may be eligible for benefits under federal programs for the disabled.

Sec. 23. [256D.48] [RESIDENCE.]

To be eligible for Minnesota supplemental aid a person must be a resident of Minnesota. Minnesota residence is not lost unless the individual so intends and residence is established elsewhere. If a Minnesota supplemental aid recipient moves out of Minnesota with the intent to establish a home elsewhere, Minnesota supplemental aid must be terminated immediately, subject to the timely notice provisions of section 38. If the recipient returns to Minnesota after having established residence in another state and if monthly payments have been discontinued, the county of financial responsibility must be determined on county residence after returning. United States citizenship or permanent residence status is not a requirement for eligibility.

Sec. 24. [256D.49] [RESPONSIBILITY TO PROVIDE MINNESOTA SUPPLEMENTAL AID.]

Each local agency shall provide Minnesota supplemental aid to persons residing within its jurisdiction who meet the eligibility requirements of sections 29 and 30. Minnesota supplemental aid shall be administered by the local agency according to law and rules promulgated by the commissioner pursuant to the Minnesota administrative procedures act.

Sec. 25. [256D.50] [APPLICATION FOR ASSISTANCE.]

Subdivision 1. [FILING OF APPLICATION.] Any person requesting Minnesota supplemental aid shall be permitted by the local agency to make an application for assistance on the date that assistance is first requested. The application shall be in writing and upon the form prescribed by the commissioner and shall contain the following declaration which shall be signed by the applicant or his or her authorized representative: "I declare

that this application has been examined by me and is a true and correct statement of every material point." On the date that Minnesota supplemental aid is first requested, the local agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, assistance for necessary transportation, or other emergency assistance pursuant to section 34. A person in need of emergency assistance shall be granted this assistance immediately upon determination of need, and necessary assistance shall continue until either the person is determined to be ineligible for Minnesota supplemental aid or the first grant of Minnesota supplemental aid is paid to the person. A determination of an applicant's eligibility for Minnesota supplemental aid shall be made by the local agency as soon as the required verifications are received by the local agency and in no event later than that time period provided under section 12. Any verifications required of the applicant shall be reasonable. Minnesota supplemental aid shall be granted to an eligible applicant without the necessity of first securing action by the board of the local agency. The amount of the first grant of Minnesota supplemental aid awarded to an applicant shall be computed to cover the time period starting with the first day of the month in which the application was filed, or the first day of the month in which all eligibility factors were met, whichever is later.

Sec. 26. [256D.51] [VERIFICATION.]

The local agency must verify information provided by the applicant or recipient regarding his or her identity; social security number; categorical basis for eligibility; the applicant's or recipient's income and the income of persons for whom the applicant or recipient has relative responsibility or who have relative responsibility for the applicant or recipient; and other relevant factors, provided the local agency has reason to question the accuracy of information provided by the applicant or recipient. If the applicant or recipient refuses to cooperate with the local agency in its attempt to verify the information, the local agency shall deny or terminate assistance.

Sec. 27. [256D.52] [DISPOSAL OF APPLICATION BY THE AGENCY.]

Upon receiving an application, the local agency must promptly determine if the applicant is eligible for assistance, must formally act to approve or deny the application, must inform the applicant of its decision, and must issue assistance if the applicant is found eligible. If the local agency is unable to determine the applicant's eligibility or ineligibility within 30 days or within 60 days if the basis of eligibility is disability, it shall inform the applicant, in writing, of the reason.

Sec. 28. [256D.53] [RESIDENCE; COUNTY OF FINANCIAL RESPONSIBILITY.]

The applicant shall make application for Minnesota supplemental aid in the county within which he or she is living at the time of application. Financial responsibility shall be the same as that prescribed in section 256B.02, subdivision 3. When the applicant resides in an excluded time facility, the county of financial responsibility shall be the county in which the applicant resided immediately prior to beginning uninterrupted excluded time residence. If upon investigation the local agency decides that the application was not filed in the county of financial responsibility as provided herein and that the applicant is otherwise eligible for assistance, it shall, while providing assistance to the applicant, transmit a copy of the application together with the record of any investigation made by it and a copy of its decision to the state agency and to the county which it has decided is the county of financial responsibility. The state agency shall promptly determine financial responsibility and make an order referring the application to the responsible county for further action. Such action shall include reimbursement by the county of financial responsibility for any assistance which another county has provided to the applicant in accordance with this section. The order of the state agency shall be binding upon the county of financial responsibility and the applicant or recipient unless reversed on appeal as provided in section 256.045 and shall be complied with pending any such appeal.

Sec. 29. [256D.54] [ELIGIBILITY CRITERIA.]

Subdivision 1. [ENTITLED TO RECEIVE AID.] Each person who is a resident of Minnesota, and who is aged, blind, or disabled, and whose income and resources are less than the standard of assistance and limits applicable to that person, shall be eligible for and entitled to Minnesota supplemental aid. Persons who are found eligible by the social security administration on the basis of age, blindness, or disability shall be deemed to have met the requirements.

Subd. 2. [RESOURCES.] To be eligible for Minnesota supplemental aid, the applicant or recipient must not own or have an interest in personal property which exceeds the following limits:

(1) For an aged person, (a) life insurance having a cash surrender value no greater than \$1,000, (b) a prepaid burial contract with a maximum value of \$750 plus \$200 in accumulated interest and (c) additional personal property having a maximum value of \$300 for a recipient who does not live with a spouse who also receives Minnesota supplemental aid and \$450 for a married couple receiving Minnesota supplemental aid;

(2) For a blind person, a maximum in personal property, including life insurance and any prepaid burial contract, of \$2,000 if the recipient does not live with a blind person who also receives Minnesota supplemental aid and \$4,000 for a blind couple receiving Minnesota supplemental aid;

(3) *For a disabled person the limits of part (1) apply except that the life insurance shall have a maximum cash surrender value of \$500.*

Subd. 3. [EXCLUDED RESOURCES.] A local agency shall exclude from the determination of the resources of an applicant or recipient the following items and goods:

- (1) one motor vehicle;*
- (2) proceeds from reverse mortgages;*
- (3) a homestead or mobile home used as a home; and*
- (4) other property, goods, items, and materials necessary for day-to-day living.*

Subd. 4. [JOINTLY HELD PROPERTY.] When real or personal property is held jointly among two or more persons, the local agency shall assume that each person owns an equal share unless the local agency or any of the persons can demonstrate that the share is greater or lesser. If so, the local agency shall use the greater or lesser share to determine the value held by an applicant or recipient. An owner of property as a tenant in common owns a pro rata share of the property's value. All other types of ownership must be evaluated according to law. Jointly owned property shall be considered available unless the person does not have the legal capacity to liquidate the property without the signature of the other owners. The applicant must provide information to the local agency to assist it in making a determination regarding the property's availability. If the property is unavailable, the applicant must, as a condition of continued eligibility, take reasonable actions requested by the local agency to make the property available.

Subd. 5. [TRANSFERS OF PROPERTY.] In determining the resources of an individual and an eligible spouse there shall be included any resource or interest which exceeds the limits set out in subdivisions 2 and 3 and which was given away or sold for less than fair market value within the 12 months preceding application for Minnesota supplemental aid or during the period of eligibility.

Any transaction described in this subdivision shall be presumed to have been for the purpose of establishing eligibility for benefits or assistance under this chapter unless the individual or eligible spouse furnishes convincing evidence to establish that the transaction was exclusively for another purpose.

For purposes of this subdivision, the value of a resource or interest shall be the fair market value at the time it was sold or given away, less the amount of compensation received. In any

case where the transferred property exceeds the monthly standard of assistance applicable to the applicant or recipient, the recipient shall be determined ineligible for Minnesota supplemental aid. The number of months of ineligibility shall be determined by dividing the uncompensated value of the transferred property by the monthly standard of assistance applicable to the applicant or recipient.

Subd. 6. [BUILD-UP OF ASSETS.] A recipient who does not have allowable cash assets at the time of application may create such assets or may build those funds up to the maximum by legal means, provided that all of the recipient's income has been reported and fully accounted for in determining the recipient's need or the amount of assistance.

Subd. 7. [RIGHT TO REDUCE EXCESS PROPERTY OR RESOURCES.] The local agency shall allow a recipient who has property or resources in excess of the standards stated herein to reduce the value of property by transferring the excess to a type of property not exceeding limits, using the excess to meet all needs up to three months, or in any other way except one which results in a reduction of available resources without adequate compensation.

If a recipient possesses property which exceeds the standards in all areas stated herein, eligibility shall continue if the recipient observes his or her responsibility for reporting and takes the steps to reduce such property within 15 days of notice by the agency. If a recipient fails to utilize the excess property or resource in a manner described herein, his or her eligibility shall be terminated.

Subd. 8. [CONVERSION OF PROPERTY.] When a client's real or personal property, regardless of whether it had been excluded, has been sold and converted to cash, the cash is considered as a resource except that proceeds from the sale of a homestead may be held up to 90 days in an escrow account when the proceeds are to be used for the purchase of another home.

Subd. 9. [WAIVER OF EXCESS PROPERTY.] The local agency shall waive excess real and nonliquid personal property more than the limits of subdivisions 2 and 3, when the local agency determines that: the property produces a reasonable market return and it is being used for the support of the applicant or recipient; when a grant of emergency assistance under the Minnesota supplemental aid program is required and the property cannot be liquidated in time to meet the need; or when an undue hardship would be imposed upon the applicant or recipient by the forced disposal of the property.

Sec. 30. [256D.55] [INCOME.]

Subdivision 1. [SUBTRACTION.] All of an applicant's or recipient's countable earned and unearned income which is actual-

ly available must be subtracted from the applicable standard of assistance when determining eligibility for and monthly payment amounts under Minnesota supplemental aid. Income must be considered income in the month of receipt and a resource thereafter.

Subd. 2. [INCOME EXCLUSIONS.] *Countable income must not include: food stamps; home-produced food used by the household; Indian claim payments made by the United States Congress to compensate members of Indian tribes for the taking of tribal lands by the federal government; cash payments to displaced persons who face relocation as a result of the Housing Act of 1965, the Housing and Urban Development Act of 1965, or the Uniform Relocation Act of 1970; displaced homemaker payments; reimbursement received for maintenance costs of providing foster care to adults or children; benefits under Title III and Title VII of the Older Americans Act of 1965; Minnesota renter homeowner property tax refunds; infrequent, inconsequential gifts of money which do not total more than \$30 in a month; reimbursement payments received from the VISTA program; all reverse mortgage loan proceeds received including interest or earnings; in-kind income; payments received for providing volunteer services under Title I, Title II, and Title III of the Domestic Service Act of 1973; loans which have to be repaid; federal low income heating assistance program payments; and any other type of funds excluded as income by state law.*

Subd. 3. [SELF SUPPORT PLANS.] *The county agency shall, for a period not in excess of 36 months, disregard the additional amounts of other income and resources in the case of an individual who has a plan for achieving self-support approved by the state agency as may be necessary for the fulfillment of the plan, but only with respect to the part or parts of the period during substantially all of which he or she is actually undergoing vocational rehabilitation.*

Subd. 4. [APPLICATION FOR FEDERALLY FUNDED BENEFITS.] *Persons for whom the applicant or recipient has financial responsibility and who have unmet needs must apply for and if eligible accept AFDC and other federally funded benefits prior to allocation of earned and unearned income from the applicant or recipient to meet the needs of these persons. If the persons are determined eligible for these benefits, the applicant or recipient may not allocate earned or unearned income to those persons.*

Subd. 5. [ALLOCATION OF INCOME.] *In determining the eligibility of and the monthly payment for an applicant or recipient, countable earned and unearned income may first be allocated except as conditioned in subdivision 4 to cover the unmet needs of persons for whom the applicant or recipient has financial responsibility and who share a residence with the applicant or recipient, at the rate for each of one-half the individual supplemental security income standard of assistance. If the ap-*

plicant or recipient shares a residence with another person who has financial responsibility for the applicant or recipient, the income of the responsible relative shall be considered available to the applicant or recipient after allowing the disregards and deductions in subdivisions 6, 7, 8, and 9 of this section; the amount of actual payments made to individuals who reside outside of the home who are or could be claimed as dependents for purposes of income tax filing; and an amount equal to one-half of the individual supplemental security income standard of assistance for each additional person who resides in the home and for whom he or she is financially responsible.

Subd. 6. [EARNED INCOME DISREGARDS.] From the applicant's or recipient's gross earned income, the local agency shall disregard the first \$85 plus one-half of the remaining income.

Subd. 7. [EARNED INCOME DEDUCTIONS.] From the applicant's or recipient's gross earned income, the local agency shall subtract the following work expenses: transportation costs at the rate of 22 cents per mile or actual cost; meal allowances at the rate of \$3 per work day; amounts paid for uniforms required for work, tools, and equipment; health and other employer required insurance payments; union and professional association dues when paid; mandatory retirement fund contributions; FICA and supplementary medical insurance costs; state and federal income taxes; child care; and other reasonable expenses which are necessary for work.

Subd. 8. [SELF-EMPLOYMENT EARNINGS.] The amount of gross earned income from self-employment enterprises must be the amount remaining when reasonable, necessary business costs are subtracted from gross receipts. Capital expenditures and depreciation may not be allowed as business costs. Material stocks and goods used in producing income, inventory if it is a part of the operating stock, and loans received for business purposes may not be counted in determining gross earned income of the applicant or recipient.

(a) Income from rental property must be considered self-employment earnings for each month labor is expended by the owner of the property. Actual, reasonable costs of upkeep and repairs shall be allowed as a business expense. Additional deductions shall be allowed for real estate taxes, insurance, utilities, and the interest on principal payments. If the applicant or recipient lives on the property, these expenses must be apportioned according to the number of rooms rented against the number occupied by the assistance unit. When no labor is expended, income from rental property shall be considered as unearned income except that an additional deduction shall be allowed for actual, reasonable, and necessary labor costs for upkeep and repair.

(b) *To arrive at net income available for support from farm operations, the local agency must deduct operating expenses from gross receipts. Farm income includes all proceeds from sales of livestock, livestock products or crops sold or held for later disposition and income from land rented on a share or cash basis; and soil conservation payments. Operating expenses include costs of raising crops and animals, machinery repairs, hired labor, rent, and property costs. Capital expenditures and depreciation are not allowable as business costs. In no case may a loss from farming operations be deducted from other income such as wages or other self-employment enterprises.*

(c) *To arrive at net income from roomers and boarders, monthly expenses of \$84 shall be deducted from gross income for boarders, \$69 for roomers, and \$153 for roomers or boarders.*

Subd. 9. [UNEARNED INCOME DISREGARD.] *From the applicant's or recipient's income from the retirement, survivors and disability insurance program, the local agency shall disregard \$20. All other unearned income is considered as available to meet the needs of the applicants and recipients and as such are deducted from the established Minnesota supplemental aid standard of need. Unearned income includes but is not limited to benefits and retirement pension, income from trusts, and military service person's contributions. The \$20 disregard must not be allowed to persons referred to in section 33, subdivision 4.*

Subd. 10. [LUMP SUMS.] *Lump sum payments and windfalls must be considered income in the month received and a resource thereafter.*

Sec. 31. [256D.56] [STANDARDS OF ASSISTANCE.]

Subdivision 1. [USE OF STANDARDS; INCREASES.] *The state standards of assistance for shelter, basic needs, and special need items establish the total amount of maintenance need for an applicant for or recipient of Minnesota supplemental aid, must be used to determine the applicant's or recipient's eligibility for Minnesota supplemental aid and the minimum monthly payment amount, and must be used to establish the amount of state aid for such payments. The state standards of assistance shall increase by an amount equal to the dollar value of any cost of living increases in the supplemental security income program, except that the commissioner may take other actions as necessary, from an examination of current expenditures under Minnesota supplemental aid, to prevent loss of federal funds as provided in Public Law Number 94-585; if this authority is invoked, the commissioner shall provide a report to the Minnesota legislature regarding the circumstances and the need for the action.*

Subd. 2. [STANDARD OF ASSISTANCE FOR SHELTER.] *The state standard of assistance for shelter provides for the recipient's shelter, heating, cooking, electrical, water, sewer,*

and garbage removal needs. Except as provided in section 32, the monthly state standard of assistance for shelter is the actual cost of shelter or the standard in effect on December 31, 1985, whichever is less.

Subd. 3. [STANDARD OF ASSISTANCE FOR BASIC NEEDS.] The state standard of assistance for basic needs provides for the recipient's food, clothing and personal needs, reading material, laundry, household supply items, transportation, and other personal needs. Except as provided in section 32, the following establishes the monthly state standard of assistance for basic needs:

(a) For an individual who does not share a residence with another person, the state standard of assistance is \$234.

(b) For an individual who shares a residence with another person or persons the state assistance standard is \$184.

Subd. 4. [STANDARD OF ASSISTANCE FOR A RECIPIENT RESIDING IN A STATE HOSPITAL OR DWELLING WITH A NEGOTIATED RATE.] When a recipient is a resident of a state hospital or a dwelling with a negotiated rate, the recipient shall not be eligible for a shelter standard, a basic needs standard, or for special needs pursuant to subdivisions 2, 3, and 6. The recipient's needs for those items are included in the negotiated rate paid for the person pursuant to subdivision 5. Except as provided in section 32, the state standard of assistance for those persons shall be the clothing and personal needs allowance that has been established for medical assistance recipients under section 256B.35.

Subd. 5. [NEGOTIATED RATES.] Minnesota supplemental aid may be paid for rates negotiated by the local agency for necessary, reasonable, and nonmedical costs for maintenance needs provided to recipients who are eligible for Minnesota supplemental aid. The rates may be paid for persons who are placed by the local agency or who elect to reside in a room and board facility or a licensed facility for the purpose of receiving physical, mental health, or rehabilitative care, provided the local agency agrees that this care is needed by the person. When Minnesota supplemental aid is used to pay a negotiated rate, the rate payable to the facility must not exceed the rate paid by an individual not receiving Minnesota supplemental aid. Except as provided in section 32, the maximum rate permissible for room and board or a licensed facility must not exceed \$800. To receive payment for a negotiated rate, the dwelling must comply with applicable laws and rules establishing standards necessary for health, safety, and licensure. The negotiated rate shall be adjusted by the annual percentage change in the urban consumer price index (CPI-U) for Minneapolis-St. Paul as published by the Bureau of Labor Statistics between the previous two Octobers, new series index (1967-100).

Subd. 6. [SPECIAL NEEDS.] Notwithstanding subdivisions 1, 2, 3, and 4, payments shall be allowed for the following special needs of recipients of Minnesota supplemental aid:

(a) Medically prescribed diets. The local agency shall pay an allowance monthly for certain medically prescribed diets when they are prescribed by a physician and if the cost of those additional dietary needs is not being met through some other program. Following the initial determination of need for the diet, the propriety of continuing payments shall be reviewed no less frequently than at the time of each redetermination of eligibility. No requirement shall be made to provide verification of actual expenditures for additional dietary need items. The amount of this supplementary payment is determined in relation to the thrifty food plan for one person established by the Food and Nutrition Service of the United States Department of Agriculture. Except as provided in section 32, payment shall be determined for the following special diets at the levels described below, except that the commissioner may provide for additional dietary need upon nutritional documentation:

- | | |
|--|---|
| <i>(1) High protein diet</i> | <i>25 percent of thrifty food plan</i> |
| <i>(at least 80 grams daily)</i> | |
| <i>(2) Controlled protein diet</i> | <i>100 percent of thrifty food plan</i> |
| <i>(40-60 grams and requires special products such as Controlyte, Paygel, Aprotin, Cal-Power, and Citrotein)</i> | |
| <i>(3) Controlled protein diet</i> | <i>125 percent of thrifty food plan</i> |
| <i>(less than 40 grams and requires special products described in clause (2) above)</i> | |
| <i>(4) Low cholesterol diet</i> | <i>25 percent of thrifty food plan</i> |
| <i>(5) High residue diet</i> | <i>20 percent of thrifty food plan</i> |
| <i>(6) Pregnancy and lactation diet</i> | <i>35 percent of thrifty food plan</i> |
| <i>(7) Gluten free diet</i> | <i>25 percent of thrifty food plan</i> |
| <i>(8) Lactose free diet</i> | <i>25 percent of thrifty food plan</i> |
| <i>(9) Anti-dumping diet</i> | <i>15 percent of thrifty food plan</i> |
| <i>(10) Hypoglycemic diet</i> | <i>15 percent of thrifty food plan</i> |
| <i>(11) Ketogenic diet</i> | <i>25 percent of thrifty food plan</i> |

(b) *Payment for nonrecurring special needs must be allowed for necessary repairs or replacement of household furniture and appliances.*

(c) *Except in an emergency, the recipient shall obtain prior authorization for special need items if payment is to be made by the local agency. The local welfare board shall designate a person or persons who shall be authorized to approve repairs and replacements prior to formal board action.*

Sec. 32. [256D.57] [LOCAL AGENCY STANDARDS OF ASSISTANCE.]

The local agency may establish standards of assistance for shelter, basic needs, special needs, clothing and personal needs, and negotiated rates in excess of the corresponding state standards of assistance. State aid shall not be available for the excess costs of higher standards.

Sec. 33. [256D.58] [MONTHLY PAYMENT AMOUNTS.]

Subdivision 1. [PAYMENT PERIOD.] A calendar month shall constitute the payment period for Minnesota supplemental aid. The monthly payment to a recipient must be determined pursuant to this section.

Subd. 2. [PROSPECTIVE BUDGETING.] During the first two months of applicant eligibility and during a month and the following month, in which a change of at least \$50 has occurred, the local agency shall subtract the amount of countable income anticipated for the payment period from the state standards of assistance applicable to the applicant or recipient during that payment period:

- (a) *shelter and basic needs; or*
- (b) *clothing and personal needs; or*
- (c) *higher local agency standards established under section 32.*

In the event that the amount of anticipated income is less than the amount of income actually received during the payment period, the local agency shall issue a supplemental payment for the difference.

Subd. 3. [RETROSPECTIVE BUDGETING.] Following the first two months of payment eligibility determined by provisions of subdivision 2, the local agency shall subtract the amount of countable income actually received during the payment period

two months earlier from the following state standards of assistance applicable to the recipient during the current payment period:

- (a) shelter and basic needs; or*
- (b) clothing and personal needs; or*
- (c) higher local agency standards established under section 32.*

In the event that the amount of income actually received for the current payment period is less than the amount of income received during the payment period two months earlier, the local agency shall issue a supplemental payment for the difference. If the amount of income actually received for the current payment period exceeds the amount of income received for the payment period two months earlier, the recipient shall be considered overpaid. When the local agency is informed that income will no longer be received from a particular source, the local agency shall initiate a two-month prospective budgeting period pursuant to subdivision 2.

Subd. 4. [MONTHLY PAYMENT AMOUNT; PERSON RESIDING INDEPENDENTLY.] The monthly payment for a recipient who resides independently must be the difference between the countable income and the applicable standards of assistance as determined in subdivisions 2 and 3.

Subd. 5. [MONTHLY PAYMENT AMOUNT; PERSON RESIDING IN STATE HOSPITAL OR DWELLING WITH NEGOTIATED RATE.] The monthly payment for a recipient who resides in a state hospital or a dwelling with a negotiated rate must be the difference between the countable income and sum of the standard of assistance as determined in subdivision 2 or 3 and the negotiated rate, if any.

Sec. 34. [256D.59] [EMERGENCY ASSISTANCE.]

Subdivision 1. [ELIGIBILITY FOR EMERGENCY ASSISTANCE.] Emergency assistance must be granted if the applicant or recipient has income and resources less than the limits of sections 29 and 30 and a situation exists which, if not resolved, will threaten the health or safety of an applicant or recipient. To be eligible for emergency assistance, the applicant or recipient must be without resources adequate to resolve the situation.

Subd. 2. [INCOME AND RESOURCE TEST.] All income and resources available to the applicant or recipient during the month that the need for emergency assistance arose must be considered in determining the applicant's or recipient's ability to

meet the emergency need. Liquid personal property and income which is normally disregarded or excluded under the Minnesota supplemental assistance program must be considered available to meet the emergency need.

Subd. 3. [EMERGENCY ASSISTANCE USAGES.] Emergency assistance may be used to replace lost or stolen Minnesota supplemental aid grant money, or when an applicant or recipient lacks food or shelter, has received a notice of eviction, has received a residential utility shut-off notice, requires damage deposits, utility connection, initial rent or moving expenses, has other expenses related to establishing a new residence, or requires assistance for necessary home repairs.

Subd. 4. [PAYMENT AMOUNT.] The amount of assistance granted under Minnesota supplemental aid emergency assistance shall be based on the current Minnesota supplemental aid need standards. If the standards are insufficient to meet the emergency need, the Minnesota supplemental aid emergency assistance payment must be based on the amount necessary to resolve the emergency.

Subd. 5. [RELATIONSHIP TO REGULAR MONTHLY PAYMENTS.] When a portion of the Minnesota supplemental aid emergency assistance grant is issued to a Minnesota supplemental aid recipient for his or her current needs, the amount of the Minnesota supplemental aid emergency assistance intended to cover current needs must be subtracted from the amount of the regular Minnesota supplemental aid grant issued for the same time period. However, if a regular grant has already been issued for the same period in which the emergency arises, the local agency shall not deduct the amount issued from a grant for a subsequent month.

Subd. 6. [LOST OR STOLEN MONEY.] Minnesota supplemental aid emergency assistance must be a resource when a significant portion of the money a recipient had after cashing his or her assistance check is lost or stolen. The recipient must be without funds to pay for food, shelter, or utilities for the remainder of the month. The conditions for replacing lost or stolen money are:

(1) Only lost money from the Minnesota supplemental aid assistance check may be replaced.

(2) Loss by theft must have been reported to law enforcement officials.

(3) A written report of the event must be submitted to the local agency by the recipient in the form of an affidavit.

(4) *The contents of the law enforcement report and the recipient's affidavit must be reasonably consistent as to the amount lost and the circumstances surrounding the loss.*

Subd. 7. [PROTECTIVE PAYMENTS TO AVOID RECURRING NEED.] *When payment is issued for emergency assistance on more than one occasion in a 12-month period, this shall constitute cause for establishing protective payments of regular Minnesota supplemental aid benefits. If the person receives benefits from the Social Security Administration, the local agency shall also petition that agency to establish a representative payee for those benefits.*

Sec. 35. [256D.60] [PAYMENT METHODS.]

Minnesota supplemental aid grants must be issued by the local agency to the recipient, a protective payee or a conservator or guardian of his or her estate in the form of county warrants immediately redeemable in cash. Minnesota supplemental aid warrants must be issued regularly on the first day of the month and the payment must be made only to the address at which the recipient resides, unless another address has been approved in advance by the local agency, except that at the request of the recipient and if the local welfare agency has arranged for direct depositing, the agency may forward Minnesota supplemental aid warrants or allowance amounts directly to banks, savings and loan associations, or credit unions with which the recipient has made arrangements for direct deposit. Vendor payments must not be made by the local agency except for nonrecurring emergency need payments, replacement or repair of household appliances, and home repairs.

Sec. 36. [256D.61] [PROTECTIVE PAYMENTS.]

Subdivision 1. [NEED FOR PROTECTIVE PAYEE.] *The local agency shall determine whether a recipient has need of a protective payee by reason of a physical or mental condition and an inability to manage funds so that making payment to him or her would be contrary to his or her welfare. The determination must include medical or psychological evaluations or other reports of physical or mental conditions including observation of conditions such as extensive paralysis, serious mental retardation, continued disorientation, or severe memory loss. The determination of representative payment by the Social Security Administration for the recipient is deemed sufficient reason for protective payment of Minnesota supplemental aid payments. Protective payments must be issued where there is evidence of continued inability to plan the use of income to meet necessary expenditures; continued observation that dependents are not properly fed or clothed; continued failure to meet obligations for rent, utilities, food, and other essentials; evictions or a repeated incurrence of debts; or lost or stolen checks. If an assis-*

tance check is lost, stolen, or destroyed, a duplicate check shall be issued if the recipient files an affidavit with the county agency attesting to the loss, theft, or destruction of the original. The duplicate check must correspond in number, date, and amount with the original check and shall have endorsed on its face the term "duplicate."

Subd. 2. [ESTABLISHING PROTECTIVE PAYMENT.]
When the local agency determines that the recipient has need of a protective payee, the local agency shall appoint a payee as follows:

(1) when the Social Security Administration has established a representative payee for the recipient, the local agency shall appoint that representative payee as the protective payee for Minnesota supplemental aid payments, when possible; or

(2) when a representative payee has not already been established, the local agency shall consider the recipient's preference of protective payee. The protective payee shall have an interest in or concern for the welfare of the recipient and must be capable of and willing to provide the required assistance. The local agency director, members of the county welfare board, and vendors of goods or services, including the recipient's landlord, may not serve as protective payee.

(3) the local agency shall make appropriate termination of protective payments when an individual is considered able to manage funds in his or her best interest. When a judicial appointment of a guardian or other legal representative appears to serve the best interest of the individual, such appointment shall be sought by the local agency.

Subd. 3. [FAIR HEARING.] *Opportunity for a fair hearing must be given to any individual claiming assistance in relation to the determination that a protective payment must be made or continued, and in relation to the payee selected.*

Sec. 37. [256D.62] [PAYMENT CORRECTION.]

Subdivision 1. [WHEN.] *When the local agency finds that the recipient has received less than or more than the correct payment of Minnesota supplemental aid benefits, the local agency shall issue a corrective payment or seek recoupment, respectively.*

Subd. 2. [UNDERPAYMENT OF MONTHLY GRANTS.]
When the local agency determines that an underpayment of the recipient's monthly payment has occurred, it shall, during that same month, issue a corrective payment. The payment must be one payment for the total number of months for which underpayment was made, except that if the underpayment would result in a corrective payment of less than \$10, no corrective pay-

ment must be made. Corrective payments may be made only for the 12-month period immediately preceding the month in which the underpayment is discovered and must be excluded when determining the applicant's or recipient's income and resources.

Subd. 3. [OVERPAYMENT OF MONTHLY GRANTS.] When the local agency determines that an overpayment of the recipient's monthly payment has occurred, it shall issue a notice of overpayment to the recipient within 12 months of the identification of the overpayment. If the person's case is no longer open, the local agency may request voluntary repayment or pursue civil recovery. If the recipient's case is open, the local agency shall recover the overpayment by withholding an amount up to one-half of the monthly disregarded income.

Sec. 38. [256D.63] [NOTICE.]

Subdivision 1. [TEN-DAY NOTICE.] The local agency shall give the recipient ten days' advance written notice when the agency intends to terminate, suspend, or reduce a grant. The ten-day notice must be in writing on a form prescribed by the commissioner; mailed or given to the recipient not later than ten days before the effective date of the action; and clearly state what action the local agency intends to take, the reasons for the action, the right to appeal the action, and the conditions under which assistance can be continued pending an appeal.

Subd. 2. [FIVE-DAY NOTICE.] Five days are sufficient for advance notice when the agency has verified and documented that the case facts require termination, suspension, or reduction of the grant and the action is required because of probable fraud by the recipient.

Subd. 3. [ADEQUATE NOTICE.] Notice given no later than the effective date of the action is sufficient when: (1) the agency has factual information confirming the death of a person in the grant; (2) the agency receives a clear written statement, signed by the recipient, that he or she no longer wishes assistance; (3) the agency receives a clear statement, signed by the recipient, reporting information which the recipient understands will require termination or a reduction in the grant; (4) the recipient has been placed in a skilled nursing home, intermediate care, or long-term hospitalization facility; (5) the recipient has been admitted to or committed to an institution; (6) the recipient has been accepted for assistance in a new county; or (7) the recipient's whereabouts are unknown and the agency mail directed to her or him has been returned by the post office indicating no forwarding address.

Sec. 39. [256D.64] [APPEALS.]

Subdivision 1. [RIGHT TO APPEAL.] Applicants and recipients have a right to a fair hearing if they are aggrieved

by an action or by inaction of the local agency. Appealable issues include the following: (1) denial of the right to apply for assistance; (2) failure on the part of the local agency to act upon the application promptly or timely; (3) denial of an application for assistance; (4) suspension, reduction, or termination of assistance; (5) grant calculations, including the calculated amounts of overpayments and calculated levels of recoupments due to those overpayments; (6) the determination of periods of ineligibility and the applicability of those periods to various members of the family resulting from receipt of a lump sum; (7) the availability and calculation of corrective payments; (8) use of protective or vendor payments; (9) recoupment of overpayments limited to those issues which led to the alleged overpayment; and (10) other issues related to eligibility for an amount of Minnesota supplemental aid, as required by state law and rule as they currently exist, or as subsequently amended.

Subd. 2. [COSTS RELATED TO APPEALS.] Reasonable and necessary expenses, as determined by the local agency, which are related to the applicant's or recipient's attendance at the hearing, must be reimbursed by the local agency. Reasonable and necessary costs of attendance by witnesses must be reimbursed only if the appellant prevails in the appeal.

Subd. 3. [RIGHT TO APPEAL.] No grant of Minnesota supplemental aid, except one made pursuant to section 34, shall be reduced, terminated, or suspended unless the recipient receives notice and is afforded an opportunity to be heard prior to any action by the local agency. Nothing in this section shall deprive a recipient of his or her right to full administrative and judicial review of an order or determination of a local agency as provided for in section 256.045 subsequent to any action taken by a local agency after a prior hearing.

Subd. 4. [CONTINUATION OF PAYMENT PENDING APPEAL DECISION.] When assistance is reduced, suspended, or terminated, the grant must be continued pending an appeal decision if the appellant files the appeal within ten days of the notice or prior to the effective date of the proposed action, whichever is later.

Sec. 40. [256D.65] [REPORTING REQUIREMENTS.]

All recipients of Minnesota supplemental aid shall have their eligibility redetermined at least once every 12 months. Applicants and recipients shall provide, report, and verify all information necessary to determine initial and ongoing eligibility. This requirement must include information requested at the time of application and at the time a redetermination or report form is due. This responsibility also includes a report within eight days of any change in income and household circumstances which affect eligibility. The report form must be completed monthly

when the recipient has earned income and quarterly when the recipient does not. Failure without good cause to complete and return the household report prior to the last ten days of a month shall result in the withholding of the subsequent month's grant until the report is provided.

Sec. 41. [256D.66] [FRAUD.]

Whoever obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or by the intentional withholding or concealment of a material fact, or by impersonation, or other fraudulent device assistance to which he or she is not entitled or assistance greater than that to which he or she is reasonably entitled shall be considered to have violated section 256.98, and shall be subject to both the criminal and civil penalties provided in that section.

Sec. 42. [256D.67] [RELATIVE'S RESPONSIBILITY.]

The financial responsibility of a relative for an applicant for or recipient of Minnesota supplemental aid shall not extend beyond the relationship of a spouse or a parent of a minor child.

Sec. 43. [256D.68] [DUTIES OF THE COMMISSIONER.]

In addition to any other duties imposed by law, the commissioner shall supervise the administration of Minnesota supplemental aid by local agencies as provided in sections 19 to 48; adopt uniform rules consistent with law for carrying out and enforcing the provisions of sections 19 to 46, to the end that Minnesota supplemental aid may be administered as uniformly as possible throughout the state; immediately upon adoption furnish rules to all local agencies and other interested persons; comply with the provisions of the Minnesota administrative procedure act when adopting rules; allocate money appropriated for Minnesota supplemental aid to local agencies as provided in section 48; accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for Minnesota supplemental aid; cooperate with other agencies including any agency of the United States or another state in all matters concerning the powers and duties of the commissioner provided hereunder; and cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services.

Sec. 44. [256D.69] [MINNESOTA SUPPLEMENTAL AID TO BE ALLOWED AS CLAIM IN PROBATE COURT.]

On the death of any person who received Minnesota supplemental aid under sections 19 to 46, or on the death of the survivor

of a married couple, either or both of whom received Minnesota supplemental aid, the total amount paid as Minnesota supplemental aid to either or both, without interest, shall be allowed as a claim against the estate of the person or persons by the court having jurisdiction to probate the estate.

Sec. 45. [256D.70] [DATA PROCESSING PROCEDURES.]

The local agency shall, to the extent permitted by federal law or regulation, in addition to any other necessary records and procedures, provide for the inclusion of all Minnesota supplemental aid records in any data processing system established for the medical assistance program, according to procedures established by the commissioner.

Sec. 46. [256D.71] [STATE AID.]

After December 31, 1985, state aid shall be paid to local agencies for 85 percent of all Minnesota supplemental aid grants up to the payment levels specified in section 33 and according to procedures established by the commissioner.

Sec. 47. Minnesota Statutes 1984, section 393.07, is amended by adding a subdivision to read:

Subd. 2a. [LEAD AGENCY FOR SERVICES TO THE ELDERLY.] *The county board of commissioners shall designate the lead agency responsible for planning and coordinating services to the elderly including housing, income support, health, and social services. The commissioner of human services shall provide technical assistance to the board in its exercise of the lead agency function. The board shall submit to the commissioner an annual plan for services to the elderly and an annual report concerning services provided and progress toward accomplishing objectives. The board shall develop the annual plan in consultation with a task force composed of five professionals, five providers and five consumers of services for the elderly. The commissioner, in conjunction with the commissioner of health, shall adopt rules which establish standards for the annual plan and the annual report.*

Sec. 48. [APPROPRIATION.]

\$2,862,000 is appropriated from the general fund to the commissioner of human services for grants under Minnesota Statutes, section 245.73. This appropriation is available for the biennium ending June 30, 1987. This appropriation is in addition to the appropriation to continue services currently funded under section 245.73. The commissioner of human services shall use this supplement to assure continuation of appropriate care and services for mentally ill residents of facilities affected by the limits in section 31, subdivision 5.

CHEMICAL DEPENDENCY

TREATMENT SERVICES FUND

Sec. 49. [254B.01] [CHEMICAL DEPENDENCY TREATMENT FUND.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 49 to 61 of this article.

Subd. 2. [AMERICAN INDIAN.] For purposes of services provided under section 254B.09, subdivision 7, "American Indian" means a person who is a member of an Indian tribe, and the commissioner shall use the definitions of "Indian" and "Indian tribe" and "Indian organization" provided in Public Law Number 93-638. For purposes of services provided under section 254B.09, subdivision 6, "American Indian" means a resident of federally recognized tribal lands who is recognized as an Indian person by the federally recognized tribal governing body.

Subd. 3. [CHEMICAL DEPENDENCY SERVICES.] "Chemical dependency services" means a planned program of care for the treatment of chemical dependency or chemical abuse to minimize or prevent further chemical abuse by the person. Diagnostic, evaluation, prevention, referral, detoxification, and aftercare services which are not part of a program of care licensable as a residential or nonresidential chemical dependency treatment program are not chemical dependency services for purposes of this section.

Subd. 4. [COMMISSIONER.] Unless otherwise indicated, "commissioner" means the commissioner of human services.

Subd. 5. [LOCAL AGENCY.] "Local agency" means the agency designated by a board of county commissioners or a human services board to make placements and submit state invoices according to chapter 254B. A local agency shall not provide chemical dependency services as defined in subdivision 3.

Subd. 6. [LOCAL FUNDS.] "Local funds" means all funds which are county levy, community social services block grant funds, federal social services funds, or other funds which may be spent at county discretion for provision of chemical dependency services eligible for payment according to chapter 254B.

Sec. 50. [254B.02] [CHEMICAL DEPENDENCY ALLOCATION PROCESS.]

Subdivision 1. [CHEMICAL DEPENDENCY TREATMENT ALLOCATION.] The commissioner shall formulate a chemical dependency treatment special revenue fund for payments to eligible vendors. The commissioner shall annually divide all funds

available in the special revenue fund which are not held in reserve by counties from a previous allocation according to this section. Fifteen percent of this fund shall be set aside as a reserve fund for county payment under subdivision 3. Twelve percent of the fund shall be reserved for allocation for treatment of American Indians by eligible vendors according to section 253B.-09. The remainder of the fund shall be allocated among the counties according to the following formula, using the most recent data available from the state demographer.

(a) The average of the median income of the state for the last three years for which data is available shall be divided by the average median income of each county for the last three years for which data is available, to determine the income factor for that county.

(b) The income factor shall be multiplied by the population of the county less the population of American Indians in the county, to determine the adjusted population.

(c) The adjusted population of the county shall be divided by the sum of all county adjusted populations to determine the allocation rate.

(d) The allocation rate shall be multiplied by the remainder of the fund after set-asides to determine the county allocation to each county.

Subd. 2. [COUNTY ADJUSTMENT; MAXIMUM ALLOCATION.] The commissioner shall determine the state funds used by each county in fiscal year 1985, using all state data sources. Where records available do not provide specific chemical dependency expenditures on a per county basis, the commissioner shall determine the state fund amount using estimates based on available data. In state fiscal year 1987, no county shall be allocated more than 150 percent of the state funds spent by or on behalf of the county for chemical dependency treatment services eligible for payment according to section 254B.05. For fiscal years 1988 and 1989, the allocation maximums shall be 200 and 250 percent of fiscal year 1985 state funds used, respectively.

The commissioner shall reallocate the excess over the maximum to counties allocated less than the fiscal year 1985 state funds, using the following process:

(a) The allocation is divided by 1985 state expenditures to determine percentage of prior expenditure, and counties are ranked by percentage of prior expenditure.

(b) The allocation of the lowest ranked county is raised to the same percentage of prior expenditure as the second lowest

ranked county. The allocation of these two counties is then raised to the percentage of prior expenditures of the third lowest ranked county.

(c) The operations under paragraph (b) are repeated with each county by ranking until all funds in excess of the allocation maximum have been allocated.

Subd. 3. [RESERVE FUND.] The commissioner shall allocate funds from the reserve fund to counties which, during the current fiscal year expended their allocation under subdivision 1, and have met or exceeded the base level of expenditures for eligible chemical dependency services from local funds. The commissioner shall establish the base level for fiscal year 1987 as the amount of local funds used for eligible services in calendar year 1985. In subsequent years, the base level shall be increased in the same proportion as state appropriations for the purpose of implementing chapter 254B are increased. The base level shall not be decreased if appropriations are decreased in subsequent years. The local match rate for the reserve fund shall be the same rate as applied to the initial allocation. Funds shall be allocated as invoices are received. Reserve fund payments shall not be included when calculating the county adjustments made according to subdivision 2. No county may receive more than 30 percent of the total reserve fund that is available at the beginning of the fiscal year.

Subd. 4. [ALLOCATION SPENDING LIMITS.] Funds allocated according to sections 254B.02, subdivision 1 and 254B.09, subdivision 3 shall be available for payments for a maximum of two years. The commissioner shall deduct payments from the most recent year allocation in which funds are available. Allocations under section 254B.02 which are not used within two years shall be reallocated to the reserve fund for payments according to section 254B.02, subdivision 3. Allocations under section 254B.09, subdivision 3 which are not used within two years shall be reallocated for payments under section 254B.09, subdivision 5.

Subd. 5. [ADMINISTRATIVE ADJUSTMENT.] The commissioner may make payments to local agencies from funds allocated under section 254B.02 to support administrative activities under sections 254B.03 and 254B.04. The administrative payment may not exceed three percent of the county allocation. The payment shall be made under this section at the end of each quarter from any unspent allocation for that fiscal year.

Sec. 51. [254B.03] [RESPONSIBILITY TO PROVIDE CHEMICAL DEPENDENCY TREATMENT.]

Subdivision 1. [LOCAL AGENCY DUTIES.] Every local agency shall provide for chemical dependency services to persons

residing within its jurisdiction who meet criteria established by the commissioner for placement in a chemical dependency residential or nonresidential treatment service. Chemical dependency funds shall be administered by the local agencies according to law and rules promulgated by the commissioner pursuant to sections 14.01 to 14.69.

In order to contain costs, the commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If chemical dependency services are part of a prepaid health plan that has a contract with the commissioner to provide comprehensive health maintenance services as defined in section 62D.02, subdivision 7, these chemical dependency services are not eligible under the chemical dependency services fund.

Subd. 2. [CHEMICAL DEPENDENCY SERVICES.] (a) *Reimbursement under the chemical dependency services fund shall be limited to payments for services other than detoxification which, if located outside of a licensed hospital and federally recognized tribal lands, are required to be licensed by the commissioner as a residential or nonresidential chemical dependency treatment program according to sections 245.781 to 245.812. Vendors receiving payments from the chemical dependency services fund may not require copayment from any recipient of benefits for any services provided under this subdivision.*

(b) *Any county may, from its own resources, provide chemical dependency treatment payments for which state payments are not made.*

Subd. 3. [LOCAL AGENCIES TO PAY STATE FOR COUNTY SHARE.] *Local agencies shall submit invoices to the state on forms supplied by the commissioner and according to procedures established by the commissioner. Local agencies shall make payment to the state for the county share of the invoiced services.*

Subd. 4. [DIVISION OF COSTS.] *The county shall pay to the state 15 percent of the cost of chemical dependency treatment costs paid by the state pursuant to this section. Fifteen percent of any state collections from private or third-party pay shall be distributed to the county which paid for the treatment according to this section.*

Subd. 5. [DUTIES OF THE COMMISSIONER.] *The commissioner shall promulgate rules as necessary to implement Minnesota Statutes, chapter 254B.*

Sec. 52. [254B.04] [ELIGIBILITY FOR CHEMICAL DEPENDENCY FUND SERVICES.]

Persons eligible for benefits under sections 256D.01 to 256D.21 and persons eligible for federal health care benefits according to section 256B.06 shall be eligible for and entitled to chemical dependency fund care.

The commissioner shall adopt a sliding fee scale to determine the amount of contribution to be required from persons whose income and nonexempt property are greater than the standard of assistance under sections 256B.06 and 256D.01 to 256D.21. The commissioner may adopt an existing fee scale from another assistance program or from the state facilities by publication in the state register. The fee scale shall not provide assistance to persons whose income is in excess of 115 percent of the state median income. Payments of liabilities according to this section shall be considered medical expenses for purposes of determining spend-down under sections 256B.06 and 256D.01 to 256D.21.

Sec. 53. [254B.05] [VENDOR ELIGIBILITY.]

All programs licensed by the commissioner and all hospital and American Indian programs which, if located outside of a licensed hospital and outside of federally recognized tribal lands, are required to be licensed for provision of chemical dependency primary treatment, extended care, transitional residence, or outpatient treatment services are eligible vendors. Detoxification programs and all programs which, if located outside of a hospital and outside federally recognized tribal lands, would not be licensed as a chemical dependency residential or nonresidential treatment program under sections 245.781 to 245.812 are not eligible vendors.

Sec. 54. [254B.06] [REIMBURSEMENT; PAYMENT; DENIAL.]

Subdivision 1. [STATE COLLECTIONS.] The commissioner is responsible for all collections from persons determined partially responsible for the cost of care of an eligible person receiving services according to this chapter. The commissioner is authorized to collect all third-party payments for chemical dependency services provided according to this chapter, including private insurance and federal medicaid and medicare financial participation. The commissioner shall deposit in the general fund a percentage of collections to pay for the cost of billing and collections. All remaining funds collected are appropriated to the chemical dependency treatment fund.

Subd. 2. [ALLOCATION OF COLLECTIONS.] The commissioner shall allocate all federal financial participation collections to counties according to section 254B.02, subdivision 1 and the provisions of section 254B.02, subdivision 2 shall not be applied to the quarterly allocation of federal funds. The commissioner shall retain 85 percent of patient payments and third-

party payments and allocate the collections to the reserve fund established by section 254B.02, subdivision 3. Fifteen percent of patient and third-party payments shall be paid to the county financially responsible for the patient.

Subd. 3. [PAYMENT; DENIAL.] The commissioner shall, to the extent properly allocated funds are available, make payments to eligible vendors for placements made by local agencies under section 254B.03, subdivision 1 and placements by tribal designated agencies according to section 254B.09. The commissioner may reduce or deny payment of the state share when services are not provided according to the placement criteria established by the commissioner. The commissioner may make payments for all or a portion of improper county chemical dependency placements and bill the county for the entire payment made when the placement was not in compliance with criteria established by the commissioner.

Sec. 55. [254B.07] [THIRD-PARTY LIABILITY.]

The state agency provision and payment of, or liability for, chemical dependency medical care shall be the same as provided in section 256B.042.

Sec. 56. [254B.08] [FEDERAL WAIVERS.]

The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation for the provision of services to persons who are in need of chemical dependency services. The commissioner may seek amendments to the waivers or apply for additional waivers to contain costs. The commissioner shall ensure that payment for the cost of providing chemical dependency services under the federal waiver plan shall not exceed the cost of chemical dependency services that would have been provided without the waived services.

Sec. 57. [254B.09] [AMERICAN INDIAN RESERVATION ALLOCATION OF CHEMICAL DEPENDENCY FUND.]

Subdivision 1. [DIVISION OF COSTS.] The commissioner shall provide for payments to eligible vendors for chemical dependency services to American Indians on the same basis as other payments, except that no local match amount shall be required when an invoice is submitted by the governing authority of a federally recognized American Indian tribal body on behalf of a current resident of the reservation according to section 254B.09.

Subd. 2. [AMERICAN INDIAN AGREEMENTS.] The commissioner is authorized to enter into agreements with fed-

erally recognized tribal units for payments for chemical dependency treatment services provided according to chapter 254B. The agreements shall provide that the governing body of the tribal unit will fulfill all county responsibilities regarding the form and manner of invoicing, and that only invoices for eligible vendors according to section 254B.05 will be included in invoices sent to the commissioner for payment, insofar as funds allocated according to subdivisions 3, 4, and 5 are used.

Subd. 3. [TRIBAL NONPARTICIPATION.] *If a federally recognized tribal governing body has not entered into an agreement according to subdivision 2 or cancels such agreement, funds shall be reallocated to the fund established by subdivision 5.*

Subd. 4. [TRIBAL ALLOCATION.] *42.5 percent of the American Indian chemical dependency fund shall be allocated to the federally recognized American Indian tribal governing bodies which have entered into an agreement under subdivision 2 as follows:*

(a) *\$10,000 shall be allocated to each governing body; and*

(b) *the remainder shall be allocated in direct proportion to the population of the reservation according to the most recently available estimates from the federal Bureau of Indian Affairs.*

Subd. 5. [TRIBAL RESERVE FUND.] *The commissioner shall reserve 7.5 percent of the American Indian chemical dependency fund. The reserve shall be allocated to those tribal units which have used all funds allocated under subdivision 4 according to agreements made according to subdivision 2. No American Indian tribal governing body may receive more than 30 percent of the reserve fund in any year. Funds shall be allocated as invoices are received.*

Subd. 6. [AMERICAN INDIAN TRIBAL PLACEMENTS.] *After entering into an agreement according to subdivision 2, the governing authority of each reservation is authorized to submit invoices to the state for the cost of provision of chemical dependency services to residents of the reservation according to the placement regulations governing county placements, except that local match requirements shall be waived. The governing body may designate an agency to act on its behalf for provision of placement services and management of the invoice process by written notice to the commissioner and evidence of agreement by the agency designated.*

Subd. 7. [NONRESERVATION INDIAN FUND.] *Fifty percent of the American Indian chemical dependency allocation shall be held in reserve by the commissioner in an account for treatment of Indians not residing on lands of a reservation receiving funds under subdivision 4. These funds shall be used to*

make payments for services certified by county invoice to have been provided to an American Indian eligible recipient.

Funds allocated under this subdivision may be used for payments on behalf of American Indian county residents only if, in addition to other placement standards, the county certifies that the placement was appropriate to the cultural orientation of the client.

Sec. 58. Minnesota Statutes 1984, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of this cost:

(1) Inpatient hospital services. A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish in the State Register a proposed list of elective surgeries that require a second medical opinion prior to reimbursement. The list is not subject to the requirements of sections 14.01 to 14.70. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal;

(2) Skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 256B.50, subdivision 1, for mentally retarded individuals residing in intermediate care facilities for the mentally retarded;

(3) Physicians' services;

(4) Outpatient hospital or nonprofit community health clinic services or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or

in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section;

(5) Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2;

(6) Home health care services;

(7) Private duty nursing services;

(8) Physical therapy and related services;

(9) Dental services, excluding cast metal restorations;

(10) Laboratory and x-ray services;

(11) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; or any other over the counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost

effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the Administrative Procedure Act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and his determination shall not be subject to chapter 14, the Administrative Procedure Act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the Administrative Procedure Act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the Administrative Procedure Act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the Administrative Procedure Act;

(12) Diagnostic, screening, and preventive services;

(13) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act;

(14) Abortion services, but only if one of the following conditions is met:

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

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

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

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

(15) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory;

(16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining nonemergency medical care;

(17) Personal care attendant services provided by an individual, not a relative, who is qualified to provide the services, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. Payments to personal care attendants shall be adjusted annually to reflect changes in the cost of living or of providing services by the average annual adjustment granted to vendors such as nursing homes and home health agencies; (AND)

(18) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law, *except licensed chemical dependency treatment programs or primary treatment or extended care treatment units in hospitals which are covered under sections 49 to 61 of this article. The commissioner shall include chemical dependency treatment services in the state medical assistance plan for federal reporting purposes, but payment shall be made according to chapter 254B.*

Sec. 59. Minnesota Statutes 1984, section 256B.70, is amended to read:

256B.70 [DEMONSTRATION PROJECT WAIVER.]

Each hospital that participates as a provider in a demonstration project, established by the commissioner of human services to deliver medical assistance, or *chemical dependency* services on a prepaid, capitation basis, is exempt from the prospective payment system for inpatient hospital service during the period of its participation in that project.

Sec. 60. Minnesota Statutes 1984, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and x-ray services, physician's services, medical transportation, and dental care. In addition, payments of state aid shall be made for day treatment services provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) In order to contain costs, the county board shall, with the approval of the commissioner of human services, select vendors of medical care who can provide the most economical care consistent with high medical standards and may contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall encourage county boards to submit proposals for demonstration projects designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under section 256B.02, subdivision 8, except that where counties enter into prepaid capitation agreements, payments shall be as provided in section 256.966, subdivision 2.

(c) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions. For the period July 1, 1983 to June 30, 1984, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 45 percent; payments for all other inpatient hospital care

may be reduced no more than 35 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than 25 percent. For the period July 1, 1984 to June 30, 1985, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent. There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(d) Any county may, from its own resources, provide medical payments for which state payments are not made.

(e) *Chemical dependency services which are eligible for reimbursement under chapter 256B shall not be reimbursed under general assistance medical care.*

Sec. 61. [APPROPRIATIONS; REDUCTIONS; AND TRANSFERS.]

Subdivision 1. The general fund appropriation for the general assistance program is reduced by \$ and reappropriated to the commissioner of human services for transfer to the chemical dependency services fund.

Subd. 2. The general fund appropriation for the general assistance medical care program is reduced by \$ and reappropriated to the commissioner of human services for transfer to the chemical dependency services fund.

Subd. 3. The general fund appropriation for the medical assistance program is reduced by \$ and reappropriated to the commissioner of human services for transfer to the chemical dependency services fund.

Subd. 4. The general fund appropriation for the state hospital account is reduced by \$ and reappropriated to the commissioner of human services for transfer to the chemical dependency services fund.

Subd. 5. Notwithstanding any other law to the contrary, \$ of the federal alcohol and drug block grant is appro-

priated to the commissioner of human services for the purposes of sections 49 to 61 of this article.

Subd. 6. The general fund appropriation for chemical dependency services grants for American Indians is reduced by \$..... and reappropriated to the commissioner of human services for transfer to the chemical dependency services fund.

STATE HOSPITAL REVOLVING FUND FOR CHEMICAL DEPENDENCY SERVICES

Sec. 62. Minnesota Statutes 1984, section 246.04, is amended to read:

246.04 [BOOKS AND ACCOUNTS.]

The commissioner of human services shall keep at his office a proper and complete system of books and accounts with each institution, showing every expenditure authorized and made therefor. Such books shall contain a separate account of each extraordinary or special appropriation made by the legislature, with every item of expenditure therefrom. *The commissioner shall maintain a separate account for all chemical dependency appropriations, which must provide for an ascertainable review of receipts and expenditures, according to section 246.18, subdivision 2.*

Sec. 63. Minnesota Statutes 1984, section 246.50 is amended by adding a subdivision to read:

Subd. 9. "Chemical dependency programs" means all planned services for chemically dependent persons provided by the commissioner in a specific state hospital, the chemical dependency unit operated by the Ah-Gwah-Ching nursing home, and diagnostic evaluation, prevention, referral, outpatient, and aftercare services developed as part of licensed residential or nonresidential chemical dependency treatment programs.

Sec. 64. Minnesota Statutes 1984, section 246.18, is amended to read:

246.18 [DISPOSAL OF FUNDS.]

Subdivision 1. [GENERALLY.] Except as provided in subdivision 2, every officer and employee of the several institutions under the jurisdiction of the commissioner of human services shall pay to the accounting officer thereof any funds in his hands belonging to the institution. Every accounting officer, at the close of each month or oftener, shall forward to the commissioner of human services a statement of the amount and sources

of all moneys received. On receipt of such statement, the commissioner shall transmit the same to the commissioner of finance, who shall deliver to the state treasurer a draft upon the accounting officer for the same specifying the funds to which it is to be credited. Upon payment of such draft, the amount shall be so credited.

Subd. 2. [CHEMICAL DEPENDENCY FUND.] Each chemical dependency treatment facility operated by a hospital or nursing home under the jurisdiction of the commissioner of human services shall pay all receipts into a chemical dependency fund. The chemical dependency fund is annually appropriated to the commissioner for operation of chemical dependency programs subject to budgetary control by the commissioner of finance. Notwithstanding section 16A.28, funds appropriated by this subdivision shall remain available until expended.

Subd. 3. [CHEMICAL DEPENDENCY SPECIAL REVENUE FUND.] The commissioner of finance and the treasurer shall provide accounting procedures for separate interest bearing chemical dependency accounts for each state facility providing chemical dependency services within the special revenue fund that shall keep funds readily available for funding of chemical dependency programs. After June 30, 1989, the commissioner shall not allocate funds for chemical dependency programs to any state facility in excess of chemical dependency services' deposits from that facility to the state facility chemical dependency special revenue fund without the approval of the governor, after consultation with the legislative advisory commission.

Sec. 65. Minnesota Statutes 1984, section 246.23, is amended to read:

246.23 [PERSONS ADMISSIBLE TO INSTITUTIONS.]

No person who has not a settlement in a county, as defined in section 256D.18, shall be admitted to a hospital for the mentally ill, the school for the deaf, the Minnesota braille and sightsaving school, the schools and hospitals for the mentally retarded and persons having epilepsy, or the Owatonna state school, except that the commissioner of human services may authorize admission thereto when the residence cannot be ascertained, or when the circumstances in his judgment make it advisable. *Except for emergency admissions under sections 253B.05 and 253B.11, admissions which will be funded only by private or third-party payments or when authorized by the commissioner, a chemical dependency program shall not admit a chemically dependent person who has not been placed by a county which is responsible for payment, or until the hospital obtains the approval of the admittance by the county financially responsible for that person.* When application is made to a judge of probate for admission to any of the institutions above named for admission thereto, if he finds that the person for whom application is made has not such resi-

dence, or that his residence cannot be ascertained, he shall so report to the commissioner; and he may recommend that such person be admitted notwithstanding, giving his reasons therefor. The commissioner of human services shall thereupon investigate the question of residence and, if he finds that such person has not such residence and has a legal residence in another state or country, he may cause him to be returned thereto at the expense of this state. When the overseer of a county poorhouse believes an inmate thereof not to have a residence in the state, but to have a residence elsewhere, he shall so notify the commissioner of human services who shall thereupon proceed in the manner above provided; except that, if deemed impracticable to return such person to the state of his residence, he may so certify and such person shall thereafter be a charge upon the county, town or city in which he has longest resided within the preceding year.

Sec. 66. Minnesota Statutes 1984, section 246.51, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURES.] The commissioner shall make investigation as necessary to determine, and as circumstances require redetermine, what part of the cost of care, if any, the patient is able to pay. If the patient is unable to pay the full cost of care the commissioner shall make a determination as to the ability of the relatives to pay. The patient or relatives or both shall provide the commissioner documents and proofs necessary to determine their ability to pay. Failure to provide the commissioner with sufficient information to determine ability to pay may make the patient or relatives, both, liable for the full (PER CAPITA) cost of care until the time when sufficient information is provided. No parent shall be liable for the cost of care given a patient at a state hospital after the patient has reached the age of 18 years. The commissioner's determination shall be conclusive in any action to enforce payment of the cost of care unless appealed from as provided in section 246.55. All money received, *except for chemical dependency receipts*, shall be paid to the state treasurer and placed in the general fund of the state and a separate account kept of it. Responsibility under this section shall not apply to those relatives having gross earnings of less than \$11,000 per year.

Sec. 67. Minnesota Statutes 1984, section 246.54, is amended to read:

246.54 [LIABILITY OF COUNTY; REIMBURSEMENT.]

Except for chemical dependency services provided under chapter 254B, the patient's county shall pay to the state of Minnesota a portion of the cost of care provided in a state hospital to a patient legally settled in that county. A county's payment shall be made from the county's own sources of revenue and payments shall be paid as follows: payments to the state from the county

shall equal ten percent of the per capita rate, as determined by the commissioner, for each day, or the portion thereof, that the patient spends at a state hospital. If payments received by the state under sections 246.50 to 246.53 exceed 90 percent of the per capita rate, the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the patient, the patient's estate, or from the patient's relatives, except as provided in section 246.53. No such payments shall be made for any patient who was last committed prior to July 1, 1947.

Sec. 68. [246.64] [CHEMICAL DEPENDENCY SERVICE AGREEMENTS.]

Subdivision 1. [CHEMICAL DEPENDENCY RATES.] Notwithstanding the provisions of sections 246.50, subdivision 5, 246.511, and 251.011, the commissioner shall establish separate rates for each chemical dependency service operated by the commissioner, and may establish separate rates for each service component within the program by either establishing fees for services or establishing different per diem rates for each separate chemical dependency unit within the program based on actual costs attributable to the service or unit. The rate shall be an allocation of the cost of all anticipated maintenance, treatment, and expense including depreciation of buildings and equipment, interest paid on bonds issued for capital improvements for chemical dependency programs, reimbursement and other indirect costs related to the operation of chemical dependency programs other than that paid from the Minnesota building fund, and losses due to bad debt.

Subd. 2. [DEPRECIATION COLLECTIONS.] That portion which is building depreciation collected under subdivision 1, shall be paid into the general fund. That portion which is payments and interest on the bonded debt collected under subdivision 1 shall be paid into the debt services fund.

Subd. 3. [RESPONSIBILITIES OF COMMISSIONER.] The commissioner is authorized under section 246.04 to place all receipts, except those deposited according to subdivision 2, from billings for rates set in subdivision 1 into a special revenue account, and to use funds from the account for the operation of chemical dependency services. These funds may not be used for any hospital activity that is not a chemical dependency service or an allocation of expenditures that are included in the base for computation of the rates under subdivision 1. The commissioner may expand, reduce, or eliminate chemical dependency services so long as expenditures are recovered by patient fees. The commissioner shall reduce or eliminate chemical dependency services or programs when necessary to assure that each state facility's chemical dependency expenditures are equal to or less than chemical dependency receipts and necessary fund balances are maintained.

The commissioner may expand or reduce chemical dependency staff complement so long as expenditures are recovered by patient fees.

**CASE MANAGEMENT SERVICES
FOR THE MENTALLY RETARDED**

Sec. 69. [256B.0911] [LEGISLATIVE PURPOSE.]

The purpose of sections 256B.0911 and 256B.092 is to ensure that persons with mental retardation receive services that are designed and arranged to meet their assessed individual service needs in the least restrictive environment and to ensure that services are developed and provided in a cost-effective manner.

County boards must determine the adequacy and quality of services provided in meeting the person's needs based on the cost and effectiveness of the services. Only services identified as needed in the individual service plan shall be provided or paid for.

Sec. 70. Minnesota Statutes 1984, section 256B.092, is amended by adding a subdivision to read:

Subd. 1a. [COUNTY BOARD RESPONSIBILITIES.] *The county board shall provide case management services to all persons with or who might have mental retardation who reside in the county at the time they request or are referred for services. Case management services may be provided directly by the county board or under a contract between the county board and another county board or a provider of case management services. Based on the data in subdivision 1, the county board shall identify the need for new services, or modification or expansion of existing services, for any service licensed by the commissioner, except foster care.*

Sec. 71. Minnesota Statutes 1984, section 256B.092, is amended by adding a subdivision to read:

Subd. 1b. [CASE MANAGEMENT RESPONSIBILITIES.] *The county board shall designate a case manager who shall immediately begin to provide case management services to the person who requested services or for whom the legal representative requested services, and shall continue to provide case management services until case management services are terminated. The county board shall not provide or arrange for services to be provided to a person with or who might have mental retardation until a case manager has been designated, and services must not continue after case management services have been terminated.*

The case manager shall ensure that a diagnosis is completed and reviewed under subdivision 1c. The diagnosis must be completed within 45 working days following the date that the person or the person's legal representative requested the services. If the person is determined to be a person with mental retardation, the case manager shall:

(a) provide or obtain an assessment of individual service needs under subdivision 1d and conduct the reassessment of service needs under subdivision 1d;

(b) develop an individual service plan under subdivision 8a based on the results of the assessment required in item A and the screening team findings, if any;

(c) ensure that the services described in the individual service plan are provided or developed in the type, quantity, and frequency specified in the individual service plan;

(d) monitor services provided to the person with mental retardation at least annually to ensure that the services are provided in accordance with the person's individual service plan. Monitoring shall include:

(1) visiting the person;

(2) visiting the service site of the day training and habilitation service and the residential service when the services are being provided;

(3) reviewing the provider's records and reports;

(4) observing the implementation of the person's individual service plan and individual habilitation plan;

(5) compiling annual evaluations of the results of the services provided; and

(6) reporting to the county board if a provider is not providing services as specified in the individual service plan and the individual habilitation plan.

Sec. 72. Minnesota Statutes 1984, section 256B.092, is amended by adding a subdivision to read:

Subd. 1c. [DIAGNOSIS.] The documentation necessary to make an initial diagnosis of mental retardation must be dated no more than 12 months before the plan is written. If a person with mental retardation has been receiving services specified in the person's individual service plan, and has an initial diagnosis of mental retardation which has been confirmed once after the person's 18th birthday, the review of the diagnosis required in this part must be conducted at least once every six years.

Sec. 73. Minnesota Statutes 1984, section 256B.092, is amended by adding a subdivision to read:

Subd. 1d. [ASSESSMENT AND REASSESSMENT OF INDIVIDUAL SERVICE NEEDS.] Each person determined to be a person with mental retardation based on the diagnosis required in subdivision 1c shall receive an assessment to determine the person's need for services. The assessment must be conducted under the supervision of a qualified mental retardation professional.

The case manager, in consultation with the person with mental retardation, and the person's legal representative and advocate, if any, shall annually determine if the person's need for services should be reassessed. The medical evaluation must be conducted no more than 12 months before the date of the annual individual service plan review conducted under subdivision 8b.

Sec. 74. Minnesota Statutes 1984, section 256B.092, subdivision 7, is amended to read:

Subd. 7. [SCREENING TEAMS ESTABLISHED.] Each county agency shall establish a screening team which, under the direction of the county case manager, shall make an evaluation of need for home and community-based services of persons who are entitled to the level of care provided by an intermediate care facility for mentally retarded persons or for whom there is a reasonable indication that they might (NEED THE SERVICES IN THE NEAR FUTURE) require the level of care provided by an intermediate care facility within one year. The screening team shall make an evaluation of need within 15 working days of the request for service and within five working days of an emergency admission of an individual to an intermediate care facility for mentally retarded persons. The screening team shall consist of the case manager, the client, a parent or guardian, a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 442.401, as amended through December 31, 1982, assigned by the commissioner. The case manager shall consult with the client's physician or other persons as necessary to make this evaluation. Other persons may be invited to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case.

The person with mental retardation who is eligible for home and community-based services under this section and the person's legal representative must be allowed to choose between the intermediate care facility for the mentally retarded services and the home and community-based services recommended by the screening team and among the home and community-based services recommended by the screening team.

Sec. 75. Minnesota Statutes 1984, section 256B.092, is amended by adding a subdivision to read:

Subd. 8a. [INDIVIDUAL SERVICE PLAN.] An individual service plan must be developed and implemented for each person with mental retardation who requests services or for whom the legal representative requests services. The individual service plan must identify services needed by the person based on an assessment of the individual's need for services. The individual service plan must:

- (a) specify how food and shelter will be provided;*
- (b) specify how the ongoing health care needs of the person will be met;*
- (c) provide for delivery of services in the least restrictive environment;*
- (d) be designed to result in day training and habilitation services appropriate to the person's chronological age and, to the extent possible, employment and increased financial independence;*
- (e) be designed to result in increased access to the community and interactions with the general public through use of community services; and*
- (f) be designed to involve family, neighbors, and friends in providing services to the extent possible.*

Sec. 76. Minnesota Statutes 1984, section 256B.092, is amended by adding a subdivision to read:

Subd. 8b. [ANNUAL REVIEW OF INDIVIDUAL SERVICE PLAN.] At least annually, the case manager shall convene a meeting to review the individual service plan to determine whether the results called for in the individual service plan have been achieved and to determine if the plan requires modifications. The case manager shall make every effort to convene the meeting at a time and place which allows for participation by the person with mental retardation, the person's parent or guardian, the advocate, if any, and others who participated in the development of the individual service plan. Any modifications to the individual service plan must be based on the results of a review of quarterly evaluations of the individual habilitation plans, reassessment information, and any other information compiled by the case manager for the annual individual service plan review. The information must be completed and compiled no more than 90 days before the date of the annual individual service plan review.

Sec. 77. Minnesota Statutes 1984, section 256B.092, is amended by adding a subdivision to read:

Subd. 8c. [PROVISION OF SERVICES.] A provider shall have a contract with the host county or the county of financial responsibility before the provider can receive payment for services.

If services are to be provided in a county other than the county of financial responsibility, the case manager shall consult with the host county and receive a letter of concurrence from the host county regarding provision of services.

Sec. 78. Minnesota Statutes 1984, section 256B.092, is amended by adding a subdivision to read:

Subd. 8d. [INDIVIDUAL HABILITATION PLANS.] Within 30 days after the case manager authorizes services, the case manager shall convene the interdisciplinary team to design an individual habilitation plan. With the consent of the person with mental retardation or the person's legal representative, the case manager may invite other persons to attend the interdisciplinary team meeting but these persons shall not be voting members of the interdisciplinary team.

The interdisciplinary team shall develop a single individual habilitation plan that integrates the services provided by all providers and subcontractors to the person with mental retardation and ensures that the services provided and the methods used by each provider and subcontractor are coordinated and compatible with those of every other provider and subcontractor to achieve the overall results of the individual service plan.

No less than once every 365 days the case manager shall conduct an annual evaluation which must include consulting with each provider; visiting the person with mental retardation; observing both the day training and habilitation services and residential services; and reviewing quarterly evaluations, records, and reports gathered by each provider. At least annually, the interdisciplinary team must be convened by the case manager to review the data under subdivisions 1b, 1c, and 1d, determine if the results set forth in the individual habilitation plan have been achieved, and to make any amendments or modifications of the plan based on the interdisciplinary team's review of the information.

Sec. 79. Minnesota Statutes 1984, section 256B.092, is amended by adding a subdivision to read:

Subd. 9. [ENFORCEMENT.] A county board must fully comply with sections 70 to 79 of this article unless the county board submits a written variance request to the commissioner under this section by February 1, 1986, and the variance is subsequently approved in writing by the commissioner. If the commissioner has reasonable grounds to believe that a county board

has not complied with or is failing to comply with this section, except as provided in the county's approved variance request, the commissioner may issue a written order requiring the county board to comply. The county board shall comply with the order. If the county board disagrees with the commissioner's order, the county board may appeal the decision to the commissioner and request reconsideration. To be reconsidered, the appeal must be filed in writing with the commissioner within 30 calendar days of the date that the commissioner issued the order. The appeal must state the reasons why the county board is appealing the commissioner's order and present evidence explaining why the county board disagrees with the commissioner's order. The commissioner shall review the evidence presented in the county board's appeal and send written notification to the county board of the decision on the appeal. The commissioner's decision on the appeal is final.

Sec. 80. [MENTAL HEALTH AND CHEMICAL DEPENDENCY DEMONSTRATION PROJECTS.]

Subdivision 1. [PURPOSE.] The purpose of this section is to establish projects to demonstrate the feasibility and value of using preadmission screening and case management services for persons who have mental illness or chemical dependency; to facilitate the development of continuums of mental health and chemical dependency services; to integrate community-based and state-operated treatment services in order to provide services in the least restrictive setting possible; to create incentives for the development and use of less restrictive treatment alternatives; and to obtain information on effective methods of promoting long-term health care cost containment and state budget predictability.

Subd. 2. [ESTABLISHMENT OF PROJECTS.] The commissioner of human services shall establish at least three, but no more than five, demonstration projects to demonstrate the use of local screening and case management for services to persons who have mental illness or chemical dependency. The total of all eligible individuals under all projects established under this section must not exceed persons who have mental illness and persons who have chemical dependency. At least two projects must include nonmetropolitan counties and at least one must include a metropolitan area county. In addition, the commissioner shall establish a demonstration project to test the feasibility and value of a consolidated fund for community-based treatment services for persons who have mental illness or chemical dependency. The commissioner shall make maximum use of available federal and state money and establish the broadest program possible with the available money. Demonstration projects may encompass all, or a portion of, a project area's total caseload of persons with mental illness or chemical dependency.

Subd. 3. [PRIMARY PROVIDERS.] The commissioner of human services shall designate the primary provider of services

for a county or multi-county area included in a project. Upon the recommendation of the counties participating in a project, the commissioner of human services shall designate a single agency as the primary provider of services for that project. In at least one project, the primary provider must be a mental health center and in at least one project the primary provider must be a county agency. The commissioner shall contract with each primary provider concerning the obligations relating to the demonstration project including services to eligible individuals, accounting for money received, reporting and evaluation, and maintenance of services and expenditures. A primary provider may contract with other providers to provide any of the required services. Each primary provider is responsible for (1) screening all eligible individuals as required under subdivision 5; (2) ensuring that services are delivered, directly or under contract with other providers, to eligible individuals; (3) monitoring and evaluating delivery of services; (4) accounting for all money received for the project; and (5) compliance with the provisions of this section and standards established for the project by the commissioner.

Subd. 4. [ELIGIBILITY.] Individuals eligible for services provided through the demonstration projects are mentally ill or chemically dependent individuals, 18 years of age and older, for whom a county participating in a project is the county of financial responsibility, who are currently eligible for treatment under existing funding or who meet general assistance eligibility criteria; and those mentally ill or chemically dependent individuals who are currently residents or patients of state hospitals or are proposed for admission to state hospitals according to standards in effect on the effective date of this section. Individuals residing in or admitted to, the Minnesota security hospital are not eligible for services under this section. In addition, the commissioner and a county or counties participating in a project may agree to include, as eligible individuals, children under the age of 18 who have mental illness and who are:

(1) residents of a facility licensed under Minnesota Rules, parts 9545.0900 to 9545.1090, and 9545.1400 to 9545.1500;

(2) receiving day treatment services;

(3) being considered for placement in another county or state; and

(4) referred for screening from court services.

Subd. 5. [SCREENING OF ELIGIBLE PERSONS.] All persons eligible under subdivision 4 must be screened to determine the need for treatment and case management services. Eligible persons must be screened by a local multi-disciplinary screening team. Each screening team must assess the mental and

physical health and social functioning of eligible individuals, using a scaling criteria developed jointly by the commissioner and participating counties. Each screening team must develop an individual treatment plan for each eligible individual which will include specific planned outcomes to meet the needs of the individual. The plan must also identify (1) case management services the individual will receive; (2) available noninstitutional services to be provided in order to meet the needs of the individual while maintaining the individual in the community; (3) the level and type of inpatient or residential care needed, including admission and discharge plans to be provided as part of case management; and (4) the lead agency for case management services.

Subd. 6. [SERVICES.] Case management services must be provided, as part of each demonstration project, to ensure coordination of the service plan by on-going contact with the individual and with formal and informal service providers. Case management must include at least a quarterly reevaluation of each individual service plan. In addition to case management services, the primary provider must ensure that at least the following mental health and chemical dependency services are available and provided as necessary through providers that satisfy current licensure, approval, or certification requirements: outpatient treatment, emergency care services, day treatment, screening and assessment, consultation and education, inpatient treatment, and residential and transitional living programs.

Subd. 7. [STATE HOSPITAL ADMISSIONS.] Persons who are found to be appropriate for admission to state hospitals using the scaling criteria outlined in subdivision 5, must be admitted. Counties participating in a demonstration project shall continue to provide case management services to these patients and are responsible for ten percent of the cost of the state hospital care. The commissioner and state hospital staff shall cooperate with providers in developing and implementing a system for screening admissions and notifying the provider of admissions and discharges of eligible individuals for whom the provider is financially responsible. The primary provider is not responsible for the costs of care of patients admitted to a state hospital without the prior preadmission screening and authorization of the primary provider. The primary provider is responsible for the full cost of care for persons admitted to a state hospital who have been screened and who are not appropriate for admission to the hospital using the scaling criteria developed under subdivision 3.

Subd. 8. [COMMITMENTS.] When committing a resident of a participating county under chapter 253B, the committing court is encouraged to commit the person to the primary provider, or to the facility designated by the primary provider, absent good cause to the contrary. For any individual committed to the primary provider under chapter 253B, the primary provider shall assess the individual's need for services, develop an

individual treatment plan as provided in this section, and ensure that necessary services are provided in accordance with this section and chapter 253B.

Subd. 9. [ALTERNATE CARE GRANTS.] The commissioner shall provide grants to counties participating in the program to pay the costs of providing alternative care to individuals screened under subdivision 5. Payment is available under this subdivision only for services that would not otherwise be available at that time in the county through other public programs. Project money must not be used to supplant services available through other public assistance or service programs and must not be used to establish new programs for which public money is available through sources other than grants provided under this subdivision. Project funds cannot be used to provide care to an individual if the anticipated costs of providing this care would exceed the average payment, as determined by the commissioner, for the level of care that the recipient would receive if placed in a state hospital. Each county participating in the project will pay a share of the costs equal to the county share of the costs for state hospital care.

Subd. 10. [FEDERAL WAIVERS.] The commissioner of human services shall seek federal medical assistance waivers in order to obtain federal participation in the costs of screening and case management for persons with mental illness.

Subd. 11. [REPORTING AND EVALUATION.] The director of the state planning agency shall evaluate the demonstration projects established under this section and report to the commissioner of human services and the legislature by January 30, 1987. Before implementing the project, the director of the state planning agency shall consult with the commissioner of human services and participating projects to develop a reporting and evaluation method including:

(1) the reliability of the scaling instruments and criteria for determining the level of care needed and for projecting future utilization of state hospitals;

(2) a comparison of the costs and effects of providing services through the demonstration projects and through the existing system in nonproject areas;

(3) the effect on the individual's access to care;

(4) data necessary for the state to develop capitated rates in the future;

(5) methods to improve the overall case management program; and

(6) *the usefulness of this model to enhance the development of community-based care and reduce inappropriate institutionalization.*

Subd. 12. [RULES.] The commissioner of human services shall promulgate emergency rules in order to implement this section. Rules shall be in effect until the pilot program is terminated.

Sec. 81. [APPROPRIATION.]

\$ is appropriated from the general fund to the department of human services for the purposes of sections 70 to 80 for the biennium ending June 30, 1987.

Sec. 82. [REPEALER.]

Subdivision 1. Minnesota Statutes 1984, section 145.884, subdivision 2, is repealed.

Subd. 2. Minnesota Statutes 1984, section 259.405, is repealed effective December 31, 1985.

Subd. 3. Minnesota Statutes 1984, section 256.968, is repealed.

Sec. 83. [EFFECTIVE DATE.]

Section 64 of this article is effective January 1, 1986. Sections 1 and 5 of this article are effective the day following final enactment.

ARTICLE 3

QUALITY ASSURANCE AND
LONG-RANGE PLANNING
HEALTH MAINTENANCE ORGANIZATIONS
DEVELOPMENT

Section 1. Minnesota Statutes 1984, section 256.045, subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY HEARINGS.] (IN COUNTIES IN WHICH THE COMMISSIONER OF HUMAN SERVICES HAS NOT APPOINTED A LOCAL WELFARE REFEREE,) Except as otherwise provided in subdivision 3a, any person applying for, receiving or having received (ANY OF THE FORMS OF) public assistance (DESCRIBED IN SUB-

DIVISION 2) *granted by a local agency pursuant to Minnesota Statutes, sections 256.72 to 256.87; chapters 256B, 256D, and 261; the Federal Food Stamp Act; or a program of social services whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid, or any patient or relative aggrieved by an order of the commissioner under section 252.27, may contest that action or decision before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action or decision, or within 90 days of such written notice if the applicant, recipient, patient or relative shows good cause why the request was not submitted within the 30 day time limit. (A LOCAL AGENCY OR PARTY AGGRIEVED BY A RULING OF A LOCAL WELFARE REFEREE MAY APPEAL THE RULING TO THE STATE AGENCY BY FILING A NOTICE OF APPEAL WITH THE STATE AGENCY WITHIN 30 DAYS AFTER RECEIVING THE RULING OF THE LOCAL WELFARE REFEREE.)* A state welfare referee shall conduct a hearing on the matter and shall recommend an order to the commissioner of human services. (IN APPEALS FROM RULINGS OF LOCAL WELFARE REFEREES, THE HEARING MAY BE LIMITED, UPON STIPULATION OF THE PARTIES, TO A REVIEW OF THE RECORD OF THE LOCAL WELFARE REFEREE.)

Sec. 2. Minnesota Statutes 1984, section 256.045, is amended by adding a subdivision to read:

Subd. 3a. [DENIALS OF MEDICAL BENEFITS; RECIPIENTS' RIGHTS TO HEARINGS.] Any person who is receiving or has received public assistance under the medical assistance or general assistance medical care program and who has been aggrieved by a decision of the department of human services which denies, limits, or restricts the provision or the nature, scope, or duration of the medical services covered by the program, may contest that decision pursuant to subdivision 3. Except as otherwise provided by law, any person who is receiving or has received public assistance under the medical assistance or the general assistance medical care program who is enrolled in a prepaid health plan and who has been aggrieved by a decision of the prepaid health plan which denies, limits, or restricts the provision or the nature, scope, or duration of the medical services covered by the plan, may contest that decision. If the commissioner's contract with the prepaid health plan (a) provides for the plan to bear all of the costs of the grievance procedure and impartial arbitration, (b) establishes procedures to assure that a written resolution of the grievance will be issued within 60 days of its filing with the plan, and (c) provides for submission of copies of all grievances and written resolutions to the commissioner, then the person shall contest the decision in accordance with the procedures in section 62D.11, and shall not have standing to file an appeal pursuant to subdivision 3.

Sec. 3. [256.9671] [FAIR PRICING STANDARD.]

In no case shall the payments to vendors under the medical assistance program or the general assistance medical care program exceed the charges paid during the same period by any third party payor or insurer for similar services, medical supplies, drugs, or laboratory services.

Sec. 4. Minnesota Statutes 1984, section 256.969, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL COST INDEX.] The commissioner of human services shall develop a prospective payment system for inpatient hospital service under the medical assistance and general assistance medical care programs. Rates (PAID TO) established for licensed hospitals for rate years beginning during the fiscal biennium ending June 30, (1985) 1987, shall not exceed an annual hospital cost index for the final rate allowed to the hospital for the preceding year not to exceed five percent in any event. The annual hospital cost index shall be obtained from an independent source representing a statewide average of inflation estimates determined for expense categories to include salaries, employee benefits, medical fees, raw food, medical supplies, pharmaceuticals, utilities, repairs and maintenance, insurance other than malpractice insurance, and other applicable expenses as determined by the commissioner. (THE INDEX SHALL REFLECT THE REGIONAL DIFFERENCES WITHIN THE STATE AND INCLUDE A ONE PERCENT INCREASE TO REFLECT CHANGES IN TECHNOLOGY.) The annual hospital cost index shall be published 30 days before the start of each calendar quarter and shall be applicable to all hospitals whose fiscal years start on or during the calendar quarter.

Sec. 5. Minnesota Statutes 1984, section 256.969, subdivision 2, is amended to read:

Subd. 2. [RATES FOR INPATIENT HOSPITALS.] Rates paid to inpatient hospitals shall be based on a rate per admission until the commissioner can begin to reimburse hospitals for services under the medical assistance and general assistance medical care programs based upon a diagnostic classification system appropriate to the service populations. On July 1, 1984, the commissioner shall begin to utilize to the extent possible existing classification systems, including medicare. The commissioner (SHALL) may incorporate the grouping of hospitals with similar characteristics for uniform rates upon the development and implementation of the diagnostic classification system. Prior to implementation of the diagnostic classification system, the commissioner shall report the proposed grouping of hospitals to the senate health and human services committee and the house health and welfare committee. Medical assistance and general assistance medical care reimbursement for treatment of mental illness shall be reimbursed based upon diagnosis classifications. *The commis-*

sioner may selectively contract with hospitals for services within the diagnostic classifications relating to mental illness and chemical dependency under competitive bidding when reasonable geographic access by recipients can be assured.

Sec. 6. Minnesota Statutes 1984, section 256.969, is amended by adding a subdivision to read:

Subd. 2a. [AUDIT ADJUSTMENTS TO INPATIENT HOSPITAL RATES.] Inpatient hospital rates established under subdivision 2 using 1981 historical Medicare cost-report data may be adjusted based on the findings of audits of hospital billings and patient records performed by the commissioner. The audit findings may be based on a statistically valid sample of billings of the hospital. On the completion of the audits, the commissioner shall adjust rates paid in subsequent years to reflect the audit findings and shall recover any payments in excess of the adjusted rates or reimburse hospitals when audit findings indicate underpayments were made to the hospital.

Sec. 7. Minnesota Statutes 1984, section 256B.02, is amended by adding a subdivision to read:

Subd. 11. [PREPAID HEALTH PLAN.] "Prepaid health plan" means a vendor who receives a capitation payment in advance and assumes risk for the provision of medical assistance services.

Sec. 8. [256B.031] [PREPAID HEALTH PLAN.]

Subdivision 1. [SERVICES AND INFORMATION.] The commissioner may contract with health insurers licensed and operating pursuant to chapter 62A and 62C provided that those insurers meet the requirements of Minnesota Statutes, section 62D.04, subdivision 1, except for clauses (e) and (g) and health maintenance organizations licensed and operating pursuant to chapter 62D to provide medical services to medical assistance recipients. These health insurers shall be authorized to enter into contracts with the commissioner under this section. State contracts for these services shall assure recipients of at least the comprehensive health services defined in section 256B.02, subdivision 8, and the rules which implement this section, including specifically chiropractic and podiatric services, except services by skilled nursing facilities, intermediate care facilities including ICF I, ICF II, and ICF-MR services, and services provided by waived service providers shall not be included. Prior to approval of any contract with a prepaid health plan, the plan must demonstrate to the commissioner the ability and commitment to serve a high-risk population, including non-English-speaking populations, with both health and social services needs. Health and social services needs include but are not limited to long-term home health care maintenance visits

for purposes of (a) teaching parenting skills, (b) evaluating and teaching nutrition and hygiene skills, (c) evaluation and health promotion in child abuse and neglect situations and (d) providing long-term home health care maintenance services for the elderly, the disabled and high-risk families. The prepaid health plan must provide the services directly or through contractual arrangements. The commissioner may limit the number of contracts under this section through competitive bidding negotiation and renegotiation; provided, however, that the commissioner shall not award contracts to fewer than two prepaid health plans within the designated service area. All prepaid health plans under contract shall provide information to the commissioner according to the contract specifications which shall include, but not be limited to, the number of people receiving services, the number of encounters, the types of services received, evidence of an operational quality assurance program, and information about utilization and actual third-party recoveries. All information received by the commissioner under this section shall be treated as trade secrets, as defined in section 13.37.

Subd. 2. [PREPAID HEALTH PLAN RATES.] For payments made during calendar years 1985 and 1986, the monthly maximum allowable rate established by the commissioner of human services for payment to prepaid health plans shall not exceed 90 percent of the projected average monthly per capita fee for service payments by county made on behalf of eligible recipients during state fiscal year 1984. The commissioner shall exclude recipients who are voluntarily enrolled in prepaid health plans from the calculation. Maximum allowable rates may be calculated separately for each county and may be adjusted to reflect differences among eligible classes of recipients. For payments made during calendar year 1987, the maximum allowable rates payable shall not exceed 105 percent of the previous year's rate. For payments made during calendar year 1988 and subsequent years, contracts shall be awarded on a competitive basis. Rates established for prepaid health plans shall be based on the services which the prepaid health plan is at risk to provide under contract with the commissioner.

Subd. 3. [FREE CHOICE LIMITED.] In designated service areas of the state where the commissioner has signed contracts with prepaid health plans, free choice of provider shall be limited to choosing from among the prepaid health plans for recipients of aid to families with dependent children and for those persons who are over age 65, are eligible for medicare parts A and B, are eligible for medical assistance, and are not residents of a long-term care facility. The commissioner shall implement the mandatory enrollment during the period July 1, 1985 to December 30, 1985. Enrollment in a prepaid health plan will be mandatory for recipients who become eligible after July 1, 1985, or whose eligibility is redetermined for aid to families with dependent children, or for those persons over age 65 and eligible for medicare parts A and B and not residents of a long-term care

facility who become eligible, or whose eligibility is redetermined for medical assistance after July 1, 1985. Enrollment in a prepaid health plan shall be required only when recipients have a choice of at least two prepaid health plans. If third-party coverage is available to a recipient through enrollment in a prepaid health plan by the former spouse or if a duty of support has been imposed by law, order, decree, or judgment of a court under section 518.551, the obligee or recipient shall participate in the prepaid health plan in which the obligee has enrolled provided that the commissioner has contracted with the plan.

Subd. 4. [GRIEVANCES; MONITORING.] *The commissioner shall monitor the complaints and grievances filed by enrollees in prepaid health plans to assure the cost-effectiveness and quality of care provided. The commissioner shall publish an annual report with information on the number and nature of grievances, the resolution of the grievances, and any pattern of denials of medical benefits among prepaid health plans generally, or individual health plans specifically.*

Subd. 5. [OMBUDSMAN.] *The commissioner shall designate an ombudsman to be an advocate for persons required to enroll in prepaid health plans under this section. The primary duties of the ombudsman shall be (a) to advocate for enrollees through prepaid health plan grievance procedures and (b) to ensure that necessary services are provided, whether directly by the prepaid health plan or through referral to appropriate social services. All enrollees shall be informed about the ombudsman and the duties of the ombudsman when they choose their prepaid plan. At this time they shall also be informed of their right to file a grievance with the prepaid health plan when experiencing a problem with the plan or its providers. The ombudsman may consult with the appropriate regulatory agency, either the commissioner of health or the commissioner of commerce, to assure quality care for enrollees.*

Sec. 9. Minnesota Statutes 1984, section 256B.04, subdivision 14, is amended to read:

Subd. 14. [COMPETITIVE BIDDING.] *The commissioner shall utilize volume purchase, only if substantial dollar savings can be demonstrated, through competitive bidding under the provisions of chapter 16, to provide the following items:*

- (1) Eyeglasses;
- (2) Oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a short-term basis, until the vendor can obtain the necessary supply from the contract dealer;
- (3) Hearing aids and supplies; and

(4) Durable medical equipment and nondurable medical equipment and supplies, including but not limited to:

- (a) hospital beds;
 - (b) commodes;
 - (c) glide-about chairs;
 - (d) patient lift apparatus;
 - (e) wheelchairs and accessories;
 - (f) oxygen administration equipment;
 - (g) respiratory therapy equipment; (AND)
 - (h) electronic diagnostic, therapeutic and life support systems;
 - (i) incontinence supplies;
 - (j) ostomy supplies;
- (5) laboratory services excluding emergency laboratory services and laboratory services for which volume purchasing is not cost effective; and
- (7) nonemergency medical transportation.

Nothing in this section shall prohibit a provider from performing laboratory services in the physician's office or hospital and receiving payment for these services.

Sec. 10. Minnesota Statutes 1984, section 256B.042, is amended by adding a subdivision to read:

Subd. 4. The commissioner may undertake special projects including the use of electronic benefit transfer and identification mechanisms to increase recoveries or reduce expenditures under this section.

Sec. 11. Minnesota Statutes 1984, section 256B.19, subdivision 1, is amended to read:

Subdivision 1. [DIVISION OF COST.] The cost of medical assistance paid by each county of financial responsibility shall be borne as follows: Payments shall be made by the state to the county for that portion of medical assistance paid by the federal government and the state on or before the 20th day of each

month for the succeeding month upon requisition from the county showing the amount required for the succeeding month. Ninety percent of the expense of assistance not paid by federal funds available for that purpose shall be paid by the state and ten percent shall be paid by the county of financial responsibility.

For counties (WHERE HEALTH MAINTENANCE ORGANIZATIONS ARE UNDER CONTRACT TO THE STATE TO PROVIDE SERVICES TO MEDICAL ASSISTANCE RECIPIENTS) *which participate in a medicaid demonstration project as defined in sections 256B.69 and 256B.71*, the division of the nonfederal share of medical assistance expenses (FOR PAYMENTS MADE TO HEALTH MAINTENANCE ORGANIZATIONS IN THE FORM OF PREPAID CAPITATION PAYMENTS, THIS DIVISION OF MEDICAL ASSISTANCE EXPENSES) shall be 95 percent by the state and five percent by the county of financial responsibility.

(STATE CONTRACTS WITH HEALTH MAINTENANCE ORGANIZATIONS SHALL ASSURE MEDICAL ASSISTANCE RECIPIENTS OF AT LEAST THE COMPREHENSIVE HEALTH MAINTENANCE SERVICES DEFINED IN SECTION 62D.02, SUBDIVISION 7. THE CONTRACTS SHALL REQUIRE HEALTH MAINTENANCE ORGANIZATIONS TO PROVIDE INFORMATION TO THE COMMISSIONER CONCERNING THE NUMBER OF PEOPLE RECEIVING SERVICES, THE NUMBER OF ENCOUNTERS, THE TYPE OF SERVICES RECEIVED, EVIDENCE OF AN OPERATIONAL QUALITY ASSURANCE PROGRAM PURSUANT TO SECTION 62D.04 AND INFORMATION ABOUT UTILIZATION.)

(PERSONS WHO BECOME ELIGIBLE FOR MEDICAL ASSISTANCE AFTER JULY 1, 1984, WHO ARE NOT PARTICIPATING IN ANY MEDICAID DEMONSTRATION PROJECT AS DEFINED UNDER SECTIONS 256B.70 AND 256B.71, AND WHO CHOOSE AT THE TIME OF APPLICATION FOR ASSISTANCE TO RECEIVE SERVICES FROM A HEALTH MAINTENANCE ORGANIZATION, SHALL BE GUARANTEED SIX MONTHS OF COVERAGE BY A STATE CONTRACTED HEALTH MAINTENANCE ORGANIZATION IF THE RECIPIENT REMAINS IN THE HEALTH MAINTENANCE ORGANIZATION FROM THE TIME OF INITIAL ENROLLMENT. THE CONTINUED ELIGIBILITY GUARANTEE SHALL NOT BE GRANTED WHEN INELIGIBILITY FOR MEDICAL ASSISTANCE IS DUE TO DEATH, LOSS OF STATE OR COUNTY RESIDENCY, FAILURE TO RESPOND TO THE COUNTY'S EFFORTS TO CONTACT THE RECIPIENT, FAILURE TO LOCATE THE RECIPIENT, OR WHEN THE RECIPIENT IS ELIGIBLE FOR CONTINUED ELIGIBILITY AS DEFINED IN SECTION 256B.062) *For counties where prepaid health plans are under*

contract to the commissioner to provide services to medical assistance recipients, the cost of court ordered treatment that does not include diagnostic evaluation, recommendation, or referral for treatment by the prepaid health plan shall be the responsibility of the county of financial responsibility.

Sec. 12. Minnesota Statutes 1984, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and x-ray services, physician's services, *chiropractic and podiatric services*, medical transportation, and dental care. In addition, payments of state aid shall be made for day treatment services provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) In order to contain costs, (THE COUNTY BOARD SHALL, WITH THE APPROVAL OF) the commissioner of human services (,) *shall* select vendors of medical care who can provide the most economical care consistent with high medical standards and (MAY) *shall where possible* contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall (ENCOURAGE COUNTY BOARDS TO SUBMIT) *consider proposals by counties and vendors for (DEMONSTRATION PROJECTS) prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms* designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under section 256B.02, subdivision 8 (, EXCEPT THAT WHERE COUNTIES ENTER INTO PREPAID CAPITATION AGREEMENTS, PAYMENTS SHALL BE AS PROVIDED IN SECTION 256.966, SUBDIVISION 2). *The maximum allowable rates payable under this section shall be calculated in accordance with the provisions of section 7, subdivision 2.*

(c) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions. For

the period July 1, (1983) 1985 to June 30, (1984) 1986, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than (45) 20 percent; payments for all other inpatient hospital care may be reduced no more than (35) 15 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than (25) five percent. For the period July 1, (1984) 1986 to June 30, (1985) 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than (30) 15 percent; payments for all other inpatient hospital care may be reduced no more than (20) ten percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than (TEN) five percent. There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(d) On or after July 1, 1986, the commissioner shall either partially or totally phase out rateable reductions in the general assistance medical care program to the extent that savings are identified within the appropriations for medical assistance or general assistance medical care to fund the phase out.

((D)) (e) Any county may, from its own resources, provide medical 5 payments for which state payments are not made.

Sec. 13. Minnesota Statutes 1984, section 256D.03, subdivision 6, is amended to read:

Subd. 6. [DIVISION OF COSTS.] The state shall pay 90 percent of the cost of general assistance medical care paid by the local agency or county pursuant to this section. (HOWEVER, FOR COUNTIES WHO CONTRACT WITH HEALTH MAINTENANCE ORGANIZATIONS OR OTHER PROVIDERS TO DELIVER SERVICES UNDER A PREPAID CAPITATION AGREEMENT, THE STATE SHALL PAY 95 PERCENT OF THE COST PER PERSON ENROLLED) *For counties where prepaid health plans are under contract to the commissioner to provide services to general assistance medical care recipients, the cost of court ordered treatment that does not include diagnostic evaluation, recommendation, or referral for treatment by the prepaid health plan shall be the responsibility of the county of financial responsibility.*

Sec. 14. Minnesota Statutes 1984, section 256D.04, is amended to read:

256D.04 [DUTIES OF THE COMMISSIONER.]

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

(1) Supervise the administration of general assistance and general assistance medical care by local agencies as provided in sections 256D.01 to 256D.21;

(2) Promulgate uniform rules consistent with law for carrying out and enforcing the provisions of sections 256D.01 to 256D.21 to the end that general assistance may be administered as uniformly as possible throughout the state; rules shall be furnished immediately to all local agencies and other interested persons; in promulgating rules, the provisions of sections 14.01 to 14.70, shall apply;

(3) Allocate moneys appropriated for general assistance and general assistance medical care to local agencies as provided in section 256D.03, subdivisions 2 and 3;

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

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

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

(7) Gather and study current information and report at least annually to the governor and legislature on the nature and need for general assistance and general assistance medical care, the amounts expended under the supervision of each local agency, and the activities of each local agency and publish such reports for the information of the public; *and*

(8) *Utilize volume purchase through competitive bidding under the provisions of chapter 16B to provide the following items:*

(i) *eyeglasses;*

(ii) *hearing aids;*

(iii) *laboratory services excluding emergency laboratory services and laboratory services for which volume purchasing is not cost effective; and*

(iv) *nonemergency medical transportation.*

Nothing in this section shall prohibit a provider from performing laboratory services in the physician's office or hospital and receiving payment for these services.

Sec. 15. [SPECIAL PERFORMANCE BASED CONTRACTING STUDY.]

The commissioner of human services shall study mechanisms for reimbursement of providers of services in intermediate care facilities for the mentally retarded, developmental achievement centers, or waived services under section 256B.501 based on the developmental progress of persons receiving those services. The commissioner shall report to the legislative long-term care commission no later than July 1, 1986, with recommendations on the implementation of a performance based contracting system.

Sec. 16. [PROGRAM SUPERVISION AND ADMINISTRATION STUDY.]

The commissioner of human services shall study the feasibility of electronic eligibility determination, electronic benefit transfer, and other methods to improve the productivity of the supervision by the department of human services and county administration of medical assistance, general assistance, general assistance medical care, aid to families with dependent children, and food stamp programs. The commissioner shall submit a report to the legislature no later than January 15, 1987.

Sec. 17. Minnesota Statutes 1984, section 245.73, is amended by adding a subdivision to read:

Subd. 2a. [SPECIAL PROGRAMS.] Grants received pursuant to this section may be used to fund innovative programs in residential facilities, including structured physical fitness programs designed as part of a mental health treatment plan.

Sec. 18. Minnesota Statutes 1984, section 256E.12, subdivision 1, is amended to read:

256E.12 [GRANTS FOR CHRONICALLY MENTALLY ILL PERSONS.]

Subdivision 1. The commissioner shall establish an experimental statewide program to assist counties in providing services to chronically mentally ill persons. The commissioner shall make grants to counties to establish, operate, or contract with

private providers to provide services designed to help chronically mentally ill persons remain and function in their own communities. *Grants received pursuant to this section may be used to fund innovative community programs, including physical fitness programs designed as part of a mental health treatment plan.*

Sec. 19. [PURPOSE.]

The legislature finds that Minnesota has, in the past, relied primarily upon government regulation to control health care costs, including certificate of need review and hospital rate review, but that in recent years state policy has shifted to favor control through competitive forces. Conditions in Minnesota, by contrast with those in many other states, may be especially favorable to the development of competitive forces. Minnesota has the potential to be a national model for control of health care costs through competitive forces. The legislature intends that competitive forces in the health care market should be fostered, and that this potential should be realized.

The legislature further finds, however, (1) that certain characteristics of health services and health plans inhibit price competition, (2) that competitive forces do not necessarily promote efficiency in the health care market in the same way as in the markets for other goods and services, and (3) that competitive forces may alter certain historical incentives concerning the accessibility and quality of health care. The legislature intends, therefore, that the development of competitive forces should be monitored closely. The purpose of this monitoring is to evaluate competitive forces' effects on the control of health care costs and on accessibility and quality of health care, and to determine whether state initiatives could strengthen competitive forces or improve the accessibility and quality of health care.

Sec. 20. Minnesota Statutes 1984, section 144.695, is amended to read:

144.695 [CITATION.]

Sections 144.695 to 144.703 may be cited as the Minnesota health care (COST INFORMATION) *markets act of (1984) 1985.*

Sec. 21. Minnesota Statutes 1984, section 144.70, is amended to read:

144.70 [(ANNUAL) BIENNIAL REPORT.]

Subdivision 1. The commissioner of health shall prepare (AND PRIOR TO EACH LEGISLATIVE SESSION) a report every two years concerning the status and operations of the health care markets in Minnesota. The commissioner of health

shall transmit the reports to the governor and to the members of the legislature (AN ANNUAL). The first report (OF) must be submitted on January 15, 1987, and succeeding reports on January 15 every two years thereafter. Each report must contain information, analysis, and appropriate recommendations concerning the following issues associated with Minnesota health care markets:

(1) the overall status of the health care cost problem, including the costs faced by employers and individuals, and prospects for the problem's improving or getting worse;

(2) the status of competitive forces in the market for health services and the market for health plans, and the effect of the forces on the health care cost problem;

(3) the feasibility and cost-effectiveness of facilitating development of strengthened competitive forces through state initiatives;

(4) the feasibility of limiting health care costs by means other than competitive forces, including direct forms of government intervention such as price regulation. The commissioner of health may exclude this issue from the report if the report concludes that the overall status of the health care cost problem is improving, or that competitive forces are contributing significantly to health care cost containment;

(5) the overall status of access to adequate health services by citizens of Minnesota, the scope of financial and geographic barriers to access, the effect of competitive forces on access, and prospects for access improving or getting worse;

(6) the feasibility and cost-effectiveness of enhancing access to adequate health services by citizens of Minnesota through state initiatives; and

(7) the commissioner of health's operations and activities for the preceding (FISCAL YEAR) two years as they relate to the duties imposed on the commissioner of health by sections 144.695 to 144.703. (THIS REPORT SHALL INCLUDE A COMPILATION OF ALL SUMMARIES AND REPORTS REQUIRED BY SECTIONS 144.695 TO 144.703 TOGETHER WITH ANY FINDINGS AND RECOMMENDATIONS OF THE COMMISSIONER OF HEALTH.)

Subd. 2. In completing the report required by subdivision 1, in fulfilling the requirements of sections 144.695 to 144.703, and in undertaking other initiatives concerning health care costs, access, or quality, the commissioner of health shall cooperate with and consider potential benefits to other state agencies that have a role in the market for health services or the market for health

plans. Other agencies include the department of employee relations, as administrator of the state employee health benefits program; the department of human services, as administrator of health services entitlement programs; the department of commerce, in its regulation of health plans; the department of labor and industry, in its regulation of health service costs under workers' compensation; and the state planning agency, in its planning for the state's health service needs.

STATE HOSPITAL PLAN

Sec. 22. [COMMISSION REVIEW AND RECOMMENDATIONS OF HOSPITAL STUDY.]

Subdivision 1. [HOSPITAL STUDY.] The legislative commission on long-term health care, quality assurance, and cost containment in Minnesota Statutes, section 256B.504, as amended in section 40, shall review the state hospital study findings made by the interagency board established under Minnesota Statutes 1984, section 246.023, and report their recommendations to the legislature by February 1, 1986.

GUARDIANSHIP STUDY

Sec. 23. [PUBLIC GUARDIANSHIP STUDY.]

Subdivision 1. [TASK FORCE.] The commissioner of human services shall establish a task force to study public guardianship under chapter 252A. The task force shall consist of representatives from counties, the legislature, state agencies and councils, attorneys, and other groups that act as advocates for mentally retarded, chemically dependent, mentally ill, and elderly persons.

Subd. 2. [FOCUS OF STUDY.] The task force shall collect information on at least the following items:

- (1) the number of people under public guardianship and their place of residence;*
- (2) the amount of staff resources available to perform the role of state guardian;*
- (3) the duties of the county case manager as the commissioner's designee; and*
- (4) the types of disabilities of people who are under public guardianship.*

The task force shall make recommendations for changes in the public guardianship system. In developing the recommendations, the task force shall consider at least the following factors:

(1) *the extent that persons who are in need of some form of guardianship are not receiving protective services;*

(2) *the feasibility and economic impact of extending public guardianship to persons with other disabilities;*

(3) *the success of models used in other states to provide protective services;*

(4) *methods to improve the accountability for and increase visits to persons under public guardianship;*

(5) *differences between public and private guardianship systems; and*

(6) *the feasibility of alternatives to the present public guardianship system.*

Subd. 3. [REPORT.] The commissioner shall submit a report to the appropriate standing committees of the legislature by January 1, 1986, containing the findings and recommendations of the task force and proposals for legislative action.

QUALITY ASSURANCE STUDY

Sec. 24. [FEASIBILITY STUDY OF HOME EQUITY CONVERSION FOR LONG-TERM HEALTH CARE.]

Subdivision 1. [FEASIBILITY STUDY.] The director of the housing finance agency, with the assistance of the commissioners of commerce and human services and the director of the state planning agency, shall study and report to the legislature concerning the feasibility of a home equity conversion program to finance long-term health care and long-term health care insurance. The study must examine and provide recommendations concerning:

(1) *methods of encouraging participation, including public subsidy mechanisms;*

(2) *the characteristics of target populations;*

(3) *federal and state legislative and regulatory barriers;*

(4) *the role of the medical assistance program, insurance carriers and other forms of health care coverage, lending institutions, employers, investors, consumer organizations, and other programs and interests;*

(5) *estimates of demand and participation;*

(6) *estimates of cost;*

(7) *methods of addressing adverse selection; and*

(8) *other considerations affecting the desirability and feasibility of home equity conversion to finance long-term health care and long-term health care insurance.*

Subd. 2. [REPORT.] By February 15, 1986, the director of the housing finance agency shall report to the legislature on the study required under subdivision 1. In addition to the information required under subdivision 1, the report must include recommendations concerning the value of a project to demonstrate the use of home equity conversion to finance long-term health care and long-term health care insurance. If the report recommends establishing a demonstration project, the report must include recommendations for designing, implementing, and funding the project.

Sec. 25. [LEGISLATIVE AUDIT OF DEPARTMENTS.]

The legislative audit commission established under Minnesota Statutes, section 3.97, shall study activity by the departments of health and human services in quality assurance and cost containment. The study must consider the role of local government and state agencies in quality assurance and cost containment. The audit commission shall report the study results to the legislative commission on quality assurance and cost containment in section 27 by August 1, 1985.

Sec. 26. Minnesota Statutes 1984, section 245.783, is amended by adding a subdivision to read:

Subd. 1a. [QUALITY ASSURANCE.] The commissioner shall develop a process for evaluating the quality of care provided to adult mentally ill persons in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690. As part of the evaluation process, the commissioner shall select a random sample of facilities and evaluate the quality of each individual program plan within those facilities. With respect to each individual program plan, the commissioner shall, at a minimum, evaluate:

(a) *the degree to which the resident is receiving the kind of care and treatment needed;*

(b) *the causes of suicides within the facilities;*

(c) *the degree to which knowledgeable decisions are made regarding the appropriateness of current placement, including considerations of less restrictive environments and, if necessary, admission or readmission to a hospital setting.*

The evaluation process shall be ongoing, and the commissioner shall report his findings to the legislature on a biennial basis.

Sec. 27. Minnesota Statutes 1984, section 256B.504, is amended to read:

256B.504 [LEGISLATIVE COMMISSION ON LONG-TERM HEALTH CARE, QUALITY ASSURANCE, AND COST CONTAINMENT.]

Subdivision 1. A legislative study commission is created

(a) to monitor the inspection and regulation activities, including rule developments, of the departments of health and human services with the goal of improving quality of care;

(b) to study and report on alternative long-term care services, including respite care services, day care services, and hospice services; and

(c) to study and report on alternatives to medical assistance funding for providing long-term health care services to the citizens of Minnesota.

(d) to study the report submitted to it by the legislative audit commission;

(e) to monitor the inspection and regulation activities, including rule developments, of the departments of health and human services with the goal of improving quality of care and containing costs of care;

(f) to study a plan for state-operated, community-based services for mentally retarded persons;

(g) to review and monitor the proposal for plan development;

(h) to study home health care licensure;

(i) to study state services for the elderly and mentally ill persons; and

(j) study the possibility of shared service agreements between state hospital or state-operated nursing homes and health service organizations;

(k) study the liability of counties for the cost of care provided in a state hospital for chronically mentally ill patients;

(l) review all federal and state funding resources with the intent to maximize utilization of these funds for direct services to persons and minimal expenditures for administrative activities;

(m) review program administration and organization for cost-effectiveness, flexibility for local government implementation, and appropriate standards and accountability to assure quality for clients;

(n) recommend a plan based upon the evaluation and assessments and designate agency responsibilities for implementation and enforcement;

(o) review procedures for nursing home residents focusing on client outcomes including evaluating, using the resident's care plan, and determining whether the resident's ability to function is optimized based upon valid and reliable indicators and not measured solely by the number or amount of services provided; and

(p) to define the process for containing costs and assuring quality services and submit a proposal to the interagency board on quality assurance on or before October 1, 1986.

The study commission shall consider the use of such alternatives as private insurance, private annuities, health maintenance organizations, preferred provider organizations, medicare, and such other alternatives as the commission may deem worthy of study.

Subd. 2. The commission shall consist of seven members of the house of representatives appointed by the speaker and seven members of the senate appointed by the subcommittee on committees.

Subd. 3. The commission shall report its findings and recommendations to the governor and the legislature not later than (JANUARY 1, 1985) *October 1, 1986*.

Subd. 4. The commission shall hold meetings and hearings at the times and places it designates to accomplish the purposes set forth in this section. It shall select a chairperson and other officers from its membership as it deems necessary.

Subd. 5. The commission shall make use of existing legislative facilities and staff of the house and senate research department and senate counsel, but it may also request the legislative coordinating commission to supply it with additional necessary staff, office space, and administrative services. All additional personnel shall be hired and supervised by the directors of the house and senate research departments and senate counsel. The

commission shall have full authority to contract for expert services and opinions relevant to the purposes of this section. The commission, by a two-thirds vote of its members, may request the issuance of subpoenas, including subpoenas duces tecum, requiring the appearance of persons, production of relevant records, and giving of relevant testimony.

Sec. 28. [INTERAGENCY BOARD ON QUALITY ASSURANCE AND COST CONTAINMENT.]

The interagency board for quality assurance established under Minnesota Statutes, section 144A.31 is required:

(a) *to study the proposal submitted to it by the legislative commission on quality assurance and cost containment under section 27 of this article;*

(b) *establish a written policy on quality assurance and cost containment;*

(c) *provide recommendations for regulation of the department of health and human services;*

(d) *recommend to the department of health and human services licensing standards to ensure quality services at low costs.*

Sec. 29. [APPROPRIATION; COMPLEMENT.]

Subdivision 1. [APPROPRIATIONS.] \$..... is appropriated from the general fund to the commissioner of human services for the purposes of sections 25 to 28 of this article. \$..... is appropriated from the general fund to the commissioner of health for the purposes of sections 25 to 28 of this article. The appropriations are available until expended.

Subd. 2. [APPROVED COMPLEMENT.] The approved complement of the department of human services shall be increased by one position in the classified service for the purposes of section 28 of this article.

The approved complement of the department of health shall be increased by one position in the classified service for the purposes of section 28 of this article.

Sec. 30. [APPROPRIATION.]

The following amounts are appropriated from the general fund to the named agencies for the purposes specified, to be available until June 30, 1987, unless otherwise stated:

(1) *\$..... to the department of health, for the purposes of conducting the research and analysts necessary for com-*

pleting the report required by section 21, and for directly related initiatives to strengthen competitive forces, to improve access to health care, or to improve the quality of health care;

(2) \$ to the department of commerce, for the purposes of monitoring the status of competitive forces in the market for health plans, and for monitoring and evaluating health insurers' cost containment activities required by Minnesota Statutes, section 62A.02, subdivision 3, clause (3);

(3) \$ to the department of employee relations, for the purpose of developing cost containment initiatives in the state employee health benefit program; and

(4) \$ to the state planning agency, to be available until June 30, 1986, for the purpose of providing staff and logistical support to a special commission that shall study and make recommendations concerning the appropriate content of the mandated or minimum benefits to be required of health plans in Minnesota.

Sec. 31. [APPROPRIATIONS.]

\$1,014,000 is appropriated from the general fund to the commissioner of human services for the purpose of administering sections 1 to 15. Of this sum, \$500,000 is to be used for the purpose of sections 14 and 15. \$364,000 of this sum is to be used to fund six new staff positions in the department of human services. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Sec. 32. [APPROPRIATION.]

\$ is appropriated from the general fund to the director of the housing finance agency for purposes of section 24 of this article.

Sec. 33. [REVISOR'S INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor shall replace the reference to "sections 62D.01 to 62D.29" wherever it occurs with "sections 62D.01 to 62D.27." The revisor shall delete references to "62E.17" from sections 62E.01; 62E.02, subdivision 1; 62E.05; 62E.09; 62E.13, subdivisions 6 and 8; 62E.14, subdivision 2; and 62E.15, subdivision 2.

Sec. 34. [REPEALER.]

Subdivision 1. Minnesota Statutes 1984, section 256.045, subdivision 2, is repealed effective July 1, 1985.

Subd. 2. Minnesota Statutes 1984, section 62D.25; 62D.26; 62D.28; 62D.29; 62E.17; and 256.966, subdivision 2, are repealed.

Sec. 35. [EFFECTIVE DATE.]

Sections 1 to 15 are effective July 1, 1985.

ARTICLE 4

COST CONTAINMENT

NURSING HOMES

Section 1. [144.0722] [RESIDENT REIMBURSEMENT CLASSIFICATIONS; PROCEDURES FOR RECONSIDERATION.]

Subdivision 1. [RESIDENT REIMBURSEMENT CLASSIFICATIONS.] The commissioner of health shall establish resident reimbursement classifications based upon the assessments of residents of nursing homes and boarding care homes conducted under sections 144.072 and 144.0721, or under rules established by the commissioner of human services under sections 256B.41 to 256B.48. The reimbursement classifications established by the commissioner must conform to the rules established by the commissioner of human services.

Subd. 2. [NOTICE OF RESIDENT REIMBURSEMENT CLASSIFICATION.] The commissioner of health shall notify each resident, and the nursing home or boarding care home in which the resident resides, of the reimbursement classification established under subdivision 1. The notice shall inform the resident of the classification that was assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the department, and the opportunity to request a reconsideration of the classification. The notice of resident classification shall be sent by first class mail. The individual resident notices may be sent to the residents' nursing home or boarding care home for distribution to the resident.

Subd. 3. [REQUEST FOR RECONSIDERATION.] The resident or the nursing home or boarding care home may request that the commissioner reconsider the assigned reimbursement classification. The request for reconsideration must be submitted, in writing, to the commissioner within ten days of the receipt of the notice of resident classification. The request for reconsideration must include the following: (1) the name of the resident; (2) the name and address of the facility in which the resident resides; (3) the reasons for the reconsideration; (4) the requested classification changes; and (5) documentation sup-

porting the requested classification. The documentation accompanying the reconsideration request is limited to documentation establishing that the needs of the resident at the time of the assessment resulting in the disputed classification justify a change of classification.

Subd. 4. [RECONSIDERATION.] The department's reconsideration must be made by individuals not involved in reviewing the assessment that established the disputed classification. The reconsideration must be based upon the initial assessment and upon the information provided to the department under subdivision 3. If necessary for evaluating the reconsideration request, the department may conduct on-site reviews. In its discretion, the department may review the reimbursement classifications assigned to all residents in the facility. Within 15 working days of receiving the request for reconsideration, the department shall affirm or modify the original resident classification. The original classification shall be modified if the department determines that the assessment resulting in that classification did not accurately reflect the needs of the resident at the time of the assessment. The resident and the nursing home or boarding care home shall be notified within five working days after the decision is made. The department's decision under this subdivision is the final administrative decision of the agency.

Sec. 2. Minnesota Statutes 1984, section 144.50, subdivision 2, is amended to read:

Subd. 2. Hospital, sanatorium or other institution for the hospitalization or care of human beings, within the meaning of sections 144.50 to 144.56 shall mean any institution, place, building, or agency, in which any accommodation is maintained, furnished, or offered for: the hospitalization of the sick or injured; the provision of care in a swing bed authorized under section 144.562; elective outpatient surgery for preexamined, prediagnosed low risk patients; emergency medical services offered 24 hours a day, seven days a week, in an ambulatory or outpatient setting in a facility not a part of a licensed hospital; or the institutional care of human beings. Nothing in sections 144.50 to 144.56 shall apply to a clinic, a physician's office or to hotels or other similar places that furnish only board and room, or either, to their guests.

Sec. 3. [144.562] [SWING BED APPROVAL; ISSUANCE OF LICENSE CONDITIONS; VIOLATIONS.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "swing bed" means a hospital bed licensed under sections 144.50 to 144.56 which has been granted a license condition under this section for the purpose of receiving reimbursement under the federal medicare program under United States Code, title 42, section 1395(tt). Nothing in this section shall preclude the use of any licensed hospital bed by any other payor.

Subd. 2. [ELIGIBILITY FOR LICENSE CONDITION.] A hospital is not eligible to receive a license condition for swing beds unless (1) it has a licensed bed capacity of less than 50 beds defined in the federal medicare regulations, Code of Federal Regulations, title 42, section 405.1041, or (2) it is staffed for and operating less than 50 licensed beds, and (3) it is located in a rural area as defined in the federal medicare regulations, Code of Federal Regulations, title 42, section 405.1041, and (4) it agrees to utilize no more than four hospital beds as swing beds at any one time, except that up to three additional beds may be utilized as swing beds by a hospital if there are no medicare certified skilled nursing facility beds available in a health care facility within 25 miles of that hospital.

Subd. 3. [APPROVAL OF LICENSE CONDITION.] The department of health shall approve a license condition for swing beds if the hospital meets all of the criteria of this subdivision:

(a) The hospital must meet the eligibility criteria in subdivision 2.

(b) The hospital must be in compliance with the federal medicare conditions of participation for swing beds under Code of Federal Regulations, title 42, section 405.1041.

(c) The hospital must agree, in writing, to limit the length of stay of a patient receiving services in a swing bed to not more than 40 days or the duration of medicare reimbursement unless the department of health approves a greater length of stay in an emergency situation. For the purpose of determining whether an emergency situation exists, the department shall require the hospital to provide documentation that continued services in the swing bed are required by the patient, that no nursing home beds are available within 25 miles from the patient's home or in some more remote facility of the patient's choice which can provide the appropriate level of services required by the patient, and that other alternative services are not available to meet the needs of the patient. If the department approves a length of stay beyond 40 days or the duration of medicare reimbursement, the hospital shall develop a plan providing for the discharge of the patient upon the availability of a nursing home bed or other services which meet the needs of the patient. Permission to extend a patient's length of stay must be requested by the hospital at least ten days prior to the end of the maximum length of stay.

(d) The hospital must agree, in writing, to limit admission to a swing bed only to patients who have been hospitalized and not yet discharged from the facility.

(e) The hospital must agree, in writing, to report statistical data on the utilization of the swing beds on forms supplied by the department. The data must include the number of swing

beds; the number of admissions to and discharges from swing beds, medicare reimbursed patient days, total patient days, and other information required by the commissioner to assess the utilization of swing beds.

Subd. 4. [ISSUANCE OF LICENSE CONDITION; RENEWALS.] *The department of health shall issue a license condition to a hospital that complies with subdivisions 2 and 3. The license condition shall be granted when the license is first issued, when it is renewed, or during the course of the hospital's licensure year. The condition shall be valid for the hospital's licensure year. The license condition can be renewed at the time of the hospital's license renewal provided that the hospital is in compliance with subdivisions 2 and 3.*

Subd. 5. [INSPECTIONS.] *Notwithstanding section 144.55, subdivision 4, the department of health may conduct inspections of any hospital granted a condition under this section for the purpose of assessing compliance with this section.*

Subd. 6. [VIOLATIONS; ISSUANCE OF CORRECTION ORDERS AND FINES; SUSPENSION, REVOCATION, OR NONRENEWAL OF THE LICENSE CONDITION.] *Notwithstanding section 144.55, subdivision 4, if the hospital fails to comply with subdivision 2 or 3, the department of health shall issue a correction order and penalty assessment under section 144.653 or may suspend, revoke, or refuse to renew the license condition under section 144.55, subdivision 6. The penalty assessment for a violation of subdivision 2 or 3 is \$500.*

Subd. 7. [EFFECTIVE DATE.] *Hospitals participating in the federal medicare swing bed program as of the effective date of this section shall comply with this section by January 1, 1986, or at the time of the renewal of the medicare swing bed approval, whichever is earlier.*

Sec. 4. Minnesota Statutes 1984, section 144A.01, subdivision 5, is amended to read:

Subd. 5. "Nursing home" means a facility or that part of a facility which provides nursing care to five or more persons. "Nursing home" does not include a facility or that part of a facility which is a hospital, a hospital with swing bed approval as defined in section 144.562, clinic, doctor's office, diagnostic or treatment center, or a residential facility licensed pursuant to sections 245.781 to 245.821 or 252.28.

Sec. 5. Minnesota Statutes 1984, section 144A.071, subdivision 1, is amended to read:

Subdivision 1. [FINDINGS.] The legislature finds that medical assistance expenditures are increasing at a much faster

rate than the state's ability to pay them; that reimbursement for nursing home care and ancillary services comprises over half of medical assistance costs, and, therefore, controlling expenditures for nursing home care is essential to prudent management of the state's budget; that construction of new nursing homes (,) and the addition of more nursing home beds to the state's long-term care resources (, AND INCREASED CONVERSION OF BEDS TO SKILLED NURSING FACILITY BED STATUS) inhibits the ability to control expenditures; that Minnesota already leads the nation in nursing home expenditures per capita, has the fifth highest number of beds per capita elderly, and that private paying individuals and medical assistance recipients have equivalent access to nursing home care; and that in the absence of a moratorium the increased numbers of nursing homes and nursing home beds will consume resources that would otherwise be available to develop a comprehensive long-term care system that includes a continuum of care. Unless action is taken, this expansion of bed capacity (AND CHANGES OF BEDS TO A HIGHER CLASSIFICATION OF CARE ARE) is likely to accelerate with the repeal of the certificate of need program effective March 15, 1984. The legislature also finds that Minnesota's dependence on institutional care for elderly persons is due in part to the dearth of alternative services in the home and community. *The legislature also finds that further increases in the number of licensed nursing home beds, especially in nursing homes not certified for participation in the medical assistance program, is contrary to public policy, because: (1) nursing home residents with limited resources may exhaust their resources more rapidly in these facilities, creating the need for a transfer to a certified nursing home, with the concomitant risk of transfer trauma; (2) a continuing increase in the number of nursing home beds will foster continuing reliance on institutional care to meet the long-term care needs of residents of the state; (3) a further expansion of nursing home beds will diminish incentives to develop more appropriate and cost effective alternative services and divert community resources that would otherwise be available to fund alternative services; (4) through corporate reorganization resulting in the separation of certified and licensed beds, a nursing home may evade the provisions of section 256B.48, subdivision 1, clause (a); and (5) it is in the best interests of the state to ensure that the long-term care system is designed to protect the private resources of individuals as well as to use state resources most effectively and efficiently.*

The legislature declares that a moratorium on the licensure and medical assistance certification of new nursing home beds (AND ON CHANGES IN CERTIFICATION TO A HIGHER LEVEL OF CARE) is necessary to control nursing home expenditure growth and enable the state to meet the needs of its elderly by providing high quality services in the most appropriate manner along a continuum of care.

Sec. 6. Minnesota Statutes 1984, section 144A.071, subdivision 2, is amended to read:

Subd. 2. [MORATORIUM.] (NOTWITHSTANDING THE PROVISIONS OF THE CERTIFICATE OF NEED ACT, SECTIONS 145.832 TO 145.845, OR ANY OTHER LAW TO THE CONTRARY,) The commissioner of health, in coordination with the commissioner of human services, shall deny each request by a nursing home or boarding care home, except an intermediate care facility for the mentally retarded, for addition of new certified beds (OR FOR A CHANGE OR CHANGES IN THE CERTIFICATION STATUS OF EXISTING BEDS) except as provided in subdivision 3. The total number of certified beds in the state (IN THE SKILLED LEVEL AND IN THE INTERMEDIATE LEVELS OF CARE) shall remain at or decrease from the number of beds certified (AT EACH LEVEL OF CARE) on May 23, 1983, except as allowed under subdivision 3. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq.

The commissioner of human services, in coordination with the commissioner of health, shall deny any request to issue a license under sections 245.781 to 245.812 and 252.28 to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount. *The commissioner of health shall deny each request for licensure of nursing home beds except as provided in subdivision 3.*

Sec. 7. Minnesota Statutes 1984, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or (CHANGE IN THE CERTIFICATION STATUS OF AN EXISTING BED) *the addition of a new licensed nursing home bed*, under the following conditions:

(a) To replace a bed decertified after May 23, 1983 or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care.

An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) To certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) To certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes; (OR)

(d) (WHEN THE CHANGE IN CERTIFICATION STATUS RESULTS IN A DECREASE IN THE REIMBURSEMENT AMOUNT) *To license a new nursing home bed in a facility which meets one of the exceptions contained in clauses (a) to (d);*

(e) *To license nursing home beds in a facility which*

(1) *has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and*

(2) *has had plans for phased-in construction approved by the commissioner and has received written authorization to begin construction on a phased-in basis from the commissioner, or has commenced any required construction, as defined in clause (b) before May 1, 1985. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the provisions of the nursing home licensure rules; or*

(f) *To certify or license new beds in a new facility that is to be operated by the department of veterans affairs or where the costs of constructing and operating the new beds are to be reimbursed by the department of veterans affairs or the federal veterans administration.*

Sec. 8. Minnesota Statutes 1984, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of this cost:

(1) Inpatient hospital services. A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish in the State Register a proposed list of elective surgeries that require a second medical opinion prior to reimbursement. The list is not subject to the requirements of sections 14.01 to 14.70. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal;

(2) Skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 256B.50, subdivision 1, for mentally retarded individuals residing in intermediate care facilities for the mentally retarded. *Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562;*

(3) Physicians' services;

(4) Outpatient hospital or nonprofit community health clinic services or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section;

(5) Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2;

- (6) Home health care services;
- (7) Private duty nursing services;
- (8) Physical therapy and related services;
- (9) Dental services, excluding cast metal restorations;
- (10) Laboratory and x-ray services;

(11) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; or any other over the counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the Administrative Procedure Act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs

for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and his determination shall not be subject to chapter 14, the Administrative Procedure Act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the Administrative Procedure Act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the Administrative Procedure Act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the Administrative Procedure Act;

(12) Diagnostic, screening, and preventive services;

(13) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act;

(14) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual

conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

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

(15) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by nonambulatory persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be nonambulatory;

(16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining nonemergency medical care;

(17) Personal care attendant services provided by an individual, not a relative, who is qualified to provide the services, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. Payments to personal care attendants shall be adjusted annually to reflect changes in the cost of living or of providing services by the average annual adjustment granted to vendors such as nursing homes and home health agencies; and

(18) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 9. Minnesota Statutes 1984, section 256B.091, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] It is the purpose of this section to prevent inappropriate nursing home or boarding care home placement by establishing a program of preadmission screening teams for all (MEDICAL ASSISTANCE RECIPIENTS AND ANY INDIVIDUAL WHO WOULD BECOME ELIGIBLE FOR MEDICAL ASSISTANCE WITHIN 180 DAYS OF) *applicants seeking* admission to a licensed nursing home or boarding care home participating in the *medical assistance* program. Further, it is the purpose of this section and the program to gain further information about how to contain costs associated with inappropriate nursing home or boarding care home admissions. The commissioners of human services and health shall seek to maximize use of available federal and state funds and establish the broadest program possible within the appropriation available.

Sec. 10. Minnesota Statutes 1984, section 256B.091, subdivision 2, is amended to read:

Subd. 2. [SCREENING TEAMS; ESTABLISHMENT.] Each county agency designated by the commissioner of human services to participate in the program shall contract with the local board of health organized under section 145.911 to 145.922 or other public or nonprofit agency to establish a screening team to assess (,) *the health and social needs of all applicants* prior to admission to a nursing home or a boarding care home licensed under section 144A.02 or sections 144.50 to 144.56, that is certified for medical assistance as a skilled nursing facility, intermediate care facility level I, or intermediate care facility level II (, THE HEALTH AND SOCIAL NEEDS OF MEDICAL ASSISTANCE RECIPIENTS AND INDIVIDUALS WHO WOULD BECOME ELIGIBLE FOR MEDICAL ASSISTANCE WITHIN 180 DAYS OF NURSING HOME OR BOARDING CARE HOME ADMISSION). Each local screening team shall be composed of a public health nurse from the local public health nursing service and a social worker from the local community welfare agency. Each screening team shall have a physician available for consultation and shall utilize individuals' attending physicians' physical assessment forms, if any, in assessing needs. The individual's physician shall be included on the screening team if the physician chooses to participate. If the individual is being discharged from an acute care facility, a discharge planner from that facility may be present, at the facility's request, during the screening team's assessment of the individual and may participate in discussions but not in making the screening team's recommendations under subdivision 3, clause (e). If the assessment procedure or screening team recommendation results in a delay of the individual's discharge from the acute care facility, the facility shall not be denied medical assistance reimbursement or incur any other financial or regulatory penalty of the medical assistance program that would otherwise be caused by the individual's extended length of stay; 50 percent of the cost of this reimbursement or financial or regulatory penalty shall be paid by the state and 50 percent shall be paid by the county. Other personnel as deemed appropriate by the county agency may be included on the team. The county agency may contract with an acute care facility to have the facility's discharge planners perform the functions of a screening team with regard to individuals discharged from the facility and in those cases the discharge planners may participate in making recommendations under subdivision 3, clause (e). No member of a screening team shall have a direct or indirect financial or self-serving interest in a nursing home or noninstitutional referral such that it would not be possible for the member to consider each case objectively.

Sec. 11. Minnesota Statutes 1984, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home or boarding care home admission, screening teams shall assess the needs of all (PERSONS RECEIVING MEDICAL ASSISTANCE AND OF ALL PERSONS WHO WOULD BE

ELIGIBLE FOR MEDICAL ASSISTANCE WITHIN 180 DAYS OF ADMISSION TO A NURSING HOME OR BOARDING CARE HOME) *applicants, except (1) patients transferred from other nursing homes (OR); (2) patients who, having entered acute care facilities from nursing homes, are returning to nursing home care; or (3) persons entering a facility described in section 256B.431, subdivision 4, paragraph (b).* **(ANY OTHER INTERESTED PERSON MAY)** *The cost for screening persons who are receiving medical assistance or would be eligible for medical assistance within 90 days of nursing home or boarding care home admission will be paid by state, federal, and county funds. Other persons will be assessed by a screening team upon payment of a fee (BASED UPON A SLIDING FEE SCALE) approved by the commissioner.*

Sec. 12. Minnesota Statutes 1984, section 256B.091, subdivision 5, is amended to read:

Subd. 5. **[APPEALS.]** Appeals from the screening team's **(DETERMINATION)** *recommendation* shall be made pursuant to the procedures set forth in section 256.045, subdivisions 2 and 3. An appeal shall be automatic if the individual's physician does not agree with the recommendation of the screening team.

Sec. 13. Minnesota Statutes 1984, section 256B.091, subdivision 8, is amended to read:

Subd. 8. **[ALTERNATIVE CARE GRANTS.]** The commissioner shall provide grants to counties participating in the program to pay costs of providing alternative care to individuals screened under subdivision 4. Payment is available under this subdivision only for individuals (1) for whom the screening team would recommend nursing home admission if alternative care were not available; (2) who are receiving medical assistance or who would be eligible for medical assistance within 180 days of admission to a nursing home; **(AND)** (3) who need services that are not available at that time in the county through other public assistance; *and (4) who are age 65 or older.*

Grants may be used for payment of costs of providing services such as, but not limited to, foster care for elderly persons, day care whether or not offered through a nursing home, nutritional counseling, or medical social services, which services are provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency. The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e)(2). The plan shall include any services prescribed by the individual's attending physician as necessary and follow up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's

alternative care is not available at that time through any other public assistance or service program and shall provide documentation in each individual's plan of care that the most cost effective alternatives available have been offered to the individual. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

The commissioner shall establish a sliding fee schedule for requiring payment for the cost of providing services under this subdivision to persons who are eligible for the services but who are not yet eligible for medical assistance. The sliding fee schedule is not subject to chapter 14 but the commissioner shall publish the schedule and any later changes in the State Register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the sliding fee schedule in final forms.

The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. The commissioner shall provide grants to counties from the nonfederal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of nursing home care that the recipient would receive if placed in a nursing home. The nonfederal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. Each county agency that receives a grant shall pay ten percent of the costs.

The commissioner shall promulgate emergency rules in accordance with sections 14.29 to 14.36, to establish required documentation and reporting of care delivered.

Sec. 14. Minnesota Statutes 1984, section 256B.431, subdivision 2b, is amended to read:

Subd. 2b. [OPERATING COSTS, AFTER JULY 1, 1985.]
(a) For rate years beginning on or after July 1, 1985, the commissioner shall establish procedures for determining per diem reimbursement for operating costs.

(b) The commissioner shall contract with an econometric firm with recognized expertise in and access to national economic change indices that can be applied to the appropriate cost categories when determining the operating cost payment rate.

(c) The commissioner shall analyze and evaluate each nursing home's cost report of allowable operating costs incurred by the nursing home during the reporting year immediately preceding the rate year for which the payment rate becomes effective.

(d) The commissioner shall establish limits on actual allowable historical operating cost per diems based on cost reports of allowable operating costs for the reporting year that begins October 1, 1983, taking into consideration relevant factors including resident needs, geographic location, (AGE,) size of the nursing home, and the costs that must be incurred for the care of residents in an efficiently and economically operated nursing home. The limits established by the commissioner shall not be less, in the aggregate, than the 60th percentile of total actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1 based on cost reports of allowable operating costs in the previous reporting year. The limits established under this paragraph remain in effect until the commissioner establishes a new base period. Until the new base period is established, the commissioner shall adjust the limits annually using the appropriate economic change indices established in paragraph (e). In determining allowable historical operating cost per diem for purposes of setting limits and nursing home payment rates, the commissioner shall divide the allowable historical operating costs by the actual number of resident days, except that where a nursing home is occupied at less than 90 percent of licensed capacity days, the commissioner may establish procedures to adjust the computation of the per diem to an imputed occupancy level at or below 90 percent. The commissioner shall establish efficiency incentives as appropriate. The commissioner may establish efficiency incentives for different operating cost categories. The commissioner shall consider establishing efficiency incentives in care related cost categories. The commissioner may combine one or more operating cost categories and may use different methods for calculating payment rates for each operating cost category or combination of operating cost categories.

(e) The commissioner shall establish a composite index or indices by determining the appropriate economic change indicators to be applied to specific operating cost categories or combination of operating cost categories.

(f) Each nursing home shall receive an operating cost payment rate equal to the sum of the nursing home's operating cost payment rates for each operating cost category. The operating cost payment rate for an operating cost category shall be the lesser of the nursing home's historical operating cost in the category increased by the appropriate index established in paragraph (e) for the operating cost category plus an efficiency incentive established pursuant to paragraph (d) or the limit for the operating cost category increased by the same index. If a nursing home's actual historic operating costs are greater than

the prospective payment rate for that rate year, there shall be no retroactive cost settle-up. In establishing payment rates for one or more operating cost categories, the commissioner may establish separate rates for different classes of residents based on their relative care needs.

(g) The commissioner shall include the reported actual real estate tax liability of each proprietary nursing home as an operating cost of that nursing home. The commissioner shall include a reported actual special assessment for each nursing home as an operating cost of that nursing home. Total real estate tax liability and actual special assessments paid for each nursing home (1) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, (2) shall not be used to compute the 60th percentile or other operating cost limits established by the commissioner, and (3) shall not be increased by the composite index or indices established pursuant to paragraph (e).

Sec. 15. Minnesota Statutes 1984, section 256B.431, subdivision 3, is amended to read:

Subd. 3. [PROPERTY-RELATED COSTS, 1983-1985.]

(a) For rate years beginning July 1, 1983 and July 1, 1984, property-related costs shall be reimbursed to each nursing home at the level recognized in the most recent cost report received by December 31, 1982 and audited by March 1, 1983, and may be subsequently adjusted to reflect the costs recognized in the final rate for that cost report, adjusted for rate limitations in effect before the effective date of this section. Property-related costs include: depreciation, interest, earnings or investment allowance, lease, or rental payments. No adjustments shall be made as a result of sales or reorganizations of provider entities.

(b) Adjustments for the cost of repairs, replacements, renewals, betterments, or improvements to existing buildings, and building service equipment shall be allowed if:

(1) The cost incurred is reasonable, necessary, and ordinary;

(2) The net cost is greater than \$5,000. "Net cost" means the actual cost, minus proceeds from insurance, salvage, or disposal;

(3) The nursing home's property-related costs per diem is equal to or less than the average property-related costs per diem within its group; and

(4) The adjustment is shown in depreciation schedules submitted to and approved by the commissioner.

(c) Annual per diem shall be computed by dividing total property-related costs by 96 percent of the nursing home's licensed capacity days for nursing homes with more than 60 beds and 94 percent of the nursing home's licensed capacity days for nursing homes with 60 or fewer beds. For a nursing home whose residents' average length of stay is 180 days or less, the commissioner may waive the 96 or 94 percent factor and divide the nursing home's property-related costs by the actual resident days to compute the nursing home's annual property-related per diem. The commissioner shall promulgate emergency and permanent rules to recapture excess depreciation upon sale of a nursing home.

((D)) *Subd. 3a.* [PROPERTY-RELATED COSTS AFTER JULY 1, 1985.] (a) For rate years beginning on or after July 1, 1985, the commissioner, by permanent rule, shall reimburse nursing home providers that are vendors in the medical assistance program for the rental use of (THEIR PROPERTY. THE "RENT" IS THE AMOUNT OF PERIODIC PAYMENT WHICH A RENTER MIGHT EXPECT TO PAY FOR THE RIGHT TO THE AGREED USE OF THE REAL ESTATE AND THE DEPRECIABLE EQUIPMENT AS IT EXISTS) *real estate and depreciable equipment*. "Real estate" means land improvements, buildings, and attached fixtures used directly for resident care. "Depreciable equipment" means the standard moveable resident care equipment and support service equipment generally used in long-term care facilities.

((E)) (b) In developing the method for determining payment rates for the rental use of nursing homes, the commissioner shall consider factors designed to:

- (1) simplify the administrative procedures for determining payment rates for property-related costs;
- (2) minimize discretionary or appealable decisions;
- (3) eliminate any incentives to sell nursing homes;
- (4) recognize legitimate costs of preserving and replacing property;
- (5) recognize the existing costs of outstanding indebtedness allowable under the statutes and rules in effect on May 1, 1983;
- (6) address the current value of, if used directly for patient care, land improvements, buildings, attached fixtures, and equipment;
- (7) establish an investment per bed limitation;
- (8) reward efficient management of capital assets;

- (9) provide equitable treatment of facilities;
- (10) consider a variable rate; and
- (11) phase in implementation of the rental reimbursement method.

((F)) (c) No later than January 1, 1984, the commissioner shall report to the legislature on any further action necessary or desirable in order to implement the purposes and provisions of this subdivision.

Sec. 16. Minnesota Statutes 1984, section 256B.431, subdivision 4, is amended to read:

Subd. 4. [SPECIAL RATES.] (a) *For the rate years beginning July 1, 1983, and July 1, 1984, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property-related costs calculated pursuant to the statutes and rules in effect on May 1, 1983 and for operating costs negotiated by the commissioner based upon the 60th percentile established for the appropriate group under subdivision 2, paragraph (b) to be effective from the first day a medical assistance recipient resides in the home or for the added beds. For newly constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2(f), the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rate shall not be in effect for more than 17 months. The commissioner shall establish, by emergency and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation; the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group. Until procedures determining operating cost payment rates according to mix of resident needs are established, the commissioner shall establish by rule procedures for determining payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified.*

(b) *For the rate years beginning on or after July 1, 1985, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property related costs, operating costs, and real estate taxes and special assessments calculated pursuant to rules promulgated by the commissioner.*

(c) For rate years beginning on or after July 1, 1983, the commissioner may exclude from a provision of 12 MCAR § 2.050

any facility that is licensed by the commissioner of health only as a boarding care home, is certified by the commissioner of health as an intermediate care facility, is licensed by the commissioner of human services under 12 MCAR S 2.036, and has less than five percent of its licensed boarding care capacity reimbursed by the medical assistance program. Until a permanent rule to establish the payment rates for facilities meeting these criteria is promulgated, the commissioner shall establish the medical assistance payment rate as follows:

(1) The desk audited payment rate in effect on June 30, 1983, remains in effect until the end of the facility's fiscal year. The commissioner shall not allow any amendments to the cost report on which this desk audited payment rate is based.

(2) For each fiscal year beginning between July 1, 1983, and June 30, 1985, the facility's payment rate shall be established by increasing the desk audited operating cost payment rate determined in clause (1) at an annual rate of five percent.

(3) For fiscal years beginning on or after July 1, 1985, the facility's payment rate shall be established by increasing the facility's payment rate in the facility's prior fiscal year by the increase indicated by the consumer price index for Minneapolis and St. Paul.

(4) For the purpose of establishing payment rates under this paragraph, the facility's rate and reporting years coincide with the facility's fiscal year.

A facility that meets the criteria of this paragraph shall submit annual cost reports on forms prescribed by the commissioner.

Sec. 17. Minnesota Statutes 1984, section 256B.50, is amended to read:

256B.50 [APPEALS.]

Subdivision 1. [SCOPE.] A nursing home may appeal a decision arising from the application of standards or methods pursuant to sections 256B.41 and 256B.47 if the appeal, if successful, would result in a change to the nursing home's payment rate, or *appraised value*. The appeal procedures also apply to appeals of payment rates calculated under 12 MCAR S 2.049 filed with the commissioner on or after May 1, 1984. *This section does not apply to a request from a resident or nursing home for reconsideration of the classification of a resident under section 144.0722.* To appeal, the nursing home shall notify the commissioner in writing of its intent to appeal within 30 days and submit a written appeal request within 60 days of receiving notice of the payment rate determination or decision. The appeal request shall specify each disputed item, the reason for the dispute, an

estimate of the dollar amount involved for each disputed item, the computation that the nursing home believes is correct, the authority in statute or rule upon which the nursing home relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner.

Except as provided in subdivision 2, the appeal shall be heard by an administrative law judge according to sections 14.48 to 14.56, or upon agreement by both parties according to a modified appeals procedure established by the commissioner and the administrative law judge. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect. Regardless of any rate appeal, the rate established shall be the rate paid and shall remain in effect until final resolution of the appeal or subsequent desk or field audit adjustment, notwithstanding any provision of law or rule to the contrary. To challenge the validity of rules established by the commissioner pursuant to sections 256B.41, 256B.421, 256B.431, 256B.47, 256B.48, 256B.50, and 256B.502, a nursing home shall comply with section 14.44.

Subd. 2. [APPRAISED VALUE; APPEALS BOARD.] (a) Appeals concerning the appraised value of a nursing home's real estate shall be heard by a three-person appeal board appointed by the commissioner. The real estate as defined in section 256B.431, subdivision 3, must be appraised using the depreciated replacement cost method.

(b) Members of the appeals board shall be appointed by the commissioner from the list of appraisers approved for state contracts by the department of administration. In making the selection, the commissioner shall assure that each member is experienced in the use of the depreciated replacement cost method and is free of any personal, political, or economic conflict of interest that may impair the member's ability to function in a fair and objective manner.

(c) The appeals board shall appoint one of its members to act as chief representative and shall examine witnesses where deemed necessary to make a complete record. Facts to be considered by the board are limited to those in existence at the time of the appraisal being appealed. The board shall issue a written report regarding each appeal to the commissioner within 30 days following the close of the record. The report must contain findings of fact, conclusions, and a recommended disposition based on a majority decision of the board. A copy of the report must be served upon all parties.

(d) The commissioner shall issue an order adopting, rejecting, or modifying the appeal board's recommendation within 30 days of receipt of the report. A copy of the decision must be served upon all parties.

(e) *Within 30 days of receipt of the commissioner's order, the appealing party may appeal to the Minnesota court of appeals. The court's decision is limited to a determination of the appraised value of the real estate and must not include costs assessed against either party.*

Sec. 18. [256B.72] [RECOVERY OF THE FEDERAL SHARE.]

Notwithstanding any laws or rules to the contrary and regardless of whether any appeal has been filed, when it has been determined that an overpayment has been made by the state to any medical assistance vendor and that the federal share of the overpayment amount is due and owing to the federal government pursuant to federal law and regulations, the state shall recover from the medical assistance vendor the federal share of the determined overpayment amount using the same schedule of payments required by the federal government.

Sec. 19. Minnesota Statutes 1984, section 474.01, subdivision 7a, is amended to read:

Subd. 7a. No municipality or redevelopment agency shall undertake any project authorized by sections 474.01 to 474.13, except a project referred to in section 474.02, subdivision 1f, unless its governing body finds that the project furthers the purposes stated in this section, nor until the commissioner of energy and economic development has approved the project, on the basis of preliminary information which the commissioner may require, as tending to further the purposes and policies of sections 474.01 to 474.13. *The commissioner may not approve any projects relating to health care facilities except as permitted under subdivision 9. Approval shall not be deemed to be an approval by the commissioner of energy and economic development or the state of the feasibility of the project or the terms of the revenue agreement to be executed or the bonds to be issued therefor, and the commissioner shall state this in communicating approval.*

Sec. 20. Minnesota Statutes 1984, section 474.01, subdivision 9, is amended to read:

Subd. 9. [HEALTH CARE FACILITIES.] The welfare of the state further requires the provision of necessary health care facilities, to the end that adequate health care services be made available to residents of the state at reasonable cost. *However, some projects relating to nursing homes may be inconsistent with established state policies and detrimental to the welfare of the state. The commissioner of energy and economic development shall forward to the commissioner of human services and the commissioner of health for review all applications for projects relating to nursing homes licensed by the department of health*

under chapter 144A. This review process does not apply to projects approved by the housing finance agency involving residences for the elderly, the costs of which will not be reimbursed under the medical assistance program. The commissioner of human services and the commissioner of health must return the applications to the commissioner of energy and economic development with a recommendation within 30 days of receipt. The commissioner of energy and economic development may not approve an application unless the project has been determined by both the commissioner of human services and the commissioner of health to be consistent with policies of the state as reflected in a statute or rule. The following projects may not be approved:

(1) projects that will result in an increase in the number of nursing home or boarding care beds in the state;

(2) projects involving refinancing, unless the refinancing will result in a reduction in debt service charges that will be reflected in charges to patients and third party payors; and

(3) projects that are inconsistent with the established policies of the state as reflected in a statute or rule.

MEDICAL ASSISTANCE ELIGIBILITY AND PRENATAL SERVICES

Sec. 21. Minnesota Statutes 1984, section 256.99, is amended to read:

256.99 [REVERSE MORTGAGE PROCEEDS DISREGARDED.]

All reverse mortgage loan proceeds received pursuant to section 47.58, including interest or earnings thereon, shall be disregarded and shall not be considered available to the borrower for purposes of determining initial or continuing eligibility for, or amount of, medical assistance, Minnesota supplemental assistance, general assistance, general assistance medical care, or a federal or state low interest loan or grant. This section applies regardless of the time elapsed since the loan was made or the disposition of the proceeds.

For purposes of medical assistance eligibility provided pursuant to section 256B.06, proceeds from a reverse mortgage shall be disregarded as income in the month of receipt but considered as resource if retained after the month of receipt.

Sec. 22. Minnesota Statutes 1984, section 256B.02, subdivision 2, is amended to read:

Subd. 2. "Excluded time" means any period of time an applicant spends in a hospital, sanitorium, nursing home, boarding

home, shelter, halfway house, *correctional facility*, foster home, semi-independent living domicile, residential facility offering care, board and lodging facility offering 24-hour care or supervision of mentally ill, mentally retarded, or physically disabled persons, or other institution for the hospitalization or care of human beings, as defined in sections 144.50, 144A.01, or 245.782, subdivision 6.

Sec. 23. Minnesota Statutes 1984, section 256B.02, subdivision 3, is amended to read:

Subd. 3. "County of financial responsibility" means:

(a) for an applicant who resides in the state and is not in a facility described in subdivision 2, the county in which he or she resides at the time of application;

(b) for an applicant who resides in a facility described in subdivision 2, the county in which he or she resided immediately before entering the facility; and

(c) for an applicant who has not resided in this state for any time other than the excluded time, the county in which the applicant resides at the time of making application.

For this limited purpose, an infant who has resided only in an excluded time facility shall be the responsibility of the county which would have been responsible for the infant if eligibility could have been established with the birth mother under section 256B.06, subdivision 1, clause (9).

Notwithstanding clauses (a) to (c), the county of financial responsibility for medical assistance recipients is the same county as that from which a recipient is receiving a maintenance grant or money payment under the program of aid to families with dependent children. There can be a redetermination of the county of financial responsibility for former recipients of the medical assistance program who have been ineligible for at least one month, so long as that redetermination is in accord with the provisions of this subdivision.

Sec. 24. Minnesota Statutes 1984, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676 under Minnesota Statutes, section 259.40 or 259.431; or

(2) Who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676; or

(3) Who is eligible for or receiving public assistance under the aid to families with dependent children program, the Minnesota supplemental aid program; or

(4) Who is a pregnant woman, as certified in writing by a physician or nurse midwife, and who (a) meets the other eligibility criteria of this section, and (b) would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman; or

(5) Who is a pregnant woman, as certified in writing by a physician or nurse midwife, and who (a) meets the other eligibility criteria of this section and (b) whose unborn child would be eligible as a needy child under clause (9) of this subdivision if born and living with the woman; or

(6) Who meets the categorical eligibility requirements of the supplemental security income program and the other eligibility requirements of this section; or

((6)) (7) Who, except for the amount of income or resources, would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children, and who meets the other eligibility requirements of this section; or

((7)) (8) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(9) Who is an infant less than one year of age born on or after October 1, 1984, and whose mother was eligible at the time of birth and who remains in the mother's household. Eligibility under this clause is concurrent with the mother's and does not depend on the father's income except as that income may affect the mother's eligibility; or

((8)) (10) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

((9)) (11) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

((10)) (12) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as his primary place of residence, together with the contiguous land upon which it is situated. The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by the spouse, minor child, or disabled child of any age; or the applicant/recipient is expected to return to the home as a principal residence within six calendar months of entry to the long-term care facility. Certification of expected return to the homestead shall be documented in writing by the attending physician. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless the commissioner determines that sale of the real estate would cause undue hardship *or unless the equity in the real estate when combined with the equity in the homestead totals \$15,000 or less*; and

((11)) (13) Who individually does not own more than \$3,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

((12)) (14) Who has or anticipates receiving an annual income not in excess of the income standards by family size used in the aid to families with dependent children program, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income due solely to increases in federal retiree, survivor's, and disability insurance benefits, veterans administration benefits, and railroad retirement benefits in the percentage amount established in the biennial appropriations law unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

((13)) (15) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of human services, is to be applied to the cost of institutional care. The commissioner of human services may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care; and

((14)) (16) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 25. Minnesota Statutes 1984, section 256B.062, is amended to read:

256B.062 [CONTINUED ELIGIBILITY.]

Subdivision 1. Any family which was eligible for aid to families with dependent children in at least three of the six months immediately preceding the month in which the family became ineligible for aid to families with dependent children because of increased income from employment shall, while a member of the family is employed, remain eligible for medical assistance for four calendar months following the month in which the family would otherwise be determined to be ineligible due to the income and resources limitations of this chapter.

Subd. 2. Any family whose eligibility for aid to families with dependent children is terminated due to loss of the \$30 or the \$30 and one-third earned income disregard shall remain eligible for medical assistance for nine calendar months following the month in which the family loses medical assistance eligibility as an aid to families with dependent children recipient.

Sec. 26. Minnesota Statutes 1984, section 256B.17, subdivision 6, is amended to read:

Subd. 6. [PROHIBITED TRANSFERS OF EXCLUDED RESOURCES.] Any individual who is an inpatient in a skilled nursing facility or an intermediate care facility who, at any time during or after the 24-month period immediately prior to application for medical assistance, disposed of a homestead for less than fair market value shall be ineligible for medical assistance in accordance with subdivisions 1 to 4. An individual shall not be ineligible for medical assistance if one of the following conditions applies to the homestead transfer:

(1) a satisfactory showing is made that the individual can reasonably be expected to return to the homestead as a permanent residence;

(2) title to the homestead was transferred to the individual's spouse, child who is under age 21, or blind or permanently and totally disabled child as defined in the supplemental security income program;

(3) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(4) the local agency (DETERMINES THAT) *grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.*

When a waiver is granted, a cause of action exists against the person to whom the homestead was transferred for that portion of medical assistance granted within 24 months of the transfer or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action.

The action may be brought by the state or the county agency responsible for providing medical assistance under section 256B.02, subdivision 3.

CHILD SUPPORT ENFORCEMENT

Sec. 27. Minnesota Statutes 1984, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based

on the method of budgeting required in Public Law No. 97-35, Section 2315, 42 U.S.C. 602, as amended and federal regulations at 45 C.F.R. Section 233. In making its determination the county agency shall disregard the following from family income:

(1) All of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment;

(2) All educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance;

(3) The first \$75 of each individual's earned income. In the case of an individual not engaged in full-time employment or not employed throughout the month the commissioner shall prescribe by rule a lesser amount to be disregarded. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) An amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded; and

(5) Thirty dollars plus one-third of the remainder of each individual's earned income not already disregarded for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has:

(a) Reduced his earned income without good cause within 30 days preceding any month in which an assistance payment is made; or

(b) Refused without good cause to accept an offer of suitable employment; or

(c) Left employment or reduced his earnings without good cause and applied for assistance so that he might later return to employment with the advantage of the income disregarded; or

(d) Failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services.

Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment.

The disregard of \$30 and one-third of the remainder of earned income described in clause (5) shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clause (5)(a) to (5)(d) shall be considered as one of the four months. To again qualify for this earned income disregard, the individual must not be a recipient of aid for a period of 12 consecutive months. If an individual becomes ineligible for aid because this earned income disregard has been applied to income for four consecutive months and will no longer be applied to income, the local agency shall inform the individual of the medical assistance program, its standards of eligibility, and the circumstances under which the individual would be eligible for medical assistance.

(6) The commissioner shall increase the standard of need for persons with earned income in effect on January 1, 1982, by 35 percent for each assistance unit. The maximum amount paid to an assistance unit shall be no more than 74 percent of the increased standard of need. Whenever the commissioner increases the maximum payment amount for all assistance units, the commissioner shall increase the maximum standard of need by an equal percentage.

To determine the amount of assistance to be paid to an assistance unit, net income shall be determined in a manner consistent with this chapter and applicable federal law. Net earned income shall be subtracted from the increased standard of need for an assistance unit of the appropriate size and composition to determine the grant amount, except that the grant shall not exceed the standard of need in effect on January 1, 1982 for an assistance unit of the same size and composition. Unearned income shall be subtracted from the maximum payment amount for an assistance unit of the appropriate size and composition to determine the grant amount.

Medical assistance eligibility for medically needy persons who are eligible for aid to families with dependent children shall be determined according to the standard of need in effect on January 1, 1982.

The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit shall be paid to the assistance unit within 15 days of the collection of such periodic support payments and shall be disregarded in determining the amount of assistance.

Sec. 28. Minnesota Statutes 1984, section 256.74, subdivision 5, is amended to read:

Subd. 5. [ASSIGNMENT OF SUPPORT AND MAINTENANCE RIGHTS.] An applicant for assistance, or a recipient of assistance, under sections 256.72 to 256.87 *or an applicant or recipient for whom foster care maintenance is provided under Title IV-E of the Social Security Act* is considered to have assigned to the public agency responsible for child support enforcement at the time of application all rights to child support and maintenance from any other person the applicant may have in his own behalf or in the behalf of any other family member for whom application is made *under sections 256.72 to 256.87 or Title IV-E*. The assignment:

(1) is effective as to both current and accrued child support and maintenance obligations;

(2) takes effect upon a determination that the applicant is eligible for assistance under sections 256.72 to 256.87 *or that the applicant or family member is eligible for foster care maintenance under Title IV-E of the Social Security Act*;

(3) terminates when an applicant ceases to receive assistance under sections 256.72 to 256.87 *or when the applicant or family member ceases to receive foster care maintenance under Title IV-E of the Social Security Act*, except with respect to the amount of any unpaid support or maintenance obligation, or both, (ACCRUED) under the assignment.

Sec. 29. Minnesota Statutes 1984, section 256.87, subdivision 1a, is amended to read:

Subd. 1a. [CONTINUING SUPPORT CONTRIBUTIONS.] In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing support contributions by a parent found able to reimburse the county or state agency. Except as provided in subdivision 4, the order shall be effective for the period of time during which the recipient receives public assistance from any

county or state agency and for (90 DAYS) *five months* thereafter the order shall require support according to chapter 518. An order for continuing contributions is reinstated without further hearing upon notice to the parent by any county or state agency that assistance is again being provided for the child of the parent under sections 256.72 to 256.87. The notice shall be in writing and shall indicate that the parent may request a hearing for modification of the amount of support or maintenance.

Sec. 30. Minnesota Statutes 1984, section 256.87, subdivision 3, is amended to read:

Subd. 3. [CONTINUING CONTRIBUTIONS TO FORMER RECIPIENT.] The order for continuing support contributions shall remain in effect following the (90-DAY) *five-month* period after public assistance granted under sections 256.72 to 256.87 is terminated if:

(a) the former recipient files an affidavit with the court within (90 DAYS) *five months* of the termination of assistance requesting that the support order remain in effect;

(b) the public authority serves written notice of the filing by mail on the parent responsible for making the support payments at that parent's last known address and notice that the parent may move the court under section 518.64 to modify the order respecting the amount of support or maintenance; and

(c) the former recipient (MAKES AN APPLICATION TO) *authorizes* use of the public authority's collection services.

Sec. 31. Minnesota Statutes 1984, section 257.58, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS FOR CHILDREN WITHOUT A PRESUMED FATHER.] (EXCEPT FOR (A) AN ACTION BROUGHT BY OR ON BEHALF OF A CHILD WHOSE PATERNITY HAS NOT BEEN DETERMINED, AND (B) AN ACTION BROUGHT BY THE PUBLIC AUTHORITY RESPONSIBLE FOR CHILD SUPPORT ENFORCEMENT, IF A CHILD IS OVER THREE YEARS OLD WHEN HE OR SHE FIRST RECEIVES PUBLIC ASSISTANCE IN THE STATE OF MINNESOTA,) An action to determine the existence of the father and child relationship as to a child who has no presumed father under section 257.55 (MAY NOT BE BROUGHT LATER THAN THREE YEARS AFTER THE BIRTH OF THE CHILD, OR LATER THAN THREE YEARS AFTER AUGUST 1, 1980, WHICHEVER IS LATER. AN ACTION BROUGHT BY OR ON BEHALF OF A CHILD WHOSE PATERNITY HAS NOT BEEN DETERMINED) is not barred until one year after the child reaches the age of

majority. (IF A CHILD IS OVER THREE YEARS OLD WHEN HE OR SHE FIRST RECEIVES PUBLIC ASSISTANCE IN THE STATE OF MINNESOTA, AN ACTION BROUGHT BY THE PUBLIC AUTHORITY RESPONSIBLE FOR CHILD SUPPORT ENFORCEMENT IS NOT BARRED UNTIL THREE YEARS AFTER THE PUBLIC ASSISTANCE IS FIRST PROVIDED IN THIS STATE.)

Sec. 32. Minnesota Statutes 1984, section 518.551, subdivision 7, is amended to read:

Subd. 7. [SERVICE FEE.] When the public agency responsible for child support enforcement provides child support collection services either to a public assistance recipient or to a party who does not receive public assistance, the public agency may upon written notice to the obligor charge a monthly collection fee equivalent to the full monthly cost to the county of providing collection services, in addition to the amount of the child support which was ordered by the court. The fee shall be deposited in the county general fund. The service fee assessed is limited to ten percent of the monthly court ordered child support and shall not be assessed to obligors who are current in payment of the monthly court ordered child support. (NO FEE SHALL BE IMPOSED ON THE PARTY WHO REQUESTS CHILD SUPPORT COLLECTION SERVICES) *An application fee not to exceed \$5 shall be paid by the person who applies for child support and maintenance collection services, except persons who transfer from public assistance to nonpublic assistance status. Fees assessed by state and federal tax agencies for collection of overdue support owed to or on behalf of a person not receiving public assistance must be imposed on the person for whom these services are provided.*

However, the limitations of this subdivision on the assessment of fees shall not apply to the extent inconsistent with the requirements of federal law for receiving funds for the programs under Title IV-A and Title IV-D of the Social Security Act, 42 U.S.C. 601 to 613 and 42 U.S.C. 651 to 662.

Sec. 33. Minnesota Statutes 1984, section 518.611, subdivision 2, is amended to read:

Subd. 2. [NOTICE (TO OBLIGOR) OF (CONDITIONS) INCOME WITHHOLDING.] Each order for withholding shall provide for a conspicuous notice to the obligor that:

(a) *The obligor shall notify the obligee or the public authority of a change of address within 15 days of the address change.*

(b) *Withholding (MAY) shall result if the obligor fails to make the maintenance or support payments, and that no withholding shall be made until the following conditions are met:*

((A)) (1) The obligee or the public authority determines that the obligor is at least 30 days in arrears;

((B)) (2) The obligee or the public authority serves written notice of its determination of arrearage on the obligor at least 15 days before service of the determination and a copy of the court's order for withholding on the payor of funds;

((C)) (3) Within the 15 day period, the obligor (HAS EITHER FAILED TO PAY ALL ARREARAGES OR TO MOVE THE COURT, UNDER SECTION 518.64, TO MODIFY THE ORDER RESPECTING THE AMOUNT OF MAINTENANCE OR SUPPORT AND, EX PARTE, TO STAY SERVICE ON THE PAYOR OF FUNDS UNTIL THE MOTION TO MODIFY IS HEARD; AND) *fails to request an opportunity to present facts to the public authority. The facts must be limited to the issue of whether an arrearage of at least 30 days existed as of the date of the notice provided under clause (2), or on other grounds limited to a mistake of fact. The public authority shall evaluate the facts and decide whether withholding must occur. The authority shall notify the obligor of the decision within 45 days of the notice provided in clause (2);*

((D)) (4) The obligee or the public authority serves a copy of the determination of arrearage and a copy of the court's withholding order on the payor of funds (.); and

((E)) (5) The obligee (SHALL ALSO SERVE) *serves on the public authority a copy of the determination of arrearage, a copy of the court's withholding order (AND), an application and the fee to use the public authority's collection services.*

(b) To pay the arrearage specified in the notice provided in paragraph (a), clause (2), the employer or payor of funds shall withhold from the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid.

(c) The obligor may, at any time, waive the written notice required by this subdivision.

(d) The obligor may move the court, under section 518.64, to modify the order respecting the amount of maintenance or support.

Sec. 34. Minnesota Statutes 1984, section 518.611, subdivision 3, is amended to read:

Subd. 3. [(MODIFICATION ORDERS) *WITHHOLDING HEARING.*] (AN ORDER ISSUED AFTER THE HEARING ON THE MOTION TO MODIFY UNDER SUBDIVISION 2, PARAGRAPH (C), OF THIS SECTION, SHALL PROVIDE

THAT PAYMENTS BE MADE OUTRIGHT BY WITHHOLDING. THE CONDITIONS PRECEDENT TO WITHHOLDING OF SUBDIVISION 2 DO NOT APPLY) *At the hearing to deny withholding, if the court finds that there was no mistake of fact, the court shall order income withholding to begin no later than the first pay period that occurs after 14 days following the date of the hearing. If the court finds that an arrearage of at least 30 days existed as of the date of the notice of income withholding, but finds a mistake in the amount of arrearage, the court shall order income withholding, but it shall correct the amount of arrearage to be withheld under subdivision 2.*

Sec. 35. Minnesota Statutes 1984, section 518.611, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] Notwithstanding any law to the contrary, the order is binding on the employer, trustee, or other payor of the funds (UPON) *when service (UPON HIM OF NOTICE THAT IT) under subdivision 2 has been made. Withholding must begin no later than the first pay period that occurs after 14 days following the date of the notice. An employer or other payor of funds in this state is required to withhold income according to court orders for withholding issued by other states or territories. The payor shall withhold from the income payable to the obligor the amount specified in the order and amounts required under subdivision 2, paragraph (b) and shall remit, monthly or more frequently (REMIT), the amounts withheld to the public authority. Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party. An employer shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of a wage or salary withholding authorized by this section. The employer or other payor of funds shall be liable to the obligee for any amounts required to be withheld.*

Sec. 36. Minnesota Statutes 1984, section 518.611, subdivision 6, is amended to read:

Subd. 6. [PRIORITY.] An order for withholding under this section or execution or garnishment upon a judgment for child support arrearages or preadjudicated expenses shall have priority over an attachment, execution, garnishment, or wage assignment (UNLESS OTHERWISE ORDERED BY THE COURT) and shall not be subject to the statutory limitations on amounts levied against the income of the obligor. *Amounts withheld from an employee's income must not exceed the maximum permitted under the Consumer Credit Protection Act, United States Code, title 15, section 1673(b)(2). If there is more than one withholding order on a single employee, the employer shall put them into effect in the order received up to the maximum allowed in the Consumer Credit Protection Act.*

Sec. 37. Minnesota Statutes 1984, section 518.611, is amended by adding a subdivision to read:

Subd. 9. [FORMS.] The department of human services shall prepare and make available to courts and obligors a form to be submitted by the obligor in support of a motion to deny withholding under this section. The rule making provisions of chapter 14 shall not apply to the preparation of the form.

Sec. 38. Minnesota Statutes 1984, section 518.611, is amended by adding a subdivision to read:

Subd. 10. [TERMINATION.] Whenever an obligation for support of a dependent child or maintenance of a spouse, or both, terminates under the terms of the order or decree establishing the obligation, the public authority shall notify the employer or other payor of funds of the termination and the employer or other payor of funds shall terminate the income withholding. The court may order that income withholding terminate when the support obligation terminates under the terms of the order or decree establishing the support obligation, or by agreement of the parties and the public agency responsible for child support enforcement.

Sec. 39. Minnesota Statutes 1984, section 518.645, is amended to read:

518.645 [FORM OF ORDER.]

Unless otherwise ordered by the court, an order for withholding of support or maintenance payments issued under this chapter shall be substantially in the following form:

IT IS ORDERED THAT:

1. The sum of per, representing child support and/or spousal maintenance, ordered by the Court, shall be withheld from the (Husband/Wife Respondent/Petitioner)'s income on by (his/her) present employer or other payor of funds,, and any future employer or other payor of funds, and shall be remitted to:, monthly or more frequently, in accordance with the provisions of Minnesota Statutes, Chapter 518. The file number above and the Obligor's name shall be included with each remittance.

2. An additional amount equal to 20 percent of the amount required to be withheld by paragraph 1 shall be withheld from the income of the Obligor by the employer or payor until the entire arrearage in paragraph 3(b) is paid.

3. The parties are notified that CHILD SUPPORT AND/OR MAINTENANCE WILL BE WITHHELD FROM INCOME ONLY AFTER ALL OF THE FOLLOWING CONDITIONS HAVE BEEN MET:

(a) or the Obligee determines that the Obligor is at least thirty days in arrears in the payment of child support and/or spousal maintenance;

(b) or the Obligee serves written notice of *income withholding* on the Obligor (OF ITS) *showing the determination that child support and/or maintenance payments are thirty days in arrears;*

(c) Within fifteen days after service of the notice of *income withholding*, the Obligor (EITHER) fails to (PAY ALL PAST DUE PAYMENTS OR TO) move the Court (, MINNESOTA STATUTES, SECTION 518.64, TO MODIFY THE ORDER RESPECTING THE AMOUNT OF CHILD SUPPORT AND/OR SPOUSAL MAINTENANCE) *for a denial of withholding on the ground that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding or on other grounds limited to mistakes of fact, and, ex parte, to stay service of withholding on the employer or other payor of funds until the motion to (MODIFY) deny withholding is heard. Within 45 days from the date of the notice of income withholding, the court shall hold the hearing on the motion to deny withholding and notify the parties of its decision; and*

(d) Not sooner than (FIFTEEN) 15 days after service of written notice in (PARAGRAPH (B)) of *income withholding* on the Obligor, or the Obligee serves a copy of (ITS DETERMINATION OF A THIRTY DAY) *the notice of income withholding (DELINQUENCY)* and a copy of the Court's withholding order on the employer or other payor of funds, who will then be obligated to withhold payments from income and forward the amount withheld to

(3.) 4. The parties and the employer or other payor of funds are further notified that NO EMPLOYER MAY DISCHARGE, SUSPEND, OR OTHERWISE PENALIZE OR DISCIPLINE AN EMPLOYEE BECAUSE THE EMPLOYER MUST WITHHOLD SUPPORT OR MAINTENANCE MONEY. Minnesota Statutes, section 518.611.

5. *The payments shall begin to be withheld no later than the first pay period that occurs after 14 days following the date of mailing of the notice to the employer or other payor of funds in paragraph 3(d) and from that date the employer or other payor of funds is liable for amounts required to be withheld.*

6. *This order for withholding takes priority over any attachment, execution, garnishment, or wage assignment levied against the income of the Obligor. Amounts withheld are not subject to other statutory limitations on amounts levied against the income of the Obligor but must not exceed the maximum permitted under the federal Consumer Credit Protection Act, United States Code, title 15, section 1673(b)(2). If there is more than one*

withholding order on a single Obligor, the employer or other payor of funds shall put them into effect in the order received, up to the maximum allowed under the Consumer Credit Protection Act.

7. When the Obligor's employment is terminated or the periodic payment ends, the employer or other payor of funds is required to notify within 30 days of the termination date. The notice must include the Obligor's home address of record and, if known, the name and address of the Obligor's new employer or other payor of funds.

(4.) 8. If the Obligea serves the employer or other payor of funds under paragraph (2) 3(d), the Obligea shall also serve the determination and order on, together with an application and fee to use collection services.

(5.) 9. Service of this Order shall be

Sec. 40. Minnesota Statutes 1984, section 543.20, is amended to read:

543.20 [PERSONAL JURISDICTION IN SUPPORT ENFORCEMENT CASES AND PATERNITY SUITS.]

Subdivision 1. [SERVICE.] In addition to the methods of service of process provided in the rules of civil procedure, service of a summons, an order to show cause, or an order or judgment within this state may also be made upon an individual by delivering a copy to him or her personally at his or her place of employment or at a post-secondary education institution in which he or she is enrolled. The employer shall make the individual available for the purpose of delivering a copy. The post-secondary education institution must make the individual's class schedule available to the process server or make the individual available for the purpose of delivering a copy. No employer or post-secondary education institution shall deny a process server admittance to the employer's or post-secondary education institution's premises for the purpose of making service under this section.

No service shall be allowed under this section unless such service is made personally on the individual.

Subd. 2. [APPLICABILITY.] Service of an employee at a place of employment or of a student at a post-secondary education institution applies only to: (a) summons in an action for dissolution, annulment, legal separation, or under the parentage act and under section 256.87; (b) orders to show cause under both section 256.87 and the revised uniform Reciprocal Enforcement of Support Act as well as for contempt of court for failure to pay child support; (c) petitions under the Domestic Abuse

Act; and (d) motions, orders and judgments for the payment of child support when the court orders personal service.

Subd. 3. [RETALIATION PROHIBITED.] An employer shall not discharge or otherwise discipline an employee, *nor shall a post-secondary education institution dismiss or discipline a student* as a result of service under this section.

Subd. 4. [DEFINITION.] *For purposes of this section "post-secondary education institution" means any state university, community college, area vocational technical institution, private college, private post-secondary school, or the University of Minnesota.*

JOBS AND TRAINING

Sec. 41. Minnesota Statutes 1984, section 116L.03, subdivision 7, is amended to read:

Subd. 7. [OFFICES.] The commissioner of (ADMINISTRATION) *jobs and training* shall provide office space and administrative services for the board (WITHIN THE CAPITOL AREA COMPLEX).

Sec. 42. Minnesota Statutes 1984, section 116L.04, is amended by adding a subdivision to read:

Subd. 3. [BIENNIAL PLANS.] *The board shall prepare a biennial plan which shall be available to the commissioner of jobs and training for use in developing a biennial statewide jobs and training plan.*

Sec. 43. Minnesota Statutes 1984, section 129A.02, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER.] The commissioner is the chief executive officer of the department of *jobs and training* and is the successor to the powers and duties of the former assistant commissioner of vocational rehabilitation. (THE COMMISSIONER SHALL BE APPOINTED BY THE GOVERNOR AND SERVE UNDER THE PROVISIONS OF SECTION 15.06. THE COMMISSIONER SHALL BE A PERSON HAVING SUBSTANTIAL EXPERIENCE IN THE ADMINISTRATION AND FINANCING OF VOCATIONAL REHABILITATION PROGRAMS.)

Sec. 44. Minnesota Statutes 1984, section 178.03, is amended by adding a subdivision to read:

Subd. 5. [COORDINATION AND PLANNING.] *The commissioner of labor and industry and the commissioner of jobs*

and training, in conjunction with the apprenticeship advisory council and the apprenticeship committees, shall develop a biennial plan for preparing, recruiting, and the successful participation of economically disadvantaged, chronically unemployed, minority, and female individuals in apprenticeship programs.

Sec. 45. Minnesota Statutes 1984, section 245.87, is amended to read:

245.87 [ALLOCATIONS.]

(FOR THE PURPOSES OF SECTION 245.84, SUBDIVISION 2, THE COMMISSIONER SHALL ALLOCATE MONEY APPROPRIATED BETWEEN THE METROPOLITAN AREA, COMPRISING THE COUNTIES OF ANOKA, CARVER, DAKOTA, HENNEPIN, RAMSEY, SCOTT AND WASHINGTON, AND THE AREA OUTSIDE THE METROPOLITAN AREA SO THAT NO MORE THAN 55 PERCENT OF THE TOTAL FUND GOES TO EITHER AREA AFTER EXCLUDING ALLOCATIONS FOR MIGRANT DAY CARE SERVICES, ADMINISTRATIVE COSTS AND STATEWIDE PROJECTS.) At least ten percent of the total program allocation under section 245.84, subdivision 1 shall be designated for interim financing. The commissioner is further instructed that the allocation in each area be based on a need and population basis.

Sec. 46. Minnesota Statutes 1984, section 248.07, is amended to read:

248.07 [COMMISSIONER OF (HUMAN SERVICES) JOBS AND TRAINING, DUTIES.]

Subdivision 1. [COOPERATION.] It shall be the duty of the commissioner of (HUMAN SERVICES) *jobs and training* to cooperate with state and local boards and agencies, both public and private, in preventing loss of sight, in alleviating the condition of blind persons and persons of failing sight, in extending and improving the education, advisement, training, placement, and conservation of the blind, and in promoting their personal, economic, social, and civic well being.

Subd. 2. [STATISTICS.] The commissioner of (HUMAN SERVICES) *jobs and training* shall collect statistics of the blind, including their present physical and mental condition, causes of blindness, capacity for education and industrial training, and any further information looking toward the improvement of their condition that may be desired.

Subd. 3. [SPECIAL ATTENTION.] The commissioner of (HUMAN SERVICES) *jobs and training* shall give special attention to the cases of handicapped youth who are eligible to attend the Minnesota Braille and sight-saving school, the Minne-

sota school for the deaf, or the public school classes for handicapped children, but are not in attendance thereat, or are not receiving adequate instruction elsewhere. The commissioner shall report all such cases to the school district of the individual's residence and to the state board of education.

Subd. 4. [VOCATIONAL TRAINING.] The commissioner of (HUMAN SERVICES) *jobs and training* shall endeavor to secure for the adult blind of the state and youths of legal working age such vocational training, labor, and employment as may be adapted to their respective capacity, and shall so far as may be feasible aid such persons in securing any provisions which may be made by the school for the blind or other state agencies for the betterment of their lot. When vocational training under the division of vocational rehabilitation is secured, such aid may take the form of payments for the maintenance of persons in training, under rules to be adopted by the commissioner of human services. Any person who shall be entitled to training under this subdivision shall have the right to choose from available programs such training as in his opinion would be suitable and practical for him.

Subd. 5. [AIDS.] The commissioner of (HUMAN SERVICES) *jobs and training* shall further be empowered to aid the blind: (1) By home instruction and training; (2) by assisting them in securing tools, appliances, and supplies; (3) by aid in marketing the products of their labors; (4) by care and relief for blind persons who are not capable of self-support; and, (5) in any other practicable means of alleviating their condition.

Subd. 7. [BLIND, VENDING STANDS AND MACHINES ON GOVERNMENTAL PROPERTY.] For the rehabilitation of blind persons the commissioner of (HUMAN SERVICES) *jobs and training* shall have exclusive authority to establish and to operate vending stands and vending machines in all buildings and properties owned or rented exclusively by any department of the state of Minnesota except the department of natural resources properties operated directly by the Division of State Parks and not subject to private leasing. The merchandise to be dispensed by such vending stands and machines may include soft drinks, (except 3.2 beer), milk, food, candies, tobacco, souvenirs, notions and related items. Such vending stands and vending machines herein authorized shall be operated on the same basis as other vending stands for the blind established and supervised by the commissioner of (HUMAN SERVICES) *jobs and training*. The commissioner of (HUMAN SERVICES) *jobs and training* may waive this authority to displace any present private individual concessionaire in any state-owned or rented building or property. With the consent of the governing body of a governmental subdivision of the state, the commissioner may establish and supervise vending stands and vending machines for the blind in any building or property exclusively owned or rented by the governmental subdivision.

Subd. 8. [USE OF REVOLVING FUND, LICENSES FOR OPERATION OF VENDING MACHINES.] The revolving fund created by Laws 1947, Chapter 535, Section 5, is continued as provided in this subdivision and shall be known as the revolving fund for vocational rehabilitation of the blind. It shall be used for the purchase of equipment and supplies for establishing and operating of vending stands by blind persons. All income, receipts, earnings, and federal grants due to the operation thereof shall also be paid into the fund. All equipment, supplies, and expenses for setting up these stands shall be paid for from the fund. Authority is hereby given to the commissioner of (HUMAN SERVICES) *jobs and training* to use the moneys available in the revolving fund for the establishment, operation and supervision of vending stands by blind persons for the following purposes: (1) purchase, upkeep and replacement of equipment; (2) purchase of initial and replacement stock of supplies and merchandise; (3) expenses incidental to the setting up of new stands and improvement of old stands; (4) purchase of general liability insurance as deemed advisable for any vending stand by the commissioner; (5) reimbursement to individual blind vending operators for reasonable travel and maintenance expenses incurred in attending supervisory meetings as called by the commissioner of (HUMAN SERVICES) *jobs and training*; (6) purchase of fringe benefits for blind vending operators and their employees such as group health insurance, retirement program, vacation or sick leave assistance provided that the purchase of any fringe benefit is approved by a majority vote of blind vending operators licensed pursuant to this subdivision after the commissioner provides to each blind vending operator information on all matters relevant to the fringe benefits. Fringe benefits shall be paid only from assessments of operators for specific benefits, gifts to the fund for fringe benefit purposes, and vending income which is not assignable to an individual stand.

The commissioner shall issue each license for the operation of a vending stand or vending machine for an indefinite period but he may terminate any license in the manner provided. In granting licenses for new or vacated stands preference on the basis of seniority of experience in operating stands under the control of the commissioner shall be given to capable operators who are deemed competent to handle the enterprise under consideration. Application of this preference shall not prohibit the commissioner from selecting an operator from the community in which the stand is located.

Subd. 9. [TRAINING OF SELECTED APPLICANTS.] Each applicant selected by the commissioner for a license to operate a vending stand or vending machine shall be given training in the operation and conduct of such vending stand or vending machine.

Subd. 10. [REVOCATION OF LICENSES; HEARING.] The commissioner shall not revoke any license except for good

cause shown. An opportunity for a fair hearing shall be afforded any operator within 30 days after revocation of license.

Subd. 11. [POLICY CHANGES; NOTICE AND HEARING.] Any major changes in policies made by the commissioner in the conduct of this program will be preceded by a public hearing. Each operator shall be given 30 days notice of such hearing.

Subd. 12. [REIMBURSEMENT OUT OF STATE DISTRIBUTION OF BRAILLE AND TALKING BOOKS.] The commissioner of (HUMAN SERVICES) *jobs and training* shall obtain reimbursement from other states for the estimated cost of handling of Braille books and talking books for the blind distributed by the department of human services to users in such other states and may contract with the appropriate authorities of such states to effect such reimbursement. All money received hereunder shall be paid to the state treasurer and placed in the general fund.

Subd. 13. [REHABILITATION FACILITIES.] From the funds appropriated for vocational rehabilitation of the blind and matching federal funds available for the purpose, the commissioner of (HUMAN SERVICES) *jobs and training* may make grants, upon such terms as he may determine, to public or non-profit organizations for the establishment, maintenance or improvement of rehabilitation facilities or sheltered workshops for the blind.

Subd. 14. [TRAINING OF WORKERS FOR REHABILITATION OF BLIND.] From funds provided by the state or the United States for the rehabilitation of blind persons, the commissioner of (HUMAN SERVICES) *jobs and training* may make provision for:

(1) Specialized supplementary training of professional workers employed by services for the blind, which shall consist of selected courses of study designed to improve worker techniques in providing assistance with adjustment to blindness, guidance, training and vocational placement services to blind children and adults;

(2) The employment of student trainees enrolled in graduate school programs. Such trainees to be employed on a one-third time basis during the regular school term and on a full time basis during the extra school term. Student trainees shall not be counted against the regular staff complement and shall not exceed eight in number employed concurrently.

Subd. 14a. [RULES.] The commissioner of (HUMAN SERVICES) *jobs and training* shall, no later than February 1, 1985, adopt rules to set standards for the provision of rehabilitative services to blind and visually handicapped persons. The rules

shall, at a minimum, contain program definitions and set standards for basic eligibility, including financial need eligibility and definitions of legal blindness.

The rules shall provide for the development of formal rehabilitation plans for eligible clients and shall govern the provision of direct rehabilitative services to clients, including placement in training programs, and providing tools and equipment. In addition, the rules shall set standards for appeals filed under subdivision 15, and include specific requirements for timely responses by the agency.

Subd. 15. [APPEALS FROM AGENCY ACTION.] An applicant for or recipient of rehabilitation service who is dissatisfied with an agency's action with regard to the furnishing or denial of services may:

(1) File a request for an administrative review and re-determination of that action to be made by a member or members of the supervisory staff of the state agency.

(2) When an individual is dissatisfied with the findings of this administrative review, he shall be granted an opportunity for a fair hearing before the state administrator or his designee.

(3) If further appeal is deemed necessary by the applicant or recipient, his grievance shall be considered and relief if any recommended by an appeal committee. The committee shall be composed of one person nominated by the applicant or recipient, one person nominated by the agency, and a third person nominated jointly by the applicant or recipient and the agency. If the third person cannot be mutually agreed upon within ten days of the applicant's or recipient's request for a committee hearing, the judge of the district court in the applicant's or recipient's county of residence shall make the third appointment.

Sec. 47. Minnesota Statutes 1984, section 248.08, is amended to read:

248.08 [PAYMENTS BY COMMISSIONER OF (HUMAN SERVICES) *JOBS AND TRAINING*.]

The commissioner of (HUMAN SERVICES) *jobs and training* is hereby authorized to defray the necessary expenses of the work from the appropriation for the current expenses of the commissioner of (HUMAN SERVICES) *jobs and training*; provided, that in any county of this state now or hereafter having a population of over 150,000, and an assessed valuation of over \$200,000,000, including money and credits, the county board is hereby authorized to defray part or all of the necessary expenses of maintaining the work within the county from the general revenue fund of the county, not exceeding the total sum of \$3,600,

in any one calendar year; and, in carrying on this work, may appoint and employ an assistant to the regular field agent for the blind in the county, who shall work under the direction of the agent in the county. The portion of the salary of the field agent, and of any assistant to be paid by the county, shall be fixed by the county board at its first meeting in January in each year; and such salary of the field agent and assistant shall be paid in the same manner as the salary of other county officers and employees are paid. All necessary expenses of the agent and assistant in carrying on this work in the county, not paid by the commissioner of (HUMAN SERVICES) *jobs and training*, shall be paid by the county board as other claims against the county are paid.

Sec. 48. Minnesota Statutes 1934, section 256.736, is amended to read:

256.736 [(WORK INCENTIVE) EMPLOYMENT AND TRAINING PROGRAM.]

Subdivision 1. [CREATION.] There is hereby established a program to help appropriate recipients of aid to families with dependent children become self-supporting members of society.

Subd. 2. [DUTIES OF THE COMMISSIONER OF (ECONOMIC SECURITY) *JOBS AND TRAINING*.] The commissioner of (ECONOMIC SECURITY) *jobs and training* shall develop a training and employment program for each appropriate relative and dependent child receiving aid to families with dependent children, with the objective of assuring, to the maximum extent possible, that the relative and child will enter the labor force, accept reasonable employment, and become (SELF-SUFFICIENT) *economically independent*.

The commissioner of jobs and training shall administer, on behalf of the commissioner of human services, those aspects of the aid to families with dependent children program, excluding categorical and financial eligibility, which directly relate to:

- (1) recipients' participation in jobs and training programs;*
- (2) requirements for and conditions of participating in jobs and training programs;*
- (3) the design and administration of such programs; and*
- (4) the direction of county welfare agencies in carrying out responsibilities related to employment and training programs.*

The commissioner of jobs and training and the commissioner of human services are authorized to implement those programs and authorities, including demonstration projects which are authorized under federal regulations to increase services or fed-

eral reimbursement available for providing employment and training services for recipients of aid to families with dependent children.

Subd. 3. [OPERATION OF PROGRAM.] To determine who shall be designated as an appropriate individual for certification to the commissioner (OF ECONOMIC SECURITY), the commissioner of (HUMAN SERVICES) *jobs and training* shall provide, *by rule*, standards for county welfare agencies and human services boards consistent with the standards promulgated by the secretary of health and human services. County welfare agencies shall certify appropriate individuals to the commissioner of (ECONOMIC SECURITY) *jobs and training* and shall require that every individual, as a condition of receiving aid to families with dependent children, register for employment services, training, and employment, unless such individual is:

(1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time, or a full-time student age 18 who is attending a secondary school or a secondary level vocational or technical program and who is expected to complete the school or program before reaching age 19;

(2) a person who is ill, incapacitated or of advanced age;

(3) a person so remote from a work incentive project that his effective participation is precluded;

(4) a person whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a parent or other caretaker relative of a child under the age of six who personally provides full-time care for the child;

(6) a parent or other caretaker if another adult relative in the house is registered and has not, without good cause, failed or refused to participate or accept employment; (OR)

(7) *a pregnant woman in the last trimester of pregnancy; or*

(8) a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to ((6)) (7).

Any individual referred to in (CLAUSE) *clauses (5) to (8)* shall be advised of the option to register for employment services, training *services*, and employment if the individual so desires, and shall be informed of the child care *and other services* (, IF ANY,) which will be available if the individual decides to register.

If, after planning with a recipient, a decision is made that the recipient must register for employment services, training, and

employment, the county welfare department shall give notice in writing to the recipient stating that he or she must register with the commissioner of (ECONOMIC SECURITY) *jobs and training* for participation in a work incentive program and that the recipient has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

(1) Arrange for or provide any relative or child certified to the commissioner of (ECONOMIC SECURITY) *jobs and training* pursuant to this section with child-care services, *transportation*, and other necessary family services;

(2) Pay ten percent of the cost of (PROGRAMS OF TRAINING AND EMPLOYMENT ESTABLISHED BY THE COMMISSIONER OF ECONOMIC SECURITY FOR PERSONS CERTIFIED HEREUNDER) *the work incentive program and of other costs that are required by federal regulation for jobs and training programs for applicants for or recipients of the aid to families with dependent children program*;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of (ECONOMIC SECURITY) *jobs and training* is disregarded and the additional expenses attributable to (HIS) participation in a program are taken into account in grant determination *to the extent permitted by federal regulations*; and

(4) Provide that when it has been certified by the commissioner of (ECONOMIC SECURITY) *jobs and training*, certification to be binding upon the commissioner of human services, that a relative or child certified under the (WORK INCENTIVE) *employment and training* program to the commissioner of economic security has been found by the commissioner, after a hearing conducted in the manner prescribed by section 268.10, subdivision 3, with the right of review in accordance with the provisions of section 268.10, subdivision 8, to have refused without good cause to participate under a work incentive program or to have refused without good cause to accept a bona fide offer of public or other employment, the county welfare departments shall provide that:

(a) If the relative makes the refusal, the relative's needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of *protective or vendor payments except that when protective payments are made, the local agency may continue payments to the relative if a protective payee cannot reasonably be found.*

(b) Aid with respect to a dependent child will be denied if a child who makes the refusal is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who makes the refusal will be denied and his or her needs will not be taken into account in making the grant determination.

(d) If the assistance unit's eligibility is based on the *non-exempt* principal earner's unemployment and the principal earner fails or refuses without good cause to participate or to accept or *continue* employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87, *if the family is subject to requirements of the work incentive program. Otherwise, the nonexempt principal wage earner's failure or refusal to participate or to accept employment will result only in that person's needs not being taken into account in making the grant determination.*

Subd. 5. [EXTENSION OF (WORK INCENTIVE) EMPLOYMENT AND TRAINING OPPORTUNITIES.] The commissioner of human services shall cooperate with the commissioner of (ECONOMIC SECURITY) *jobs and training* to (PROMOTE) *extend* the availability of training and employment opportunities on a state wide basis.

Subd. 6. [PROTECTION FROM GARNISHMENT.] Earnings of a recipient while participating in full or part-time employment or training shall be protected from garnishment. This protection shall extend for a period of six months from the date of termination of a recipient's grant of assistance.

Subd. 7. [(COMPLIANCE WITH FEDERAL CHANGES) RULEMAKING.] The commissioner of human services (IS) *and the commissioner of jobs and training are* authorized to promulgate such *coordinated* rules (AND REGULATIONS) as are necessary to qualify for any federal funds available under this section *and to carry out the provisions of this section.*

Subd. 8. *The commissioner of human services shall amend the state plan for aid to families with dependent children to provide as special needs payments funds for the costs of day care, transportation, tuition, and items associated with education or seeking employment to the extent allowed under federal regulations and state appropriations.*

Subd. 9. [CHANGES IN STATE PLAN AND RULES; WAIVERS.] *The commissioner of human services shall make changes in the state plan and rules or seek any waivers or demonstration authority necessary to minimize barriers to participation*

in the jobs and training programs or to employment. Changes shall be sought in at least the following areas: allowances, child care, work expenses, the amount and duration of earnings incentives, medical care coverage, limitations on the hours of employment, and administrative standards and procedures. The commissioner shall implement each change as soon as possible.

Sec. 49. Minnesota Statutes 1984, section 256.737, is amended to read:

256.737 [COMMUNITY WORK EXPERIENCE PROGRAM.]

In order that persons receiving aid under this chapter may be assisted in achieving self-sufficiency by enhancing their employability through meaningful work experience and training and the development of job search skills, the commissioner of (HUMAN SERVICES MAY CONTINUE THE PILOT) *jobs and training shall, at the request of any county, establish community work experience (DEMONSTRATION) programs (THAT WERE APPROVED BY JANUARY 1, 1984. NO NEW PILOT COMMUNITY WORK EXPERIENCE DEMONSTRATION PROGRAMS MAY BE ESTABLISHED).* The commissioner shall: (a) assist counties in the design, implementation, and evaluation of these (DEMONSTRATION) programs; (b) promulgate, in accordance with chapter 14, emergency rules necessary for the implementation of this section, except that the time restrictions of section 14.35 shall not apply and the rules may be in effect until the termination of the demonstration programs; and (c) seek any federal waivers necessary for proper implementation of this section in accordance with federal law. (THE COMMISSIONER SHALL PROHIBIT USE OF PARTICIPANTS IN THE PROGRAMS TO DO WORK THAT WAS PART OR ALL OF THE DUTIES OR RESPONSIBILITIES OF AN AUTHORIZED PUBLIC EMPLOYEE POSITION ESTABLISHED AS OF JANUARY 1, 1983. THE EXCLUSIVE BARGAINING REPRESENTATIVE SHALL BE NOTIFIED NO LESS THAN 14 DAYS IN ADVANCE OF ANY PLACEMENT BY THE COMMUNITY WORK EXPERIENCE PROGRAM. CONCURRENCE WITH RESPECT TO JOB DUTIES OF PERSONS PLACED UNDER THE COMMUNITY WORK EXPERIENCE PROGRAM SHALL BE OBTAINED FROM THE APPROPRIATE EXCLUSIVE BARGAINING REPRESENTATIVE. THE APPROPRIATE OVERSIGHT COMMITTEE SHALL BE GIVEN MONTHLY LISTS OF ALL JOB PLACEMENTS UNDER A COMMUNITY WORK EXPERIENCE PROGRAM.)

(PROJECTS SHALL END NO LATER THAN JUNE 30, 1985, AND A PRELIMINARY REPORT SHALL BE MADE TO THE LEGISLATURE BY FEBRUARY 15, 1985, ON THE FEASIBILITY OF PERMANENT IMPLEMENTATION AND ON THE COST EFFECTIVENESS OF EACH OF THE DEMONSTRATION PROGRAMS.)

Sec. 50. Minnesota Statutes 1984, section 256C.24, is amended to read:

256C.24 [REGIONAL SERVICE CENTERS.]

Subdivision 1. [LOCATION.] The commissioner of (ECONOMIC SECURITY) *human services* shall establish up to eight regional service centers for hearing impaired persons. The centers shall be distributed regionally to provide access for hearing impaired persons in all parts of the state. The center shall maintain a current registry of those persons having or suspected of having a hearing impairment who live in that region. A special task of the registry is to assure that referrals and follow-up services are completed with respect to persons in the register.

Subd. 2. [RESPONSIBILITIES.] The regional service center shall:

(a) Serve as the central entry point for hearing impaired persons in need of human services and make referrals to the services needed;

(b) Employ staff trained to work with hearing impaired persons;

(c) Provide to all hearing impaired persons interpreter services which are necessary to help them obtain human services;

(d) Serve as the regional interpreter referral center for hearing impaired persons and human services agencies;

(e) Loan equipment and resource materials to hearing impaired persons; and

(f) Cooperate with the department of (HUMAN SERVICES) *jobs and training* to provide access for hearing impaired persons to services provided by state, county and regional human services agencies.

Subd. 3. [ADVISORY COMMITTEE.] The commissioner of (ECONOMIC SECURITY, IN CONSULTATION WITH THE COMMISSIONER OF) human services shall appoint an advisory committee of eight persons for each regional service center. Members shall include four persons who are hearing impaired persons or who are the parents of a hearing impaired child and four representatives of county and regional human services, including representatives of private service providers. Members shall serve without payment by the state of per diem or expense. The commissioner of (ECONOMIC SECURITY) *human services* shall designate one member as chairperson. The (COMMISSIONERS OF ECONOMIC SECURITY AND) *com-*

missioner of human services shall assign staff to serve as ex officio members of the committee.

Sec. 51. Minnesota Statutes 1984, section 256C.25, is amended to read:

256C.25 [INTERPRETER SERVICES.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of (ECONOMIC SECURITY) *human services* shall supervise the development and implementation of a statewide interpreter referral service. The commissioner of (ECONOMIC SECURITY) *human services* shall contract with appropriate organizations to provide this centralized service.

Subd. 2. [DUTIES.] The central interpreter referral service shall:

(a) Establish and maintain a statewide directory of interpreters who have received appropriate training and certification;

(b) Provide technical assistance to the regional service centers in implementing the interpreter referral service; and

(c) Assess the present and projected supply and demand for interpreting services statewide.

Sec. 52. Minnesota Statutes 1984, section 256C.26, is amended to read:

256C.26 [EMPLOYMENT SERVICES.]

The commissioner of (ECONOMIC SECURITY) *jobs and training* shall (DEVELOP AND IMPLEMENT A) *include in the biennial plan under section 34, subdivision 3, clause (12), a method* to deal with the underemployment of hearing impaired persons. The plan shall provide for training regarding the nature of hearing handicaps for department staff who consult with prospective employers or who provide job placement services.

Sec. 53. Minnesota Statutes 1984, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. [STANDARDS.] A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. To achieve these aims, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard of assistance determines the total amount of the gen-

eral assistance grant without separate standards for shelter, utilities, or other needs and shall not be less than the combined total of the minimum standards of assistance for shelter and basic needs in effect on February 1, 1983. The standards of assistance shall not be lower for a recipient sharing a residence with another person unless that person is a responsible relative. The standards shall be lowered for recipients who share a residence with a responsible relative who also receives general assistance or who receives AFDC. If the responsible relative is receiving AFDC, then the amount payable to the general assistance recipient must not exceed the amount that would be attributable to him if he were included in the AFDC grant. (FOR RECIPIENTS WHO ARE NOT EXEMPT FROM REGISTRATION WITH THE DEPARTMENT OF ECONOMIC SECURITY PURSUANT TO SECTION 256D.111, SUBDIVISION 2, CLAUSES (A), (F), (G), AND (H), AND WHO SHARE A RESIDENCE WITH A RESPONSIBLE RELATIVE WHO IS NOT ELIGIBLE FOR GENERAL ASSISTANCE, THE STANDARDS SHALL BE LOWERED, SUBJECT TO THESE LIMITATIONS:)

((A) THE GENERAL ASSISTANCE GRANT SHALL BE IN AN AMOUNT SUCH THAT TOTAL HOUSEHOLD INCOME IS EQUAL TO THE AFDC STANDARD FOR A HOUSEHOLD OF LIKE SIZE AND COMPOSITION, EXCEPT THAT THE GRANT SHALL NOT EXCEED THAT PAID TO A GENERAL ASSISTANCE RECIPIENT LIVING INDEPENDENTLY.)

((B) BENEFITS RECEIVED BY A RESPONSIBLE RELATIVE UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM, THE SOCIAL SECURITY DISABILITY PROGRAM, A WORKERS' COMPENSATION PROGRAM, THE MINNESOTA SUPPLEMENTAL AID PROGRAM, OR ON THE BASIS OF THE RELATIVE'S DISABILITY, MUST NOT BE INCLUDED IN THE HOUSEHOLD INCOME CALCULATION.)

Sec. 54. Minnesota Statutes 1984, section 256D.02, subdivision 13, is amended to read:

Subd. 13. "Suitable employment" means an appropriate income producing job including, but not limited to, all (PUBLIC) publicly subsidized jobs procured through the (WORK EQUITY PROGRAM) *Minnesota emergency employment development act in sections 268.671 to 268.686, or other programs administered by or coordinated with the commissioner of jobs and training.*

Sec. 55. Minnesota Statutes 1984, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] Each person or family whose income and resources are less than the standard of assis-

tance established by the commissioner shall be eligible for and entitled to general assistance; (PROVIDED THAT NO INDIVIDUAL SHALL BE ELIGIBLE FOR GENERAL ASSISTANCE IF THE INDIVIDUAL IS ELIGIBLE FOR ANY OF THE FOLLOWING FEDERALLY AIDED ASSISTANCE PROGRAMS: EMERGENCY ASSISTANCE, AID TO FAMILIES WITH DEPENDENT CHILDREN, OR ANY SUCCESSOR TO THE ABOVE) *if the person or family is:*

(a) *a person who is suffering from a permanent or temporary illness, injury, or incapacity which is medically certified and which prevents the person from obtaining or retaining employment;*

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

(c) *a person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the local agency through its director or designated representative;*

(d) *a person who resides in a shelter facility described in section 256D.05, subdivision 3;*

(e) *a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40, but only if that person is enrolled as a full-time student;*

(f) *a person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;*

(g) *a person who has an application pending for the social security disability program or the program of supplemental security income for the aged, blind, and disabled, or who has been terminated from either program and has an appeal from that termination pending;*

(h) *a person who is unable to obtain or retain employment because his advanced age significantly affects his ability to seek or engage in substantial work;*

(i) *a person completing a secondary education program;*

(j) *an adult member of a household with children under the age of six in which another adult is employed full time or has*

registered for employment services with the department of economic security or been accepted in a work training program;

(k) a person who has substantial barriers to employment, including but not limited to factors relating to work or training history, as determined by the local agency in accordance with permanent or emergency rules adopted by the commissioner after consultation with the commissioner of economic security;

(l) a person who is certified by the commissioner of economic security as lacking work skills or training or as being unable to obtain work skills or training necessary to secure employment, as defined in a permanent or emergency rule adopted by the commissioner of economic security in consultation with the commissioner; or

(m) a person who, after working with the department of jobs and training for a minimum of six months, is certified by the commissioner as being unable to obtain employment.

The exemption of a person described in clause (k) or (l) shall be reassessed annually.

A person or family whose income and resources are less than the standard of assistance established by the commissioner, but who are not eligible for assistance under clauses (a) to (m), shall be eligible for assistance for one month out of any consecutive six month period.

Sec. 56. [256D.1111]

An adult who is a recipient of general assistance, and who is not employed, is required to register for employment services with the department of jobs and training, and shall be available for work and comply with reasonable reporting and job search requirements as established by the commissioner of human services by rule, and accept any offer of suitable employment unless exempted by section 60. The department of economic security shall promptly verify the names of persons registered under this section for the local agencies.

Sec. 57. Minnesota Statutes 1984, section 268.31, is amended to read:

268.31 [DEVELOPMENT OF YOUTH EMPLOYMENT OPPORTUNITIES.]

To the extent of available funding, the commissioner of (ECONOMIC SECURITY) jobs and training shall (HIRE) establish a program to employ individuals from the ages of 14 years up to 22 years from families with household incomes of less than 125 percent of the poverty guidelines established by the federal office

of management and budget for a maximum of 12 weeks, not to exceed 40 hours per week per individual, during the summer for the purpose of placing such individuals in service (WITH THE DEPARTMENT OF ECONOMIC SECURITY AND) in community investment programs under section 37 or with other departments, agencies and instrumentalities of the state, county, local governments, school districts and with nonprofit organizations. Priority for employment shall be given to those young individuals between the ages of 16 years up to 22 years.

Sec. 58. Minnesota Statutes 1984, section 268.32, is amended to read:

268.32 [RATE OF PAY.]

Persons (HIRED) employed pursuant to sections 268.31 to 268.36 shall be compensated at the federal minimum wage rate. Persons hired in a supervisory capacity shall be compensated (AT A RATE) according to criteria established by the commissioner in rules.

Sec. 59. Minnesota Statutes 1984, section 268.33, is amended to read:

268.33 [ELIGIBILITY FOR EMPLOYMENT AND PLACEMENT.]

(SUBDIVISION 1.) The (DEPARTMENT OF ECONOMIC SECURITY) commissioner of jobs and training shall promulgate rules determining the priority and eligibility for employment and placement pursuant to sections 268.31 to 268.36. The (DEPARTMENT) commissioner shall have emergency powers and permanent rulemaking authority to implement rules for carrying out sections 268.31 to 268.36.

(SUBD. 2.) The (DEPARTMENT OF ECONOMIC SECURITY) commissioner of jobs and training shall, for the purposes of sections 268.31 to 268.36, be exempt from complying with any law relating to hiring by departments, agencies or instrumentalities of the state.

Sec. 60. Minnesota Statutes 1984, section 268.34, is amended to read:

268.34 [EMPLOYMENT CONTRACTS.]

The commissioner (MAY) shall enter into arrangements with existing public and private nonprofit organizations and agencies with experience in administering (SUMMER) youth employment programs for the purpose of providing employment opportunities in furtherance of sections 268.31 to 268.36 and to advance up to 20 percent of a summer youth employment contract

to any participating organization or agency. The department of (ECONOMIC SECURITY) *jobs and training* shall retain ultimate responsibility for the administration of this employment program, including but not limited to, approval of summer job opportunities, (REVIEW) *eligibility* of applicants therefor, placement of youth in jobs and the disbursement of funds.

Sec. 61. Minnesota Statutes 1984, section 268.35, is amended to read:

268.35 [ALLOCATION OF FUNDS.]

The commissioner shall allocate funds to recipient organizations and agencies throughout the state (TAKING INTO ACCOUNT IN MAKING SUCH ALLOCATIONS THE YOUTH POPULATION OF THE COUNTY ADJUSTED TO ELIMINATE THE INFLUENCE OF POST-SECONDARY EDUCATIONAL INSTITUTIONS LOCATED IN THE COUNTY,) *on the basis of the number of unemployed in the county (UNEMPLOYMENT RATE) and the number of families living below 125 percent of the poverty level in the county in which the recipient organization or agency is located, as determined by the most recent special census.*

Sec. 62. Minnesota Statutes 1984, section 268.36, is amended to read:

268.36 [REPORT TO THE GOVERNOR AND THE LEGISLATURE.]

The commissioner, after consultation with the (CETA PRIME SPONSORS) *counties and providers of employment and training services*, shall evaluate the effectiveness of (THE) youth employment (PROGRAM) *programs*, taking into account the extent of (OTHER) *all* programs which are providing summer employment opportunities for youth (COVERED UNDER SECTIONS 268.31 TO 268.36), and shall report to the governor and the legislature no later than January 15 of each (EVEN) *odd-numbered* year with an evaluation of (THE PROGRAM) *this and other programs* and any recommendations for improvements.

Sec. 63. Minnesota Statutes 1984, section 268.673, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] *When the program is operating*, the governor shall appoint a Minnesota emergency employment development coordinator to administer the provisions of sections 268.671 to 268.686. The coordinator shall be within the department of (ECONOMIC SECURITY) *jobs and training*, but shall be responsible directly to the governor. The coordinator shall have the powers necessary to carry out the purposes of the program.

Sec. 64. Minnesota Statutes 1984, section 268.673, subdivision 3, is amended to read:

Subd. 3. [DEPARTMENT OF (ECONOMIC SECURITY) JOBS AND TRAINING.] (a) The coordinator shall administer the program within the department of (ECONOMIC SECURITY) *jobs and training*. The commissioner of (ECONOMIC SECURITY) *jobs and training* shall provide administrative support services to the coordinator for the purposes of the program.

(b) *The commissioner of jobs and training shall monitor the state's unemployment rates. When statewide unemployment rates have increased substantially for a significant period of time, the commissioner shall notify the governor who shall consider the need for emergency employment, training, food, or shelter and the need to activate the Minnesota emergency employment program. Any funds appropriated may be used as the state share of costs of any federal programs available for emergency employment, training, food, or shelter.*

Sec. 65. Minnesota Statutes 1984, section 268.676, subdivision 1, is amended to read:

Subdivision 1. [AMONG JOB APPLICANTS.] Allocation of funds among eligible job applicants within a service delivery area shall be determined by the employment administrator in each service delivery area. The employment administrator shall give priority to:

(1) applicants living in households with no other income source; (AND)

(2) applicants who would otherwise be eligible to receive general assistance;

(3) *applicants who are eligible for aid to families with dependent children; and*

(4) *applicants who live in a farm household who demonstrate severe household financial need.*

(IN SERVICE DELIVERY AREAS WHERE THE UNEMPLOYMENT RATE FOR THE 12 MONTH PERIOD ENDING THE MOST RECENT MARCH 31 IS BELOW THE STATE-WIDE UNEMPLOYMENT RATE AT THAT TIME, THE EMPLOYMENT ADMINISTRATOR SHALL GIVE HIGHER PRIORITY TO APPLICANTS DESCRIBED IN CLAUSE (2) THAN TO THOSE DESCRIBED IN CLAUSE (1).)

Sec. 66. Minnesota Statutes 1984, section 268.676, subdivision 2, is amended to read:

Subd. 2. [AMONG EMPLOYERS.] Allocation of funds among eligible employers within a service area shall be deter-

mined by the employment administrator within each service delivery area according to the priorities in sections 268.68 and 268.681. The employment administrator shall give priority to funding private sector jobs to the extent that eligible businesses apply for funds. If possible, no more than (40) 25 percent of the funds may be allocated for jobs with eligible government and nonprofit agencies during the biennium.

Sec. 67. Minnesota Statutes 1984, section 268.683, subdivision 3, is amended to read:

Subd. 3. [REFERRALS.] Persons required to register for the work incentive program *or jobs and training* under section 256.736 or to register with job services shall be referred to the program (FOR THE REQUIRED ORIENTATION, APPRAISAL, AND JOB SEARCH ACTIVITIES).

Sec. 68. Minnesota Statutes 1984, section 268.685, is amended to read:

268.685 [TERMINATION; NOTIFICATION.]

The commissioner of (ECONOMIC SECURITY) *jobs and training* shall immediately terminate the Minnesota emergency employment development program if and when none of the money appropriated (UNDER LAWS 1983, CHAPTER 312, ARTICLE 1, SECTION 3 OR UNDER THIS ACT) remains. The commissioner of (ECONOMIC SECURITY) *jobs and training* shall immediately notify the commissioner of human services (OF THE PROGRAM'S TERMINATION. THE COMMISSIONER OF HUMAN SERVICES SHALL IMMEDIATELY NOTIFY) *and* each local agency referring *public assistance* recipients (UNDER SECTION 256D.112) of the program's termination and require the local agency to cease (TRANSFERRING) *referring* recipients.

On the date the program is terminated, any balance remaining in the Minnesota emergency employment development account established under section 268.681, subdivision 4 shall cancel to the general fund. Any payments received under section 268.681, subdivisions 3 and 4 on or after that date shall be deposited in the general fund.

Sec. 69. Minnesota Statutes 1984, section 268.82, is amended to read:

268.82 [APPEAL PROCEDURE.]

A person aggrieved by a determination issued pursuant to section 268.80 that the person is not able to successfully perform a job available through the Minnesota emergency employment development jobs program may appeal that determination, in

accordance with the time limits and procedures applicable to the work incentive program, as prescribed in section 256.736, subdivision 4, clause (4). (IF OTHERWISE ELIGIBLE UNDER SECTION 268.81, THE PERSON SHALL RECEIVE THE ALLOWANCE PRESCRIBED BY SECTION 268.81 UNTIL A FINAL DECISION ON THE APPEAL IS RENDERED.)

Sec. 70. [268A.01] [CREATION.]

Subdivision 1. There is created the department of jobs and training with broad responsibility to increase the economic independence of Minnesotans with special effort toward those who are currently unemployed or who face special disadvantages in the labor market.

The department shall develop employment policies and shall link training and employment-related services with temporary income replacement and income maintenance programs, veterans' programs, workers' compensation, vocational and post-secondary education, federal income insurance programs, and economic development programs.

Subd. 2. The department shall be supervised and controlled by the commissioner, appointed by the governor with the advice and consent of the senate under section 15.06. The commissioner must be selected on the basis of ability and experience without regard to political affiliations. The commissioner serves at the pleasure of the governor.

Subd. 3. (a) The commissioner may establish positions in the unclassified service in accordance with section 43A.08. The commissioner shall appoint a deputy commissioner and may appoint and define the duties of other subordinate officers and employees as he or she deems necessary to discharge the functions of the department.

(b) The commissioner may delegate, in written orders filed with the secretary of state, any powers or duties subject to his or her control to officers and employees in the department. Notwithstanding any other law, the commissioner may delegate the execution of specific contracts or specific types of contracts to his deputies, an assistant commissioner, or a program director if the delegation has been approved by the commissioner of administration and filed with the secretary of state.

(c) The commissioner may accept gifts, bequests, grants, payments for services, and other public and private funds to help finance the activities of the department.

Sec. 71. [268A.02] [POWERS AND DUTIES.]

Subdivision 1. [STATE AGENCY.] The commissioner of jobs and training is designated the "state agency" as defined by

United States Code 1976, title 29, sections 49 et seq., the Wagner-Peyser Act of the United States, as amended and the laws of this state.

Subd. 2. [SPECIFIC POWERS.] The commissioner of jobs and training shall:

(1) administer and supervise all forms of unemployment insurance provided for by federal and state laws that are vested in the commissioner;

(2) administer and supervise all employment and training programs assigned to the department of jobs and training by federal or state law;

(3) promote the enforcement of laws protecting handicapped, disadvantaged, or protected individuals in gaining access to employment or training opportunities;

(4) coordinate employment and training programs and services with each federal and state agency involved in education, employment, or training activities;

(5) act as the agent of and cooperate with the federal government in matters of mutual concern, including the administration of any federal funds granted to the state to aid in the performance of functions of the commissioner;

(6) adopt emergency and permanent rules, which shall be binding upon the counties and providers of services, to make services uniformly available and to prescribe standards of administration;

(7) establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department;

(8) supervise the county boards of commissioners and any other units of government designated in federal or state law as responsible for employment and training programs;

(9) establish administrative standards and payment conditions and limitations for providers of employment and training services;

(10) have authority to conduct and administer demonstration projects to test methods and procedures for providing employment and training services. The demonstration must provide alternative methods and procedures of administration and must not conflict with the basic purposes, coverage, or benefits pro-

vided by law. No demonstration project authorized by this section shall become effective until the following conditions have been met:

(a) A comprehensive plan, including the estimated project costs, must be filed with the secretary of the senate and the chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) Any required approval by a federal agency must be obtained.

(c) The comprehensive plan, including the estimated project costs, must be approved by the legislative advisory commission and filed with the commissioner of administration; and

(11) develop and administer policies to provide an effective public labor exchange service for all employees and individuals.

Subd. 3. [DUTIES AS A STATE AGENCY.] The commissioner shall:

(1) administer the unemployment insurance laws and related programs;

(2) administer those aspects of the aid to families with dependent children, general assistance, and food stamp programs which are related to providing employment and training services, subject to the limitations of federal regulations;

(3) administer a national system of public employment offices as prescribed by United States Code 1976, title 29, sections 49 et seq., the Wagner-Peyser Act, as amended and other federal employment and training programs;

(4) cooperate with the federal government and its employment and training agencies in any reasonable manner as may be necessary to qualify for federal aid for employment and training programs and funds;

(5) enter into agreements with other departments of the state and local units of government as necessary;

(6) administer all programs for which it is responsible or for which it coordinates with other state agencies so that the state provides consistent, integrated employment and training services across the state;

(7) identify, define, and prescribe the services and standards used for all employment and training services that it administers or supervises;

(8) develop and administer a method for providing current state and substate labor market information and forecasts, in co-operation with other agencies;

(9) develop and administer with the cooperation of other state and local agencies and the private sector, a system of employer services designed to increase the number, quality, and variety of employment opportunities available to the department's clients;

(10) develop and administer a uniform system of evaluations and service results across programs, including responses by clients and employers;

(11) develop a plan, in conjunction with the commissioner of human services and other affected agencies, an integrated information system, encompassing employment and training and income support programs, client information, service availability, and funding;

(12) prepare and submit a biennial plan to the governor on or before July 1 of each even-numbered year for the succeeding biennium, and consult with the commissioners of human services, energy and economic development, finance, and education, and with the chancellor of the community college system and director of the vocational technical education board in developing this plan;

(13) identify underserved populations, unmet service needs, and funding requirements;

(14) use the biennial plan to establish the direction and parameters for required plans for individual programs administered or supervised by or coordinated with the department;

(15) in consultation with the commissioners of education and energy and economic development and with the president of the state university system, the chancellor of the community college system, the director of the vocational education board, and representatives of the business and labor communities to determine on a statewide and regional basis the occupations: (i) for which there is a present and continuing demand; (ii) which are forecast to pay wages in excess of the poverty level; and (iii) which will be approved as part of training plans developed for individuals served by programs administered or supervised by the department;

(16) submit to the governor, the commissioners of human services and finance, and the chairs of the senate finance and house appropriations committees a semi-annual report which:

(a) reports by client type, an unduplicated count of the types and number of services furnished through each program administered or supervised by the department or coordinated with it;

(b) reports on the number of job openings listed, developed, available, and obtained by clients of the department;

(c) identifies the number of cooperative agreements in place and the number of individuals being served and the types of service;

(d) evaluates the performance of special state programs, such as the Minnesota emergency employment programs and community investment programs, and the number of clients in grant diversion and wage subsidy jobs;

(e) explains the effects of current employment levels, unemployment rates, and program performance on the unemployment insurance fund and general assistance and aid to families with dependent children caseloads and program expenditures; and

(17) prescribe the form, nature, and method of information collected by counties and providers of service.

Sec. 72. [268A.03] [EMPLOYMENT AND TRAINING PROGRAMS FOR APPLICANTS FOR AND RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN, GENERAL ASSISTANCE, AND FOOD STAMPS.]

Subdivision 1. Under agreements necessary to comply with federal regulations, the commissioner shall administer employment and training services and programs for applicants for and recipients of aid to families with dependent children and food stamps on behalf of the commissioner of human services. The commissioner shall administer employment and training services and programs for persons whose income and resources are less than the standard of assistance described in section 256D.05, subdivision 1.

Subd. 2. The programs referred to in subdivision 1 shall have as their objective improving clients' opportunities for economic independence through full-time, permanent employment at wages in excess of public assistance benefits, through support services needed to gain or maintain employment, and through education that will increase their earnings capacity.

Subd. 3. To the extent that the state has the authority to establish priority groups to be served under these programs, greatest consideration must be given to client groups identified as experiencing the most severe disadvantages to employment.

Individuals volunteering for employment, regardless of whether or not they are required to register, must also be given preference to avoid the effects of long-term dependence on public assistance.

Subd. 4. (a) The priority for services to be provided is:

(1) permanent, unsubsidized, full-time private sector employment, in conjunction with targeted jobs tax credits as defined at 26 U.S.C. section 44B, and amended by Pub. L. 98-369.

(2) permanent, subsidized, full-time private sector employment;

(3) permanent, subsidized, full-time nonprofit sector employment;

(4) training or relocation; and

(5) part-time, temporary, subsidized, nonprofit, or public employment with continued employment assistance.

(b) Individuals receiving any of the priority services in paragraph (a) must be provided day care, transportation, or other support services as appropriate and available.

Subd. 5. The commissioner shall establish, by rule, the conditions under which individuals are required to participate in programs, their rights and responsibilities while participating, and the standards by which the programs must be administered, and shall provide fair hearings procedure governing participation.

Subd. 6. The commissioner shall, by rule or contract, establish the responsibilities and standards for counties and other providers of service. In administering the jobs and training program for recipients of aid to families with dependent children, the commissioner shall require each county to maintain at least 25 percent of nonexempt recipients in either a grant diversion or a training program.

Subd. 7. In administering the work incentive program under section 256.736, the commissioner shall assure that no later than July 1, 1986, at least 25 percent of all state and federal funds appropriated to that program must be spent for direct client services, including day care, transportation, institutional training, and on-the-job training. Seventy-five percent or less of the funds must be spent for services provided directly by state or county staff.

Subd. 8. In developing employment and training programs and services, the commissioner shall identify and incorporate, to

the extent possible, funding from both federal and state income maintenance, employment and training, and educational programs.

Subd. 9. The commissioner shall develop a grant diversion process for aid to families with dependent children. In selecting employers, priorities shall be given to small businesses, businesses which have the potential for offering new jobs on a long-term basis, and businesses which make use of Minnesota resources and which operate primarily in Minnesota. Businesses shall be subject to the terms and conditions of sections 268.68 to 268.682.

Subd. 10 (a) The department shall register clients within time limits necessary to avoid delaying a client's receipt of assistance, denying benefits, or reducing the amounts of benefits.

(b) The department shall consult with the local agency and with the recipient in preparing an employment appraisal and a written employability development plan for each participating recipient. The employment appraisal shall be prepared within 30 days of the referral from the local agency, and the employability development plan within 90 days of said referral. The plan must be prepared by a qualified person who, where feasible, is colocated with other income maintenance and employment and training staffs. The plan must identify the specific conditions applicable to the recipient which limit his or her ability to seek or secure suitable employment, must include reasonable reporting and job search requirements, and must be consistent with local labor force conditions and demands taking into account the recipient's skills, knowledge, and abilities, as well as educational attainment and association with the work force.

The plan must be designed to aid the recipient in obtaining suitable permanent employment, training, or work skills necessary to secure suitable employment, and may include an arrangement with another service provider or agency for specialized employment, education, training, or support services.

A copy of the plan must be given to the recipient at the time it is prepared; an additional copy must be given to the local agency for its files.

(c) If as a result of developing the employability plan, the qualified staff determines that the recipient is unable to meet minimal employer requirements or expectations based on a review of the recipient's work history and work habits or the recipient's exhibition of a mental or emotional disability, chemical dependency, or of severely diminished functioning in areas of daily living, such as personal hygiene, social skills, or personal relations, the recipient must be referred back to the local agency.

If either the recipient or the local agency disagrees with the determination pertaining to the individual's work skills or training, the individual or the county may appeal the decision to the commissioner of jobs and training.

Subd. 11. [RULEMAKING.] The commissioner shall have emergency and permanent rulemaking authority to implement this section.

Sec. 73. [268A.04] [JOBS TRAINING PARTNERSHIP ACT; ADMINISTRATION.]

Subdivision 1. [COORDINATION OF STATE AND FEDERAL PROGRAMS.] The commissioner shall act as the governor's agent in administering the federal jobs training partnership act. To the extent permitted under federal regulation, this program shall be administered in conjunction with a comprehensive state employment and training strategy and its resources used in coordination with state programs and to further state objectives.

Subd. 2. The commissioner shall recommend to the governor the priorities, performance standards, and special projects which are consistent with the commissioner's biennial plan.

Subd. 3. Priority for income maintenance recipients must be included in the goals, objectives, and criteria of the governor's coordination and special services plan under section 121 of Public Law 97-300. Local service delivery area plans and job service plans must describe methods of complying with the coordination criteria under the governor's coordination and special services plan as required under section 104 of Public Law 97-300 and under United States Code 1976, title 29, as amended.

Sec. 74. [268A.06] [LOCAL CONTRACTS FOR EMPLOYMENT AND TRAINING SERVICES FOR PUBLIC ASSISTANCE RECIPIENTS.]

Subdivision 1. Counties may contract with an established public, nonprofit, or private employment and training agency or capable post-secondary education institution to provide employment and training services to eligible public assistance recipients.

Subd. 2. In establishing a contract, the county shall agree to out-station income maintenance and social service staff as necessary to accept applications and determine eligibility, monitor ongoing client eligibility, and authorize services and grants available under programs administered by the county social service or income maintenance agencies which are related to employment and training or the client's successful participation in employment and training activities.

Subd. 3. The commissioner of jobs and training shall furnish sufficient out-stationed staff as are necessary to make the services provided through the department of jobs and training and the programs it administers or supervises available to clients being served by the contract agency.

Subd. 4. The commissioner of jobs and training shall assist in obtaining certification of individuals and employers for targeted job tax credits available under 26 U.S.C.A. section 44B, as amended at Public Law 98-369, and shall assist local agencies or their contractors in publicizing to employers the availability of such credits.

Subd. 5. The commissioner shall have emergency and permanent rulemaking authority as needed to implement this section.

Sec. 75. [268A.07] [OFFICE OF INDIVIDUAL ENTERPRISES.]

Subdivision 1. The commissioner shall establish an office of individual enterprise that shall be responsible for coordinating state activities related to self-employment enterprises, including, but not limited to, home-based businesses, individual self-employment initiatives, and collective and cooperative efforts as involve individual entrepreneurs.

Subd. 2. The commissioner shall undertake activities to expand the marketing of goods or services produced by the state's independent entrepreneurs in public facilities and in conjunction with other state-funded activities and may establish a council or committee to select products and services to be included.

Subd. 3. The commissioner shall provide or arrange information, technical assistance, and support as necessary to help individuals determine whether they wish to become self-employed, to obtain needed training, to develop business plans and financing, and to sustain the initiatives.

Subd. 4. The commissioner of energy and economic development shall develop resources for a pilot program, in cooperation with the commissioners of jobs and training and human services to enable low-income persons to start or expand self-employment opportunities or home-based businesses which are designed to make the individual entrepreneurs economically independent. The commissioner of human services shall seek necessary waivers from federal regulations to allow recipients of aid to families with dependent children to participate and retain eligibility while establishing a business.

Subd. 5. The commissioner shall conduct a study of the needs of individual entrepreneurs and beginning businesses and recommend to the governor how state programs and resources can provide further assistance.

Subd. 6. [RULEMAKING.] The commissioner shall have emergency and permanent rulemaking authority to implement this section.

Sec. 76. [268A.08] [FIRST SOURCE AGREEMENTS.]

Subdivision 1. Any business or private enterprise receiving grants or loans from the state in amounts over \$50,000 per year, shall as part of the grant or loan agree to list any vacant or new positions with the job services of the department of jobs and training. An agreement obligates the employer to consider qualified applicants but does not establish an obligation to hire individuals referred by the department.

Subd. 2. The commissioner of energy and economic development shall incorporate the provisions of this section into grant and loan instruments and assist the commissioner of jobs and training in promoting private sector listings with job services and in evaluating their effect on employers and individuals who are referred.

Subd. 3. [RULEMAKING.] The commissioner shall have emergency and permanent rulemaking authority to implement this section.

Sec. 77. [268A.040] [SLIDING FEE DAY CARE.]

Subdivision 1. In this section, the terms "child care services," "child," and "interim financing" have the meanings given them in section 245.83.

Subd. 2. [ALLOCATION, ELIGIBILITY, SLIDING FEE.]
(a) Within the limit of appropriations available and subject to the allocation requirements of subdivision 3, the commissioner shall establish a program to allocate available appropriations among counties for the purpose of reducing according to a sliding fee schedule the costs of child care for eligible families. The commissioner shall promulgate rules to govern the program in accordance with this subdivision. No later than August 1 of each odd-numbered year, the commissioner shall notify all county boards of the allocation and the procedures used for the sliding fee program. If the appropriation is insufficient to meet the needs in all counties, the amount shall be prorated among the counties. The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to evaluate the effectiveness of the program in preventing and reducing dependence of participants on public assistance and in providing other benefits. The commissioner shall report to the legislature no later than January 15 of each odd-numbered year of the effectiveness of the program.

(b) *In addition to payments from parents, contributions to the cost of the program shall be made by counties as follows: five percent in the first year, and 15 percent in the second and subsequent years. By rule, the commissioner may require each county to pay to the state treasurer the portion of sliding fee allocations paid by the state for which the county is responsible. The county shall advance its portion of sliding fee costs, based upon allocations made by the commissioner for that county for expenditures in the succeeding month. Adjustments of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month.*

(c) *Families receiving child care services under this subdivision on July 1, 1983, are entitled to child care services under this paragraph. As money that is allowed or required to be used for providing child care becomes available to the county from federal, state, or local sources, the county board shall to the extent practical make child care services available to single parent families in which the parent needs child care services under this section to secure or retain employment, or to obtain the training or education necessary to secure employment, or for other circumstances, established by the commissioner, related to education, training, or employment, and, in the following order of priority:*

(1) *who are receiving aid to families with dependent children under sections 256.72 to 256.87. Child care services to these families shall be made available as in-kind services, to cover the difference between the actual cost and \$160 per month per child or the amount disregarded under rules for persons not employed full time; then*

(2) *whose household income is within the income range established by the commissioner. Child care services to these families shall be made available on a sliding fee. The minimum income the commissioner may establish is the aid to families with dependent children eligibility limit and the maximum is household income of less than 70 percent of the state median income for a family of four adjusted for family size.*

(d) *In setting the sliding fee schedule, the commissioner shall exclude an amount for federal and state income and social security taxes attributable to that income level according to federal and state standardized tax tables. The total fee charged for child care to any family shall not exceed 75 percent of the income so determined to be above the maximum allowable for fully subsidized child care.*

(e) *In cases where the provider of the child care service charges in excess of 125 percent of the median charge for like care arrangements in the geographic area defined by the com-*

missioner for the purposes of ascertaining the median charge, the state's payment shall be limited to the difference between 125 percent of the median charge for like care arrangements in the geographic area and the parents' fee.

The commissioner of human services shall collect, analyze, and supply to the commissioner the information necessary to establish these payment standards.

(f) The county board shall ensure that child care services are available to county residents entitled to them under paragraph (c), that the availability of services is well-advertised, and that all recipients of and applicants for aid to families with dependent children are informed of any availability of child care services under paragraph (c) and all other programs.

(g) The commissioner shall adopt emergency and permanent rules in accordance with sections 14.05 to 14.36 to implement this section. No more than seven percent of any allocation shall be used for administration expenses.

Subd. 3. [ALLOCATIONS.] For the purposes of this section, the commissioner shall allocate money appropriated between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area so that no more than 55 percent of the total fund goes to either area after excluding allocations for statewide administrative costs. The commissioner shall allocate 50 percent of the funds among counties on the basis of the number of families below poverty, as determined from the most recent special census and 50 percent on the basis of case-loads of aid to families with dependent children for the preceding fiscal year as determined by the commissioner of human services.

Sec. 78. [TRANSFER OF POWERS.]

The department of economic security as now constituted is abolished. The responsibilities of the department of economic security are transferred to the department of jobs and training and the department of human services as specified in sections 41 to 78. Minnesota Statutes, section 15.039 governs the transfer of powers, except that positions in the unclassified service established under Minnesota Statutes, section 268.011, subdivision 2, are abolished.

Sec. 79. [INCREASE LIMITED.]

For the biennium ending June 30, 1987, the commissioner of human services shall not allow any adjustment factor increase to the non-direct care related items in the operating costs reimbursed to nursing homes under Minnesota Statutes, section

256B.431. *In addition, the commissioner shall limit the efficiency incentive to a \$1 maximum.*

Sec. 80. [REVISOR'S INSTRUCTION; NAME CHANGES.]

In Minnesota Statutes 1986 and later editions of the statutes, the revisor shall change the words "economic security" to "jobs and training," except as otherwise specified by sections 41 to 78.

Sec. 81. [REVISOR'S INSTRUCTION; NAME AND NUMBERING CHANGES.]

In Minnesota Statutes 1986 and later editions of the statutes, the revisor shall renumber each section listed in column A with the number in column B. The revisor shall also make necessary cross-reference changes consistent with renumbering.

In the renumbered sections, the revisor shall change the words "commissioner of economic security" to "commissioner of human services" and the words "department of economic security" to "department of human services."

A	B
268.37	256.992
268.38	256.993
268.52	256.994
268.53	256.995
268.54	256.996

Sec. 82. [REVISOR'S INSTRUCTION; RENUMBERING.]

In Minnesota Statutes 1986 and later editions of the statutes, the revisor shall renumber each section listed in column A with the number in column B. The revisor shall also make necessary cross-reference changes consistent with renumbering. In the renumbered sections, the revisor shall change the words "economic security" to "jobs and training."

A	B
268.014	268A.009
268.021	268A.010
268.026	268A.011
268.03	268A.012

268.04	268A.013
268.05	268A.014
268.06	268A.015
268.061	268A.016
268.07	268A.017
268.071	268A.018
268.072	268A.019
268.08	268A.020
268.081	268A.021
268.09	268A.022
268.10	268A.023
268.11	268A.024
268.12	268A.025
268.121	268A.026
268.13	268A.027
268.14	268A.028
268.15	268A.029
268.16	268A.030
268.17	268A.031
268.18	268A.032
268.20	268A.033
268.21	268A.034
268.22	268A.035
268.23	268A.036
268.231	268A.037

268.24	268A.038
268.25	268A.039
268.31	268A.040, subdivision 1
268.32	268A.040, subdivision 2
268.33	268A.040, subdivision 3
268.34	268A.040, subdivision 4
268.35	268A.040, subdivision 5
268.36	268A.040, subdivision 6
268.60	268A.042
268.61	268A.043
268.62	268A.044
268.63	268A.045
268.64	268A.046
268.671	268A.047
268.672	268A.048
268.673	268A.049
268.674	268A.050
268.675	268A.051
268.676	268A.052
268.677	268A.053
268.678	268A.054
268.679	268A.055
268.68	268A.056
268.681	268A.057
268.682	268A.058

268.683	268A.059
268.685	268A.060
268.82	268A.061
268.83	268A.062
268.84	268A.063

Sec. 83. [POLICY STATEMENT.]

It is the policy of the state of Minnesota to encourage employers to hire members of targeted groups as defined in section 51(d) of the Internal Revenue Code of 1954, and to take advantage of the federal targeted jobs credit for employment of certain new employees computed under sections 51 to 53 of the Internal Revenue Code of 1954.

Sec. 84. [REPEALER.]

Minnesota Statutes 1984, sections 129A.02, subdivision 4; 245.84, subdivision 2; 256D.02, subdivision 8a; 256D.111; 256D.112; 257.62, subdivision 4; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.683, subdivision 2; 268.684; 268.685; 268.686; 268.80; and 268.81 are repealed.

Sec. 85. [EFFECTIVE DATE.]

Sections 1 to 8, and 14 to 19 of this article are effective the day following final enactment. Sections 9 to 13 are effective July 1, 1985."

Delete the title and insert:

"A bill for an act relating to health and human services; providing for maternal and child health grant distribution; requiring parent contribution; providing day care program rates; abolishing state share of Title IV-E foster care payments; creating permanency planning grants to counties; providing services for the elderly; creating a consolidated chemical dependency services fund; clarifying case management services for the mentally retarded; changing the health maintenance organization provisions; requiring a health care market report; expanding duties of the interagency board for quality assurance; expanding the duties of the legislative commission on long-term care; requiring a study of home health care, services for mentally retarded persons, and services for mentally ill persons; requiring a study of guardianship; requiring a home equity conversion study; establishing prepaid health plans; changing nursing home provisions; expanding medical assistance for prenatal services; increasing incentives for enforcing child support payments; creating a

statewide jobs and training plan; appropriating money; amending Minnesota Statutes 1984, sections 116L.03, subdivision 7; 166L.04, by adding a subdivision; 129A.02, subdivision 2; 144.50, subdivision 2; 144.695; 144.70; 144A.01, subdivision 5; 144A.071, subdivisions 1, 2, and 3; 145.882; 145.883, subdivision 8; 145.884, subdivision 1; 145.885; 145.886; 178.03, by adding a subdivision; 245.73, by adding a subdivision; 245.783, by adding a subdivision; 245.84; 245.87; 246.04; 246.18; 246.23; 246.50, by adding a subdivision; 246.51, subdivision 1; 246.54; 248.07; 248.08; 256.045, subdivision 3, and by adding a subdivision; 256.736; 256.737; 256.74, subdivisions 1 and 5; 256.82, subdivision 2; 256.87, subdivisions 1, 1a, and 3; 256.969, subdivisions 1, 2, and by adding a subdivision; 256.99; 256B.02, subdivisions 2, 3, 8, and by adding a subdivision; 256B.04, subdivision 14; 256B.042, by adding subdivisions; 256B.06, subdivision 1; 256B.062; 256B.091, subdivisions 1, 2, 4, 5, and 8; 256B.092, subdivision 7, and by adding subdivisions; 256B.17, subdivision 6; 256B.19, subdivision 1; 256B.431, subdivisions 2b, 3, and 4; 256B.50; 256B.504; 256B.70; 256C.24; 256C.25; 256C.26; 256D.01, subdivision 1a; 256D.02, subdivision 13; 256D.03, subdivisions 4 and 6; 256D.04; 256D.05, subdivision 1; 256E.12, subdivision 1; 257.58, subdivision 1; 260.38; 268.31; 268.32; 268.33; 268.34; 268.35; 268.36; 268.673, subdivisions 1 and 3; 268.676, subdivisions 1 and 2; 268.683, subdivision 3; 268.685; 268.82; 393.07, by adding a subdivision; 474.01, subdivisions 7a and 9; 518.551, subdivision 7; 518.611, subdivisions 2, 3, 4, 6, and by adding subdivisions; 518.645; 543.20; proposing coding for new law in Minnesota Statutes, chapters 62D; 144; 246; 256; 256B; 256D; 256F; and 268A; proposing coding for new law as Minnesota Statutes, chapter 254B; repealing Minnesota Statutes 1984, sections 62D.25; 62D.26; 62D.28; 62D.29; 62E.17; 129A.02, subdivision 4; 145.884, subdivision 2; 245.84, subdivision 2; 256.045, subdivision 2; 256.966, subdivision 2; 256.968; 256D.02, subdivision 8a; 256D.111; 256D.112; 257.62, subdivision 4; 259.405; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.683, subdivision 2; 268.684; 268.685; 268.686; 268.80; and 268.81."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Neuenschwander was excused for the remainder of today's session.

MOTIONS AND RESOLUTIONS

Anderson, R., moved that the name of Fjoslien be added as an author on H. F. No. 694. The motion prevailed.

Fjoslien moved that the name of Uphus be stricken and the name of Clark be added as an author on H. F. No. 1016. The motion prevailed.

Carlson, L., moved that the names of Bennett and Rest be added as authors on H. F. No. 1225. The motion prevailed.

Gutknecht moved that the names of Knuth, Waltman and Vanasek be added as authors on H. F. No. 1267. The motion prevailed.

Bishop moved that the name of Clark be added as an author on H. F. No. 1391. The motion prevailed.

Pappas moved that the name of Segal be added as an author on H. F. No. 1403. The motion prevailed.

Segal moved that the name of Cohen be added as an author on H. F. No. 245. The motion prevailed.

Rose moved that H. F. No. 1056 be recalled from the Committee on Environment and Natural Resources and be re-referred to the Committee on Transportation. The motion prevailed.

Carlson, D., moved that H. F. No. 624 be returned to its author. The motion prevailed.

Uphus introduced:

House Resolution No. 20, A house resolution congratulating the Lakers boys basketball team from Glenwood High School for winning the consolation championship at the 1985 Class A Boys State High School Basketball Championship.

The resolution was referred to the Committee on Education.

House Resolution No. 6 was reported to the House.

HOUSE RESOLUTION NO. 6

A house resolution recognizing the outstanding Parents are Teachers program and Family Oriented Structured Preschool Activity program achievements at the St. Cloud Area Vocational Technical Institute.

Whereas, family education is an important factor in maintaining the quality of life in Minnesota and is being recognized as an important phase of education in the United States; and

Whereas, the St. Cloud Area Vocational Technical Institute's parent-child development programs, Parents are Teachers and Family Oriented Structured Preschool Activity, were developed in conjunction with the American Vocational Association and the W. K. Kellogg Foundation as a response to increased recognition of family problems; and

Whereas, both programs have been replicated in two foreign countries and 22 states with a total of 170 community-based programs in Minnesota and the nation; and

Whereas, this program emphasizes the self-esteem, uniqueness, and importance of the child and helps parents gain confidence in interaction with their children; and

Whereas, these programs are positive steps toward the prevention of child abuse and other family problems; and

Whereas, these programs received a national award and recognition at the 1984 American Vocational Association Conference; and

Whereas, Minnesota's vocational technical education programs received 25 percent of all national awards given by the American Vocational Association in November, 1984; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it commends the St. Cloud Area Vocational Technical Institute and the Parents are Teachers and Family Oriented Structured Preschool Activity instructional staff for program innovation and excellence in meeting the needs of Minnesota's families.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare enrolled copies of this resolution, to be authenticated by his signature and that of the Speaker, and present them to representatives of the St. Cloud Area Vocational Technical Institute and the Parents are Teachers and Family Oriented Structured Preschool Activity programs.

Gruenes moved that House Resolution No. 6 be now adopted. The motion prevailed and House Resolution No. 6 was adopted.

House Resolution No. 18 was reported to the House.

HOUSE RESOLUTION NO. 18

A house resolution congratulating the Flyers girls basketball team from Little Falls High School for winning the 1985 Class AA Girls State High School Basketball Championship.

Whereas, high school athletics in Minnesota contribute to the welfare of the state by teaching students the principles of fair competition and cooperation, by promoting good health among players, and by delighting fans; and

Whereas, the Flyers from Little Falls High School took part in the 1985 Class AA Girls State Basketball Tournament as one

of just 16 teams from among 491 teams originally participating; and

Whereas, the Flyers won the 1985 Region 8AA Championship and the Class AA State Championship by defeating Mankato East High School in an exciting final game; and

Whereas, the Flyers finished the year with an outstanding win-loss record of 22 and 4; and

Whereas, this is the third state title for the Little Falls girls basketball team; and

Whereas, the Flyers have distinguished themselves throughout the season by their talent, sportsmanship, and style; *Now, Therefore*,

Be It Resolved that the House of Representatives of the State of Minnesota congratulates the Little Falls High School Flyers girls basketball team not only on winning the state championship but on its achievements throughout the year. In particular, congratulations are extended to: Maarja Aalgaard, Jodi Anderson, Sandy Copa, Kris Jackson, Diane Kempenich, Sandy Larson, Sue Lies, Mary Lukasavitz, Kari Norton, Kathy Peine, LaRae Pelzer, Barb Poissant, Paula Quinn, Maria Simonet, Sherry Tillman, Sandy Vosen, as team members; Jodi Christianson, the student manager; Frances O'Toole, the statistician; Ron Hinnenkamp, John Haas, and Ron Koski, assistant coaches; and Jerry Cool, the head coach.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to enroll a copy of this resolution, to be authenticated by his signature and that of the Speaker, and that it be presented to the principal of Little Falls High School.

Wenzel moved that House Resolution No. 18 be now adopted. The motion prevailed and House Resolution No. 18 was adopted.

Halberg was excused for the remainder of today's session.

Pursuant to rule 1.15, Piper moved that S. F. No. 85 be recalled from the Committee on Financial Institutions and Insurance, be given its second reading and be advanced to General Orders.

A roll call was requested and properly seconded.

The question was taken on the Piper motion and the roll was called. There were 63 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Metzen	Piper	Solberg
Battaglia	Jacobs	Minne	Price	Sparby
Beard	Jaros	Munger	Quinn	Staten
Begich	Jennings, L.	Nelson, D.	Rest	Tomlinson
Brandl	Kahn	Nelson, K.	Rice	Tunheim
Brinkman	Kalis	Norton	Riveness	Vanasek
Brown	Kelly	O'Connor	Rodosovich	Vellenga
Carlson, D.	Knuth	Ogren	Sarna	Voss
Carlson, L.	Krueger	Olson, E.	Scheid	Welle
Clark	Lieder	Osthoff	Schoenfeld	Wenzel
Cohen	Long	Otis	Segal	Wynia
Elioff	McEachern	Pappas	Simoneau	
Ellingson	McLaughlin	Peterson	Skoglund	

Those who voted in the negative were:

Anderson, R.	Dyke	Johnson	Pauly	Svigguna
Backlund	Erickson	Kiffmeyer	Piepho	Thiede
Becklin	Fjoslien	Knickerbocker	Poppenhagen	Thorson
Bennett	Forsythe	Kvam	Quist	Tjornhom
Bishop	Frederick	Levi	Redalen	Tompkins
Blatz	Frederickson	Marsh	Rees	Uphus
Boerboom	Frerichs	McDonald	Richter	Valan
Boo	Gruenes	McKasy	Rose	Valento
Burger	Gutknecht	McPherson	Schafer	Waltman
Carlson, J.	Hartinger	Miller	Schreiber	Zaffke
Clausnitzer	Hartle	Olsen, S.	Seaberg	Spk. Jennings, D.
Dempsey	Haukoos	Omann	Shaver	
DenOuden	Heap	Onnen	Sherman	
Dimler	Himle	Ozment	Stanis	

The motion did not prevail.

POINT OF ORDER

Levi raised a point of order pursuant to section 114, paragraph 4, of "Mason's Manual of Legislative Procedure" relating to asking questions of members. The Speaker ruled the point of order not well taken.

ADJOURNMENT

Levi moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, April 8, 1985.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

