SEVENTY-FIFTH SESSION-1987

THIRTY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 15, 1987

The House of Representatives convened at 12:00 noon and was called to order by Fred C. Norton, Speaker of the House.

Prayer was offered by Pastor Corinne Chilstrom, Bethlehem Lutheran Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

A quorum was present.

Quist, Redalen and Voss were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be dispensed with and that the Journal 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. 389, 1052, 1374, 1399, 1508, 297, 388, 609, 1043, 1366, 1371, 1412, 614, 701, 938, 1281, 246, 285, 413, 463, 593, 610, 822, 350 and 947 and S. F. Nos. 464, 614, 63, 248, 557, 593 and 94 have been placed in the members' files.

S. F. No. 248 and H. F. No. 376, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Price moved that the rules be so far suspended that S. F. No. 248 be substituted for H. F. No. 376 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Kalis from the Committee on Transportation to which was referred:

H. F. No. 80, A bill for an act relating to motor vehicles; providing that certain license plates be issued every six years; amending Minnesota Statutes 1986, section 168.12, subdivisions 1, 2a, and 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.12, subdivision 1, is amended to read:

Subdivision 1. [NUMBER PLATES; VISIBILITY, PERIODS OF ISSUANCE.] The registrar, upon the approval and payment, shall issue to the applicant the number plates required by law, bearing the state name and the number assigned. The number assigned may be a combination of a letter or sign with figures. The color of the plates and the color of the abbreviation of the state name and the number assigned shall be in marked contrast. The plates shall be lettered, spaced, or distinguished to suitably indicate the registration of the vehicle according to the rules of the registrar, and when a vehicle is registered on the basis of total gross weight, the plates issued shall clearly indicate by letters or other suitable insignia the maximum gross weight for which the tax has been paid. These number plates shall be so treated as to be at least 100 times brighter than the conventional painted number plates. When properly mounted on an unlighted vehicle, these number plates, when viewed from a vehicle equipped with standard headlights, shall be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet. The registrar shall issue these number plates for the following periods:

(1) Number plates issued pursuant to sections 168.27, subdivisions 16 and 17, and 168.053 shall be for a one-year period;

(2) New number plates issued pursuant to section 168.012, subdivision 1, shall be issued to a vehicle for as long as it is owned by the exempt agency and shall not be transferable from one vehicle to another but may be transferred with the vehicle from one tax exempt agency to another;

(3) Plates issued for passenger automobiles as defined in section 168.011, subdivision 7, motorcycles, motorized bicycles, and motor scooters shall be issued for a six-year period starting not later than October 1986, or until the next general reissuance of plates every six years thereafter, whichever is less; and. All plates issued under this paragraph must be replaced if they are six years old or older at the time of annual registration or will become so during the registration period.

(4) Plates for any vehicle not specified in <u>clauses paragraphs</u> (1), (2) and (3), except for trailers as hereafter provided, shall be issued for the life of the vehicle. Beginning with number plates issued for the year 1981, plates issued for trailers with a total gross weight of 3,000 pounds or less shall be issued for the life of the trailer and shall be not more than seven inches in length and four inches in width.

In a year in which plates are not issued, the registrar shall issue for each registration a tab or sticker to designate the year of registration. This tab or sticker shall show the calendar year or years for which issued, and is valid only for that period. The number plates, number tabs, or stickers issued for a motor vehicle may not be transferred to another motor vehicle during the period for which it is issued.

Notwithstanding any other provision of this subdivision, number plates issued to a vehicle which is used for behind-the-wheel instruction in a driver education course in a public school may be transferred to another vehicle used for the same purpose without payment of any additional fee. The registrar shall be notified of each transfer of number plates under this paragraph, and may prescribe a form for notification.

Sec. 2. Minnesota Statutes 1986, section 168.12, subdivision 2a, is amended to read:

Subd. 2a. [PERSONALIZED LICENSE PLATES.] Personalized license plates must be issued to an applicant for registration of a passenger automobile, van, or pickup truck, motorcycle, or selfpropelled recreational vehicle, upon compliance with the laws of this state relating to registration of the vehicle and upon payment of a one-time fee of \$100 in addition to the registration tax required by law for the vehicle. The commissioner shall designate a replacement fee for personalized license plates that is calculated to cover the cost of replacement. This fee is required whenever the personalized license plates are required to be replaced by law. In lieu of the numbers assigned as provided in subdivision 1, personalized license plates must have imprinted on them a series of not more than six numbers and letters in any combination. When an applicant has once obtained personalized plates, the applicant shall have a prior claim for similar personalized plates in the next succeeding year that plates are issued if application is made for them at least 30 days before the first date that registration can be renewed. The commissioner of public safety shall adopt rules in the manner provided by chapter 14, regulating the issuance and transfer of personalized license plates. No words or combination of letters placed on personalized license plates may be used for commercial advertising, be of an obscene, indecent, or immoral nature, or be of a nature that would offend public morals or decency. The call signals or letters of a radio or television station are not commercial advertising for the purposes of this subdivision.

Notwithstanding the provisions of subdivision 1, personalized license plates issued under this subdivision may be transferred to another motor vehicle owned or jointly owned by the applicant, upon the payment of a fee of \$5, which must be paid into the state treasury and credited to the highway user tax distribution fund. The registrar may by rule provide a form for notification.

Notwithstanding any law to the contrary, if the personalized license plates are lost, stolen, or destroyed, the applicant may apply and shall receive duplicate license plates bearing the same combination of letters and numbers as the former personalized plates upon the payment of a \$5 fee.

The fee prescribed for personalized license plates must be paid only in those years in which the number plate itself is issued, and must not be payable in a year in which a year plate, tab, or sticker is issued in lieu of a number plate.

Fees from the sale of permanent and duplicate personalized license plates must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 3. Minnesota Statutes 1986, section 168.12, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL FEE.] In addition to any fee otherwise authorized or any tax otherwise imposed upon any motor vehicle, the payment of which is required as a condition to the issuance of any number license plate or plates, the commissioner of public safety may impose a fee of \$2 for a license plate for a motorcycle, motorized bicycle, or motorized sidecar, and \$3 \$2 for license plates, other than license plates issued pursuant to section 168.27, subdivisions 16 and 17, for passenger automobiles; provided that no fee is required for plates issued within one calendar year before a general reissuance of plates under subdivision 1. Graphic design license plates shall only be issued for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.

Sec. 4. [TRANSITION.]

<u>Passenger</u> automobile license plates issued under Minnesota Statutes, section 168.12, subdivision 1, paragraph (3), before the effective date of this section must be replaced during the sixth year after they were issued.

Sec. 5. [REPEALER.]

<u>Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4, are</u> repealed.

Section 4 is repealed January 1, 1990.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 5, before the period insert "; repealing Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4"

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

The report was adopted.

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

H. F. No. 165, A bill for an act relating to insurance; establishing rates for cooperative housing and neighborhood real estate trust insurance within the Minnesota FAIR plan; proposing coding for new law in Minnesota Statutes, chapter 65A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [65A.375] [RATES FOR COOPERATIVE HOUSING AND NEIGHBORHOOD REAL ESTATE TRUST INSURANCE.]

The commissioner shall set the rates for cooperative housing, organized under chapter 308, and for neighborhood real estate trusts, characterized as nonprofit ownership of real estate with resident control, which rates shall be actuarially sound."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 230, A bill for an act relating to elections; authorizing combination of certain municipalities for election purposes; amending Minnesota Statutes 1986, sections 204B.14, subdivisions 2, 4, 5, and by adding a subdivision; 204B.16, subdivision 1; and 204B.21, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 204B.14, subdivision 2, is amended to read:

Subd. 2. [SEPARATE PRECINCTS; REQUIREMENTS.] The following shall constitute at least one election precinct:

(a) Each city ward; and

(b) Each town and each statutory city, unless a town and statutory eity <u>municipalities</u> are combined for election purposes <u>under subdivision 8</u>. Notwithstanding any law to the contrary, each town and each statutory city located within the metropolitan area as defined in section 473.121, subdivision 2 shall constitute at least one election precinct.

Sec. 2. Minnesota Statutes 1986, section 204B.14, subdivision 4, is amended to read:

Subd. 4. [BOUNDARY CHANGE PROCEDURE.] Any change in the boundary of an election precinct shall be adopted at least 90 days before the date of the next election, and shall not take effect until notice of the change has been posted in the office of the municipal clerk or county auditor for at least 60 days. Except in the case of the combination or separation of municipalities for election purposes under subdivision 8, the municipal clerk or county auditor shall notify each affected registered voter of the change in election precinct boundaries at least 30 days prior to the first election held after the change takes effect.

Sec. 3. Minnesota Statutes 1986, section 204B.14, subdivision 5, is amended to read:

Subd. 5. [PRECINCT BOUNDARIES: DESCRIPTION: MAPS.] Each municipal clerk shall prepare and file with the county auditor of each county in which the municipality is located, with the secretary of state and with the state planning director maps showing the correct boundaries of each election precinct in the municipality. At least 30 days before any change in an election precinct or in a corporate boundary becomes effective, the municipal clerk shall prepare maps showing the new boundaries of the precincts and shall forward copies of these maps to the secretary of state, the appropriate county auditors and the state planning director. The clerk shall retain copies of the precinct maps for public inspection. The county auditor shall prepare and file precinct boundary maps for precincts in unorganized territories, and the municipal clerk designated in the combination agreement shall prepare and file precinct boundary maps in the case of municipalities combined for election purposes under subdivision 8, in the same manner as provided for precincts in municipalities. For every election held in the municipality the election judges shall be furnished precinct maps as provided in section 201.061, subdivision 6.

Sec. 4. Minnesota Statutes 1986, section 204B.14, is amended by adding a subdivision to read:

<u>Subd.</u> 8. [COMBINED PRECINCT.] (a) Up to four contiguous municipalities located entirely outside the metropolitan area as defined in section 473.121, subdivision 2, that are contained in the same legislative district, congressional district, and county commissioner district may enter into a combination agreement to form one precinct for state and county election purposes, upon the approval of the county auditor. The total inhabitants of all municipalities entering into a combination agreement may not exceed 1,000 inhabitants. The governing body of each municipality proposing to enter into a combination agreement must provide the inhabitants of the municipality with published and posted notice of the proposed agreement three weeks before the second Tuesday in March. A combination agreement must be approved by resolutions of all of the governing bodies of the combining municipalities on or before the second Tuesday in March of an election year. A copy of the combination agreement must be submitted to the county auditor for approval, on or before May 1 of an election year.

(b) One or more of the municipalities in the combined precinct may withdraw from the combination by a resolution of the governing body of the withdrawing municipality, passed on or before the second Tuesday in March of an election year. The withdrawing municipality shall file the resolution with the county auditor no later than May 1 of an election year. The decision of any one municipality to withdraw from the combination agreement automatically dissolves the combination unless all the remaining municipalities continue to meet all the requirements of this subdivision.

(c) The combination agreement must specify the designated polling place and the municipal election officials or governing bodies responsible for appointing election judges and the chair of the election board, posting notices, preparing precinct maps, and carrying out other election duties required by law.

(d) In combining or separating, the municipalities must meet the time requirements specified in this section for changing precinct boundaries and in section 204B.16, subdivision 3, for designating a different polling place.

Sec. 5. Minnesota Statutes 1986, section 204B.21, subdivision 2, is amended to read:

Subd. 2. [APPOINTING AUTHORITY; POWERS AND DUTIES.] Election judges for precincts in a municipality shall be appointed by the governing body of the municipality. Election judges for precincts in unorganized territory shall be appointed by the county board. Election judges for a precinct composed of two or more municipalities must be appointed by the governing body of the municipality or municipalities responsible for appointing election judges as provided in the agreement to combine for election purposes. Appointments shall be made from lists furnished pursuant to subdivision 1 subject to the eligibility requirements and other qualifications established or authorized under section 204B.19. If no lists have been furnished or if additional election judges are required after all listed names have been exhausted, the appointing authority may appoint any other individual to serve as an election judge subject to the same requirements and qualifications. The appointments shall be made at least 25 days before the election at which the election judges will serve.

Sec. 6. Minnesota Statutes 1986, section 204B.22, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM NUMBER REQUIRED.] A minimum of three election judges shall be appointed for each precinct. In a

precinct of municipalities combined for election purposes under section 204B.14, subdivision 8, at least one judge must be appointed from each municipality in the combined precinct, provided that not less than three judges shall be appointed for each combined precinct. The appointing authorities may appoint election judges for any precinct in addition to the number required by this subdivision including additional election judges to count ballots after voting has ended."

Delete the title and insert:

"A bill for an act relating to elections; authorizing combination of certain municipalities for election purposes; amending Minnesota Statutes 1986, sections 204B.14, subdivisions 2, 4, 5, and by adding a subdivision; 204B.21, subdivision 2; and 204B.22, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 302, A bill for an act relating to health and environment; providing for asbestos regulation; directing the commissioner of health to regulate and license persons or entities enclosing, removing, or encapsulating asbestos; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 160.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [326.70] [TITLE.]

Sections 1 to 12 may be cited as the "asbestos abatement act."

Sec. 2. [326.71] [PURPOSE.]

The legislature finds that the enclosure, removal, and encapsulation of asbestos, when improperly performed, creates unnecessary health and safety hazards that are detrimental to the state's interest, and that of its citizens, in terms of wages lost, insurance, medical expenses, disability compensation payments, family life, preservation of human resources, and unfair competition to craftspersons, their unions, and their employers. The legislature declares it to be the purpose and policy of the state to reduce asbestos-related hazards by: (1) encouraging contracting parties, citizens, and insurance companies in their efforts to reduce disabling asbestos hazards and to stimulate initiation of new programs and to perfect existing programs for controlling the use and removal of asbestos;

(2) creating a climate for developing innovative methods for dealing with the severe health hazards caused by asbestos materials;

(3) encouraging competence and knowledge in, and reducing exposure to, asbestos through the licensing of contractors and workers;

(5) establishing an enforcement program for these standards, that includes reporting procedures.

Sec. 3. [326.72] [DEFINITIONS.]

<u>Subdivision 1. [APPLICABILITY.] The definitions in this section</u> apply to sections 1 to 12.

<u>Subd. 2. [ASBESTOS.] "Asbestos" means the asbestiform varieties</u> of <u>chrysotile</u> (serpentine), crocidolite (riebeckite), amosite (cummingtonite-grunerite), anthophyllite, tremolite, and <u>actinolite</u>.

Subd. <u>3.</u> [ASBESTOS-CONTAINING MATERIAL.] <u>"Asbestos-containing material" means material that contains more than one percent asbestos by weight.</u>

Subd. 4. [ASBESTOS-RELATED WORK.] "Asbestos-related work" means the enclosure, removal, or encapsulation of asbestoscontaining material in a quantity that meets or exceeds the United States Environmental Protection Agency's requirement of 260 lineal feet of friable asbestos on pipes or 160 square feet of friable asbestos on other facility components.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of health and the commissioner's authorized delegates.

Subd. 6. [CONTRACTING ENTITY.] "Contracting entity" means a public or private body, board, natural person, corporation, partnership, proprietorship, joint venture, fund, authority, or similar entity that contracts with an employer or person to do asbestosrelated work for the benefit of the contracting entity.

Subd. 7. [EMPLOYEE.] "Employee" means a person who works directly or indirectly for an employer.

<u>Subd. 8.</u> [EMPLOYER.] "Employer" means an individual, body, board, corporation, partnership, proprietorship, joint venture, fund, authority, or similar entity directly or indirectly employing an employee. This term applies to private employers and to the state, its political subdivisions, and any boards, commissions, schools, institutions, or authorities created or recognized by them.

Sec. 4. [326.73] [ASBESTOS LICENSE.]

Subdivision 1. [WHEN LICENSE REQUIRED.] An employer or other person within the state intending to directly perform or cause to be performed through subcontracting or similar delegation any asbestos-related work either for financial gain or with respect to the employer's or person's own property shall first apply for and obtain a license from the commissioner. The license shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and give the name and address of the employer or person to whom it is issued.

Subd. 2. [DISPLAY OF LICENSE.] Licensees shall post a sign with the words, in letters four or more inches high, "licensed by the state of Minnesota for asbestos work" in a conspicuous place outside of the asbestos abatement work area. The actual license or a copy certified by the commissioner shall be readily available at the work site for inspection by the commissioner, other public officials charged with the health, safety, and welfare of the state's citizens and the contracting entity.

Sec. 5. [326.74] [EMPLOYEE ASBESTOS CERTIFICATIONS.]

Before an employee performs asbestos-related work, the employee shall first obtain a certificate from the commissioner certifying that the employee is qualified to perform the work. No certificate shall be issued unless the employee has taken a course of training in asbestos control and removal, passed an examination in those subjects, and demonstrated to the commissioner the ability to perform asbestosrelated work safely in accordance with the current state-of-the-art technology. The commissioner shall specify the course of training necessary. The certificate issued by the commissioner shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and contain the name and address of the employee to whom it is issued. The certificate shall be carried by the employee and be readily available for inspection by the commissioner, other public officials charged with the health, safety, and welfare of the state's citizens, and the contracting entity.

Sec. 6. [326.75] [REPORTING ASBESTOS WORK.]

A licensed employer, at least five calendar days before abating asbestos, shall give written notice to the commissioner of the project. The notice shall contain the following information: (1) <u>a brief description of the work to be performed;</u>

(2) the name of the contracting entity;

(3) the location and address of the project work site;

(4) the approximate duration of the project;

(5) the approximate amount of the asbestos involved in the project;

(6) the name of any project manager; and

(7) other information required by the commissioner.

Sec. 7. [326.76] [FEES.]

<u>Subdivision 1.</u> [LICENSING FEE.] <u>An employer or other person</u> required to be licensed under section <u>4</u> shall, before receipt of the license and before causing asbestos-related work to be performed, pay the commissioner an annual license fee of \$100.

Subd. 2. [CERTIFICATION FEE.] Employees required to be certified under section 4 shall, before performing asbestos-related work, pay the commissioner a certification fee of \$50.

<u>Subd. 3.</u> [PERMIT FEE.] <u>Before beginning asbestos-related work,</u> <u>a licensee shall pay a project permit fee to the commissioner equal to</u> <u>one percent of the total costs of the asbestos-related work. Proceeds</u> <u>of the fee are continually appropriated to the commissioner and</u> <u>shall be used by the commissioner to pay for necessary project</u> <u>inspections and air testing.</u>

<u>Subd.</u> 4. [DEPOSIT OF FEES.] <u>Fees</u> collected under this section shall be deposited in the asbestos abatement revolving fund created by section 12.

Sec. 8. [326.77] [DUTIES OF CONTRACTING ENTITIES.]

<u>A contracting entity intending to have asbestos-related work</u> performed for its benefit shall include in the specifications and contracts for the work a requirement that the work be performed by contractors and subcontractors licensed by the commissioner under sections 1 to 12. No contracting entity shall allow asbestos-related work to be performed for its benefit unless it has seen that the employer has a valid license. A contracting entity's failure to comply with this section does not relieve an employer from any of its responsibilities under sections 1 to 12.

Sec. 9. [326.78] [INDOOR AIR STANDARD.]

(a) The commissioner may adopt rules establishing an indoor air standard for asbestos.

(b) Until the rules become effective, asbestos remaining in the air following the completion of an abatement project shall not exceed .01 fibers greater than 5.0 microns in length per cubic centimeter of air.

Sec. 10. [326.79] [DUTIES OF THE COMMISSIONER.]

<u>Subdivision 1. [RULEMAKING.] The commissioner shall, before</u> July 1, 1988, adopt and begin enforcement of rules necessary to implement sections 1 to 12. The rules adopted shall not be duplicative of rules adopted by the commissioner of the department of labor and industry. The rules shall include rules in the following areas:

(1) application, enclosure, removal, and encapsulation procedures;

(2) license and certificate qualification requirements;

(3) examinations for obtaining a license and certificate;

(4) training necessary for employee certification;

(5) qualifications for managers of asbestos abatement projects;

(6) abatement specifications;

(7) any contractor bonding and insurance requirements deemed necessary by the commissioner;

(8) license and certificate issuance and revocation procedures;

(9) suspension or revocation of licenses or certificates;

(10) license and certificate suspension and revocation criteria;

(11) cleanup standards;

(12) continuing education requirements; and

(13) other rules necessary to implement sections 1 to 12.

<u>Subd. 2.</u> [ISSUANCE OF LICENSES AND CERTIFICATES.] The commissioner may issue licenses to employers and certificates to employees who meet the criteria in sections 1 to 12 and the commissioner's rules. Licenses and certificates shall be valid for at least 12 months.

Subd. 3. [DELEGATION.] The commissioner may, in writing, delegate the inspection and enforcement authority granted in sections 1 to 12 to other state agencies regulating asbestos.

<u>Subd.</u> 4. [ACCESS TO INFORMATION AND PROPERTY.] (a) Any person who the commissioner has reason to believe is engaged in asbestos-related work, or who is the owner of real property where the asbestos-related work is being undertaken, when requested by the commissioner, or any member, employee, or agent thereof who is authorized by the commissioner, shall furnish the commissioner any information that the person may have or may reasonably obtain that is relevant to the asbestos-related work.

(b) The commissioner or any person authorized by the commissioner, upon presentation of credentials and with reason to believe that violations of this act may be occurring, may:

(1) examine and copy any books, papers, records, memoranda, or data regarding the asbestos-related project of any person who has a duty to provide information to the department under paragraph (a); and

(2) enter upon any public or private property to take action authorized by this section including obtaining information from any person who has a duty to provide the information under paragraph (a), and conducting surveys or investigations.

Subd. 5. [SUBPOENAS.] In matters under investigation by or pending before the commissioner under sections 1 to 12, the commissioner may issue subpoenas and compel the attendance of witnesses and the production of papers, books, records, documents, and other relevant evidentiary material. A person failing or refusing to comply with the subpoena or order may, upon application by the commissioner to the district court in any district, be ordered by the court to comply with the order or subpoena. The commissioner may also administer oaths and affirmations to witnesses. Depositions may be taken within or without the state in the manner provided by law for the taking of depositions in civil actions. A subpoena or other process or paper may be served upon any person anywhere within the state by an officer authorized to serve subpoenas in civil actions, with the same fees and mileage costs paid, and in the manner as prescribed by law, for process of the state district courts. Fees and mileage and other costs of persons subpoenaed by the commissioner shall be paid in the manner prescribed for proceedings in district court.

Subd. 6. [CEASE AND DESIST ORDER.] (a) The commissioner may issue an order requiring an employer to cease asbestos-related work if the commissioner determines that a condition exists that poses an immediate danger to the public health. For purposes of this <u>subdivision, an immediate danger to the public health exists if the</u> <u>commissioner determines that:</u>

(1) air quality standards are being exceeded;

(2) asbestos-related work is being undertaken in a manner violative of applicable state or federal law;

(3) the employer or an employee working at the project site is not licensed or certified, or in possession of a current license or certificate, as the case may be; or

(4) the employer has not reported the project under section 6.

(b) The order is effective for a maximum of 60 days. Following issuance of the order, the commissioner shall provide the contractor or individual with an opportunity for a hearing under the contested case provisions of chapter 14. At the hearing, the commissioner shall decide whether to rescind, modify, or reissue the previously made order. A modified or reissued order is effective for a maximum of 60 days from the date of modification or reissuance.

<u>Subd. 7.</u> [ORDER FOR CORRECTIVE ACTION.] <u>After notice and</u> <u>opportunity for hearing under the contested case provisions of</u> <u>chapter 14, the commissioner may issue an order requiring anyone</u> <u>violating sections 1 to 12 or a rule of the commissioner to take</u> <u>corrective action as the commissioner determines will accomplish</u> <u>the purpose of the project and prevent future violation. The order</u> <u>shall contain a date by which the violation must be corrected.</u>

Subd. 8. [INJUNCTIVE RELIEF.] In addition to any other remedy provided by law, the commissioner may bring an action for injunctive relief in the district court in Ramsey county or, at the commissioner's discretion, in the district court in the county in which an asbestos-related work is being undertaken to halt the work or an activity connected with it. A temporary restraining order or other injunctive relief may be granted by the court in the proceeding if continuation of the work or an activity connected with it would result in an imminent risk of harm to any person.

Subd. 9. [OTHER POWERS.] The commissioner may exercise any other power necessary to assure the implementation and administration of sections 1 to 12.

Sec. 11. [326.81] [SUSPENSIONS; REVOCATIONS.]

The commissioner or the commissioner's designee may suspend or revoke a license or certificate for repeated or serious violations of sections 1 to 12 in accordance with procedures adopted by rule by the commissioner and the contested case procedures of chapter 14. Sec. 12. [326.83] [ASBESTOS ABATEMENT REVOLVING FUND.]

<u>Subdivision</u> 1. [CREATION; APPROPRIATION.] The asbestos abatement revolving fund is created as a separate account in the state treasury. The fund consists of the fees collected under section 7. The money in the fund is continually appropriated to the commissioner for the purposes of sections 1 to 12.

Subd. 2. [UNOBLIGATED EXCESS TRANSFERRED.] When the unobligated money in the asbestos abatement revolving fund exceeds \$500,000 at the end of any fiscal year, the unobligated amount in excess of that amount shall be transferred to the general fund.

Sec. 13. [APPROPRIATION.]

<u>\$180,000 is appropriated to the commissioner of health for the purposes of sections 1 to 12, to be available until June 30, 1989.</u>

Sec. 14. [EFFECTIVE DATE.]

Sections 9, paragraph (a); 10; and 13 are effective the day following final enactment. Sections 1 to 8; 9, paragraph (b); 11; and 12 are effective on the date on which rules adopted by the commissioner under section 10 become effective."

Delete the title and insert:

"A bill for an act relating to health; providing for asbestos regulation; directing the commissioner of health to regulate and license persons or entities enclosing, removing, or encapsulating asbestos; providing for suspension and revocation of licenses and certificates; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326."

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

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 305, A bill for an act relating to the city of Mankato; authorizing location of certain polling places more than 3,000 feet outside precinct boundaries.

Reported the same back with the following amendments:

Page 1, line 9, after "<u>place</u>" insert "<u>or polling places</u>" and delete "<u>a</u> precinct that is" and insert "precincts 1, 2, and 3"

Page 1, line 12, after the period insert "The new polling place or polling places for precincts 1, 2, and 3 may not be located more than four miles from the existing precinct boundaries."

Page 1, after line 16, insert:

"Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective until December 31, 1991."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 585, A bill for an act relating to human services; prohibiting the use of faradic shock in certain facilities; including certain aversive and deprivation procedures as abuse; amending Minnesota Statutes 1986, sections 245.825, subdivision 1; 626.556, subdivision 2; and 626.557, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 14, after "facilities" insert "and licensed services"

Page 2, line 4, after the period insert "For any persons receiving faradic shock as of April 1, 1987, the prohibition against the use of faradic shock shall not apply, except that for each such person a plan to reduce and eliminate the use of faradic shock shall be in effect by July 1, 1987."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 630, A bill for an act relating to health; allowing health maintenance organizations to adjust premiums paid based on actual health services utilization; amending Minnesota Statutes 1986, section 62D.04, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 62D.04, subdivision 1, is amended to read:

Subdivision 1. Upon receipt of an application for a certificate of authority, the commissioner of health shall determine whether the applicant for a certificate of authority has:

(a) demonstrated the willingness and potential ability to assure that health care services will be provided in such a manner as to enhance and assure both the availability and accessibility of adequate personnel and facilities;

(b) arrangements for an ongoing evaluation of the quality of health care;

(c) a procedure to develop, compile, evaluate, and report statistics relating to the cost of its operations, the pattern of utilization of its services, the quality, availability and accessibility of its services, and such other matters as may be reasonably required by regulation of the commissioner of health;

(d) reasonable provisions for emergency and out of area health care services;

(e) demonstrated that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the commissioner of health may consider:

(1) the financial soundness of its arrangements for health care services and the proposed schedule of charges used in connection therewith;

(2) the adequacy of its working capital;

(3) arrangements which will guarantee for a reasonable period of time the continued availability or payment of the cost of health care services in the event of discontinuance of the health maintenance organization;

(4) agreements with providers for the provision of health care services; and

(5) any deposit of cash or securities submitted in accordance with section 62D.041.

(f) demonstrated that it will assume full financial risk on a prospective basis for the provision of comprehensive health maintenance services, including hospital care; provided, however, that the requirement in this paragraph shall not prohibit the following:

(1) a health maintenance organization from obtaining insurance or making other arrangements (i) for the cost of providing to any enrollee comprehensive health maintenance services, the aggregate value of which exceeds \$5,000 in any year, (ii) for the cost of providing comprehensive health care services to its members on a nonelective emergency basis, or while they are outside the area served by the organization, or (iii) for not more than 95 percent of the amount by which the health maintenance organization's costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

(2) a health maintenance organization from having a provision in a group health maintenance contract allowing an adjustment of premiums paid based upon the actual health services utilization of the enrollees covered under the contract, except that at no time during the life of the contract shall the contract holder fully self-insure the financial risk of health care services delivered under the contract. Risk sharing arrangements shall be subject to the requirements of sections 62D.01 to 62D.30;

(g) otherwise met the requirements of sections 62D.01 to 62D.29.

Sec. 2. Minnesota Statutes 1986, section 62D.08, subdivision 3, is amended to read:

Subd. 3. Such report shall be on forms prescribed by the commissioner of health, and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or nonprofit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract, and (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment, and (4) a supplementary statement of assets, liabilities, premium revenue, and expenditures for risk sharing business under section $\underline{62D.04}$, subdivision 1, on forms prescribed by the commissioner;

(b) The number of new enrollees enrolled during the year, the number of enrollees as of the end of the year and the number of enrollees terminated during the year;

(c) A summary of information compiled pursuant to section 62D.04, subdivision 1, clause (c) in such form as may be required by the commissioner of health;

(d) A report of the names and addresses of all persons set forth in section 62D.03, subdivision 4, clause (c) who were associated with the health maintenance organization or the major participating entity during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization or the major participating entity, as those services relate to the health maintenance organization, including a full disclosure of all financial arrangements during the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause (d); and

(e) Such other information relating to the performance of the health maintenance organization as is reasonably necessary to enable the commissioner of health to carry out the duties under sections 62D.01 to 62D.29.

Sec. 3. Minnesota Statutes 1986, section 62D.10, is amended by adding a subdivision to read:

Subd. 6. Health maintenance organization contracts under section 62D.04, subdivision 1, shall include a clear statement of the risk sharing arrangement."

Delete the title and insert:

"A bill for an act relating to health; allowing health maintenance organizations to adjust premiums based on actual health services utilization; amending Minnesota Statutes 1986, sections 62D.04, subdivision 1; 62D.08, subdivision 3; and 62D.10, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 668, A bill for an act relating to health; extending the moratorium on hospital capacity expansion; amending Laws 1984, chapter 654, article 5, section 57, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 21, after "facility" insert "that seeks to build or relocate within the same county in which it is located and"

Page 2, line 6, strike "or"

Page 2, line 8, after "2" strike the period and insert a semicolon

Page 2, after line 8, insert:

"(5) a project involving consolidation specialty hospital services within the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number of pediatric specialty hospital beds among the hospitals being consolidated; or

(6) a project involving the temporary relocation of pediatricorthopedic hospital beds to an existing licensed hospital, to allow for the reconstruction of a new philanthropic, pediatric-orthopedic hospital on its existing site, and which will not result in a net increase in the number of hospital beds. Upon completion of the reconstruction, the licenses of both hospitals shall be reinstated at the capacity that existed on each site prior to the relocation.'

Page 2, line 11, after "buildings" insert "or within a hospital corporate system"

Page 2, line 13, strike "at that site" and "hospital"

Page 2, strike lines 14 to 16 and insert "more than 50 percent of the hospital beds from a closed facility site or complex being relocated to another existing licensed facility site or complex and an existing site or complex does not increase its total licensed hospital bed capacity by more than 50 percent; (3) a relocation outside a federal health systems agency boundary in place on July 1, 1983; or (4) construction of a new hospital building.

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 722, A bill for an act relating to health; creating exceptions to the nursing home moratorium; establishing a review process for approval of additional exceptions to the moratorium; prohibiting renewal of licenses for nursing home and boarding care home beds in rooms with more than four beds; appropriating money; amending Minnesota Statutes 1986, sections 144.55, subdivision 6;

144A.05; and 144A.071, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 144A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 144.55, subdivision 6, is amended to read:

Subd. 6. [SUSPENSION, REVOCATION, AND REFUSAL TO RENEW.] (a) The commissioner may refuse to grant or renew, or may suspend or revoke, a license on any of the following grounds:

(1) Violation of any of the provisions of sections 144.50 to 144.56 or the rules or standards issued pursuant thereto;

(2) Permitting, aiding, or abetting the commission of any illegal act in the institution;

(3) Conduct or practices detrimental to the welfare of the patient; or

(4) Obtaining or attempting to obtain a license by fraud or misrepresentation.

(b) The commissioner shall not renew a license for a boarding care bed in a resident room with more than four beds.

Sec. 2. Minnesota Statutes 1986, section 144A.05, is amended to read:

144A.05 [LICENSE RENEWAL.]

Unless the license expires in accordance with section 144A.06 or is suspended or revoked in accordance with section 144A.11, a nursing home license shall remain effective for a period of one year from the date of its issuance. The commissioner of health by rule shall establish forms and procedures for the processing of license renewals. The commissioner of health shall approve a license renewal application if the facility continues to satisfy the requirements, standards and conditions prescribed by sections 144A.01 to 144A.17 and the rules promulgated thereunder. The commissioner shall not approve the renewal of a license for a nursing home bed in a resident room with more than four beds. Except as provided in section 144A.08, a facility shall not be required to submit with each application for a license renewal additional copies of the architectural and engineering plans and specifications of the facility. Before approving a license renewal, the commissioner of health shall determine that the facility's most recent balance sheet and its most recent statement of revenues and expenses, as audited by the state auditor, by a certified public accountant licensed by this state or by a public accountant as defined in section 412.222, have been received by the department of human services.

Sec. 3. Minnesota Statutes 1986, 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 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; (d) to license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

(e) to license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules; Θ

(f) to certify or license new beds in a new facility that is to be operated by the commissioner of veterans' affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans' affairs or the United States Veterans Administration-;

(g) to license or certify beds in a new facility constructed to replace a facility that was destroyed after June 30, 1987, by fire, lightning, or other hazard provided:

(1) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(2) at the time the facility was destroyed the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(3) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility;

(4) the new facility is constructed on the same site as the destroyed facility or to another site subject to the restrictions in section 4, subdivision 5; and

(h) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, or to license or certify beds in a facility for which the total costs of remodeling or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, if the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the remodeling or renovation;

(i) to license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner within 120 days after delicensure or decertification;

(j) to license or certify beds in a project approved by the interagency board for quality assurance under section 4;

(k) to license or certify nursing home beds in a hospital facility that are relocated from a different hospital facility provided:

(1) the hospital in which the nursing home beds were originally located ceases to function as an acute care facility; or

(2) necessary support services for nursing homes as required for licensure under sections 144A.02 to 144A.10, such as dietary, physical plant, housekeeping, physical therapy, occupational therapy, and administration, are no longer available from the original hospital site; and

(3) the hospitals share common ownership or affiliation; and

(4) the nursing home beds are not certified for participation in the medical assistance program; or

(1) to license or certify beds that are moved from one location to another within an existing identifiable complex of hospital buildings if the facility will make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation and will delicense the same number of acute care beds within the existing complex of hospital buildings.

Sec. 4. [144A.073] [REVIEW OF PROPOSALS REQUIRING EX-CEPTIONS TO THE MORATORIUM.

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(a) "Conversion" means the relocation of a nursing home bed from a nursing home to an attached hospital.

(b) "Renovation" means extensive remodeling of, or construction of an addition to, a facility on an existing site with a total cost exceeding ten percent of the appraised value of the facility or \$200,000, whichever is less.

(c) "Replacement" means the demolition and reconstruction of all or part of an existing facility.

(d) "Upgrading" means a change in the level of licensure of a bed from a boarding care bed to a nursing home bed, in a certified boarding care facility that is attached to a nursing home.

Subd. 2. [REQUEST FOR PROPOSALS.] By July 1, 1988, and subsequent years, the interagency board shall publish in the State Register a request for proposals for nursing home projects requiring exceptions to the nursing home moratorium. The notice must describe the information that must accompany a request and state that proposals must be submitted to the interagency board by September 30. The notice must include the amount of the legislative appropriation available for the additional costs to the medical assistance program of projects approved under this section. If no money is appropriated for a year, the notice for that year must state that proposals will not be requested because no appropriations were made. To be considered for approval, a proposal must include the following information:

(1) whether the request is for renovation, replacement, upgrading, or conversion;

(2) a description of the problem the project is designed to address;

(3) a description of the proposed project;

(4) an analysis of projected costs, including initial construction and remodeling costs, site preparation costs, financing costs, and estimated operating costs during the first two years after completion of the project;

(5) for proposals involving replacement of all or part of a facility, the proposed location of the replacement facility and an estimate of the cost of addressing the problem through renovation;

(6) for proposals involving renovation, an estimate of the cost of addressing the problem through replacement; and

(7) the proposed timetable for commencing construction and completing the project.

<u>Subd. 3.</u> [REVIEW AND APPROVAL OF PROPOSALS.] Within the limits of money specifically appropriated to the medical assistance program for this purpose, the interagency board for quality assurance may grant exceptions to the nursing home licensure or certification moratorium for proposals that satisfy the requirements of this section. The interagency board shall appoint an advisory review panel composed of representatives of consumers and providers to review proposals and provide comments and recommendations to the board. The commissioners of human services and health shall provide staff and technical assistance to the board for the review and analysis of proposals. The interagency board shall hold a public hearing before making a final decision on project approvals. The board shall approve or disapprove proposals before December 1 based on a comparison and ranking of proposals using the criteria in subdivision 4. The cost to the medical assistance program of the proposals approved must be within the limits of the appropriations specifically made for this purpose. Approval of a proposal expires seven months after approval unless the facility has commenced construction as defined in section 144A.071, subdivision 3, paragraph (b). The board shall report to the legislature annually by January 1. The report must include the projects approved, the criteria used to select proposals for approval, and the estimated costs of the projects, including the costs of initial construction and remodeling, and the estimated operating costs during the first two years after the project is completed.

Subd. 4. [CRITERIA FOR REVIEW.] (a) The following criteria must be used to compare and rank all proposals submitted:

(1) the extent to which the average occupancy rate of the facility supports the need for the proposed project;

(2) the extent to which the average occupancy rate of all facilities in the county in which the applicant is located, together with all contiguous Minnesota counties, supports the need for the proposed project;

(3) the extent to which the proposal furthers state long-term care goals, including the goal of enhancing the availability and use of alternative care services and the goal of reducing the number of long-term care resident rooms with more than two beds;

(4) the cost effectiveness of the proposal, including the proposal's long-term effects on the costs of the medical assistance program, as determined by the commissioner of human services; and

(5) the feasibility and appropriateness of the proposal, as determined by the commissioner of health.

(b) In addition to the criteria in paragraph (a), the following criteria must be used to evaluate, compare, and rank proposals involving renovation or replacement:

(1) the extent to which the project improves conditions that affect the health or safety of residents, such as narrow corridors, narrow door frames, unenclosed fire exits, and wood frame construction;

(2) the extent to which the project improves conditions that affect the quality of life of residents in a facility or the ability of the facility to provide efficient care, such as a relatively high number of residents in a room; inadequate lighting or ventilation; poor access to bathing or toilet facilities; a lack of available ancillary space for dining rooms, day rooms, or rooms used for other activities; problems relating to heating, cooling, or energy efficiency; inefficient location of nursing stations; or narrow corridors.

<u>Subd 5.</u> [REPLACEMENT RESTRICTIONS.] <u>Proposals submitted or approved under this section involving replacement must</u> provide for replacement of the facility on the existing site except as allowed in this subdivision. Facilities located in a metropolitan statistical area may relocate to a site within the same census tract or a contiguous census tract. In the seven-county metropolitan area, the health planning areas as adopted in March 1982 by the metropolitan council shall be used. Facilities located outside a metropolitan statistical area may relocate to a site within the same city or township, or within a contiguous township. A replacement facility must not be relocated to a site more than six miles from the existing site.

<u>Subd. 6.</u> [CONVERSION RESTRICTIONS.] <u>Proposals submitted</u> or approved under this section involving conversion must satisfy the following conditions:

(a) Conversion is limited to a total of five beds.

(b) An equivalent number of hospital beds must be delicensed.

(c) <u>The average occupancy rate in the existing nursing home beds</u> <u>must be greater than 96 percent according to the most recent annual</u> <u>statistical report of the department of health.</u>

(d) The cost of remodeling the hospital rooms to meet current nursing home construction standards must not exceed ten percent of the appraised value of the nursing home or \$200,000, whichever is less.

(e) The conversion must not result in an increase in operating costs.

<u>Subd.</u> 7. [UPGRADING RESTRICTIONS.] <u>Proposals submitted or</u> <u>approved under this section involving upgrading must satisfy the</u> <u>following conditions:</u>

(a) No proposal for upgrading may be approved after June 30, 1989.

(b) No more than one proposal for upgrading may be approved for a facility.

(c) Upgrading is limited to a total of ten beds.

(d) The facility must meet minimum nursing home care standards.

(e) Upgrading must not result in an increase in per diem operating costs.

(f) If beds are upgraded to nursing home beds, the number of boarding care beds in a facility must not increase in the future.

(g) The average occupancy rate in the existing nursing home beds must be greater than 96 percent according to the most recent annual statistical report of the department of health.

(h) The cost of remodeling the facility to meet current nursing home construction standards must not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less.

Subd. 8. [RULEMAKING.] The interagency board shall adopt rules to implement this section.

Sec. 5. Minnesota Statutes 1986, section 144A.27, is amended to read:

144A.27 [ACTING ADMINISTRATORS.]

If a licensed nursing home administrator is removed from the position by death or other unexpected cause, the controlling persons of the nursing home suffering the removal may designate an acting nursing home administrator who may serve without a license for no more than 90 days, unless an extension is granted by the board of examiners shall secure an acting administrator's license within 30 days of appointment as the acting administrator.

Sec. 6, Minnesota Statutes 1986, 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, 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. In developing the geographic groups for purposes of reimbursement under this section, the commissioner shall ensure that nursing homes in any county contiguous to the Minneapolis-St. Paul seven-county metropolitan area are included in the same geographic group. 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 diems 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. For the rate year beginning on July 1, 1985, the commissioner shall:

(1) allow nursing homes that have an average length of stay of 180 days or less in their skilled nursing level of care, 125 percent of the care related limit and 105 percent of the other operating cost limit established by rule; and

(2) exempt nursing homes licensed on July 1, 1983, by the commissioner to provide residential services for the physically handicapped under Minnesota Rules, parts 9570.2000 to 9570.3600, from the care related limits and allow 105 percent of the other operating cost limit established by rule.

For the purpose of calculating the other operating cost efficiency incentive for nursing homes referred to in clause (1) or (2), the commissioner shall use the other operating cost limit established by rule before application of the 105 percent.

(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 or payments in lieu of real estate tax of each proprietary nursing home as an operating cost of that nursing home. For rate years beginning on or after July 1, 1987, the reported actual real estate tax liability or payments in lieu of real estate tax of nursing homes shall be adjusted to include an amount equal to one-half of the dollar change in real estate taxes from the prior year. The commissioner shall include a reported actual special assessment, and reported actual license fees required by the Minnesota department of health, for each nursing home as an operating cost of that nursing home. Total adjusted real estate tax liability, payments in lieu of real estate tax, actual special assessments paid, and license fees paid as required by the Minnesota department of health, 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).

(h) For rate years beginning on or after July 1, 1987, the commissioner shall adjust the rates of the nursing home that meets the criteria for special dietary needs of its residents as described in section 144A.071, subdivision 3, clause (c), and the special dietary needs involve the preparation of Kosher foods as defined in section 31.651. The adjustment shall be the difference between the nursing home's allowable historical raw food cost per diem and 115 percent of the median historical allowable raw food cost per diem of the corresponding geographic group. The adjustment shall be calculated based on allowable costs incurred during the reporting year ending in 1986, and shall be adjusted each rate year by the raw food component of the economic change index established pursuant to section 256B.431, 2b(e). An adjustment for dietary consulting shall be the difference between the nursing home's allowable historical dietary consulting cost per diem and 115 percent of the median historical allowable dietary consulting cost per diem of the corre-sponding geographic group. An adjustment for dietary supplies shall be the difference between the nursing home's allowable historical dietary supply cost per diem and 105 percent of the median historical allowable dietary supply cost per diem of the corresponding geographic group. The rate adjustment shall be reduced by the applicable phase-in percentage as provided under section 256B.431, subdivision 2(h).

Sec. 7. Minnesota Statutes 1986, section 256B.431, subdivision 2e, is amended to read:

Subd. 2e. [NEGOTIATED RATES CONTRACTS FOR SERVICES FOR VENTILATOR DEPENDENT PERSONS.] Until procedures for determining operating cost payment rates according to mix of resident needs are established, the commissioner may negotiate, with a nursing home that is eligible to receive medical assistance payments, a payment rate of up to 125 percent of the allowed payment rate to be paid for a period of up to three months for individuals who have been hospitalized for more than 100 days, or who have extensive care needs based on nursing hours actually provided or mental or physical disability, or who need respite care for a specified and limited time period. In addition, the commissioner shall take into consideration facilities which historically provided nursing hours at or near the maximum limits which were subsequently reduced as a consequence of payment rate reductions. The payment rate shall be based on an assessment of the nursing home's resident mix as determined by the commissioner of health. When circumstances dietate, the commissioner has authority to renegotiate payment rates for an additional period of time. The payment rate negotiated and The commissioner may contract with a nursing home eligible to receive medical assistance payments to provide services to a ventilator dependent person identified by the commissioner according to criteria developed by the commissioner, including:

(1) nursing home care has been recommended for the person by a preadmission screening team;

(2) the person has been assessed at case mix classification K;

(3) the person has been hospitalized for at least six months and no longer requires inpatient acute care hospital services; and

(4) the commissioner has determined that necessary services for the person cannot be provided under existing nursing home rates.

The commissioner may issue a request for proposals to provide services to a ventilator dependent person to nursing homes eligible to receive medical assistance payments and shall select nursing homes from among respondents according to criteria developed by the commissioner, including:

(1) the cost effectiveness and appropriateness of services;

(2) the nursing home's compliance with federal and state licensing and certification standards; and

(3) the proximity of the nursing home to a ventilator dependent person identified by the commissioner who requires nursing home placement.

The commissioner may negotiate an adjustment to the operating cost payment rate for a nursing home selected by the commissioner from among respondents to the request for proposals. The negotiated adjustment must reflect only the actual additional cost of meeting the specialized care needs of a ventilator dependent person identified by the commissioner for whom necessary services cannot be provided under existing nursing home rates and which are not otherwise covered under Minnesota Rules, parts 9549.0010 to 9549.0080 or 9505.0170 to 9505.0475. The negotiated adjustment shall not affect the payment rate charged to private paying residents under the provisions of section 256B.48, subdivision 1. The negotiated adjustment paid pursuant to this paragraph is specifically exempt from the definition of "rule" and the rulemaking procedures required by chapter 14 and section 256B.502.

Sec. 8. Minnesota Statutes 1986, section 256B.431, subdivision 3a, is amended to read:

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 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.

(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;

 $\left(4\right)$ 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.

(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.

(d) For rate years beginning on or after July 1, 1987, a nursing home which reduces licensed bed capacity shall be allowed to:

(1) <u>aggregate</u> the <u>applicable</u> investment per bed limits <u>based</u> on the <u>number</u> of beds licensed prior to the reduction; and

(2) establish capacity days for each rate year following the licensure reduction based on the number of beds licensed on the previous April 1 if the commissioner is notified of the change by April 4. The notification must include a copy of the delicensure request that has been submitted to the commissioner of health.

Sec. 9. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3b. [DEPRECIATION RECAPTURE.] The sale of a nursing home which occurred on or after July 1, 1987, shall result in depreciation recapture payments to be paid by the buyer to the commissioner within 60 days of the department's notification if the sale price exceeds the nursing home's allowable historical cost of capital assets including land recognized by the commissioner at the time of the sale, reduced by accumulated depreciation. The gross recapture amount shall be the lesser of the actual gain on the sale or actual depreciation recognized for the purpose of calculating medical assistance payment rates from November 1, 1972, through the date of the sale. The gross recapture amount shall be allocated to each reporting year from November 1, 1972, through the date of the sale in the same ratio as depreciation amounts recognized for the purpose of calculating medical assistance payment rates. The amount allocated to each reporting year shall be divided by the total actual resident days in that reporting year, thereby determining a cost-perresident day. The recapture amount shall be the cost-per-resident day for each reporting year times the actual medical assistance resident days for the corresponding rate year following each reporting year. No payment of depreciation recapture shall be assessed with respect to a portion of a rate year beginning after June 30, 1985, in which the property-related payment rate was based on the nursing home's rental value. For the purpose of this subdivision, the sale of a nursing home means the sale or transfer of a nursing home's capital assets or capital stock or the redemption of ownership interests by members of a partnership. In the case of a sale or transfer of a nursing home in which the new operator leases depreciable equipment used in the nursing home business from the prior operator, or an affiliate of the prior operator, the net present value of the lease shall be added to the transaction price for the purpose of determining the actual gain on the sale. In the case of a partial sale of a nursing home, the provisions of this subdivision will be applied proportionately to sales or accumulations of sales that exceed 20 percent of a nursing home's capital assets or capital stock. Depreciation recapture payments resulting from the sale of a nursing home which occurred before July 1, 1985, shall be calculated in accordance with reimbursement regulations in effect on the date of the sale.

Sec. 10. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3c. [PLANT AND MAINTENANCE COSTS.] For the rate years beginning on or after July 1, 1987, the commissioner shall allow as an expense in the reporting year of occurrence the lesser of the actual allowable plant and maintenance costs for supplies, minor equipment, equipment repairs, building repairs, purchased services and service contracts, except for arms-length service contracts whose primary purpose is supervision, or \$325 per licensed bed.

Sec. 11. Minnesota Statutes 1986, 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 2a, 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 2f, 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 under 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 S 2.050 any facility that is licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, is licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690, 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.

For the rate year beginning July 1, 1985, each nursing home total payment rate must be effective two calendar months from the first day of the month after the commissioner issues the rate notice to the nursing home. From July 1, 1985, until the total payment rate becomes effective, the commissioner shall make payments to each nursing home at a temporary rate that is the prior rate year's operating cost payment rate increased by 2.6 percent plus the prior rate year's property-related payment rate and the prior rate year's real estate taxes and special assessments payment rate. The commissioner shall retroactively adjust the property-related payment rate and the real estate taxes and special assessments payment rate to July 1, 1985, but must not retroactively adjust the operating cost payment rate.

(d) For the purposes of reimbursement under Minnesota Rules, parts 9549.0010 to 9549.0080, the following types of transactions shall not be considered a sale or reorganization of a provider entity:

(1) the sale or transfer of a nursing home upon death of an owner;

(2) the sale or transfer of a nursing home due to serious illness or disability of an owner as defined under the social security act; or

(3) the sale or transfer of the nursing home upon retirement of an owner at 62 years of age or older.

Sec. 12. Minnesota Statutes 1986, section 256B.50, subdivision 2, is amended to read:

Subd. 2. [APPRAISED VALUE; APPEALS BOARD.] (a) Appeals concerning the appraised value of a nursing home's real estate must 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 commissioner of administration. In making the selection, the commissioner of human services shall ensure 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 when it is 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 partics.

(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. (a) An appeal request concerning the appraised value of a nursing home's real estate as established by an appraisal conducted after July 1, 1986, shall state the appraised value the nursing home believes is correct for the building, land improvements, and attached equipment and the name and address of the firm with whom contacts may be made regarding the appeal. The appeal request shall include a separate appraisal report prepared by an independent appraiser of real estate which supports the total appraised value claimed by the nursing home. The appraisal report shall be based on an on-site inspection of the nursing home's real estate using the depreciated replacement cost method and must be in a form comparable to that used in the commissioner's appraisal. The appraisal report shall include information related to the training, experience, and qualifications of the appraiser who conducted and prepared the appraisal report for the nursing home.

(b) A nursing home which has filed an appeal request prior to the effective date of this law concerning the appraised value of its real estate as established by an appraisal conducted before July 1, 1986, must submit to the commissioner the information described under

paragraph (a) within 60 days of the effective date of this act in order to preserve the appeal.

(c) An appeal request which has been filed pursuant to the provisions of paragraph (a) or (b) shall be finally resolved through an agreement entered into by and between the commissioner and the nursing home or by the determination of an independent review appraiser based upon an on-site inspection of the nursing home's real estate using the depreciated replacement cost method in a form comparable to that used in the commissioner's appraisal. The review appraiser shall be selected by the commissioner and the nursing home by alternately striking names from a list of appraisers approved for state contracts by the commissioner of administration. The review appraiser shall make assurances to the satisfaction of the commissioner and the nursing home that the review appraiser is experienced in the use of the depreciated cost method of appraisals and that the review appraiser is free of any personal, political, or economic conflict of interest that may impair the ability to function in a fair and objective manner. The commissioner shall pay costs of the review appraiser through a negotiated rate for services of the review appraiser.

(d) The decision of the review appraiser is final and is not appealable. Exclusive jurisdiction for appeals of the appraised value of nursing homes lies with the procedures set out in this subdivision. No court of law shall possess subject matter jurisdiction to hear appeals of appraised value determinations of nursing homes.

Sec. 13. [STUDY AND REPORT.]

The interagency board for quality assurance shall study the following issues and report to the legislature by December 15, 1988, on its findings and recommendations:

(1) the advisability of changing the definition of "hardship" for purposes of the nursing home moratorium;

(2) the advisability of defining the need for nursing home beds in terms of the population aged 75 and older; and

(3) the existence of a geographic maldistribution of long-term care beds and alternative care services in the state.

Sec. 14. [APPROPRIATIONS.]

The following amounts are appropriated from the general fund to the agencies named for the costs associated with the moratorium exception review process and other responsibilities created by sections 1 to 5:

(1) \$..... to the commissioner of health;

(2) \$..... to the commissioner of human services; and

(3) \$..... to the interagency board for quality assurance.

Sec. 15. [EFFECTIVE DATES.]

Sections 1 and 2 are effective July 1, 1989. Sections 3 to 14 are effective July 1, 1987."

Delete the title and insert:

"A bill for an act relating to health; creating exceptions to the nursing home moratorium; establishing a review process for approval of additional exceptions to the moratorium; prohibiting renewal of licenses for nursing home and boarding care home beds in rooms with more than four beds; providing for changes in propertyrelated costs for reduced licensed bed capacity; allowing for depreciation recapture; providing for a new appeals procedure for appraised value appeal requests; appropriating money; amending Minnesota Statutes 1986, sections 144.55, subdivision 6; 144A.05; 144A.071, subdivision 3; 144A.27; 256B.431, subdivisions 2b, 2e, 3a, 4, and by adding subdivisons; and 256B.50, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144A."

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

The report was adopted.

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

H. F. No. 792, A bill for an act relating to credit unions; permitting certain groups to join existing credit unions; amending Minnesota Statutes 1986, section 52.05.

Reported the same back with the following amendments:

Page 2, line 7, reinstate the stricken language and delete the new language

Page 2, line 8, delete the new language

Page 2, line 18, reinstate the stricken language

Page 2, line 19, reinstate the stricken language

Page 2, line 20, reinstate the stricken language and delete the new language

Page 2, line 22, delete "In addition to any other provisions the"

Page 2, line 23, delete "commissioner considers proper,"

Page 2, line 26, delete "There shall not be a"

Page 2, line 27, delete "<u>contrary presumption</u> for groups larger than 1,500."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 856, A bill for an act relating to local government; allocating community service block grant discretionary funds; designating certain counties eligible entities for community action funds; amending Minnesota Statutes 1986, sections 268.52, subdivision 2; and 268.53, subdivision 1.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1

Page 2, line 17, delete "Sec. 2." and insert "Section 1."

Page 2, lines 28 to 30, delete the new language and insert "For purposes of this subdivision, "eligible entity" also means any community action agency which qualified under all federal and state regulations applicable during the period from 1981 to September 30, 1984, which includes only Olmsted and Freeborn counties."

Amend the title as follows:

Page 1, lines 2 and 3, delete "allocating community service block grant discretionary funds;"

Page 1, line 6, delete "sections 268.52, subdivision 2; and" and insert "section"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 862, A bill for an act relating to commerce; creating a legislative commission to study proposed low-level military air training in northeastern Minnesota; prescribing its duties.

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

The report was adopted.

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

H. F. No. 904, A bill for an act relating to human services; requiring notification to spouse of nursing home resident; amending Minnesota Statutes 1986, section 256B.48, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 256B.48, is amended by adding a subdivision to read:

<u>Subd.</u> 8. [NOTIFICATION TO A SPOUSE.] When a private pay resident who has not yet been screened by the preadmission screening team is admitted to a nursing home or boarding care facility, the nursing home or boarding care facility must notify the resident and the resident's spouse of the following:

(1) their right to retain certain resources under section 256B.14, subdivision 2; and

(2) that the federal Medicare hospital insurance benefits program covers post-hospital extended care services in a qualified skilled nursing facility for up to 100 days and that there are several limitations on this benefit. The resident and the resident's family must be informed about all mechanisms to appeal limitations imposed under this federal benefit program.

This notice may be included in the nursing home's or boarding care facility's admission agreement and must clearly explain what resources the resident and spouse may retain if the resident applies for medical assistance. The department of human services must notify nursing homes and boarding care facilities of changes in the determination of medical assistance eligibility that relate to resources retained by a resident and the resident's spouse. The preadmission screening team has primary responsibility for informing all private pay applicants to a nursing home or boarding care facility of the resources the resident and spouse may retain."

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

The report was adopted.

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

H. F. No. 931, A bill for an act relating to public guardianship; modifying standards and procedures for the appointment of public guardians for mentally retarded persons; providing for powers and duties of public guardians; amending Minnesota Statutes 1986, sections 252.291, subdivision 3; 252A.01; 252A.02, subdivisions 2, 4, 6, 7, 8, 11, 12, and by adding subdivisions; 252A.03, subdivisions 2 and 3; 252A.04, subdivisions 1 and 3; 252A.05; 252A.06; 252A.07, subdivisions 1 and 3; 252A.14; 252A.16; 252A.17; 252A.19, subdivisions 1, 2, and 3, and by adding a subdivision; 252A.20, subdivision 1; 252A.21, subdivision 2; 253B.03, subdivisions 1 and 6; and 525.56, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 252A; repealing Minnesota Statutes 1986, sections 252A.08; 252A.10; 252A.11; 252A.13; 252A.15; and 252A.18.

Reported the same back with the following amendments:

Page 11, line 29, delete "quarterly" and insert "twice a year"

Page 11, after line 29, insert:

"(2) prohibit filming a ward in any way that would reveal the identity of the ward;"

Renumber remaining clauses

Page 11, line 36, delete "involvement" and insert "input"

Page 15, line 6, delete "quarterly" and insert "twice a year"

Page 16, delete line 33, and insert "services. Consent must be obtained from the person or person's guardian except for emergency procedures as permitted under rules of the commissioner adopted under section 245.825."

Page 16, line 34, delete the new language

Page 17, line 10, delete "as <u>defined</u>" and insert "<u>except for</u> <u>emergency</u> <u>procedures</u> <u>permitted</u> <u>in</u> <u>rules</u> <u>of</u> <u>the</u> <u>commissioner</u> <u>adopted</u>"

Page 21, delete lines 15 to 23 and insert:

"(e) A guardian or conservator or the public guardian's designee who acts within the scope of authority conferred by letters of guardianship under article 1, section 21, subdivision 7, and according to the standards established in this chapter or in chapter 252A shall not be civilly or criminally liable for the provision of any necessary medical care, including but not limited to, the administration of psychotropic medication or the implementation of aversive and deprivation procedures to which the guardian or conservator or the public guardian's designee has consented."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 960, A bill for an act relating to human services; requiring director of state planning agency to contract for development of client advisory committees; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 252.

Reported the same back with the following amendments:

Page 1, line 18, delete "director of the state" and insert "commissioner of jobs and training, through the division of rehabilitation resources"

Page 1, delete line 19

Page 1, line 20, delete "disabilities"

Page 1, line 22, after the first comma insert "and"

Page 1, line 23, delete "and intermediate care facilities for the mentally retarded,"

Page 1, line 24, delete "as appropriate to" and insert "and technical assistance to client advisory committees in"

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

The report was adopted.

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

H. F. No. 1026. A bill for an act relating to retirement; clarifying the responsibilities of the actuary retained by the legislative commission on pensions and retirement; clarifying and revising various actuarial determinations and procedures; authorizing the retention of actuarial advisors by various retirement funds; specifying the contents and methods for supplemental and alternative actuarial valuations; establishing a separate fund for the correctional employees retirement fund; amending Minnesota Statutes 1986, sections 3.85, subdivision 12; 3A.11, subdivision 1; 11A.18, subdivisions 6, 9, and 11; 69.77. subdivisions 2b and 2h: 69.772. subdivision 3: 69.773. subdivisions 2 and 4; 136.82, subdivision 2; 352.01, subdivision 12; 352.03, subdivision 6; 352.116, subdivisions 1, 3, and by adding a subdivision; 352.119, subdivision 2; 352.85, subdivision 6; 352.86, subdivision 4; 352B.01, by adding a subdivision; 352B.02, subdivision 1; 352B.08, subdivision 2; 352B.26, subdivision 3; 353.01, subdivision 14; 353.03, subdivision 3a; 353.271; 353.29, subdivision 6; 353.30, subdivision 3; 354.05, subdivision 7; 354.06, subdivision 2a; 354.07, subdivision 1; 354.35; 354.42, subdivision 5; 354.44, subdivision 2: 354.45: 354.48, subdivision 3: 354.532, subdivisions 1 and 2; 354.55, subdivisions 11, 12, and 13; 354.58; 354.62, subdivision 5; 354.63, subdivision 2; 354A.011, subdivision 17, and by adding a subdivision; 354A.021, by adding a subdivision; 354A.32; 354A.41, subdivision 2; 356.20, subdivisions 2, 3, and 4; 356.215; 356.216; 356.22, subdivision 2; 356.23; 356.41; 356.451, subdivision 1; 422A.01, subdivisions 6, 7, and 10; 422A.04, subdivisions 2 and 3; 422A.06, subdivisions 2, 5, 7, and 8; 422A.101; 422A.15, subdivisions 2 and 3; 422A.16, subdivisions 2, 3a, and 10; 422A.17; 422A.23, subdivisions 6 and 7; 490.121, subdivision 20; and 490.124, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 352; repealing Minnesota Statutes 1986, section 352B.26, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 35, strike "preceding"

Page 3, line 1, strike "For funds"

Page 3, strike lines 2 and 3

Page 3, line 4, before "year" insert "plan"

Page 3, line 5, strike "1988" and insert "1987".

Page 3, line 34, strike "date" and delete "<u>on</u>" and insert "<u>last</u> <u>business</u> <u>day of the month in</u>" Page 4, line 12, after "PLANS" insert "; TRANSFER OR RE-QUIRED RESERVES"

Page 4, line 13, before "Any" insert "(a)"

Page 4, line 15, strike "commencement of a" and insert "last business day of the month in which the"

Page 4, line 16, after "fund" insert "begins"

Page 4, line 23, after the period insert:

"(b) If the exact amount of the actuarially determined required reserves is not readily calculable as of the date of the commencement of a benefit payment, the initial transfer shall be based on the best estimate by the executive director of the retirement fund involved and shall be made on a timely basis. Any necessary adjustments based on specific calculations of actuarially determined required reserves shall be made in later transfers. If a best estimate initial transfer is insufficient, the later transfer from the retirement fund shall include interest on the amount of the required reserve insufficiency at the greater of the following rates:

(1) the average short-term investment return rate earned by the state board over the 30-day period ending with the last business day of the month before the month in which the later adjustment transfer is made; or

(2) the preretirement interest assumption for the retirement fund as specified in section 356.215, subdivision 4d, stated as a monthly rate.

Interest on the amount of a required reserve insufficiency payable by a retirement fund shall be compounded on a monthly basis. No interest shall be payable from the postretirement investment fund in the event of a required reserve oversufficiency.

(c)"

Page 5, line 10, delete "or under a procedure specified by"

Page 5, line 21, delete "or the participating"

Page 5, line 22, delete everything before "as"

Page 6, line 9, delete <u>"or the participating public pension plan or</u> <u>fund,</u>"

Page 6, line 10, delete "whichever is applicable"

Page 6, line 11, delete "or under a procedure specified by"

Page 6, line 17, strike "100"

Page 6, line 18, strike "percent of"

Page 7, after line 11, insert:

"(e) Any retirement annuity payable in the event of retirement before becoming eligible for social security benefits as provided in sections 352.116, subdivision 3, 353.29, subdivision 6, or 354.35, shall be treated as the sum of a period certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period certain retirement annuity plus the life retirement annuity shall be the annuity amount payable until age 62 or 65, whichever applies. Any postretirement adjustment granted on the period certain retirement annuity shall terminate when the period certain retirement annuity terminates."

Page 17, line 10, strike ", and"

Page 17, line 11, strike "may deposit" and insert "by depositing"

Page 17, line 18, after "to" insert "the"

Page 18, line 17, delete "trustees" and insert "directors"

Page 21, line 18, before the period insert "or establish an optional annuity which takes the form of a joint and survivor annuity providing that, if after the joint and survivor annuity becomes payable, the person with the designated remainder interest in the annuity dies before the former member, the annuity amount shall be reinstated to a normal single life annuity amount as of the first day of the month after the day the person dies" and after the period insert "In addition, the board may also establish an optional annuity that takes the form of an annuity calculated on the basis of the age of the retired employee at retirement and payable for the period before the retired employee becomes eligible for social security old age retirement benefits in a greater amount than the amount of the annuity calculated under subdivision 2 on the basis of the age of the retired employee at retirement but equal insofar as possible to the social security old age retirement benefit and the adjusted retirement annuity amount payable immediately after the retired employee becomes eligible for social security old age retirement benefits and payable for the period after the retired employee becomes eligible for social security old age retirement benefits in an amount less than the amount of the annuity calculated under subdivisions 2 and 3. The social security leveling option may be calculated based on broad average social security old age retirement benefits.'

Page 22, line 13, strike "date" and delete "of" and insert "last business day of the month in which the" and before the period insert "annuity or disability benefit begins"

Page 27, line 5, before "in" insert "as of the last business day of the month in which the retirement annuity begins"

Page 30, line 24, strike "date of" and insert "last business day of the month in which the" and after "retirement" insert "annuity begins"

Page 31, line 18, after the period insert "The social security leveling option may be calculated based on broad average social security old age retirement benefits."

Page 35, line 28, delete everything after "<u>member</u>" and insert "attains the age of 65 years"

Page 35, line 29, delete "retirement benefits"

Page 36, line 1, after the period insert "<u>The social security leveling</u> option may be calculated based on broad average social security old age retirement benefits."

Page 36, line 18, after "liability" insert "<u>computed under the entry</u> age actuarial cost method and"

Page 38, line 27, after "deductions" insert "<u>and interest accrued to</u> the date of <u>retirement</u>"

Page 42, line 29, after "teaching" insert "service"

Page 42, line 35, delete "retired" and insert "retires"

Page 44, line 9, delete "in effect on July 1, 1969"

Page 44, line 25, reinstate the stricken language

Page 44, line 26, reinstate the stricken language and delete the underscored language

Page 44, line 27, delete the underscored language

Page 44, line 28, delete the underscored language

Page 45, line 13, strike "an"

Page 45, line 14, before "interest" insert "the applicable postretirement" and strike "of five percent" and insert "specified in section 356.215"

Page 46, line 24, before "354.44" insert "354.35,"

Page 47, line 11, strike "date of" and insert "last business day of the month in which the" and after "retirement" insert "annuity begins"

Page 49, after line 21, insert:

"Sec. 50. Minnesota Statutes 1986, section 354A.33, is amended to read:

354A.33 [SOCIAL SECURITY LEVELING ADJUSTMENT OP-TION.]

Any coordinated member who retires prior to the time the member becomes eligible for social security old age retirement benefits shall be entitled to elect to receive a social security leveling adjustment optional annuity from the teachers retirement fund association. The social security leveling adjustment optional annuity shall be established by the board of the teachers retirement fund association. It shall take the form of an annuity payable for the period prior to the member's becoming eligible for social security old age retirement benefits in an amount greater than the amount of the member's annuity calculated pursuant to section 354A.31 on the basis of the age of the member at retirement but equal insofar as possible to the social security old age retirement benefit and the adjusted retirement annuity amounts payable immediately subsequent to becoming eligible for social security old age retirement benefits in an amount less than the amount of the member's annuity calculated pursuant to section 354A.31 on the basis of the age of the member at retirement. The optional form shall be the actuarial equivalent to the normal forms provided in section 354A.31. In establishing the optional form, the board shall obtain the written recommendation of an approved the commission retained actuary and the recommendation shall be a part of the permanent records of the board."

Page 52, line 18, strike "and" and insert ", cash" and after "equivalents" insert ", and short-term securities"

Page 52, after line 21, insert "Equity in the Minnesota postretirement investment fund"

Page 53, line 11, before "Annuity" insert "Retirement"

Page 53, after line 11, insert "Disability benefit payments"

Page 53, line 26, strike "annuities" and insert "benefits"

Page 53, line 27, strike "spouses' annuities" and insert "spouse and child benefits"

Page 53, strike line 28

Page 53, line 33, strike "benefits" and insert "annuities"

Page 54, line 17, strike "benefit payments," and insert "the payment of"

Page 54, line 18, strike "benefits" and insert "annuities"

Page 55, line 19, after "plan" strike the old language and delete the new language

Page 55, strike line 20

Page 55, line 21, strike the old language and delete the new language

Page 55, line 22, delete everything before the period

Page 57, line 22, strike "sixth" and insert "11th"

Page 60, line 6, after "unfunded" insert "actuarial"

Page 60, line 7, after "unfunded" insert "actuarial"

Page 60, line 9, strike "be" and insert "include"

Page 60, line 10, strike "organized in" and strike "manner"

Page 60, line 12, strike "and" and insert ", <u>cash</u>" and after "equivalents" insert "and short-term <u>securities</u>"

Page 60, after line 15, insert:

"Equity in the Minnesota postretirement investment fund ..."

Page 60, line 25, after "Actuarial" insert "present" and after "of" insert "credited projected"

Page 60, line 29, strike "annuities" and insert "benefits"

Page 60, line 30, strike "spouses' annuities" and insert "spouse and child benefits" Page 60, strike line 31

Page 61, line 13, before "liability" insert "actuarial"

Page 61, line 16, before "liability" insert "actuarial"

Page 65, line 19, strike "be submitted in" and insert "contain"

Page 65, line 20, strike "form" and insert "information"

Page 65, strike line 22

Page 65, line 23, strike "Payroll"

Page 65, line 36, strike "Annual"

Page 66, line 1, strike "Annuity" and delete "or"

Page 66, line 2, strike "Benefit"

Page 66, line 14, strike "Disabled annuitants" and insert "<u>Disabil-</u> ity benefit recipients"

Page 66, line 15, strike "annuitants" and insert "<u>benefit</u> <u>recipi-</u> <u>ents</u>"

Page 66, line 16, strike "children annuitants" and insert "child benefit recipients"

Page 66, line 27, strike "which substantiates" and insert "of the experience of the fund or association and a comparison of the experience with"

Page 66, line 30, strike the colon

Page 66, strike lines 31 to 34

Page 66, lines 35 and 36, strike the old language and delete the new language

Page 67, line 1, strike the old language and delete the new language

Page 67, line 2, strike "(2)"

Page 67, line 3, strike the semicolon

Page 67, strike line 4

Page 67, line 5, strike "date of the experience study."

Page 67, line 6, strike "(b)"

Page 67, line 18, before the period insert "and the standards for actuarial work adopted by the legislative commission on pensions and retirement"

Page 67, after line 18, insert:

"Subd. 7. [ESTABLISHMENT OF ACTUARIAL ASSUMP-TIONS.] Actuarial assumptions used for actuarial valuations under this section that are other than those set forth in this section may be changed only with the approval of the legislative commission on pensions and retirement. A change in the applicable actuarial assumptions may be proposed by the governing board of the applicable pension fund or relief association, by the actuary retained by the legislative commission on pensions and retirement, by the actuarial advisor retained by a pension fund governed by chapter 352, 353, 354, or 354A, or by the actuary retained by a local police or firefighters' relief association governed by sections 69.77 or 69.771 to 69.776."

Page 77, line 30, before the period insert "as of the last business day of the month in which the retirement allowance begins"

Page 77, line 33, after the period insert "Any required reserve calculations for the retirement benefit fund shall be made by the actuary retained by the legislative commission on pensions and retirement and shall be certified to the retirement board by the commission retained actuary."

Page 91, line 4, delete "1986" and insert "1987"

Page 91, after line 8, insert:

"Sec. 83. [TEMPORARY PROVISION.]

The provisions of sections 11, 12, 14 to 16, 23, 25, 28 to 30, 33, 35 to 38, 40, 44, 46, 47, 49, 61, 62, 65, 69, 71 to 74, and 78 to 80 shall not be considered to require any immediate change in current actuarial assumptions, optional annuity forms, optional annuity factors, and early retirement reduction factors, shall only apply to any changes in these items after the effective date of this section, and shall not be considered to require any change without a significant deviation from actual experience."

Page 91, line 10, delete "This act is" and insert "Sections 1 to 19 and 21 to 83 are" and after the period insert "Section 20 is effective as soon as is practicable following final enactment."

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Renumber the sections in sequence

Amend the title as follows:

Page 1, line 31, after "354A.32;" insert "354A.33;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1045, A bill for an act relating to insurance; establishing a demonstration project to provide medical insurance to certain low income persons; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Page 1, line 17, after "Aitkin," insert "Pine,"

Page 1, after line 22, insert:

"(2) "coalition" means an organization comprised of members representative of small business, health care providers, county social service departments, health consumer groups, and the health industry, established to serve the purposes of this demonstration;"

Page 1, line 23, delete "(2)" and insert "(3)"

Page 1, line 24, delete "doing business" and insert "regulated"

Page 1, line 25, delete "(3)" and insert "(4)"

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

Page 2, line 12, after the semicolon insert "and"

Page 2, delete lines 13 to 17

Page 2, line 18, delete "(5)" and insert "(3)"

Page 2, delete lines 22 to 31 and insert:

"Subd. 5. [ENROLLEE BENEFITS.] Eligible persons enrolled by a demonstration provider shall receive a health services benefit package that includes health services which the enrollees might reasonably require to be maintained in good health, including emergency care, inpatient hospital and physician care, outpatient health services, and preventive health services, except that services related to chemical dependency, mental illness, vision care, dental care, and other benefits may be excluded or limited upon approval by the commissioner. The commissioner, the coalition, and demonstration providers shall work together to design a package of benefits or packages or benefits that can be provided to enrollees for an affordable monthly premium."

Page 4, line 12, delete everything after "<u>9</u>." and insert "[WAIVER REQUIRED.]"

Page 4, delete line 13

Page 4, line 14, delete "(b)"

Page 4, after line 16, insert:

"Subd. 10. [COORDINATION OF DEMONSTRATION WITH RE-GION.] The commissioner shall consult with a health insurance coalition formed locally with members from the demonstration area. This coalition will work with the commissioner and potential demonstration providers as well as other private and public organizations to suggest program design, to secure additional funding support, and to ensure the program's local applicability."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1059, A bill for an act relating to agricultural land; modifying conditions under which certain landowners must offer land to the previous owner; amending Minnesota Statutes 1986, section 500.24, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 500.24, subdivision 6, is amended to read:

Subd. 6. [DISPOSAL OF LAND.] A state or federal agency or a corporation, other than a family farm corporation or an authorized farm corporation, when leasing or selling farm land or a farm homestead, must offer or make a good faith effort to offer land for sale or lease to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor. "Highest price offered by a third party" means the acceptable cash price offered by a third party or the acceptable time-price offer made by a third party. A cash-price offer is one which involves contemporaneous transfer of title. If the acceptable offer made by a third party is a time-price offer, the seller or lessor must make the same time-price offer or an equivalent cash offer to the immediately preceding former owner. An equivalent cash offer is equal to the total of the payments made over a period of the time-price offer discounted by the treasury yield curve for like time periods plus 2.0 percent. A time-price offer is an offer that defers payment of any portion of the price and does not involve a transfer of fee title until full payment is made. An offer to lease to the former owner is required only on the first each occasion on which the property is leased until the property is actually sold or until the former owner fails to exercise the right of first refusal. An offer to sell to the former owner is required only on the first occasion on. which the property is sold. An offer to sell or lease to the preceding former owner must be in writing and must accurately report all relevant details of the sale or lease offer acceptable to the seller or lessor. An offer to sell must have a copy of the purchase agreement for the highest offer made by a third party that is acceptable to the seller and must be included with the notice under this subdivision. An offer to lease must have a copy of the lease agreement for the highest offer made by a third party that is acceptable to the seller and must be included with the notice under this subdivision. An offer delivered by certified mail to the former owner's last known address is a good faith offer. This subdivision does not apply to a sale or lease that occurs after the seller or lessor has held the property for five years except for a corporation that holds land under subdivision 3, clause (i) in which case the requirement to offer to sell or lease to the immediately preceding owner remains in effect for ten years.

The former owner must exercise the right to lease farm land within ten days after receiving an offer to lease under this subdivision. The former owner must exercise the right to buy farm land within 60 days after receiving an offer to buy under this subdivision. This subdivision does not apply if the former owner is a bankruptcy estate.

<u>The right under this subdivision</u> may not be waived unless the waiver is signed after the right actually exists and could be exercised by the previous owner."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1088, A bill for an act relating to organ donation; appropriating money to print driver's license renewal notice communications about organ donation.

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

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 1104, A bill for an act relating to veterans; establishing a veterans advisory committee; proposing coding for new law in Minnesota Statutes, chapter 198.

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

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 1128, A bill for an act relating to elections; changing precinct caucus dates, times, and procedures; changing the date of the state primary; requiring separate party primary ballots and party endorsements indicated on primary ballots; amending Minnesota Statutes 1986, sections 202A.14, subdivision 1; 202A.18, subdivision 2; 204B.21, subdivision 1; 204B.33; 204C.07, subdivision 4; 204C.13, subdivision 1; 204D.03, subdivision 1; 204D.05; 204D.06; and 204D.08, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 204D; repealing Minnesota Statutes 1986, section 204D.08, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 204B.21, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT LISTS; DUTIES OF POLITICAL PARTIES AND COUNTY AUDITOR.] On July <u>April</u> 1 in a year in which there is an election for a partisan political office, the county or legislative district chairs of each major political party, whichever is designated by the state party, shall prepare a list of eligible voters to act as election judges in each election precinct in the county or legislative district. The chairs shall furnish the lists to the county auditor of the county in which the precinct is located.

By July April 15, the county auditor shall furnish to the appointing authorities a list of the appropriate names for each election precinct in the jurisdiction of the appointing authority. Separate lists shall be submitted by the county auditor for each major political party.

Sec. 2. Minnesota Statutes 1986, section 204B.33, is amended to read:

204B.33 [NOTICE OF FILING.]

Between June March 1 and July April 1 in each even-numbered year, the secretary of state shall notify each county auditor of the offices to be voted for in that county at the next state general election for which candidates file with the secretary of state. The notice shall include the time and place of filing for those offices. Within ten days after notification by the secretary of state, each county auditor shall notify each municipal clerk in the county of all the offices to be voted for in the county at that election and the time and place for filing for those offices. The county auditors and municipal clerks shall promptly post a copy of that notice in their offices.

Sec. 3. Minnesota Statutes 1986, section 204D.03, subdivision 1, is amended to read:

Subdivision 1. [STATE PRIMARY.] The state primary shall be held on the first Tuesday after the second Monday in September June in each even-numbered year to select the nominees of the major political parties for partisan offices and the nominees for nonpartisan offices to be filled at the state general election, other than presidential electors.

Sec. 4. Minnesota Statutes 1986, section 204D.03, is amended by adding a subdivision to read:

<u>Subd.</u> 1a. [PRESIDENTIAL PRIMARY.] On the first Tuesday after the second Monday in June of each year in which a president of the United States is to be nominated and elected, there must be held with the state primary a presidential primary for the purpose of securing the expression of the sentiment and will of the voters with respect to candidates for nomination for the office of president of the United States. Sec. 5. [204D.065] [NAMES ON BALLOT IN PRESIDENTIAL PRIMARY.]

The following individuals must be listed as candidates in the appropriate party column of the presidential primary ballot:

(1) any individual whose name has been entered as a candidate for the nomination of a political party in presidential primaries in two or more other states during the same year; and

(2) any individual nominated as a candidate for the presidential nomination of a political party by a petition bearing the names of 2,000 eligible voters from each congressional district.

A tentative determination of the candidates to be listed on the party ticket of each political party on the presidential primary ballot must be announced by the secretary of state ten weeks before the primary to allow voters to nominate unlisted candidates by petition. The secretary of state shall notify each individual whose name is to be listed on the presidential primary ballot that the individual's name will be listed unless the individual submits an affidavit stating that the individual is not a candidate for the presidential nomination, does not intend to become a candidate, and would not accept the nomination. The affidavit must be received by the secretary of state not later than six weeks before the presidential primary. The secretary of state shall certify to the county auditors the names of all candidates who will appear on the presidential primary ballot not later than five weeks before the primary.

Sec. 6. Minnesota Statutes 1986, section 204D.08, is amended by adding a subdivision to read:

Subd. 4a. [PRESIDENTIAL PRIMARY BALLOTS.] The secretary of state shall prepare the presidential primary ballot which must be printed on orange paper with separate columns for the candidates of each political party.

Sec. 7. [EFFECTIVE DATE.]

This article is effective January 1, 1988."

Delete the title and insert:

"A bill for an act relating to elections; changing the date of the state primary; requiring a presidential primary; requiring party endorsements on certain ballots; amending Minnesota Statutes 1986, sections 204B.21, subdivision 1; 204B.33; 204D.03, subdivision 1, and by adding a subdivision; and 204D.08, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 204D."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1174, A bill for an act relating to crime victims; requiring courts to impose minimum fines on persons convicted of assault or sexual abuse; requiring that the proceeds of these minimum fines be forwarded to local victim assistance programs and the state crime victim and witness advisory council; clarifying certain ambiguous language; amending Minnesota Statutes 1986, section 609.101.

Reported the same back with the following amendments:

Page 3, delete lines 27 to 30

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1188, A bill for an act relating to energy and economic development; providing for the powers and duties of the commissioner of energy and economic development; classifying certain government data; providing definitions; authorizing certain Indian tribes to create community energy councils; authorizing governmental units to accept certain money from the state or federal government and providing for restrictions on that money; providing the purpose for which an appropriation may be spent; amending Minnesota Statutes 1986, sections 116J.09; 116J.10; 116J.19, subdivision 6; 116J.27, by adding a subdivision; 116J.36, subdivision 2; 116J.381, subdivision 2; and 471.65, subdivisions 1 and 2; Laws 1981, chapter 334, section 1, subdivision 1.

Reported the same back with the following amendments:

Page 5, line 1, delete "who is 65 years old or older,"

Page 5, line 3, delete "The"

Page 5, delete lines 4 and 5

Page 5, delete section 4

Pages 6 and 7, delete sections 7 and 8

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to energy and economic development; providing for the powers and duties of the commissioner of energy and economic development; clarifying definitions; authorizing certain Indian tribes to create community energy councils; providing the purpose for which an appropriation may be spent; amending Minnesota Statutes 1986, sections 116J.09; 116J.10; 116J.19, subdivision 6; 116J.36, subdivision 2; and 116J.381, subdivision 2; Laws 1981, chapter 334, section 1, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1189, A resolution memoralizing the United States Congress to amend the Employment Retirement Security Act to permit the direct regulation of self-insured health care plans.

Reported the same back with the following amendments:

Page 2, after line 35, insert:

"BE IT FURTHER RESOLVED that such an exemption shall not apply to collectively bargained health and welfare plans without an affirmative action by the Minnesota Legislature."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1210, A bill for an act relating to human services; regulating the licensure of programs for the care of children or of adults with certain disabilities; providing penalties; replacing the existing licensure law; proposing coding for new law as Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1986, sections 245.781; 245.782; 245.783; 245.791; 245.792; 245.801; 245.802;

245.803; 245.804; 245.805; 245.811; 245.812; 245.88; 245.881; 245.882; 245.883; 245.884; and 245.885.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [245A.01] [CITATION.]

Sections 1 to 16 may be cited as the "human services licensing act."

Sec. 2. [245A.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 1 to 16 have the meanings given them in this section.

Subd. 2. [ADULT.] "Adult" means a person who is 18 years old or older and who:

(1) has mental illness, mental retardation or a related condition, a physical handicap, or a functional impairment; or

(2) is chemically dependent or abuses chemicals.

Subd. 3. [APPLICANT.] "Applicant" means an individual, corporation, partnership, voluntary association or other organization that has applied for licensure under sections 1 to 16 and the rules of the commissioner.

Subd. 4. [CHILD.] "Child" means a person who has not reached age 18.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of human services or the commissioner's designated representative including county agencies and private agencies.

Subd. 6. [COUNTY AGENCY.] "County agency" means the agency designated by the county board of commissioners, human service boards, county welfare boards or multicounty welfare boards, or departments where those have been established under the law.

Subd. 7. [FUNCTIONAL IMPAIRMENT.] For the purposes of adult day care or adult foster care, "functional impairment" means:

(1) a condition that is characterized by substantial difficulty in carrying out one or more of the essential major activities of daily living, such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working; or (2) a disorder of thought or mood that significantly impairs judgment, behavior, capacity to recognize reality, or ability to cope with the ordinary demands of life and that requires support to maintain independence in the community.

Subd. 8. [LICENSE.] "License" means a certificate issued by the commissioner authorizing the license holder to provide a specified program for a specified period of time and in accordance with the terms of the license and the rules of the commissioner.

Subd. 9. [LICENSE HOLDER.] "License holder" means an individual, corporation, partnership, voluntary association, or other organization that is legally responsible for the operation of the program and has been granted a license by the commissioner under sections 1 to 16 and the rules of the commissioner.

Subd. 10. [NONRESIDENTIAL PROGRAM.] "Nonresidential program" means care, supervision, rehabilitation, training or habilitation of a person provided outside the person's own home and provided for fewer than 24 hours a day, including adult day-care programs; a nursing home with five or more persons whose primary diagnosis is mental retardation or mental illness and receives public funds that are administered by the commissioner; a nursing home or hospital that was licensed by the commissioner on July 1, 1987, to provide a program for persons with a physical handicap that is not the result of the normal aging process and considered to be a chronic condition; and chemical dependency or chemical abuse programs that are located in a nursing home or hospital and receive public funds for providing chemical abuse or chemical dependency treatment services under chapter 254B. Nonresidential programs include home and community-based services and semi-independent living services for persons with mental retardation that are provided in or outside of a person's own home.

Subd. 11. [PERSON.] "Person" means a child or adult as defined in subdivisions 2 and 4.

Subd. 12. [PRIVATE AGENCY.] "Private agency" means an individual, corporation, partnership, voluntary association or other organization, other than a county agency, or a court with jurisdiction, that places persons who cannot remain in their own homes in residential programs, foster care, or adoptive homes.

<u>Subd. 13.</u> [INDIVIDUAL WHO IS RELATED.] "Individual who is related" means a spouse, a parent, a stepparent, a stepporther, a stepporther, a stepport, a grandparent, a sibling, an aunt, an uncle, or a legal guardian.

Subd. 14. [RESIDENTIAL PROGRAM.] "Residential program" means a program that provides 24-hour-a-day care, supervision, food, lodging, rehabilitation, training, education, habilitation, or

treatment outside a person's own home, including a nursing home or hospital that provides services for five or more persons whose primary diagnosis is mental retardation or mental illness and receives public funds that are administered by the commissioner; a nursing home or hospital that was licensed by the commissioner on July 1, 1987, to provide a program for persons with a physical handicap that is not the result of the normal aging process and considered to be a chronic condition; and chemical dependency or chemical abuse programs that are located in a hospital or nursing home and receive public funds for providing chemical abuse or chemical dependency treatment services under chapter 254B. Resi-dential programs include home and community-based services and semi-independent living services for persons with mental retardation that are provided in or outside of a person's own home.

Sec. 3. [245A,03] [WHO MUST BE LICENSED.]

Subdivision 1. [LICENSE REQUIRED.] Unless licensed by the commissioner, an individual, corporation, partnership, voluntary association or other organization must not:

(1) operate a residential or a norresidential program;

(2) receive a child or adult for care, supervision, or placement in foster care or adoption;

(3) help plan the placement of a child or adult in foster care or adoption; or

(4) advertise residential or nonresidential program.

Subd. 2. [EXCLUSION FROM LICENSURE.] Sections 1 to 16 do not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, mental retardation or a related condition, a functional impairment, or a physical handicap;

(4) <u>sheltered</u> workshops or work activity programs that are certified by the commissioner of jobs and training;

(5) programs for children enrolled in kindergarten to the 12th grade and prekindergarten special education programs that are <u>operated</u> by the commissioner of education or a legally constituted local school board, or private schools that have been approved under the rules of the commissioner of education;

(6) nonresidential programs for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building or present on property that is contiguous with the physical facility where the nonresidential program is provided;

(7) nursing homes or hospitals licensed by the commissioner of health;

(8) board and lodge facilities licensed by the commissioner of health that provide services for more than five persons whose primary diagnosis is mental illness or mental retardation who have refused services in a residential program;

(9) homes providing programs for persons placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that operate for fewer than 40 calendar days in a calendar year;

(12) programs not located in family or group family day care homes whose primary purpose is to provide activities outside of the regular school day for children age five and older, until such time as appropriate rules have been adopted by the commissioner;

(13) head start nonresidential programs which operate for less than 31 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or mental retardation;

(15) family day care for nonhandicapped children provided for a cumulative total of less than 30 days in any 12-month period; or

 $\frac{(16) \text{ residential programs for persons with mental illness, that are located in hospitals, until the commissioner adopts appropriate rules.}$

Subd. 3. [UNLICENSED PROGRAMS.] (a) It is a misdemeanor for an individual, corporation, partnership, voluntary association, or other organization to provide a residential or nonresidential program without a license and in willful disregard of sections 1 to 16 unless the program is excluded from licensure under subdivision 2.

(b) If, after receiving notice that a license is required, the individual, corporation, partnership, voluntary association, or other organization has failed to apply for a license, the commissioner may ask the appropriate county attorney or the attorney general to begin proceedings to secure a court order against the continued operation of the program. The county attorney and the attorney general have a duty to cooperate with the commissioner.

Sec. 4. [245A.04] [APPLICATION PROCEDURES.]

<u>Subdivision 1.</u> [APPLICATION FOR LICENSURE.] <u>An individual, corporation, partnership, voluntary association or other organization subject to licensure under section 3 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant.</u>

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions.

Subd. 2. [NOTIFICATION OF AFFECTED MUNICIPALITY.] The commissioner must not issue a license without giving 30 calendar days' written notice to the affected municipality or other political subdivision unless the program is considered a permitted singlefamily residential use under sections 11 and 14. The notification must be given before the first issuance of a license and annually after that time if annual notification is requested in writing by the affected municipality or other political subdivision. State funds must not be made available to or be spent by an agency or department of state, county, or municipal government for payment to a residential or nonresidential program licensed under sections 1 to 16 until the provisions of this subdivision have been complied with in full. The provisions of this subdivision shall not apply to programs located in hospitals.

<u>Subd.</u> 3. [STUDY OF THE APPLICANT.] (a) Before issuing a license, the commissioner shall conduct a study of the applicant. The applicant, the bureau of criminal apprehension, county attorneys, county sheriffs, county agencies, and local chiefs of police, after notice to the subject of the data, shall help with the study by giving the commissioner criminal conviction data, arrest information, reports about abuse or neglect of children or adults, and investigation results available from local, state, and national criminal record

repositories, including the criminal justice data communications network, about:

(1) the applicant;

(2) persons living in the household where the licensed program will be provided;

(3) employees or contractors of the applicant who will have direct contact with persons served by the program; and

The commissioner and agencies required to help conduct the study may charge the applicant or the subject of the data a reasonable fee for conducting the study.

(b) A study must meet the following minimum criteria:

(1) if the subject of the data has resided in the same county for at least the past five years, the study must include information from the county sheriff and the county attorney;

(2) if the subject of the data has resided in the state, but not in the same county, for the past five years, the study must include information from the agencies listed in clause 1 and the bureau of criminal apprehension; and

(3) if the subject of the data has not resided in the state for at least five years, the study must include information from the agencies listed in clauses 1 and 2 and the national criminal records repository and the state law enforcement agencies in the states where the subject of the data has maintained a residence during the past five years.

(c) An applicant's failure or refusal to cooperate with the commissioner is reasonable cause to deny an application or revoke or suspend a license. Failure or refusal of an individual to cooperate with the study is just cause for denying or terminating employment of the individual if the individual's failure or refusal to cooperate could cause the applicant's application to be denied or the license holder's license to be immediately suspended, suspended, or revoked.

(d) The commissioner shall not consider an application to be complete until all of the information required to be provided under this subdivision has been received.

Subd. 4. [INSPECTIONS; WAIVER.] (a) Before issuing a license, the commissioner shall conduct an inspection of the program. The inspection must include but is not limited to:

(1) an inspection of the physical plant;

(2) an inspection of records and documents;

(3) an evaluation of the program by consumers of the program; and

(4) observation of the program in operation.

For the purposes of this subdivision, "consumer" means a person who receives the services of a licensed program, the person's legal guardian, or the parent or individual having legal custody of a child who receives the services of a licensed program.

(b) The evaluation required in paragraph (a), clause (3) or the observation in paragraph (a), clause (4) is not required prior to issuing a provisional license under subdivision 7. If the commissioner issues a provisional license under subdivision 7, these requirements must be completed within one year after the issuance of a provisional license. The observation in paragraph (a), clause (4) is not required if the commissioner determines that the observation would hinder the persons receiving services in benefitting from the program.

Subd. 5. [COMMISSIONER'S RIGHT OF ACCESS.] When the commissioner is exercising the powers conferred by sections 1 to 16, the commissioner must be given access to the physical plant and grounds where the program is provided, documents, persons served by the program, and staff whenever the program is in operation and the information is relevant to inspections or investigations conducted by the commissioner. The commissioner must be given access without prior notice and as often as the commissioner considers necessary if the commissioner is conducting an investigation of allegations of abuse, neglect, or other violation of applicable laws or rules. In conducting inspections, the commissioner may request and shall receive assistance from other state, county, and municipal governmental agencies and departments. The applicant or license holder shall allow the commissioner to photocopy, photograph, and make audio and video tape recordings during the inspection of the program at the commissioner's expense. The commissioner shall obtain a court order before photocopying hospital medical records.

Persons served by the program have the right to refuse to consent to be interviewed, photographed, or audio or videotaped. Failure or refusal of an applicant or license holder to fully comply with this subdivision is reasonable cause for the commissioner to deny the application or immediately suspend or revoke the license. Subd. 6. [COMMISSIONER'S EVALUATION.] Before granting, suspending, revoking, or making probationary a license, the commissioner shall evaluate information gathered under this section. The commissioner's evaluation shall consider facts, conditions, or circumstances concerning the program's operation, the well-being of persons served by the program, consumer evaluations of the program, and information about the character and qualifications of the personnel employed by the applicant or license holder.

The commissioner shall evaluate the results of the study required in subdivision 3 and determine whether a risk of harm to the persons served by the program exists. In conducting this evaluation, the commissioner shall apply the disqualification standards set forth in rules adopted under this chapter. If any rule currently does not include these disqualification standards, the commissioner shall apply the standards in section 364.03, subdivision 2 until the rule is revised to include disqualification standards. The commissioner shall revise all rules authorized by this chapter to include disqualification standards. The provisions of chapter 364 do not apply to applicants or licenseholders governed by sections 1 to 16 except as provided in this subdivision.

Subd. 7. [ISSUANCE OF A LICENSE; PROVISIONAL LI-CENSE.] (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license. At minimum, the license shall state:

(1) the name of the license holder;

(2) the address of the program;

(3) the effective date and expiration date of the license;

(4) the type of license;

(5) the maximum number and ages of persons that may receive services from the program; and

(6) any special conditions of licensure.

(b) The commissioner may issue a provisional license for a period not to exceed one year if:

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects. A provisional license must not be issued except at the time that a

license is first issued to an applicant.

A license shall not be transferable to another individual, corporation, partnership, voluntary association or other organization, or to another location. All licenses expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date.

Sec. 5. [245A.05] [DENIAL OF APPLICATION.]

An applicant whose application has been denied by the commissioner must be given notice of the denial. Notice must be given by certified mail. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14. The applicant may appeal the denial by notifying the commissioner in writing by certified mail within 20 calendar days after receiving notice that the application was denied. Section 8 applies to hearings held to appeal the commissioner's denial of an application.

Sec. 6. [245A.06] [CORRECTION ORDER AND FINES.]

Subdivision 1. [CONTENTS OF CORRECTION ORDERS.] If the commissioner finds that the applicant or license holder has failed to comply with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a correction order to the applicant or license holder. The correction order must state:

(1) the conditions that constitute a violation of the law or rule;

(2) the specific law or rule violated; and

(3) the time allowed to correct each violation.

Subd. 2. [RECONSIDERATION OF CORRECTION ORDERS.] If the applicant or license holder believes that the contents of the commissioner's correction order are in error, the applicant or license holder may ask the department of human services to reconsider the parts of the correction order that are alleged to be in error. The request for reconsideration must be in writing, delivered by certified mail, and:

(1) specify the parts of the correction order that are alleged to be in error;

(2) explain why they are in error; and

(3) include documentation to support the allegation of error.

<u>A request for reconsideration does not stay any provisions or</u> requirements of the correction order. The commissioner shall respond to requests made under this subdivision within 15 working days after receipt of the request for reconsideration. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

Subd. 3. [FAILURE TO COMPLY.] If upon reinspection, the commissioner finds that the applicant or license holder has not corrected the violations specified in the correction order, the commissioner may order a fine. This section does not prohibit the commissioner from seeking a court order, denying an application, or suspending, revoking, or making probationary the license in addition to ordering a fine.

Subd. 4. [NOTICE OF FINE; APPEAL.] A license holder who is ordered to pay a fine must be notified of the order by certified mail. The notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state the reasons the fine was ordered and must inform the license holder of the right to a contested case hearing under chapter 14. The license holder may appeal the order to forfeit a fine by notifying the commissioner by certified mail within 15 calendar days after receiving the order. A timely appeal shall stay forfeiture of the fine until the commissioner issues a final order under section 8, subdivision 5.

Subd. 5. [FORFEITURE OF FINES.] The license holder shall pay the fines assessed within 15 calendar days of receipt of notice of the commissioner's order. If the license holder fails to fully comply with the order, the commissioner shall suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine.

Subd. 6. [AMOUNT OF FINES.] Until the commissioner adopts one or more schedules of fines, fines shall be assessed as follows:

(1) the license holder shall forfeit \$1,000 for each occurrence of violation of law or rule prohibiting the maltreatment of children or the abuse, neglect, or exploitation of vulnerable adults, including but not limited to corporal punishment, illegal or unauthorized use of physical, mechanical, or chemical restraints, and illegal or unauthorized use of aversive or deprivation procedures;

(2) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision of adequate staff to child or adult ratios, except that the holder of a family or group family day care license shall forfeit \$100 for a violation under this clause; and

(3) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule other than those included in clauses (1) and (2), except that the holder of a family or group family day care license shall forfeit \$50 for a violation under this clause.

For the purposes of this section, "occurrence" means each calendar day or part of a day that a violation continues to exist after the date set for correction in the commissioner's correction order.

Sec. 7. [245A.07] [SANCTIONS.]

Subdivision 1. [SANCTIONS AVAILABLE.] In addition to ordering forfeiture of fines, the commissioner may propose to suspend, revoke, or make probationary the license or secure an injunction against the continuing operation of the program of a license holder who does not comply with applicable law or rule. When applying sanctions authorized under this section, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program.

Subd. 2. [IMMEDIATE SUSPENSION IN CASES OF IMMINENT DANGER TO HEALTH, SAFETY, OR RIGHTS.] If the license holder's failure to comply with applicable law or rule has placed the health, safety, or rights of persons served by the program in imminent danger, the commissioner shall act immediately to suspend the license. No state funds shall be made available or be expended by any agency or department of state, county, or municipal government for use by a license holder regulated under sections 1 to 16 while a license is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to a contested case hearing under chapter 14 must be delivered by personal service to the address shown on the application or the last known address of the license holder. The license holder may appeal an order immediately suspending a license by notifying the commissioner in writing by certified mail within five calendar days after receiving notice that the license has been immediately suspended. A license holder shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

<u>Subd.</u> 3. [SUSPENSION, REVOCATION, PROBATION.] <u>The com-</u> missioner may suspend, revoke, or make probationary a license if a license holder fails to comply fully with applicable laws or rules. A license holder who has had a license suspended, revoked, or made probationary must be given notice of the action by certified mail. The notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state the reasons the license was suspended, revoked, or made probationary and must inform the license holder of the right to a contested case hearing under chapter 14. The license holder may appeal an order suspending, revoking, or making a license probationary by notifying the commissioner in writing by certified mail within ten calendar days after receiving notice that the license has been suspended, revoked, or made probationary.

Sec. 8. [245A.08] [HEARINGS.]

Subdivision 1. [RECEIPT OF APPEAL; CONDUCT OF HEAR-ING.] Upon receiving a timely appeal or petition pursuant to sections 5 to 7, the commissioner shall issue a notice of and order for hearing to the appellant under chapter 14.

Subd. 2. [CONDUCT OF HEARINGS.] At any hearing provided for by sections 5 to 7, the appellant may be represented by counsel and has the right to call, examine, and cross-examine witnesses. The administrative law judge may require the presence of witnesses and evidence by subpoena on behalf of any party.

Subd. 3. [BURDEN OF PROOF.] (a) At a hearing regarding suspension, immediate suspension, revocation, or making probationary a license for family day care or foster care, the commissioner may demonstrate reasonable cause for action taken by submitting statements, reports, or affidavits to substantiate the allegations that the license holder failed to comply fully with applicable law or rule. If the commissioner demonstrates that reasonable cause existed, the burden of proof in hearings involving suspension, immediate suspension, revocation, or making probationary a family day care or foster care license shifts to the license holder to demonstrate by a preponderance of the evidence that the license holder was in full compliance with those laws or rules that the commissioner alleges the license holder violated, at the time that the commissioner alleges the violations of law or rules occurred.

(b) At a hearing on denial of an application, the applicant bears the burden of proof to demonstrate by a preponderance of the evidence that the appellant has complied fully with sections 1 to 16 and other applicable law or rule and that the application should be approved and a license granted.

(c) At all other hearings under this section, the commissioner bears the burden of proof to demonstrate, by a preponderance of the evidence, that the violations of law or rule alleged by the commissioner occurred. Subd. 4. [RECOMMENDATION OF ADMINISTRATIVE LAW JUDGE.] The administrative law judge shall recommend whether or not the commissioner's order should be affirmed. The recommendations must be consistent with sections 1 to 16 and the rules of the commissioner. The recommendations must be in writing and accompanied by findings of fact and conclusions and must be mailed to the parties by certified mail to their last known addresses as shown on the license or application.

Subd. 5. [NOTICE OF THE COMMISSIONER'S FINAL ORDER.] After considering the findings of fact, conclusions, and recommendations of the administrative law judge, the commissioner shall issue a final order. The commissioner shall consider, but shall not be bound by, the recommendations of the administrative law judge. The appellant must be notified of the commissioner's final order as required by chapter 14. The notice must also contain information about the appellant's rights under chapter 14. The institution of proceedings for judicial review of the commissioner's final order shall not stay the enforcement of the final order except as provided in section 14.65. A license holder whose license has been revoked because of noncompliance with applicable law or rule must not be granted a license for five years following the revocation.

Sec. 9. [245A.09] [RULES.]

Subdivision 1. [COMMISSIONER'S AUTHORITY.] The commissioner shall adopt rules under chapter 14 to govern the operation, maintenance, and licensure of programs subject to licensure under sections 1 to 16. The commissioner shall not adopt any rules that are inconsistent with or duplicative of existing state or federal regulations. Nothing in this subdivision shall be construed to prohibit the commissioner from incorporating existing state or federal regulations or accreditation standards by reference.

<u>Subd. 2.</u> [STANDARDS AND REGULATORY METHODS.] <u>This</u> <u>subdivision</u> <u>applies to rules governing sections 1 to 16 that are</u> adopted after July 1, 1987. As appropriate for each type of license:

(a) The commissioner shall give preference in rule to standards that describe program outcomes and the practices that have been shown to result in the desired program outcomes.

(b) The rules may include model program standards for each type of program licensed by the commissioner.

(c) The rules shall include basic licensing standards governing licensure of each type of program licensed by the commissioner. The basic licensing standards must be met by all applicants and license holders. Basic licensing standards must include, but are not limited to: (2) safety standards that take into account the size and conditions of the physical plant and studies of fire safety including studies of the interaction between fire detection factors, fire spread factors, and evacuation factors in case of a fire;

(3) standards for program services that describe, when appropriate, adequate levels of shelter, nutrition, planned activities, materials, and qualifications of individuals responsible for administering and delivering program services;

(4) standards that describe the characteristics of the settings where program services are to be delivered; and

(5) health and sanitation standards.

<u>Subd.</u> 3. [REDUCTION OF FEES.] The commissioner may adopt rules under subdivision 1 to provide for the reduction of fees established under section 10 when a license holder substantially exceeds the basic standards for licensure.

Subd. 4. [EVALUATION OF RULES.] For rules adopted under this section after July 1, 1987, the commissioner shall evaluate the effects of the rules within three years after the date of adoption and at least once every five years thereafter. The evaluation must include an assessment of any discrepancies between the actual and intended effects of the rules, identification of necessary revisions, if any, and a discussion of the rules' effect on the availability and quality of licensed programs. The commissioner shall consider the results of the evaluation in amending and writing rules.

Subd. 5. [OTHER DUTIES OF THE COMMISSIONER.] For rules adopted after July 1, 1987, the commissioner shall:

(1) summarize the rules in language understandable to the general public and inform license holders and applicants where they may obtain a copy of the rules and the summary;

(2) develop and provide each applicant with information describing the services offered to applicants by the commissioner and explaining the penalties for operating an unlicensed program or failing to fully comply with the commissioner's correction orders or applicable laws or rules;

(3) upon request, interpret rules for applicants and license holders; and

(4) take measures to ensure that rules are enforced uniformly throughout the state.

Subd. 6. [CONSULTATION WITH AFFECTED PARTIES.] In developing rules, the commissioner shall request and receive consultation from: other state departments and agencies; counties and other affected political subdivisions that reflect the diversity of political subdivisions affected by the rule; persons and relatives of persons using the program governed by the rule; advocacy groups; and representatives of license holders affected by the rule. In choosing parties for consultation, the commissioner shall choose individuals and representatives of groups that reflect a cross section of urban, suburban, and rural areas of the state.

Subd. 7. [REGULATORY METHODS.] (a) Where appropriate and feasible the commissioner shall identify and implement alternative methods of regulation and enforcement to the extent authorized in this subdivision. These methods shall include:

(1) expansion of the types and categories of licenses that may be granted;

(2) when the standards of an independent accreditation body have been shown to predict compliance with the rules, the commissioner shall consider compliance with the accreditation standards to be equivalent to partial compliance with the rules; and

(3) use of an abbreviated inspection that employs key standards that have been shown to predict full compliance with the rules.

If the commissioner determines that the methods in clause (2) or (3) can be used in licensing a program, the commissioner may reduce any fee set under section 10 by up to 50 percent.

(b) The commissioner shall work with the commissioners of health, public safety, administration, and education in consolidating duplicative licensing and certification rules and standards if the commissioner determines that consolidation is administratively feasible, would significantly reduce the cost of licensing, and would not reduce the protection given to persons receiving services in licensed programs. Where administratively feasible and appropriate, the commissioner shall work with the commissioners of health, public safety, administration, and education in conducting joint agency inspections of programs.

(c) The commissioner shall work with the commissioners of health, public safety, administration, and education in establishing a single point of application for applicants who are required to obtain concurrent licensure from more than one of the commissioners listed in this clause.

Sec. 10. [245A.10] [FEES.]

The commissioner shall charge a fee for evaluation of applications and inspection of programs, other than family day care and foster care, which are licensed under sections 1 to 16.

Sec. 11. [245A.11] [SPECIAL CONDITIONS FOR RESIDENTIAL PROGRAMS.]

Subdivision 1. [POLICY STATEMENT.] It is the policy of the state that persons shall not be excluded by municipal zoning ordinances or other land use regulations from the benefits of normal residential surroundings.

<u>Subd.</u> 2. [PERMITTED SINGLE-FAMILY RESIDENTIAL USE.] <u>Residential programs with a licensed capacity of six or fewer persons</u> <u>shall be considered a permitted single-family residential use of</u> <u>property for the purposes of zoning and other land use regulations.</u>

Subd. 3. [PERMITTED MULTIFAMILY RESIDENTIAL USE.] Unless otherwise provided in any town, municipal, or county zoning regulation, a licensed residential program with a licensed capacity of seven to 16 adults or children shall be considered a permitted multifamily residential use of property for the purposes of zoning and other land use regulations. A town, municipal, or county zoning authority may require a conditional use or special use permit to assure proper maintenance and operation of a residential program. Conditions imposed on the residential program must not be more restrictive than those imposed on other conditional uses or special uses of residential property in the same zones, unless the additional conditions are necessary to protect the health and safety of the adults or children being served by the program. Nothing in sections 1 to 16 shall be construed to exclude or prohibit residential programs from single-family zones if otherwise permitted by local zoning regulations.

<u>Subd.</u> 4. [LOCATION OF RESIDENTIAL PROGRAMS.] In determining whether to grant a license, the commissioner shall specifically consider the population, size, land use plan, availability of community services, and the number and size of existing licensed residential programs in the town, municipality, or county in which the applicant seeks to operate a residential program. The commissioner shall not grant an initial license to any residential program if the residential program will be within 1,320 feet of an existing residential program unless the town, municipality, or county zoning authority grants the residential program a conditional use or special use permit. In cities of the first class, this subdivision applies even if a residential program is considered a permitted single-family residential use of property under subdivision 2. Foster care homes are exempt from this subdivision.

Subd. 5. [OVERCONCENTRATION AND DISPERSAL.] (a) Before January 1, 1985, each county having two or more group residential programs within 1,320 feet of each other shall submit to the department of human services a plan to promote dispersal of group residential programs. In formulating its plan, the county shall solicit the participation of affected persons, programs, municipalities having highly concentrated residential program populations, and advocacy groups. For the purposes of this subdivision, "highly concentrated" means having a population in residential programs serving seven or more persons that exceeds one-half of one percent of the population of a recognized planning district or other administrative subdivision.

(b) Within 45 days after the county submits the plan, the commissioner shall certify whether the plan fulfills the purposes and requirements of this subdivision including the following requirements:

(1) a <u>new program serving seven or more persons</u> must not be located in any recognized planning district or other administrative subdivision where the population in residential programs is highly concentrated;

(2) the county plan must promote dispersal of highly concentrated residential program populations;

(3) the county plan shall promote the development of residential programs in areas that are not highly concentrated;

(4) no person in a residential program shall be displaced as a result of this section until a relocation plan has been implemented that provides for an acceptable alternative placement;

(5) if the plan provides for the relocation of residential programs, the relocation must be completed by January 1, 1990. If the commissioner certifies that the plan does not do so, the commis-sioner shall state the reasons, and the county has 30 days to submit a plan amended to comply with the requirements of the commissioner.

(c) After July 1, 1985, the commissioner may reduce grants under section 245.73 to a county required to have an approved plan under paragraph (a) if the county does not have a plan approved by the commissioner. The county board has the right to be provided with advance notice and to appeal the commissioner's decision. If the county requests a hearing within 30 days of the notification of intent to reduce grants, the commissioner shall not certify any reduction in grants until a hearing is conducted and a decision made in accordance with the contested case provisions of chapter 14.

Subd. 6. [HOSPITALS; EXEMPTION.] <u>Residential programs lo-</u> cated in hospitals shall be exempt from the provisions of this section.

Sec. 12. [245A.12] [VOLUNTARY RECEIVERSHIP FOR RESI-DENTIAL FACILITIES.]

A majority of controlling persons of a residential program may at any time ask the commissioner to assume operation of the residential program through appointment of a receiver. On receiving the request for a receiver, the commissioner may enter into an agreement with a majority of controlling persons and provide for the appointment of a receiver to operate the residential program under conditions acceptable to both the commissioner and the majority of controlling persons. The agreement must specify the terms and conditions of the receivership and preserve the rights of the persons being served by the residential program. A receivership set up under this section terminates at the time specified by the parties to the agreement or 30 days after either of the parties gives written notice to the other party of termination of the receivership agreement.

Sec. 13. [245A.13] [INVOLUNTARY RECEIVERSHIP FOR RES-IDENTIAL FACILITIES.]

Subdivision 1. [APPLICATION.] The commissioner may petition the district court in the county where the residential program is located for an order directing the controlling persons of the residential program to show cause why the commissioner or the commissioner's designated representative should not be appointed receiver to operate the residential program. The petition to the district court must contain proof by affidavit that the commissioner has either begun license suspension or revocation proceedings, suspended or revoked a license, or decided to deny an application for licensure of the residential program. If the license holder or applicant operates more than one residential program, the commissioner's petition must specify and be limited to the residential program for which the commissioner has either begun license suspension or revocation proceedings, suspended or revoked a license, or has decided to deny an application for licensure of the residential program. The order to show cause is returnable not less than five days after service is completed and must provide for personal service of a copy to the residential program administrator and to the persons designated as agents by the controlling persons to accept service on their behalf.

<u>Subd. 2.</u> [APPOINTMENT OF RECEIVER; RENTAL.] If the court finds that involuntary receivership is necessary as a means of protecting the health, safety, or rights of persons being served by the residential program, the court shall appoint the commissioner or the commissioner's designated representative as a receiver to operate the residential program. The court shall determine a fair monthly rental for the physical plant, taking into account all relevant factors including the conditions of the physical plant. The rental fee must be paid by the receiver to the appropriate controlling persons for each month that the receivership remains in effect. No payment made to a controlling person by the receiver or any state agency during a period of involuntary receivership shall include any allowance for profit or be based on any formula that includes an allowance for profit.

Subd. 3. [POWERS AND DUTIES OF THE RECEIVER.] Within 18 months after the receivership order, a receiver appointed to operate a residential program during a period of involuntary receivership shall provide for the orderly transfer of the persons served by the residential program to other residential programs or make other provisions to protect their health, safety, and rights. The receiver shall correct or eliminate deficiencies in the residential program that the commissioner determines endanger the health, safety, or welfare of the persons being served by the residential program unless the correction or elimination of deficiencies involves major alteration in the structure of the physical plant. If the correction or elimination of the deficiencies requires major alterations in the structure of the physical plant, the receiver shall take actions designed to result in the immediate transfer of persons served by the residential program. During the period of the receivership, the receiver shall operate the residential program in a manner designed to guarantee the health, safety, rights, adequate care, and supervision of the persons served by the residential program. The receiver may make contracts and incur lawful expenses. The receiver shall collect incoming payments from all sources and apply them to the cost incurred in the performance of the receiver's functions including the receiver's fee set under subdivision 4. No security interest in any real or personal property comprising the residential program or contained within it, or in any fixture of the physical plant, shall be impaired or diminished in priority by the receiver. The receiver shall pay all valid obligations of the residential program and may deduct these expenses, if necessary, from rental payments owed to any controlling person by virtue of the receivership.

Subd. 4. [RECEIVER'S FEE; LIABILITY; ASSISTANCE FROM THE COMMISSIONER.] <u>A</u> receiver appointed under an involuntary receivership is entitled to a reasonable receiver's fee as determined by the court. The receiver is liable only in an official capacity for injury to person and property by reason of the conditions of the residential program. The receiver is not personally liable, except for gross negligence and intentional acts.

<u>Subd. 5.</u> [TERMINATION.] <u>An involuntary receivership termi-</u> nates <u>18 months after the date on which it was ordered or at any</u> <u>other time designated by the court or when any of the</u> following events occurs:

(1) the commissioner determines that the residential program's license application should be granted or should not be suspended or revoked;

(2) a new license is granted to the residential program; or

(3) the commissioner determines that all persons residing in the residential program have been provided with alternative residential programs.

Sec. 14. [245A.14] [SPECIAL CONDITIONS FOR NONRESI-DENTIAL PROGRAMS.]

Subdivision 1. [PERMITTED SINGLE-FAMILY RESIDENTIAL USE.] A licensed nonresidential program with a licensed capacity of 12 or fewer persons shall be considered a permitted single-family residential use of property for the purposes of zoning and other land use regulations.

Subd. 2. [PERMITTED MULTIFAMILY USE.] Unless otherwise provided in a town, municipal, or county regulation, a licensed nonresidential program with a licensed capacity of 13 to 16 persons shall be considered a permitted multifamily residential use of property for purposes of zoning. A town, municipal, or county zoning authority may require a conditional use or special use permit in order to assure proper maintenance and operation of the program. Conditions imposed on the nonresidential program must not be more restrictive than those imposed on other conditional uses or special uses of residential property in the same zones unless the additional conditions are necessary to protect the health and safety of the persons being served by the nonresidential program. Nothing in sections 1 to 16 shall be construed to exclude or prohibit nonresidential programs from single-family zones if otherwise permitted by local zoning regulations.

Subd. 3. [CONDITIONAL LICENSE.] Until such time as the commissioner adopts appropriate rules for conditional licenses, no license holder or applicant for a family or group family day care license is required to spend more than \$100 to meet fire safety rules in excess of those required to meet Group "R" occupancies under the Uniform Building Code, chapter 12, as incorporated by reference in Minnesota Rules, part 1305.0100.

When the commissioner determines that an applicant or license holder of a family or group family day care license would be required to spend over \$100 for physical changes to ensure fire safety, the commissioner may issue a conditional license when all of the following conditions have been met:

(a) The commissioner shall notify the provider or applicant in writing of the fire safety deficiencies.

(b) The commissioner shall notify the provider or applicant in writing of alternative compliance standards that would correct deficiencies, if available.

(c) The provider or applicant agrees in writing to notify each parent, on a form prescribed by the commissioner that requires the signature of the parent, of the fire safety deficiencies, and the existence of the conditional license.

Sec. 15. [245A.15] [REGULATION OF FAMILY DAY CARE BY LOCAL GOVERNMENT.]

The authority of local units of government to establish requirements for family day care programs is limited by section 299F.011, subdivision 4a, clauses (1) and (2).

Sec. 16. [245A.16] [STANDARDS FOR COUNTY AGENCIES AND PRIVATE AGENCIES.]

Subdivision 1. [DELEGATION OF AUTHORITY TO AGEN-CIES.J County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 4, to recommend denial of applicants under section 5, or to recommend suspending, revoking, and making licenses probationary under section 7, shall comply with rules and directives of the commissioner governing those functions and with this section.

Subd. 2. [INVESTIGATIONS.] (a) The county or private agency shall conduct timely investigations of allegations of abuse or neglect of children or adults in programs for which the county or private agency is the commissioner's designated representative and record a disposition of each complaint in accordance with applicable law or rule. The county or private agency shall conduct similar investigations of allegations of violations of rules governing licensure of the program.

(b) If an investigation conducted under clause (a) results in evidence that the commissioner should deny an application or suspend, revoke, or make probationary a license, the county or private agency shall make that recommendation to the commissioner within ten working days.

Subd. 3. [RECOMMENDATIONS TO THE COMMISSIONER.] The county or private agency shall not make recommendations to the commissioner regarding licensure without first conducting an inspection, study of the applicant, and evaluation pursuant to section 4, subdivisions 3 and 4. The county or private agency must forward its recommendation to the commissioner regarding the appropriate licensing action within 20 working days of receipt of a completed application.

Subd. 4. [ENFORCEMENT OF THE COMMISSIONER'S OR-DERS.] The county or private agency shall enforce the commissioner's orders under sections 7 and 8, subdivision 5, according to the instructions of the commissioner.

Subd. 5. [INSTRUCTION AND TECHNICAL ASSISTANCE.] The commissioner shall provide instruction and technical assistance to county and private agencies that are subject to this section. County and private agencies shall cooperate with the commissioner in carrying out this section by ensuring that affected employees participate in instruction and technical assistance provided by the commissioner.

Subd. 6. [CERTIFICATION BY THE COMMISSIONER.] The commissioner shall ensure that rules are uniformly enforced throughout the state by reviewing each county and private agency for compliance with this section and other applicable laws and rules at least biennially. County agencies that comply with this section shall be certified by the commissioner. If a county agency fails to be certified by the commissioner, the commissioner shall certify a reduction of up to 20 percent of the county's community social services act funding or an equivalent amount from state administrative aids.

Sec. 17. [REPEALER.]

245.885, are repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 17 are effective July 1, 1987.

Sec. 19. [INSTRUCTIONS TO REVISOR.]

In the next edition of Minnesota Statutes, in the sections referred to in column A, the revisor of statutes shall delete the reference in column <u>B</u> and insert the reference in column <u>C</u>. The revisor may change the references in column <u>C</u> to the sections of Minnesota Statutes in which the bill sections are compiled.

Column A	Column B	Column C
13.46, subd. 2	245.782	245A.02
144.653, subd. 1	245.781	$24\overline{5A.01}$
<u>144A.01, subd. 5</u>	245.781	245A.01
144A.071, subd. 2	245.781	245A.01
144A.10, subd. 1	$2\overline{45.781}$	$245A.0\overline{1}$
174.30, subd. 1	245.781	$245A.0\overline{1}$
241.021, subd. 2	245.783	245A.04

34th Day]	WEDNESDAY, APRIL 15, 1987	
<u>241.021, subd.</u> 2	$\frac{245.791}{245.781}$	245A.03
<u>245.73, subd. 1</u>	245.781	<u>245A.01</u>
<u>245.73, subd. 2</u>	245.781	245A.01
<u>252.24, subd. 1</u>	245.781	<u>245A.01</u>
<u>252.275, subd. 1</u>	245.781	245A.01
<u>252.291, subd. 1</u>	245.782	<u>245A.02</u>
252.32, subd. 1	$\underline{245.782}$	<u>245A.02</u>
254B.03, subd. 2	245.781	245A.01
254B.03, subd. 2	245.791	245A.03
254B.05	$245.\overline{781}$	245A.01
$\overline{254B.05}$	$\overline{245.791}$	245A.03
256B.02, subd. 2	245.782	$\overline{245A.02}$
260.185, subd. 1	$\overline{245.781}$	$\overline{245A.01}$
260.191, subd. 1	245.781	245A.01
260.194, subd. 1	245.781	$\overline{245A.01}$
268.04, subd. 32	245.791	$\overline{245A.03}$
268.38, subd. 12	$\overline{245.781}$	$\overline{245A.01}$
299F.011, subd. 4	$\overline{245.782}$	$\overline{245A.02}$
462.357, subd. 6	$\overline{245.782}$	$\overline{245A.02}$
466.01, subd. 4	$\overline{245.782}$	$\overline{245A.02}$
466.03, subd. 6	$\overline{245.782}$	$\overline{245A.02}$
$\overline{595.02}, \overline{\text{subd.} 2}$	$\overline{245.801}$	$\overline{245A.08}$
611A.52, subd. 8	$\overline{245.791}$	$\overline{245A.03}$
626.556, subd. 2	$\overline{245.781}$	$\overline{245A.01}$
$\overline{626.556}$, $\overline{\text{subd.}}$ $\overline{2}$	$\overline{245.782}$	$\overline{245A.02}$
626.556, subd. 10	$\overline{245.781}$	245A.01
626.557, subd. 2	$\overline{245.781}$	$\overline{245A.01}$
626.557, subd. 10	245.781	245A.01"

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

The report was adopted.

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

H. F. No. 1221, A bill for an act relating to human services; creating a new formula for distribution of administrative aid to counties; eliminating equalization aid to counties; amending Minnesota Statutes 1986, section 256D.22; repealing Minnesota Statutes 1986, section 245.74.

Reported the same back with the following amendments:

Page 2, line 15, delete "reduced days in child"

Page 2, line 16, delete "<u>out-of-home placements</u>" and insert "children served under the community social services act"

Page 2, line 17, before the period insert: "; provided, however, that a county's share shall be reduced by a direct percentage equal to the county's percentage increase in child out-of-home placement days above the number of child out-of-home placement days for the quarter immediately preceding the quarter in which this payment is calculated. Any money accruing as a result of reductions in county shares shall be rolled over and distributed as provided in this paragraph during the next quarterly payment"

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1243, A bill for an act relating to agriculture; providing a cattle export program; making export enhancement payments to cattle raisers and exporters; appropriating money.

Reported the same back with the following amendments:

Page 1, line 24, delete "bred, born, and"

Page 1, line 25, after "be" insert "Minnesota"

Page 2, line 1, delete "where"

Page 2, line 2, delete everything before the period and insert "<u>of</u> <u>origin</u>"

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

The report was adopted.

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

H. F. No. 1289, A bill for an act relating to human services; providing training of welfare fraud prosecutors and investigators; providing staff for fraud control functions; defining amounts of assistance indirectly paid; providing for joint trials; changing the date of payment of certain periodic support to the assistance unit; regulating certain property transfers; providing for incorrect assis-

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tance amounts recovered; appropriating money; amending Minnesota Statutes 1986, sections 256.74, subdivision 1; 256.98; 256D.05; and 393.07, subdivision 10.

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

The report was adopted.

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

H. F. No. 1359, A bill for an act relating to human services; authorizing Minnesota supplemental aid for a licensed boarding care facility; amending Minnesota Statutes 1986, section 256D.37, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 21, strike "as of March 1, 1985, and"

Page 2, line 22, delete the new language

Page 2, delete line 23

Page 2, line 24, delete "to 9553.0080" and before the period insert ", is exempt from the maximum negotiated rate as of January 1, 1987, and no more than 16 percent of the persons in the facility are under age 65"

Page 3, line 4, strike "annual"

Page 3, line 5, strike everything after "the"

Page 3, strike line 6

Page 3, line 7, strike everything before the period and insert "consumer price index (CPI-U. U.S. City Average) as published by the Bureau of Labor Statistics between the previous two Septembers, or 2.5 percent, whichever is lower"

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

The report was adopted.

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

H. F. No. 1434, A bill for an act relating to child abuse; authorizing the department of human services to establish a 24-hour toll-free hotline; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 626.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [626.562] [CHILD ABUSE TOLL-FREE INFORMA-TION AND PROFESSIONAL CONSULTATION TELEPHONE LINES.]

Subdivision 1. [ESTABLISHMENT OF PROFESSIONAL CON-SULTATION TELEPHONE LINE.] The commissioner of human services shall establish a statewide toll-free 24-hour telephone line for the purpose of providing consultative and training services for physicians, therapists, child protection workers, and other professionals involved in child protection. Services provided shall include emergency and longer-term consultation on individual child protection cases.

<u>Subd.</u> 2. [CONTRACT AUTHORITY.] The commissioner may contract for the establishment of the telephone service described in subdivision 1. The commissioner shall contract only with agencies which agree to match through cash or in-kind donations 30 percent of the contract amount. The commissioner shall require that these agencies submit periodic reports describing the manner in which they have performed services specified in this section.

Subd. 3. [CHILD ABUSE REPORTING.] A communication with any telephone line established under this section by a person mandated to report abuse or neglect under section 626.556 does not satisfy the person's obligations to report under that section.

Sec. 2. [626.563] [CHILD ABUSE INFORMATION TELEPHONE LINE.]

Subdivision 1. [ESTABLISHMENT OF TELEPHONE LINE.] The commissioner of human services shall develop a proposal for the establishment of a statewide toll-free 24-hour telephone line for the purpose of preventing child abuse, as defined in section 299A.21, through counseling, appropriate referrals, and dissemination of information regarding the availability of local child abuse and neglect services. Subd. 2. [ADVISORY COUNCIL.] The commissioner of human services shall appoint a ten-member advisory council which shall serve without compensation and shall advise the commissioner regarding the development and operation of the telephone service described in this section. Membership of the council shall include representatives of local government, both in the Twin Cities metropolitan area and outside the metropolitan area; two members who represent agencies offering services to families and children; two members of state agencies other than the department of human services; and members of the general public. By February 1, 1988, the advisory council shall provide the commissioner with written proposed recommendations for the operation of the telephone service described in this section. These recommendations may include guidelines for formulating requests for proposals and specifications as to the nature, scope, and quality of the telephone services to be provided.

Subd. 3. [CONTRACT AUTHORITY.] The commissioner shall establish the telephone service described in this section by July 1, 1988, after considering the recommendations submitted by the advisory council. The commissioner may contract for the establishment of these telephone services.

<u>Subd.</u> 4. [CONFIDENTIALITY; CHILD ABUSE REPORTING.] The identity of any caller may not be requested as a prerequisite to disseminating information through the telephone service described in this section. A communication with any telephone line established under this section by a person mandated to report abuse or neglect under section 626.556 does not satisfy the person's obligations to report under that section.

Sec. 3. [APPROPRIATION.]

<u>\$....</u> is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1989, for the purpose of implementing and administering the telephone service described in section 1. <u>\$....</u> is appropriated from the general fund to the commissioner of human services for fiscal year 1988 for the expenses related to establishment of the telephone service specified in section 2. <u>\$....</u> is appropriated from the general fund to the commissioner of human services for fiscal year 1989 for the purpose of implementing and administering the telephone service specified in section 2. <u>\$....</u> is appropriated from the general fund to the commissioner of human services for fiscal year 1989 for the purpose of implementing and administering the telephone service specified in section 2."

Amend the title as follows:

Page 1, line 3, delete "a"

Page 1, line 4, delete "hotline" and insert "child abuse information and professional consultation telephone services" With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 1465, A bill for an act relating to economic development; providing training and employment for low income seniors; creating the hospitality host older worker tourism program; prescribing duties for the commissioner of the department of jobs and training; appropriating money.

Reported the same back with the following amendments:

Page 1, delete lines 23 to 25

Page 1, line 26, delete "4" and insert "3"

Page 2, delete line 1, and insert "whose annual income is less than the United States Office of Management and Budget's poverty level."

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

Page 2, line 3, delete "of a distressed county"

Page 2, delete lines 21 to 25

Page 2, line 26, delete everything after "commissioner"

Page 2, line 27, delete "agency," and delete "nine" and insert "ten"

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

The report was adopted.

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

H. F. No. 1524, A bill for an act relating to human services; setting forth appeal procedure for recipients of case management services; amending Minnesota Statutes 1986, section 256.045, subdivisions 1, 3, 4, 5, 6, 7, and 10, and by adding a subdivision; repealing Minnesota Statutes 1986, section 256.045, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 15, delete "2" and insert "3, 4a,"

Page 2, line 30, strike "2 or 3" and insert "3 or 4a"

Page 3, after line 17, insert:

"Sec. 4. Minnesota Statutes 1986, section 256.045, is amended by adding a subdivision to read:

Subd. 4a. [CASE MANAGEMENT APPEALS.] Any recipient of case management services pursuant to section 256B.092, subdivisions 1 to 1b who contests the local agency's action or failure to act in the provision of those services, other than a failure to act with reasonable promptness or a suspension, reduction, denial, or termination of services, must submit a written request for review to the local agency. The local agency shall inform the commissioner of the receipt of a request for review when it is submitted and shall schedule a conciliation conference. The local agency shall notify the recipient, the commissioner, and all interested persons of the time, date, and location of the conciliation conference. The commissioner shall designate a representative to be present at the conciliation conference to assist in the resolution of the dispute without the need for a hearing. Within 30 days, the local agency shall conduct the conciliation conference and inform the recipient in writing of the action the local agency is going to take and when that action will be taken and notify the recipient of the right to a hearing under this subdivision. The conciliation conference shall be conducted in a manner consistent with the procedures for reconsideration of an individual service plan or an individual habilitation plan pursuant to Minnesota Rules, parts 9525.0075, subpart 5 and 9525.0105, subpart 6. If the county fails to conduct the conciliation conference and issue its report within 30 days, or, at any time up to 90 days after the conciliation conference is held, a recipient may submit to the commissioner a written request for a hearing before a state human services referee to determine whether case management services have been provided in accordance with applicable laws and rules or whether the local agency has assured that the services identified in the recipient's individual service plan have been delivered in accordance with the laws and rules governing the provision of those services. The state human services referee shall recommend an order to the commissioner, who shall, in accordance with the procedure in subdivision 5, issue a final order within 60 days of the receipt of the request for a hearing, unless the commissioner refuses to accept the recommended order, in which event a final order shall issue within 90 days of the receipt of that request. The order may direct the local agency to take those actions necessary to comply with applicable laws or rules."

Page 3, line 18, delete "4" and insert "5"

Pages 3 to 5, delete section 5

Page 5, line 11, after "subdivision 3" insert "or 4a"

Page 5, line 17, strike "2 or" and after "3" insert "or 4a"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 73, A bill for an act relating to game and fish; authorizing nonresident high school foreign exchange students to obtain resident licenses to take deer by archery; amending Minnesota Statutes 1986, section 97A.455.

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

The report was adopted.

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

S. F. No. 80, A bill for an act relating to insurance; providing flexibility in the amount of coverages other than for the dwelling under a homeowner's policy; proposing coding for new law in Minnesota Statutes, chapter 65A.

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

The report was adopted.

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

S. F. No. 123, A bill for an act relating to local government; broadening the joint self-insurance pool regulation exemption; amending Minnesota Statutes 1986, section 471.982, subdivision 3. Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

S. F. No. 322, A bill for an act relating to consumer protection; providing for the retention and collection of spent lead-acid batteries; providing enforcement; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Page 1, after line 14, insert:

"Sec. 2. [115A.915] [LEAD ACID BATTERIES; LAND DISPOSAL PROHIBITED.]

A person may not place a lead acid battery in mixed municipal solid waste or dispose of a lead acid battery after January 1, 1988. This section may be enforced by the agency pursuant to section 115.071."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "chapter" and insert "chapters 115A and"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 333, A bill for an act relating to game and fish; allowing raccoon dog field trials to tree raccoons during certain periods by permit; amending Minnesota Statutes 1986, section 97B.621, subdivision 2.

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

The report was adopted.

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

S. F. No. 365, A bill for an act relating to search and seizure; requiring enforcement officers to have probable cause before entering certain buildings to determine whether wild animals are stored in compliance with the game and fish laws; amending Minnesota Statutes 1986, section 97A.215, subdivision 1.

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

The report was adopted.

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

S. F. No. 482, A bill for an act relating to insurance; regulating terminations of certain agency contracts; requiring companies to attempt to rehabilitate agents before terminating their appointment; regulating these rehabilitation agreements; amending Minnesota Statutes 1986, section 60A.171, subdivisions 1, 3, and by adding a subdivision.

Reported the same back with the following amendments:

Page 2, after line 30, insert:

"Sec. 4. [EFFECTIVE DATE.]

Sections 1, 2, and 3 are effective the day following enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 673, A bill for an act relating to human services; allowing the use of certain professional standards for chemical dependency professionals; amending Minnesota Statutes 1986, section 254A.16, by adding a subdivision.

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.

SECOND READING OF HOUSE BILLS

H. F. Nos. 165, 230, 305, 585, 630, 668, 792, 856, 862, 904, 931, 1026, 1045, 1059, 1104, 1128, 1174, 1188, 1189 and 1524 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 248, 73, 80, 123, 322, 333 and 482 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

DeBlieck; Steensma; Olson, K.; Kostohryz and Winter introduced:

H. F. No. 1596, A bill for an act relating to veterans; requiring the commissioner of veterans affairs to establish a veterans outreach center; authorizing the commissioner to establish a veterans home; providing for the operation of the center and home; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 196 and 198.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Scheid; Vellenga; Jaros; Carlson, L., and Rest introduced:

H. F. No. 1597, A bill for an act relating to education; providing for capital expenditure funding by school districts; amending Minne-

sota Statutes 1986, sections 124.245, by adding a subdivision; and 275.125, by adding a subdivision.

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

Schoenfeld introduced:

H. F. No. 1598, A bill for an act relating to agriculture; allowing certain small commercial and industrial uses on metropolitan agricultural preserves by permit; amending Minnesota Statutes 1986, sections 40A.152, subdivision 1; 473H.10, subdivision 3; and 473H.17, subdivisions 1 and 2, and by adding a subdivision.

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

Sparby; Solberg; Johnson, R.; Redalen and Neuenschwander introduced:

H. F. No. 1599, A bill for an act relating to taxes; providing for the assessment of certain flight property; amending Minnesota Statutes 1986, sections 270.071, by adding a subdivision; and 270.074, subdivision 3.

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

Rest, Minne, Long and Voss introduced:

H. F. No. 1600, A bill for an act relating to aids to local governments; providing for reductions in aids paid to school districts and other local units of government that do not meet requirements of the pay equity law; proposing coding for new law in Minnesota Statutes, chapters 124 and 477A.

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

Solberg and Neuenschwander introduced:

H. F. No. 1601, A bill for an act relating to veterans; requiring the purchase or construction of a veterans home in Grand Rapids with the use of nonstate funds and providing for the operation and

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administration of the home; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 198.

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

Wenzel, Omann, Peterson and Bertram introduced:

H. F. No. 1602, A bill for an act relating to Morrison county; authorizing the board of county commissioners to levy a tax for the building fund.

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

Minne, Long, Skoglund and Kalis introduced:

H. F. No. 1603, A bill for an act relating to commerce; motor vehicles; regulating vehicle towers; amending Minnesota Statutes 1986, section 465.75.

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

O'Connor, Beard, McEachern and Clausnitzer introduced:

H. F. No. 1604, A bill for an act relating to animals; authorizing access by certain humane officers to animal research institutions; proposing coding for new law in Minnesota Statutes, chapter 343.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

HOUSE ADVISORIES

The following House Advisories were introduced:

Clark, Jefferson, Otis, Tjornhom and Kelly introduced:

H. A. No. 20, A proposal to develop solutions to address the problems of chemical abuse by public housing tenants.

The advisory was referred to the Committee on Health and Human Services.

Clark; Johnson, A.; Wagenius; Pappas and Morrison introduced:

H. A. No. 21, A proposal to study reproductive health hazards of working women.

The advisory was referred to the Committee on Health and Human Services.

Tunheim, Kalis and Johnson, V., introduced:

H. A. No. 22, A proposal to study roads paved only 20 feet wide.

The advisory was referred to the Committee on Transportation.

CONSENT CALENDAR

S. F. No. 296 was reported to the House.

Jefferson moved to amend S. F. No. 296, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 117.52, subdivision 1, is amended to read:

Subdivision 1. [LACK OF FEDERAL FUNDING.] In all acquisitions undertaken by any acquiring authority and in all voluntary rehabilitation carried out by a person pursuant to acquisition or as a consequence thereof, in which, due to the lack of federal financial participation, relocation assistance, services, payments and benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Statutes at Large, volume 84, page 1894 (1971), United States Code, title 42, section 4601, et seq., are not available, the acquiring authority, as a cost of acquisition, shall provide all relocation assistance, services, payments and benefits required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and those regulations adopted pursuant thereto by the United States Department of Housing and Urban Development, and either (1) in effect as of January 1, 1984, or (2) becoming effective after January 1, 1984, following a public hearing and comment. Comments received by an inquiring authority within 30 days after the public hearing must be reviewed and a written response provided to the individual or organization who initiated the comment. The response and comments may be ad-dressed in another public hearing by the inquiring authority before approval."

The motion prevailed and the amendment was adopted.

S. F. No. 296, A bill for an act relating to eminent domain; regulating relocation benefits for displaced persons; amending Minnesota Statutes 1986, section 117.52, subdivision 1.

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 123 yeas and 0 nays as follows:

BattagliaGutknechtMBauerlyHartleMBeardHaukoosMBegichHeapMBennettHimleMBertramHugosonMBishopJacobsMBooJarosMBurgerJeffersonMCarlson, D.Johnson, R.MCarlson, L.Johnson, V.MCaruthersKahnMClarkKalisNClausnitzerKellyNDooperKinkelNDeellicckKludtODempseyKnickerbockerODilleKnuthODornKostohryzOFrederickLarsenO	Milbert Miller Morrison Munger Murphy Velson, C. Nelson, D. Nelson, K. Neuenschwander O'Connor Disen, S.	Otis Ozment Pauly Pelowski Peterson Poppenhagen Price Quinn Reding Rest Rice Richter Riveness Rodosovich Rose Rukavina Sarna Schafer Scheid Scheeid Scheeiber Seaberg Segal Simoneau	Skoglund Solberg Sparby Stanius Steensma Sviggum Swenson Thiede Tjornhom Tompkins Trimble Tunheim Uphus Valento Vanasek Vellenga Wagenius Waleman Welle Wenzel Winter Wynia Spk. Norton
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Those who voted in the affirmative were:

The bill was passed, as amended, and its title agreed to.

H. F. No. 462, A resolution memorializing the United States Congress to maintain the Veteran's Administration system of health care facilities.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Anderson, R.	Battaglia	Beard	Begich

Bennett Bertram Bishop Blatz Boo Brown Burger Carlson, D. Carlson, L. Carruthers Clark Clausnitzer Cooper	Haukoos Heap Himle Hugoson Jacobs Jaros Jefferson Jensen Johnson, A. Johnson, R. Johnson, V. Kahn	McDonald McEachern McKasy McLaughlin McPherson Milbert Miller Minne Morrison Munger Murphy Nelson, C.	Ozment Pappas Pauly Pelowski Peterson Popenhagen Price Quinn Reding Rest Rice Richter Biuchagen	SSSSSTTITUU
Cooper Dauner DeBlieck Dempsey Dille Dorn Forsythe Frederick Frerichs Greenfield Gruenes	Kalis Kelly Kinkel Kludt Knickerbocker Knuth Kostohryz Krueger Larsen Lasley Lieder	Nelson, D. Nelson, K. Neuenschwander O'Connor Ogren Olsen, S. Olson, E. Olson, K. Omann Onnen Orenstein Ocu fr	Rukavina Sarna Schafer Scheid Schoenfeld Schreiber Seaberg Segal	V V V V V V S
Gutknecht Hartle	Long Marsh	Osthoff Otis	Simoneau Skoglund	

Solberg Sparby Staniús Steensma Sviggum Śwenson Thiede Tiornhom Tompkins Trimble Tunheim Uphus Valento Vanasek Vellenga Wagenius Waltman Wenzel Winter Wynia Spk. Norton

The bill was passed and its title agreed to.

H. F. No. 809, A bill for an act relating to natural resources; changing requirements for arrowheads used for big game hunting; amending Minnesota Statutes 1986, section 97B.211, 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G. Anderson, R. Battaglia Beard Begich Bennett Bishop Blatz Boo Brown Burger Carlson, D. Carlson, L. Carruthers Clark Clausnitzer Cooper Dauner	Dorn Forsythe Frederick Frerichs Greenfield Gruenes Gutknecht Hartle Haukoos Heap Himle Hugoson Jacobs Jaros Jaros Jefferson Jensen Johnson, A. Johnson, R.	Kelly Kelso Kinkel Kludt Knickerbocker Knuth Kostohryz Krueger Larsen Lasley Lieder Long Marsh McDonald McEachern McKasy McLaughlin McPherson	Morrison Munger Murphy Nelson, C. Nelson, D. Nelson, K. Neuenschwander O'Connor Ogren Olsen, S. Olson, E. Olson, K. Omann Onnen Ornestein Osthoff Otis Ozment	Rodosovich Rose Rukavina Sarna Schafer Scheid Schoenfeld Schreiber Seaberg Segal Simoneau
			0.00	

Stanius Thiede Tunheim Vellenga Steensma Tjornhom Uphus Wagenius Sviggum Tompkins Valento Waltman Swenson Trimble Vanasek Welle

Wenzel Winter Wynia Spk. Norton

The bill was passed and its title agreed to.

H. F. No. 903, A bill for an act relating to retirement; Clifton independent nonprofit firefighting corporation; Duluth township; providing for the transfer of assets and service credit upon the dissolution of the Clifton volunteer firefighters relief 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Carlson, L.Johnson, R.MungerRiceCarruthersJohnson, V.MurphyRivenessClarkKahnNelson, C.RodosovichClausnitzerKalisNelson, D.RoseCooperKellyNelson, K.RukavinaDaunerKelsoNeuenschwanderSarnaDeBlieckKinkelO'ConnorScheidDelleeKnickerbockerOlsen, S.Schoenfeld	Trimble Tunheim Uphus Valento Vanasek Vellenga Wagenius Waltman Welle Wenzel Winter Wynia Spk. Norton
Forsythe Kostohryz Olson, K. Seaberg Frederick Krueger Omann Segal	

The bill was passed and its title agreed to.

H. F. No. 1145, 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.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G. Anderson, R. Battaglia Bauerly Beard Begich Bennett Bertram Bishop Blatz Boo Brown Burger Carlson, D. Carlson, L. Carlson, L. Carlson, L. Carlson, L. Carlson, L. Carlson, L. Carlson, L. Carlson, E. Clausnitzer Cooper Dauner DeBlieck Dempsey Dille Dorn Forsythe	Frederick Frerichs Gruenes Gutknecht Hartle Haukoos Heap Himle Hugoson Jacobs Jaros Jefferson Jennings Jensen Johnson, A. Johnson, R. Johnson, R. Johnson, V. Kahn Kalis Kelly Kelso Kinkel Kludt Knuth	Kostohryz Krueger Lasley Lieder Long Marsh McDonald McEachern McLaughlin McPherson Milbert Miller Minne Morrison Munger Murphy Nelson, C. Nelson, D. Nelson, C. Nelson, C. Nelson, K. Neuenschwander O'Connor Ogren Olsen, S. Olson, E. Olson, K.	Omann Onnen Orenstein Osthoff Otis Ozment Pappas Pauly Pelowski Peterson Poppenhagen Price Quinn Reding Rest Rice Richter Ricet Richter Scheid Schoenfeld	Schreiber Seaberg Segal Simoneau Skoglund Solberg Sparby Stanius Steensma Sviggum Sweson Tjornhom Tompkins Trimble Tunheim Uphus Valento Vanasek Vellenga Wagenius Waltman Welle Wenzel Winter Wynia Spk. Norton
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The bill was passed and its title agreed to.

H. F. No. 1376, A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

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 0 nays as follows:

Those who voted in the affirmative were:

McDonald McEachern McKasy McLaughlin McPherson Milbert Miller Minne Morrison Munger	O'Connor Ogren Olsen, S. Olson, E. Olson, K. Omann Onnen Orenstein Osthoff	Poppenhagen Price Quinn Reding Rest Rice Richter Richter Riveness Rodosovich	Schreiber Seaberg Segal Simoneau Skoglund Solberg Sparby Stanius Steensma Sujergm	Tunheim Uphus Valento Vanasek Vellenga Wagenius Waltman Welle Wenzel Winter
Munger	Otis	Rose	Sviggum	Winter
Murphy	Ozment	Rukavina	Swenson	Wynia
Nelson, C.	Pappas	Sarna	Thiede	Spk. Norton
Nelson, D.	Pauly	Schafer	Tjornhom	
Nelson, K.	Pelowski	Scheid	Tompkins	
Neuenschwander	Peterson	Schoenfeld	Trimble	

The bill was passed and its title agreed to.

H. F. No. 1521, A bill for an act relating to local government; providing the Lake county housing and redevelopment authority with certain port authority powers.

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. Anderson, R. Battaglia Bauerly Beard Begich Bennett Bertram Blatz Boo Brown Burger Carlson, D. Carlson, L. Carruthers Clark Clausnitzer Cooper	Greenfield Gruenes Gutknecht Hartle Haukoos Heap Himle Hugoson Jacobs Jaros Jaros Jenson Jennings Jensen Johnson, A. Johnson, R. Johnson, V. Kahn Kalis	Larsen Lasley Lieder Long Marsh McDonald McEachern McKasy McLaughlin McPherson Milbert Miller Minne Morrison Munger Murphy Nelson, C. Nelson, D.	Onnen Orenstein Osthoff Otis Ozment Pappas Pauly Pelowski Peterson Poppenhagen Price Quinn Reding Rest Rice Richter Riveness Rodosovich	Segal Simoneau Skoglund Solberg Sparby Stanius Steensma Sviggum Swenson Thiede Tjornhom Tompkins Trimble Tunheim Uphus Valento Vanasek Vellenga
Bauerly	Hartle	Long	Otis	Solberg
Beard	Haukoos	Marsh	Ozment	Sparby
Begich	Неар	McDonald	Pappas	Stanius
Bennett	Himle	McEachern	Pauly	
	Hugoson	McKasy	Pelowski	Sviggum
Blatz	Jacobs	McLaughlin	Peterson	Swenson
Boo	Jaros	McPherson	Poppenhagen	Thiede
Brown	Jefferson	Milbert	Price	Tjorphom
Burger	Jennings	Miller	Quinn	Tompkins
Carlson, D.	Jensen	Minne	Reding	Trimble
Carlson, L.	Johnson, A.	Morrison	Rest	Tunheim
Carruthers		Munger	Rice	Uphus
Clark	Johnson, V.		Richter	Valento
Clausnitzer			Riveness	Vanasek
Cooper	Kalis		Rodosovich	Vellenga
Dauner	Kelly	Nelson, K	Rose	Wagenius
DeBlieck	Kelso	Neuenschwander	Rukavina	Waltman
Dempsey	Kinkel	O'Connor	Sarna	Welle
Dille	Kludt	Ogren	Schafer	Wenzel
Dorn	Knickerbocker	Olsen, S.	Scheid	Winter
Forsythe	Knuth	Olson, E.	Schoenfeld	Wynia
Frederick	Kostohryz	Olson, K.	Schreiber	Spk. Norton
Frerichs	Krueger	Omann	Seaberg	Shy union
1 TOLIGUS	171 uegei	Ullanu	Deanerg	

The bill was passed and its title agreed to.

CALENDAR

Vanasek moved that the bills on the Calendar for today be continued one day. The motion prevailed.

GENERAL ORDERS

Vanasek moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Segal moved that her name be stricken as an author on H. F. No. 373. The motion prevailed.

Bennett moved that the name of Johnson, A., be added as an author on H. F. No. 1139. The motion prevailed.

Vanasek moved that the House recess subject to the call of the Chair to meet with the Senate in Joint Convention. The motion prevailed.

Ogren was excused for the remainder of today's session.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

The Sergeant at Arms announced the arrival of the members of the Senate and they were escorted to the seats reserved for them at the front of the Chamber.

JOINT CONVENTION

The Speaker of the House as President of the Joint Convention called the Joint Convention to order.

Prayer was offered by Pastor Corinne Chilstrom, Bethlehem Lutheran Church, Minneapolis, Minnesota.

The roll being called, the following Senators answered to their names: Adkins, Anderson and Beckman.

Senator Moe, R. D., moved that further proceedings of the roll call be dispensed with. The motion prevailed and a quorum was declared present.

Jaros and Pehler moved that the following be the procedure of this Joint Convention:

The report from members of the Senate Committee on Education and the House Committee on Higher Education, pursuant to House Concurrent Resolution No. 3, shall submit a slate of three Congressional District members and one at-large member on the Board of Regents of the University of Minnesota.

Nominations may be made from the floor of the Convention but the nominations shall be in the form of an amendment to the report as submitted by the members of the Senate Committee on Education and the House Committee on Higher Education. Such amendment shall be in the form of striking a designated nominee's name and inserting the name of the proposed nominee.

The roll shall be called on the election of the four members on the Board of Regents of the University of Minnesota. The nominee for each seat receiving the highest number of votes shall be declared elected.

The motion prevailed and the report on procedure was adopted.

REPORT FROM MEMBERS OF THE SENATE COMMITTEE ON EDUCATION AND THE HOUSE COMMITTEE ON HIGHER EDUCATION

To the Honorable Fred C. Norton, Speaker of the House of Representatives, as President of the Joint Convention of the Senate and House of Representatives meeting for the purpose of electing members of the Board of Regents of the University of Minnesota:

The members of the Senate Committee on Education and the House Committee on Higher Education make the following report:

We have selected the following named persons as a slate of nominees for membership on the Board of Regents of the University of Minnesota, each to hold his or her respective office for the term specified from the first Monday of February, 1987:

Elton A. Kuderer, Second Congressional District, Six Years

M. Elizabeth Craig, Third Congressional District, Six Years

J. P. Grahek, Eighth Congressional District, Six Years

David K. Roe, At-Large, Six Years

We hereby submit the recommendation and the names of said persons in nomination for the offices and terms hereinbefore designated.

Respectfully submitted,

JAMES C. PEHLER, Chairman Senate Education Committee

MICHAEL JAROS, Chairman House Higher Education Committee

Jaros and Pehler moved that the report from members of the Senate Committee on Education and the House Committee on Higher Education nominating four persons for membership on the Board of Regents of the University of Minnesota be adopted.

The motion prevailed and the report was adopted.

Jaros and Pehler moved that nominations be closed. The motion prevailed.

ELECTION OF BOARD OF REGENTS

The Secretary called the roll on the election.

190 members voted for Elton A. Kuderer, Second Congressional District, for a six year term, as follows:

SENATE ROLL CALL

HOUSE OF REPRESENTATIVES ROLL CALL

Anderson, G. Anderson, R.	Bennett Bertram	Burger Carlson, D.	Cooper Dauner	Forsythe Frederick
Battaglia	Bishop	Carlson, L.	DeBlieck	Frerichs
Bauerly	Blatz	Carruthers	Dempsey	Greenfield
Beard	Boo	Clark	Dille	Gruenes
Begich	Brown	Clausnitzer	Dorn	Gutknecht

Hartle	Knuth	Nelson, D.	Rest	Steensma
Haukoos	Kostohryz	Nelson, K.	Rice	Sviggum
Heap	Krueger	Neuenschwander	Richter	Swenson
Himle	Larsen	O'Connor	Riveness	Thiede
Hugoson	Lasley	Olsen, S.	Rodosovich	Tjornhom
Jacobs	Lieder	Olson, E.	Rose	Tompkins
Jaros	Long	Olson, K.	Rukavina	Trimble
Jefferson	Marsh	Omann	Sarna .	Tunheim
Jennings	McDonald	Onnen	Schafer	Uphus
Jensen	McEachern	Orenstein	Scheid	Valento
Johnson, A.	McKasy	Osthoff	Schoenfeld	Vanasek.
Johnson, R.	McLaughlin	Otis	Schreiber	Vellenga
Johnson, V.	McPherson	Ozment	Seaberg	Wagenius
Kahn	Milbert	Pappas	Segal	Waltman
Kalis	Miller	Pauly	Shaver	Welle
Kelly	Minne	Pelowski	Simoneau	Wenzel
Kelso	Morrison	Peterson	Skoglund	Winter
Kinkel	Munger	Price	Solberg	Wynia
Kludt	Murphy	Quinn	Sparby	Spk. Norton
Knickerbocker	Nelson, C.	Reding	Stanius	

190 members voted for M. Elizabeth Craig, Third Congressional District, for a six year term, as follows:

SENATE ROLL CALL

Beckman Dickl Belanger Diess Benson Fran. Berg Frede Berglin Frede Bernhagen D. J	amer Jude lich Knutson sner Kroening k Laidig erick Langseth erickson, Lantry Larson erickson, Luther R. Marty nan McQuaid afson Mehrken	Moe, D. M. Moe, R. D. Morse Novak Olson Pehler Peterson, D. Peterson, R. Piper Pogemiller s Ramstad	
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HOUSE OF REPRESENTATIVES ROLL CALL

Anderson	Dille	Kalis	Morrison	Quimm
Anderson, G.				Quinn
Anderson, R.	Dorn	Kelly	Munger	Reding
Battaglia	Forsythe	Kelso	Murphy	Rest
Bauerly	Frederick	Kinkel	Nelson, C.	Rice
Beard	Frerichs	Kludt	Nelson, D.	Richter
Begich	Greenfield	Knickerbocker	Nelson, K.	Riveness
Bennett	Gruenes	Knuth	Neuenschwander	Rodosovich
Bertram	Gutknecht	Kostohryz	O'Connor	Rose
Bishop	Hartle	Krueger	Olsen, S.	Rukavina
Blatz	Haukoos	Larsen	Olson, E.	Sarna
Boo	Heap	Lasley	Olson, K.	Schafer
Brown	Himle	Lieder	Omann	Scheid
Burger	Hugoson	Long	Onnen	Schoenfeld
Carlson, D.	Jacobs	Marsh	Orenstein	Schreiber
Carlson, L.	Jaros	McDonald	Osthoff	Seaberg
Carruthers	Jefferson	McEachern	Otis	Segal –
Clark	Jennings	McKasy	Ozment	Shaver
Clausnitzer	Jensen	McLaughlin	Pappas	Simoneau
Cooper	Johnson, A.	McPherson	Pauly	Skoglund
Dauner	Johnson, R.	Milbert	Pelowski	Solberg
DeBlieck	Johnson, V.	Miller	Peterson	Sparby
Dempsey	Kahn	Minne	Price	Stanius

Steensma Sviggum Swenson Thiede	Tjornhom Tompkins Trimble Tunheim	Uphus Valento Vanasek Vellenga	Wagenius Waltman Welle Wenzel	Winter Wynia Spk. Norton
tmede	1 unnenn	venenga	WEILLEI	

190 members voted for J. P. Grahek, Eighth Congressional District, for a six year term, as follows:

SENATE ROLL CALL

Adkins Anderson Beckman Belanger Benson Berg Berglin Bernhagen Bertram Brandl Brataas Cohen Dahl	Davis DeCramer Dicklich Diessner Frank Frederick Frederickson, D. J. Frederickson, D. R. Freeman Gustafson Hughes HOUSE OF R	Johnson, D. J. Jude Knutson Kroening Laidig Langseth Lantry Larson Luther Marty McQuaid Mehrkens Merriam	Metzen Moe, D. M. Morse Novak Olson Pehler Peterson, D. C. Peterson, R. W. Piper Pogemiller Ramstad Reichgott ES ROLL CALL	Renneke Samuelson Schmitz Solon Spear Storm Stumpf Vickerman Waldorf Wegscheid Willet
Anderson, G. Anderson, R. Battaglia Bauerly Beard Begich Bernett Bertram Bishop Blatz Boo Brown Burger Carlson, D. Carlson, L. Carruthers Clark Clausnitzer Cooper Dauner DeBlieck Dempsey Dille Dorn Forsythe Frederick	Frerichs Greenfield Gruenes Gutknecht Hartle Haukoos Heap Himle Hugoson Jacobs Jaros Jaros Jensen Johnson, A. Johnson, R. Johnson, R. Johnson, R. Johnson, V. Kahn Kalis Kelly Kelso Kinkel Kludt Knickerbocker Knuth Kostohryz	Krueger Larsen Lasley Lieder Long Marsh McDonald McEachern McKasy McLaughlin McPherson Milbert Miller Minne Morrison Munger Murphy Nelson, C. Nelson, D. Nelson, K. Neuenschwander O'Connor Olsen, S. Olson, E. Olson, K. Omann	Onnen Orenstein Osthoff Otis Pappas Pauly Pelowski Peterson Price Quinn Reding Rest Rice Richter Riveness Rodosovich Rose Rukavina Sarna Schafer Scheid Schreiber Seaberg Segal	Shaver Simoneau Skoglund Solberg Sparby Stanius Steensma Sviggum Swenson Thiede Tjornhom Tompkins Trimble Tunheim Uphus Valento Vanasek Vellenga Wagenius Waltman Welle Wenzel Winter Wynia Spk. Norton

189 members voted for David K. Roe, At-Large, for a six year term, as follows:

SENATE ROLL CALL

Adkins	Belanger	Berglin	Brandl	Dahl
Anderson	Benson	Bernhagen	Brataas	Davis
Beckman	Berg	Bertram	Cohen	DeCramer

DicklichHughesDiessnerJohnson, D. J.FrankJudeFrederickKnutsonFrederickson,KroeningD. J.LaidigFrederickson,LangsethD. R.LantryFreemanLarsonGustafsonLuther	Marty McQuaid Mehrkens Merriam Motzen Moe, D. M. Moe, R. D. Morse Novak Olson	Pehier Peterson, D. C. Peterson, R. W. Piper Pogemiller Ramstad Reichgott Renneke Samuelson Schmitz	Solon Spear Storm Stumpf Vickerman Waldorf Wegscheid Willet
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HOUSE OF REPRESENTATIVES ROLL CALL

Anderson, G. Anderson, R. Battaglia Bauerly Beard	Frerichs Greenfield Gruenes Gutknecht Hartle	Krueger Larsen Lasley Lieder Long	Onnen Orenstein Osthoff Otis Ozment	Shaver Simoneau Skoglund Solberg Sparby
Begich	Haukoos	Marsh	Pappas	Stanius
Bennett	Heap	McDonald	Pauly	Steensma
Bertram	Himle	McEachern	Pelowski	Sviggum
Bishop	Hugoson	McKasy	Peterson	Swenson
Blatz	Jacobs	McLaughlin	Price	Tjornhom
Boo	Jaros	McPherson	Quinn	Tompkins
Brown	Jefferson	Milbert	Reding	Trimble
Burger	Jennings	Miller	Rest	Tunheim
Carlson, D.	Jensen	Minne	Rice	Uphus
Carlson, L.	Johnson, A.	Morrison	Richter	Valento
Carruthers	Johnson, R.	Munger	Riveness	Vanasek
Clark	Johnson, V.	Murphy	Rodosovich	Vellenga
Clausnitzer	Kahn	Nelson, C.	Rose	Wagenius
Cooper	Kalis	Nelson, D.	Rukavina	Waltman
Dauner	Kelly	Nelson, K.	Sarna	Welle
DeBlieck	Kelső	Neuenschwander	Schafer	Wenzel
Dempsey	Kinkel	O'Connor	Scheid	Winter
Dille	Kludt	Olsen, S.	Schoenfeld	Wynia
Dorn	Knickerbocker	Olson, E.	Schreiber	Spk. Norton
Forsythe	Knuth	Olson, K.	Seaberg	
Frederick	Kostohryz	Omann	Segal	

One member voted for C. Elmer Anderson, At-Large, for a six year term, as follows: Representative Thiede.

Jaros and Pehler moved that the roll be closed. The motion prevailed.

DECLARATION OF ELECTION

Elton A. Kuderer, Second Congressional District, six years; M. Elizabeth Craig, Third Congressional District, six years; J. P. Grahek, Eighth Congressional District, six years; David K. Roe, At-Large, six years; having received the largest number of votes at the Joint Convention were declared by the President of the Joint Convention to be elected to the Board of Regents of the University of Minnesota for terms ending the first Monday of February, 1993.

Moe, R. D., moved that the Joint Convention arise. The motion prevailed and the President declared the Joint Convention adjourned.

RECONVENED

The House reconvened and was called to order by the Speaker.

CERTIFICATION

April 15, 1987

To the Governor State of Minnesota

To the Senate State of Minnesota

To the House of Representatives State of Minnesota

This is to certify that the House of Representatives and the Senate in Joint Convention on Wednesday, April 15, 1987, have elected as members of the Board of Regents of the University of Minnesota the following members each to hold his or her respective office for the term specified from the first Monday of February, 1987:

Elton A. Kuderer, Second Congressional District, Six Years

M. Elizabeth Craig, Third Congressional District, Six Years

J. P. Grahek, Eighth Congressional District, Six Years

David K. Roe, At-Large, Six Years

JEROME M. HUGHES President of the Senate

FRED C. NORTON Speaker of the House of Representatives

ADJOURNMENT

Vanasek moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, April 20, 1987. The motion prevailed.

Vanasek moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, April 20, 1987.

Edward A. Burdick, Chief Clerk, House of Representatives