STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

THIRTY-NINTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 25, 1991

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Dr. Eugene Orr, Presbyterian Church of the Way, Shoreview, Minnesota.

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Olsen, S.	Simoneau
Anderson, I.	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R. H.	Girard	Koppendrayer	Omann	Solberg
Battaglia	Goodno	Krinkie	Onnen	Sparby
Bauerly	Greenfield	Krueger	Orenstein	Stanius
Beard	Gruenes	Leppik	Orfield	Steensma
Begich	Gutknecht	Lieder	Osthoff	Sviggum
Bertram	Hanson	Limmer	Ostrom	Swenson
Bettermann	Hartle	Long	Ozment	Thompson
Bishop	Hasskamp	Lourey	Pauly	Tompkins
Blatz	Haukoos	Lynch	Pellow	Trimble
Bodahl	Hausman	Macklin	Pelowski	Tunheim
Boo	Heir	Mariani	Peterson	Uphus
Brown	Henry	Marsh	Pugh	Valento
Carlson	Hufnagle	McEachern	Reding	Vellenga
Carruthers	Hugoson	McGuire	Rest	Wagenius
Clark	Jacobs	McPherson	Rice	Waltman
Cooper	Janezich	Milbert	Rodosovich	Weaver
Dauner	Jaros	Morrison	Rukavina	Wejcman
Davids	Jefferson	Munger	Runbeck	Welker
Dawkins	Jennings	Murphy	Sarna	Welle
Dempsey	Johnson, A.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, R.	Nelson, S.	Scheid	Winter
Dorn	Johnson, V.	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kahn	O'Connor	Seaberg	
Farrell	Kalis	Ogren	Segal	

A quorum was present.

Lasley was excused until 2:55 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Skoglund moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	*H.F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 1991*	*Date Filed 1991*
734		34	4:07 p.m. April 23	April 24
34		35	4:02 p.m. April 23	April 24
254		36	4:05 p.m. April 23	April 24
391		37	4:10 p.m. April 23	April 24
713		38	9:55 a.m. April 24	April 24

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

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

H. F. No. 64, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in the city of Hitterdal in Clay county.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [SALE OF TAX-FORFEITED LAND; CLAY COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, Clay county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land that may be conveyed is located in the city of Hitterdal in Clay county and is described as:

Developer's Addition

City of Hitterdal

Lot 3 Block 2

(d) The lots on either side of this parcel have residential homes built on them. It would be in the best interests of the taxpayers of the city and county to have this lot sold for private residential purposes. This lot has little potential for use as conservation land. The city has expressed concern that the lot be kept mowed and the weeds controlled.

Sec. 2. [SALE OF TAX-FORFEITED LAND; COTTONWOOD COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, Cottonwood county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general.

(c) The land that may be conveyed is located in the city of Windom in Cottonwood county and is described as:

(1) Perkins Bluff Subdivision

City of Windom

Lot 11, Block 1

(2) Vold Addition

City of Windom

Lots 1, 2 and 3 Block 4

(d) The lots that border these lots either have residential homes built on them or are part of a residential property. It would be in the best interests of the taxpayers of the city and county to have these lots sold for private residential purposes. These lots have little or no potential for use as conservation land. The city has expressed concern that the lots be kept mowed and the weeds controlled.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands bordering public water in Clay and Cottonwood counties."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 99, A bill for an act relating to transportation; designating trunk highway No. 61 and the Lake City rest area as disabled American veterans highway and rest area; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 161.14, is amended by adding a subdivision to read:

Subd. 25. [DISABLED AMERICAN VETERANS MEMORIAL HIGHWAY.] Those portions of constitutional routes 1 and 3, known as trunk highway No. 61, are designated the "disabled American veterans memorial highway." The roadside rest area on trunk highway No. 61 at Lake City is designated the disabled American veterans memorial rest area. The commissioner of transportation

shall adopt a suitable marking design to mark this highway and rest area and shall erect the appropriate signs.

Sec. 2. Minnesota Statutes 1990, section 168.12, subdivision 2c, is amended to read:

Subd. 2c. [NATIONAL GUARD; SPECIAL LICENSE PLATE.] The registrar shall issue special license plates to any applicant who is a regularly enlisted ~~or~~, commissioned, or retired member of the Minnesota national guard, other than an inactive ~~or retired~~ member who is not a retired member, and is an owner or joint owner of a passenger automobile, van, or pickup truck included within the definition of a passenger automobile upon payment of a fee of $10, payment of the registration tax required by law, and compliance with other laws of this state relating to registration and licensing of motor vehicles and drivers. The adjutant general shall design these special plates subject to the approval of the registrar. No applicant shall be issued more than two sets of plates for vehicles owned or jointly owned by the applicant. The adjutant general shall estimate the number of special plates that will be required and submit the estimate to the registrar.

Special plates issued under this subdivision may only be used during the period that the owner or joint owner of the vehicle is an active or retired member of the Minnesota national guard as specified in this subdivision. When the person to whom the special plates were issued is no longer an active or retired member of the Minnesota national guard, the special plates must be removed from the vehicle and returned to the registrar. Upon return of the special plates, the owner or purchaser of the vehicle is entitled to receive regular plates for the vehicle without cost for the remainder of the registration period for which the special plates were issued. While the person is an active or retired member of the Minnesota national guard, plates issued pursuant to this subdivision may be transferred to another motor vehicle owned or jointly owned by that person upon payment of a fee of $5.

For purposes of this subdivision, "retired member" means a person placed on the roll of retired officers or roll of retired enlisted members in the office of the adjutant general under section 192.18 and who is not deceased.

All fees collected under the provisions of this subdivision shall be paid into the state treasury and credited to the highway user tax distribution fund.

The registrar may adopt rules under the administrative procedure act to govern the issuance and use of the special plates authorized by this subdivision.

Sec. 3. Minnesota Statutes 1990, section 168.12, is amended by adding a subdivision to read:

Subd. 2d. [READY RESERVE; SPECIAL LICENSE PLATE.] The registrar shall issue special license plates to an applicant who is not eligible for special license plates under subdivision 2c, who is a member of the United States armed forces ready reserve as described in United States Code, title 10, section 268, and is an owner or joint owner of a passenger automobile, van, or pickup truck, on paying a fee of $10, paying the registration tax required by law, and complying with other laws of this state relating to registration and licensing of motor vehicles and drivers. The commissioner of veterans affairs shall design these special plates subject to the approval of the registrar. No applicant may be issued more than two sets of plates for vehicles owned or jointly owned by the applicant. The commissioner of veterans affairs shall estimate the number of special plates that will be required and submit the estimate to the registrar.

Special plates issued under this subdivision may only be used during the period that the owner or joint owner of the vehicle is a member of the ready reserve. When the person is no longer a member, the special plates must be removed from the vehicle and returned to the registrar. On returning the special plates, the owner or purchaser of the vehicle is entitled to receive regular plates for the vehicle without cost for the rest of the registration period for which the special plates were issued. While the person is a member of the ready reserve, plates issued under this subdivision may be transferred to another motor vehicle owned or jointly owned by that person on paying a fee of $5.

The fees collected under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.

The registrar may adopt rules under the administrative procedure act to govern the issuance and use of the special plates authorized by this subdivision.

Sec. 4. Minnesota Statutes 1990, section 168.123, subdivision 2, is amended to read:

Subd. 2. [DESIGN.] The commissioner of veterans affairs shall design the special plates, subject to the approval of the registrar, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "VIETNAM VET" and the letters "V" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR" and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(c) For a veteran who served during World War I or World War II, the special plates must bear the inscription "WORLD WAR VET" and:

(1) for a World War I veteran, the characters "W" and "I" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number; or

(2) for a World War II veteran, the characters "W" and "II" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number.

(d) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET" and the letters "K" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(e) For a combat wounded veteran who is a recipient of the purple heart medal, the special plates must bear the inscription "COMBAT WOUNDED VET" and inscribed with a facsimile of the official purple heart medal and the letters "c" over "w" with the first letter directly over the second letter just preceding the first numeral of the special license plate number.

(f) For a Persian Gulf war veteran, the special plates must bear the inscription "GULF WAR VET" and the letters "G" and "W" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number. For the purposes of this section, "Persian Gulf war veteran" means a person who served on active duty after August 1, 1990, in a branch of the armed forces of the United States or United Nations during Operation Desert Shield, Operation Desert Storm, or other military operation in the Persian Gulf area combat zone as designated in United States Presidential Executive Order No. 12744, dated January 21, 1991.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to transportation; designating trunk highway No. 61 and the Lake City rest area as disabled American veterans memorial highway and rest area; authorizing special license plates for certain military personnel; amending Minnesota Statutes 1990, sections 161.14, by adding a subdivision; 168.12, subdivision 2c, and by adding a subdivision; and 168.123, subdivision 2."

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 628, A bill for an act relating to traffic regulations; increasing the fine for violating seat belt requirements; removing citation and recording restrictions; amending Minnesota Statutes 1990, section 169.686, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 169.686, subdivision 1, is amended to read:

Subdivision 1. [SEAT BELT REQUIREMENT.] A properly adjusted and fastened seat belt shall be worn by:

(1) the driver of a passenger vehicle;

(2) a passenger riding in the front seat of a passenger vehicle; and

(3) a passenger riding in any seat of a passenger vehicle who is older than three but younger than 11 years of age.

A person who is 15 years of age or older and who violates clause (1) or (2) is subject to a fine of ~~$10~~ $25. The driver of the passenger vehicle in which the violation occurred is subject to a ~~$10~~ $25 fine for a violation of clause (2) or (3) by a child of the driver under the age of 15 or any child under the age of 11. A peace officer may not issue a citation for a violation of this section unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving

violation other than a violation involving motor vehicle equipment. The department of public safety shall not record a violation of this subdivision on a person's driving record.

Sec. 2. Minnesota Statutes 1990, section 169.686, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION; SPECIAL ACCOUNT.] The fines collected for a violation of subdivision 1 must be deposited in the state treasury and credited to a special account to be known as the emergency medical services relief account. Ninety percent of the money in the account shall be distributed to the eight regional emergency medical services systems designated by the commissioner under section 144.8093, for personnel education and training, equipment and vehicle purchases, and operational expenses of emergency life support transportation services. The board of directors of each emergency medical services region shall establish criteria for funding. Ten percent of the money in the account shall be distributed to the commissioner of public safety for the expenses of traffic safety educational programs conducted by state patrol troopers.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective for violations that occur on or after August 1, 1991."

Delete the title and insert:

"A bill for an act relating to traffic regulations; increasing the fine for violating seat belt requirements; reallocating fine receipts; amending Minnesota Statutes 1990, section 169.686, subdivisions 1 and 3."

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

The report was adopted.

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

H. F. No. 654, A bill for an act relating to human services; child care; requiring initial and ongoing training in cultural diversity for all licensed child care providers; amending Minnesota Statutes 1990, section 245A.14, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 245A.14, is amended by adding a subdivision to read:

Subd. 7. [CULTURAL DYNAMICS TRAINING FOR CHILD CARE PROVIDERS.] (a) The ongoing training required of licensed child care centers and group and family child care providers shall include training in the cultural dynamics of childhood development and child care as an option.

(b) The cultural dynamics training must include, but not be limited to, the following: awareness of the value and dignity of different cultures and how different cultures complement each other; awareness of the emotional, physical, and mental needs of children and families of different cultures; knowledge of current and traditional roles of women and men in different cultures, communities, and family environments; and awareness of the diversity of child rearing practices and parenting traditions.

(c) The commissioner shall amend current rules relating to the initial training of the licensed providers included in paragraph (a) to require cultural dynamics training upon determining that sufficient curriculum is developed statewide.

Sec. 2. [EFFECTIVE DATE.]

Section 1, paragraph (a), is effective August 1, 1992."

Delete the title and insert:

"A bill for an act relating to human services; requiring training of child care providers to include training in cultural sensitivity; amending Minnesota Statutes 1990, section 245A.14, by adding a subdivision."

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 655, A bill for an act relating to traffic regulations;

establishing maximum height for rear bumpers of certain semitrailers; allowing certain equipment to be excluded from computing the maximum allowable length of a semitrailer or trailer used in a three-vehicle combination; providing an exception to the length limitation on certain vehicle combinations; limiting maximum weight allowed on certain vehicle tires; conforming state highway weight limitations to federal requirements; imposing a cost-per-mile fee on certain overweight vehicles; amending Minnesota Statutes 1990, sections 169.73, subdivision 4a; 169.81, subdivisions 2 and 3; 169.825, subdivisions 8 and 10; and 169.86, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 169.73, subdivision 4a, is amended to read:

Subd. 4a. [REAR-END PROTECTION FOR OTHER VEHICLES.] (a) Vehicles other than private passenger vehicles, collector vehicles, collector military vehicles, and other vehicles specifically exempted by law from such requirements must meet the rear-end protection requirements of federal motor carrier regulations, Code of Federal Regulations, title 49, section 393.86.

(b) Notwithstanding contrary regulations cited in paragraph (a), a truck-tractor and semitrailer combination with a semitrailer length longer than 50 feet whose frame or body extends more than 36 inches beyond the rear of its rearmost axle must not be operated on the highways of this state unless equipped with a bumper or underride guard on the extreme rear of the frame or body. The bumper or underride guard must:

(1) provide a continuous horizontal beam having a maximum ground clearance of 22 inches, as measured with the vehicle empty and on level ground; and

(2) extend to within four inches of the lateral extremities of the semitrailer on both left and right sides.

Sec. 2. Minnesota Statutes 1990, section 169.81, subdivision 2, is amended to read:

Subd. 2. [LENGTH OF VEHICLES.] (a) No single unit motor vehicle, except mobile cranes which may not exceed 48 feet, unladen or with load may exceed a length of 40 feet extreme overall dimensions inclusive of front and rear bumpers, except that the governing body of a city is authorized by permit to provide for the maximum length of a motor vehicle, or combination of motor vehicles, or the number of vehicles that may be fastened together,

and which may be operated upon the streets or highways of a city; provided, that the permit may not prescribe a length less than that permitted by state law. A motor vehicle operated in compliance with the permit on the streets or highways of the city is not in violation of this chapter.

(b) No single semitrailer may have an overall length, exclusive of non-cargo-carrying accessory equipment, including refrigeration units or air compressors, necessary for safe and efficient operation mounted or located on the end of the semitrailer adjacent to the truck or truck-tractor, in excess of 48 feet, except that a single semitrailer may have an overall length in excess of 48 feet but not greater than 53 feet if the distance from the kingpin to the centerline of the rear axle group of the semitrailer does not exceed 41 feet. No single trailer may have an overall length inclusive of tow bar assembly and exclusive of rear protective bumpers which do not increase the overall length by more than six inches, in excess of 45 feet. For determining compliance with the provisions of this subdivision, the length of the semitrailer or trailer must be determined separately from the overall length of the combination of vehicles.

(c) No semitrailer or trailer used in a three-vehicle combination may have an overall length in excess of 28-1/2 feet, exclusive of:

(1) non-cargo-carrying accessory equipment, including refrigeration units or air compressors and upper coupler plates, necessary for safe and efficient operation, mounted or located on the end of the semitrailer or trailer adjacent to the truck or truck-tractor, ~~and further exclusive of~~;

(2) the tow bar assembly, ~~in excess of 28-1/2 feet~~; and

(3) lower coupler equipment that is a fixed part of the rear end of the first trailer.

The commissioner may not grant a permit authorizing the movement, in a three-vehicle combination, of a semitrailer or trailer that exceeds 28-1/2 feet, except that the commissioner may renew a permit that was granted before April 16, 1984, for the movement of a semitrailer or trailer that exceeds the length limitation in this paragraph.

Sec. 3. Minnesota Statutes 1990, section 169.81, subdivision 3, is amended to read:

Subd. 3. [LENGTH OF VEHICLE COMBINATIONS.] (a) Statewide, except as provided in paragraph (b), no combination of vehicles coupled together, including truck-tractor and semitrailer, may consist of more than two units and no combination of vehicles, unladen or with load, may exceed a total length of 65 feet. The length

limitation does not apply to the transportation of telegraph poles, telephone poles, electric light and power poles, piling, or pole length pulpwood, and is subject to the following further exceptions: the length limitations do not apply to vehicles transporting pipe or other objects by a public utility when required for emergency or repair of public service facilities or when operated under special permits as provided in this subdivision, but with respect to night transportation, a vehicle and the load must be equipped with a sufficient number of clearance lamps and marker lamps on both sides and upon the extreme ends of a projecting load to clearly mark the dimensions of the load. Mount combinations may be drawn but the combinations may not exceed 65 feet in length. The limitation on the number of units does not apply to vehicles used for transporting milk from point of production to point of first processing, in which case no combination of vehicles coupled together unladen or with load, including truck-tractor and semitrailers, may consist of more than three units and no combination of those vehicles may exceed a total length of 65 feet. Notwithstanding other provisions of this section, and except as provided in paragraph (b), no combination of vehicles consisting of a truck-tractor and semitrailer designed and used exclusively for the transportation of motor vehicles or boats may exceed 65 feet in length. The load may extend a total of seven feet, but may not extend more than three feet beyond the front or four feet beyond the rear, and in no case may the overall length of the combination of vehicles, unladen or with load, exceed 65 feet. For the purpose of registration, trailers coupled with a truck-tractor, semitrailer combination are semitrailers. The state as to state trunk highways, and a city or town as to roads or streets located within the city or town, may issue permits authorizing the transportation of combinations of vehicles exceeding the limitations in this subdivision over highways, roads, or streets within their boundaries. Combinations of vehicles authorized by this subdivision may be restricted as to the use of highways by the commissioner as to state trunk highways, and a road authority as to highways or streets subject to its jurisdiction. Nothing in this subdivision alters or changes the authority vested in local authorities under the provisions of section 169.04.

(b) The following combination of vehicles regularly engaged in the transportation of commodities may operate only on divided highways having four or more lanes of travel, and on other highways as may be designated by the commissioner of transportation subject to section 169.87, subdivision 1, and subject to the approval of the authority having jurisdiction over the highway, for the purpose of providing reasonable access between the divided highways of four or more lanes of travel and terminals, facilities for food, fuel, repair, and rest, and points of loading and unloading for household goods carriers, livestock carriers, or for the purpose of providing continuity of route:

(1) a truck-tractor and semitrailer exceeding 65 feet in length;

(2) a combination of vehicles with an overall length exceeding 55 feet and including a truck-tractor and semitrailer drawing one additional semitrailer which may be equipped with an auxiliary dolly;

(3) a combination of vehicles with an overall length exceeding 55 feet and including a truck-tractor and semitrailer drawing one full trailer; ~~and~~

(4) a truck-tractor and semitrailer designed and used exclusively for the transportation of motor vehicles or boats and exceeding an overall length of 65 feet including the load except as restricted by applicable federal law.; and

(5) a truck or truck-tractor transporting similar vehicles by having the front axle of the transported vehicle mounted onto the center or rear part of the preceding vehicle, defined in Code of Federal Regulations, title 49, sections 390.5 and 393.5 as drive-away saddlemount combinations or drive-away saddlemount vehicle transporter combinations, when the overall length exceeds 65 feet.

Vehicles operated under the provisions of this section must conform to the standards for those vehicles prescribed by the United States Department of Transportation, Federal Highway Administration, Bureau of Motor Carrier Safety, as amended.

Sec. 4. Minnesota Statutes 1990, section 169.825, subdivision 8, is amended to read:

Subd. 8. [PNEUMATIC-TIRED VEHICLES.] No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state:

(a) where the gross weight on any wheel exceeds 9,000 pounds, except that on designated local routes and state trunk highways the gross weight on any single wheel shall not exceed 10,000 pounds;

(b) where the gross weight on any single axle exceeds 18,000 pounds, except that on designated local routes and state trunk highways the gross weight on any single axle shall not exceed 20,000 pounds;

(c) where the maximum wheel load:

(1) on the foremost and rearmost steering axles, exceeds 600 pounds per inch of tire width or the manufacturer's recommended load, whichever is less; or

(2) on other axles on new vehicles manufactured after August 1,

1991, and after August 1, 1996, on other axles on all vehicles, exceeds 500 pounds per inch of tire width or the manufacturer's recommended load, whichever is less;

(d) where the gross weight on any axle of a tridem exceeds 15,000 pounds, except that for vehicles to which an additional axle has been added prior to June 1, 1981, the maximum gross weight on any axle of a tridem may be up to 16,000 pounds provided the gross weight of the tridem combination does not exceed ~~37,000 pounds where the first and third axles of the tridem are spaced seven feet apart; 38,500 pounds where the first and third axles of the tridem are spaced eight feet apart; and~~ 39,900 pounds where the first and third axles of the tridem are spaced nine feet apart~~.~~; or

(e) where the gross weight on any group of axles exceeds the weights permitted under this section with any or all of the interior axles disregarded and their gross weights subtracted from the gross weight of all axles of the group under consideration.

Sec. 5. Minnesota Statutes 1990, section 169.825, subdivision 10, is amended to read:

Subd. 10. [GROSS WEIGHT SCHEDULE.] (a) No vehicle or combination of vehicles equipped with pneumatic tires shall be operated upon the highways of this state where the total gross weight on any group of two or more consecutive axles of any vehicle or combination of vehicles exceeds that given in the following table for the distance between the centers of the first and last axles of any group of two or more consecutive axles under consideration; unless otherwise noted, the distance between axles being measured longitudinally to the nearest even foot, and when the measurement is a fraction of exactly one-half foot the next largest whole number in feet shall be used, except that when the distance between axles is more than three feet four inches and less than three feet six inches the distance of four feet shall be used:

	Maximum gross weight in pounds on a group of		
	2	3	4
Distances in feet between centers of foremost and rearmost axles of a group	consecutive axles of a 2-axle vehicle or of any vehicle or combination of vehicles having a total of 2 or more axles	consecutive axles of a 3-axle vehicle or of any vehicle or combination of vehicles having a total of 3 or more axles	consecutive axles of a 4-axle vehicle or any combination of vehicles having a total of 4 or more axles

4	34,000		
5	34,000		
6	34,000		
7	34,000	~~41,500~~ 39,000	
8	34,000	~~42,000~~ 39,000	
8 plus	34,000	42,000	
9	35,000 (39,000)	43,000	
10	36,000 (40,000)	43,500	49,000
11	36,000	44,500	49,500
12		45,000	50,000
13		46,000	51,000
14		46,500	51,500
15		47,500	52,000
16		48,000	53,000
17		49,000	53,500
18		49,500	54,000
19		50,500	55,000
20		51,000	55,500
21		52,000	56,000
22		52,500	57,000
23		53,500	57,500
24		54,000	58,000
25		(55,000)	59,000
26		(55,500)	59,500
27		(56,500)	60,000
28		(57,000)	61,000
29		(58,000)	61,500
30		(58,500)	62,000
31		(59,500)	63,000
32		(60,000)	63,500
33			64,000
34			65,000
35			65,500
36			66,000
37			67,000
38			67,500

39	68,000
40	69,000
41	69,500
42	70,000
43	71,000
44	71,500
45	72,000
46	72,500
47	(73,500)
48	(74,000)
49	(74,500)
50	(75,500)
51	(76,000)

The maximum gross weight on a group of three consecutive axles where the distance between centers of foremost and rearmost axles is listed as seven feet or eight feet applies only to vehicles manufactured before August 1, 1991.

"8 plus" refers to any distance greater than eight feet but less than nine feet.

	Maximum gross weight in pounds on a group of		
	5	6	7
Distances in feet between centers of foremost and rearmost axles of a group	consecutive axles of a 5-axle vehicle or any combination of vehicles having a total of 5 or more axles	consecutive axles of a combination of vehicles having a total of 6 or more axles	consecutive axles of a combination of vehicles having a total of 7 or more axles
14	57,000		
15	57,500		
16	58,000		
17	59,000		
18	59,500		
19	60,000		
20	60,500	66,000	72,000
21	61,500	67,000	72,500
22	62,000	67,500	73,000

23	62,500	68,000	73,500
24	63,000	68,500	74,000
25	64,000	69,000	75,000
26	64,500	70,000	75,500
27	65,000	70,500	76,000
28	65,500	71,000	76,500
29	66,500	71,500	77,000
30	67,000	72,000	77,500
31	67,500	73,000	78,500
32	68,000	73,500	79,000
33	69,000	74,000	79,500
34	69,500	74,500	80,000
35	70,000	75,000	
36	70,500	76,000	
37	71,500	76,500	
38	72,000	77,000	
39	72,500	77,500	
40	73,000	78,000	
41	(74,000)	79,000	
42	(74,500)	79,500	
43	(75,000)	80,000	
44	(75,500)		
45	(76,500)		
46	(77,000)		
47	(77,500)		
48	(78,000)		
49	(79,000)		
50	(79,500)		
51	(80,000)		

The gross weights shown in parentheses in this clause are permitted only on state trunk highways and routes designated under section 169.832, subdivision 11.

(b) Notwithstanding any lesser weight in pounds shown in this table but subject to the restrictions on gross vehicle weights in clause (c), two consecutive sets of tandem axles may carry a gross load of 34,000 pounds each and a combined gross load of 68,000 pounds provided the overall distance between the first and last axles of the consecutive sets of tandem axles is 36 feet or more.

(c) Notwithstanding the provisions of section 169.85, the gross vehicle weight of all axles of a vehicle or combination of vehicles shall not exceed:

(1) 80,000 pounds for any vehicle or combination of vehicles on all state trunk highways as defined in section 160.02, subdivision 2, and for all routes designated under section 169.832, subdivision 11; and

(2) 73,280 pounds for any vehicle or combination of vehicles with five axles or less on all routes, other than state trunk highways and routes that are designated under section 169.832, subdivision 11; and

(3) 80,000 pounds for any vehicle or combination of vehicles with six or more axles on all routes, other than state trunk highways and routes that are designated under section 169.832, subdivision 11.

(d) ~~The maximum weights specified in this subdivision for five consecutive axles shall not apply to a combination of vehicles that includes a three axle semitrailer first registered before August 1, 1981. All other weight limitations in this section are applicable.~~

~~(e)~~ The maximum weights specified in this subdivision for five consecutive axles shall not apply to a four axle ready mix concrete truck which was equipped with a fifth axle prior to June 1, 1981. The maximum gross weight on four or fewer consecutive axles of vehicles excepted by this clause shall not exceed any maximum weight specified for four or fewer consecutive axles in this subdivision.

Sec. 6. Minnesota Statutes 1990, section 169.86, subdivision 5, is amended to read:

Subd. 5. [FEES.] The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) $15 for each single trip permit.

(b) $36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

(c) $60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) refuse compactor vehicles that carry a gross weight up to but not in excess of 22,000 pounds on a single rear axle and not in excess of 38,000 pounds on a tandem rear axle;

(2) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(3) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;

(4) motor vehicles operating with gross weights authorized under section 169.825, subdivision 11, paragraph (a), clause (3); and

(5) special pulpwood vehicles described in section 169.863.

(d) $120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) mobile cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes;

(4) farm equipment when the movement is not made according to the provisions of section 169.80, subdivision 1, paragraphs (a) to (f);

(5) double-deck buses;

(6) commercial boat hauling.

(e) For vehicles which have axle weights exceeding the weight limitations of section 169.825, an additional cost added to the fees listed above. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

	Cost Per Mile For Each Group Of:		
Weight (pounds) exceeding weight limitations on axles	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less
0-2,000	.100	.040	.036
2,001-4,000	.124	.050	.044

4,001-6,000	.150	.062	.050
6,001-8,000	Not permitted	.078	.056
8,001-10,000	Not permitted	.094	.070
10,001-12,000	Not permitted	.116	.078
12,001-14,000	Not permitted	.140	.094
14,001-16,000	Not permitted	.168	.106
16,001-18,000	Not permitted	.200	.128
18,001-20,000	Not permitted	Not permitted	.140
20,001-22,000	Not permitted	Not permitted	.168

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, construction equipment, machinery, and supplies. The fees for the permit are as follows:

Gross Weight (pounds) of vehicle	Annual Permit Fee
90,000 or less	$200
90,001–100,000	$300
100,001–110,000	$400
110,001–120,000	$500
120,001–130,000	$600
130,001–140,000	$700
140,001–145,000	$800

If the gross weight of the vehicle is more than 145,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to $120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

Sec. 7. Minnesota Statutes 1990, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

Except as provided in sections 221.031 and 221.033, the provisions of this chapter do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451;

(b) the transportation of rubbish as defined in section 443.27;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances, and tow trucks when picking up and transporting disabled or wrecked motor vehicles and when carrying proper and legal warning devices;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

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

(h) a person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

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

(j) a person while engaged exclusively in transporting fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting potatoes, sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) a person engaged in transporting property or freight, other than household goods and petroleum products in bulk, entirely

within the corporate limits of a city or between contiguous cities except as provided in section 221.296;

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

(m) a person engaged in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm;

(n) a person providing limousine service that is not regular route service in a passenger automobile that is not a van, and that has a seating capacity, excluding the driver, of not more than 12 persons;

(o) passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department or the regional transit board.

Sec. 8. Minnesota Statutes 1990, section 221.033, is amended by adding a subdivision to read:

Subd. 4. [VARIANCE.] The commissioner may adopt rules to provide a procedure to grant variances from regulations adopted under subdivision 1, and contained in Code of Federal Regulations, title 49, part 180. The variances must apply only to cargo tanks with a capacity of 3,000 gallons or less that transport gasoline in intrastate commerce in Minnesota and were first used in transportation before August 1, 1991. The commissioner shall establish inspection, testing, and registration requirements to ensure the safety of cargo tanks operated under a variance granted under this subdivision.

Sec. 9. [221.124] [INITIAL MOTOR CARRIER CONTACT PROGRAM.]

Subdivision 1. [INITIAL MOTOR CARRIER CONTACT.] The initial motor carrier contact program consists of an initial contact, for educational purposes, between a motor carrier required to participate and representatives of the department of transportation. The initial contact may be through an educational seminar or at the discretion of the department through a personal meeting with a representative of the department. The initial contact must consist of a discussion of the statutes, rules, and regulations that apply to motor carriers. Topics discussed must include: carrier authority; the leasing of drivers and vehicles; insurance requirements; tariffs; annual reports; accident reporting; identification of vehicles; driver qualifications; maximum hours of service of drivers; the safe oper-

ation of vehicles; equipment, parts, and accessories; and inspection, repair, and maintenance. The department shall provide written documentation of proof of compliance with the requirements of subdivision 2 and shall give a copy of the document to the motor carrier.

Subd. 2. [PARTICIPATION REQUIRED.] A motor carrier that receives a certificate or permit from the board for new authority on or after September 1, 1991, shall participate in the initial motor carrier contact program. A motor carrier required to participate in the program must have in attendance at least one motor carrier official having a substantial interest or control, directly or indirectly, in or over the operations conducted or to be conducted under the certificate or permit.

Subd. 3. [TIME FOR COMPLIANCE.] A motor carrier required by subdivision 2 to participate in the program must do so within 90 days of the service date of the order granting the certificate or permit. Failure to comply with the requirement of subdivision 2 makes the order granting the certificate or permit void upon expiration of the time for compliance.

Sec. 10. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1992. Sections 2 to 9 are effective August 1, 1991."

Delete the title and insert:

"A bill for an act relating to traffic regulations; establishing maximum height for rear bumpers of certain semitrailers; allowing certain equipment to be excluded from computing the maximum allowable length of a semitrailer or trailer used in a three-vehicle combination; providing an exception to the length limitation on certain vehicle combinations; limiting maximum weight allowed on certain vehicle tires; conforming state highway weight limitations to federal requirements; imposing a cost-per-mile fee on certain overweight vehicles; adding an exemption to the motor carrier act; authorizing a variance for small cargo tanks; establishing the initial motor carrier contact program; amending Minnesota Statutes 1990, sections 169.73, subdivision 4a; 169.81, subdivisions 2 and 3; 169.825, subdivisions 8 and 10; 169.86, subdivision 5; 221.025; and 221.033, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221."

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

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 723, A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; providing for enforcement of law requiring stops at railroad grade crossings; providing for enhanced public information and education regarding grade crossing safety; directing a study of rail-highway grade crossings and requiring a report; authorizing the commissioner of transportation to make grants for the improvement of commercial navigation facilities; authorizing local units of government to advance funds for the completion of trunk highway projects; providing for rustic roads and natural preservation routes; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll roads and bridges; creating a transportation services fund and providing for its uses; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the commissioner of transportation to plan, acquire, construct and equip light rail transit facilities, and restricting authority of regional rail authorities; directing a study of highway corridors; extending and reconstituting the transportation study board and directing it to conduct certain studies; providing procedures related to assistance for transit systems; providing an opt-out transit service program; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 168.54, subdivisions 5 and 6; 169.09, subdivision 13; 169.26; 171.13, subdivision 1, and by adding a subdivision; 169.862; 171.13, subdivision 1, and by adding a subdivision; 170.23; 171.185; 171.26; 171.36; 173.13, subdivision 4; 173.231; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 221.036, subdivision 14; 222.50, subdivision 7; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 398A.04, subdivision 8; 473.375, subdivisions 13 and 15; 473.377, subdivision 1; 473.388; 473.399, by adding a subdivision; 473.3993, subdivisions 2, 3, and by adding a subdivision; 473.3994; 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; 221; and 473; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Minnesota Statutes 1990, section 473.3994, subdivision 6; Laws 1988, chapter 603, section 6; and Laws 1989, chapter 339, section 21.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSPORTATION PLANNING

Section 1. Minnesota Statutes 1990, section 174.01, is amended to read:

174.01 [CREATION; POLICY.]

Subdivision 1. [DEPARTMENT CREATED.] In order to provide a balanced transportation system, which system includes aeronautics, highways, motor carriers, ports, public transit, railroads and pipelines, a department of transportation is created. The department shall be the principal agency of the state for development, implementation, administration, consolidation, and coordination of state transportation policies, plans and programs.

Subd. 2. [TRANSPORTATION GOALS.] The legislature establishes the following goals of the state transportation system:

(1) to provide safe transportation for all users throughout the state;

(2) to provide multimodal transportation that enhances mobility and economic development and that provides access to all persons and businesses in Minnesota while ensuring that there is no undue burden placed on any community;

(3) to provide a reasonable travel time for commuters to and from work or school;

(4) to provide for the economical, efficient, and safe movement of goods to and from markets by rail, highway, and waterway;

(5) to encourage tourism by providing appropriate transportation to Minnesota facilities designed to attract tourist;

(6) to provide transit services throughout the state to meet the mobility needs of transit users;

(7) to manage the transportation system to ensure the highest levels of productivity;

(8) to provide safe and efficient air transportation in Minnesota;

(9) to maximize the benefits received for each state transportation investment;

(10) to provide funding for transportation that, at a minimum, ensures no further deterioration of the transportation infrastructure;

(11) to ensure that the planning and implementation of all modes of transportation are consistent with the environmental and energy goals of the state; and

(12) to increase high occupancy vehicle use; and

(13) to increase transit use in urban areas by giving highest priority to the transportation modes with the greatest people-moving capacity, to the extent practicable.

Sec. 2. Minnesota Statutes 1990, section 174.03, is amended by adding a subdivision to read:

Subd. 1a. [REVISION OF STATE TRANSPORTATION PLAN.] The commissioner shall revise the state transportation plan not later than July 1, 1993, and not later than July 1 of each odd-numbered year afterward. The revised state transportation plan must:

(1) incorporate the goals of the state transportation system as enumerated in section 174.01; and

(2) provide for objectives, policies, and strategies for achieving those goals.

Sec. 3. Minnesota Statutes 1990, section 174.03, subdivision 2, is amended to read:

Subd. 2. [IMPLEMENTATION OF PLAN.] After the adoption and each revision of the statewide transportation plan, the commissioner and the transportation regulation board shall take no action inconsistent with that revised plan.

ARTICLE 2

RAILROAD CROSSINGS

Section 1. [RAIL-HIGHWAY CROSSING IMPROVEMENT.]

Subdivision 1. [STATE RAIL CORRIDOR STUDY.] The commissioner of transportation shall conduct a study of railroad crossing safety and improvement in Minnesota.

Subd. 2. [CONTENT OF STUDY.] The rail-highway grade crossing study must include:

(1) a method of determining the relative benefits of grade crossing protection and improvement to the railroad, the road authority, and the public and cost-sharing guidelines;

(2) sources of funding for grade crossing protection and improvement;

(3) research needs for grade crossing safety; and

(4) recommendations for statutory changes to improve grade crossing safety.

Subd. 3. [REPORT.] The commissioner shall report to the governor and legislature not later than February 1, 1992, on the results of the study.

Sec. 2. Minnesota Statutes 1990, section 169.26, is amended to read:

169.26 [SPECIAL STOPS AT RAILROADS.]

Subdivision 1. [REQUIREMENTS.] (a) When any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet from the nearest railroad track and shall not proceed until safe to do so. These requirements apply when:

(1) a clearly visible electric or mechanical signal device warns of the immediate approach of a railroad train;

(2) a crossing gate is lowered warning of the immediate approach or passage of a railroad train; or

(3) an approaching railroad train is plainly visible and is in hazardous proximity.

(b) The fact that a moving train approaching a railroad grade crossing is visible from the crossing is prima facie evidence that it is not safe to proceed.

(c) The driver of a vehicle shall stop and remain standing and not traverse the grade crossing when a human flagger signals the approach or passage of a train. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed.

Subd. 1a. [VIOLATION.] A peace officer may arrest the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of subdivision 1 within the past four hours.

Subd. 2. [PENALTY.] (a) A ~~person~~ driver who violates ~~this section~~ subdivision 1 is guilty of a misdemeanor.

(b) The owner or, in the case of a leased vehicle, the lessee of a motor vehicle is guilty of a petty misdemeanor if a motor vehicle owned or leased by the person is operated in violation of subdivision 1. This paragraph does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee. This paragraph does not apply if the motor vehicle operator is prosecuted for violating subdivision 1. A violation of this paragraph does not

constitute grounds for revocation or suspension of the owner's or lessee's driver's license.

Subd. 3. [DRIVER TRAINING.] All driver education courses approved by the commissioner of education and the commissioner of public safety must include instruction on railroad-highway grade crossing safety. The commissioner of education and the commissioner of public safety shall by rule provide minimum standards of course content relating to operation of vehicles at railroad and highway grade crossings.

Subd. 4. [APPROPRIATION.] The fines collected for a violation of subdivision 1 must be deposited in the state treasury and appropriated to the rail service improvement account under section 222.49 for public education on railroad grade crossing safety.

Sec. 3. Minnesota Statutes 1990, section 171.13, subdivision 1, is amended to read:

Subdivision 1. [APPLICANTS.] Except as otherwise provided in this section, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include a test of applicant's eyesight; ability to read and understand highway signs regulating, warning, and directing traffic; knowledge of traffic laws; knowledge of the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally; knowledge of railroad grade crossing safety; an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways, provided, further however, no driver's license shall be denied an applicant on the exclusive grounds that the applicant's eyesight is deficient in color perception. Provided, however, that war veterans operating motor vehicles especially equipped for handicapped persons, shall, if otherwise entitled to a license, be granted such license. The commissioner shall make provision for giving these examinations either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

Sec. 4. Minnesota Statutes 1990, section 171.13, is amended by adding a subdivision to read:

Subd. 1d. [RAILROAD CROSSING SAFETY.] The commissioner shall include in each edition of the driver's manual published by the department a section relating to safe operation of vehicles at railroad grade crossings.

Sec. 5. Minnesota Statutes 1990, section 219.074, is amended by adding a subdivision to read:

Subd. 3. [CROSSING INVENTORY.] By December 31, 1993, the commissioner shall complete an inventory of all public and private grade crossings in the state and shall annually revise the inventory to reflect grade crossing changes made under this section.

Sec. 6. [219.165] [SAFETY RULES AT PRIVATE RAILROAD GRADE CROSSINGS.]

By December 31, 1992, the commissioner shall adopt rules establishing minimum safety standards at all private railroad grade crossings in the state.

Sec. 7. [219.384] [REMOVAL OF DANGEROUS OBSTRUCTIONS.]

Subdivision 1. [REMOVAL ORDERED.] If a railroad company, road authority, or abutting property owner fails to control the growth of trees or vegetation or the placement of structures or other obstructions on its right-of-way or property so as to interfere with the safety of the public traveling on a public or private grade crossing, the local governing body of the town or municipality where the grade crossing is located may, by notice, require the obstruction to be removed as necessary to provide an adequate view of oncoming trains at the crossings. The commissioner shall adopt rules establishing minimum standards for visibility at public and private grade crossings.

Subd. 2. [PENALTY.] A railroad company, road authority, or property owner that fails to comply with this section within 30 days after being notified in writing is subject to a penalty of $50 for each day that the condition is uncorrected. This penalty may be recovered in the manner provided in section 219.97, subdivision 5.

Sec. 8. Minnesota Statutes 1990, section 219.402, is amended to read:

219.402 [ADEQUATE CROSSING PROTECTION.]

Crossing safety devices or improvements installed or maintained under this chapter as approved by the board, or the commissioner, whether by order or otherwise, are adequate and appropriate protection for the crossing.

Sec. 9. Minnesota Statutes 1990, section 222.50, subdivision 7, is amended to read:

Subd. 7. The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the inplace track; ~~or~~

(e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A; or

(f) To promote research and public education in railroad grade crossing safety, in an amount not exceeding one percent of the money in the account in a fiscal year. The commissioner shall use part of the funds available under this paragraph to determine and demonstrate the feasibility and desirability of increasing the visibility of trains at railroad grade crossings including adding reflectorized materials or strobe lights to rail cars. The commissioner shall report to the chairs of the senate and house of representatives committees on transportation on the results of any such demonstration project.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

ARTICLE 3

PORT DEVELOPMENT ASSISTANCE

Section 1. [457A.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 1 to 6, the following terms have the meanings given them.

Subd. 2. [COMMERCIAL NAVIGATION FACILITY.] "Commercial navigation facility" means (1) terminals and docks used for the transfer of property or passengers between commercial vessels and land, and supporting equipment, structures, and transportation

facilities, (2) disposal facilities for dredging material produced by port development projects, and (3) buildings and related structures and facilities used by commercial vessels under construction or repair. "Commercial navigation facility" does not include any commercial navigation facility that is (1) not on the commercial navigation system, or (2) the responsibility of the United States corps of army engineers or the United States coast guard.

Subd. 3. [COMMERCIAL VESSEL.] "Commercial vessel" means a vessel used for the transportation of passengers or property. "Commercial vessel" does not include a vessel used primarily for recreational or sporting purposes.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of transportation.

Subd. 5. [DREDGING.] "Dredging" means excavating harbor sediment or bottom materials, including mobilizing or operating equipment for excavating and transporting dredged material to the placing dredged material in a disposal facility.

Subd. 6. [NAVIGATION SYSTEM.] "Navigation system" means (1) the commercially navigable waters of the Mississippi River, the Minnesota, and the St. Croix rivers, (2) the commercial harbors on Minnesota's Lake Superior shoreline, and (3) the commercial navigation facilities on those waterways.

Sec. 2. [457A.02] [PROGRAM ESTABLISHED.]

Subdivision 1. [PURPOSE OF PROGRAM.] A port development assistance program is established for the purpose of:

(1) expediting the movement of commodities and passengers on the commercial navigation system;

(2) enhancing the commercial vessel construction and repair industry in Minnesota; and

(3) promoting economic development in and around ports and harbors in the state.

Subd. 2. [COMMISSIONER TO ADMINISTER.] The commissioner shall administer the port development assistance program to advance the purposes of subdivision 1. In administering the program, the commissioner may:

(1) make grants and loans to persons eligible under section 3, subdivision 1, to apply for them; (2) make assistance agreements with recipients of grants and loans; and (3) adopt rules authorized by section 5.

Sec. 3. [457A.03] [PORT ASSISTANCE.]

Subdivision 1. [ELIGIBLE APPLICANTS.] Any person, political subdivision, or port authority, that owns a commercial navigation facility, may apply to the commissioner for assistance under this chapter.

Subd. 2. [TYPES OF ASSISTANCE.] The commissioner may make loans to an eligible applicant if the commissioner determines that the project submitted by the applicant for assistance will serve either or both of the purposes stated in section 2, subdivision 1, clauses (1) and (2). The commissioner may make grants, or a combination of grants and loans, to an eligible applicant if the commissioner determines that the project submitted by the applicant for assistance will serve either or both of the purposes stated in section 2, subdivision 1, clauses (1) and (2), and will also enhance economic development in and around the commercial navigation facility being assisted.

Subd. 3. [STATE PARTICIPATION; LIMITATIONS.] The commissioner may not provide any assistance under this chapter for more than 50 percent of the non-federal share of any project. Assistance provided under this chapter may not be used to match any other state funds, regardless of source. The commissioner shall not assume continuing funding responsibility for any commercial navigation facility project.

Sec. 4. [457A.04] [ASSISTANCE AGREEMENTS.]

Subdivision 1. [AGREEMENTS REQUIRED.] The commissioner may not provide any assistance to a project under this chapter unless the commissioner has signed an assistance agreement with the recipient of the assistance.

Subd. 2. [COSTS.] An assistance agreement must specify those project costs which may be paid in whole or in part with assistance from the commissioner. Assistance agreements may provide that only the following costs may be so paid:

(1) final engineering costs on a commercial navigation facility project;

(2) capital improvements to a commercial navigation facility; and (3) costs of dredging necessary to open a new commercial navigation facility project, and for disposal of dredged material.

The following costs may not be paid with assistance from the commissioner:

(1) the applicant's administrative, insurance, and legal costs;

(2) costs of acquiring permits for a project;

(3) costs of preparing environmental documents, feasibility studies, or project designs;

(4) interest on money borrowed by the applicant or interest charged to the applicant for late payment of project costs;

(5) any costs related to the routine maintenance or repair, or operation of a commercial navigation facility;

(6) costs of dredging to maintain an existing channel; and (7) any costs for a project that consists exclusively of dredging.

Subd. 3. [INSURANCE; LIABILITY.] An assistance agreement must require the applicant to:

(1) provide a comprehensive general liability insurance policy, complying with minimum amount prescribed by the commissioner by rule, naming the commissioner and officers, employees, and agents of the department of transportation as additional insureds; and

(2) save and hold the commissioner harmless from and against all liability, damage, loss, claims, demands, and actions related to the project being assisted.

Subd. 4. [PERFORMANCE AND PAYMENT BONDS.] An assistance agreement must require an assistance recipient to provide evidence of performance and payment bonds, satisfying all applicable legal requirements for the full amount of any and all construction contracts let by the applicant in connection with the project.

Subd. 5. [REPAYMENT.] An assistance agreement must require the recipient to repay all or part of any assistance received, in an amount determined by the commissioner, if the project for which the assistance is provided:

(1) is not completed according to the terms of the assistance agreement, or

(2) is converted, during the period of time specified in the assistance agreement, to a use that is (1) inconsistent with the purposes of this chapter, or (2) inconsistent with the terms of the assistance agreement, or (3) not approved in writing by the commissioner.

Sec. 5. [457A.05] [RULES.]

The commissioner may adopt rules that provide for:

(1) application procedures for assistance under this chapter;

(2) procedures for establishing deadlines for applications, and for notifying potential recipients of those deadlines;

(3) eligibility criteria for projects to be assisted;

(4) information required to be submitted with applications;

(5) contents of assistance agreements;

(6) any other requirement of this chapter; and

(7) any other requirement the commissioner deems necessary for the administration of this chapter.

Sec. 6. [457A.06] [REVOLVING FUND.]

Subdivision 1. [FUND ESTABLISHED.] A port development revolving fund is established in the state treasury. The fund consists of (1) all money appropriated to the commissioner for the purposes of this chapter, (2) all money received by the commissioner from repayment of loans made under this chapter, and (3) all interest earned on money deposited in the fund.

Subd. 2. [APPROPRIATION.] Money in the port development revolving fund is appropriated to the commissioner for expenditure for the purposes of this chapter.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 1991.

ARTICLE 4

LOCAL HIGHWAY FINANCE

Section 1. [160.82] [RUSTIC ROADS PROGRAM.]

Subdivision 1. [DESIGNATION.] A road authority other than the commissioner may, by resolution, designate a road or highway under its jurisdiction as a rustic road. A rustic road must have the characteristics of outstanding natural features or rustic or scenic beauty; a daily traffic volume of less than 150 vehicles per day; year-round use as a local access road; and maximum allowable speed of 45 miles per hour.

Subd. 2. [LOCAL AUTHORITY.] The road authority has the same authority over rustic roads as over other highways and roads under

its jurisdiction. The road authority may designate the type and character of vehicles that may be operated on the rustic road; designate a rustic road or portion of the road as a pedestrian way or bicycle way, or both; and establish priority of right-of-way, paint lines, and construct dividers to physically separate vehicular, bicycle, or pedestrian traffic.

Subd. 3. [JOINT DESIGNATION.] Two or more road authorities may jointly designate a rustic road along a common boundary or into or through their jurisdictions. The road authorities may enter into agreements to divide the costs and responsibility for maintaining the rustic road.

Subd. 4. [COSTS.] A rustic road must be maintained by the road authority having jurisdiction over the road and is not eligible for state-aid funding. State money must not be spent to construct, reconstruct, maintain, or improve a rustic road, except that the commissioner shall pay from the transportation services fund the costs of publishing a map of rustic roads within the state and installing and maintaining signs designating rustic roads.

Sec. 2. [160.83] [STREETS AND HIGHWAYS WITHIN PARKS.]

Subdivision 1. [DEFINITION.] "Park road" means that portion of a street or highway located entirely within the park boundaries of or abutting a city, county, regional, or state park.

Subd. 2. [RESTRICTIONS.] A road authority may not make any changes in the width, grade, or alignment of a park road, other than a county state-aid highway or municipal state-aid street, that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, other than changes required to permit the safe travel of vehicles at the speed lawfully designated for that park road. A road authority may not make any changes in the width, grade, or alignment of a park road that is a county state-aid highway or municipal state-aid street that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, other than changes required by the minimum state-aid standard applicable to that road.

Subd. 3. [LIABILITY.] A road authority making changes in a park road described in subdivision 1, and its officers and employees, are exempt from liability for any tort claim for injury to persons or property arising from travel on that park road and related to the design of that park road, if the design is adopted to conform to this section, the design complies with the minimum state-aid standards applicable to the road, and the design is not grossly negligent. This subdivision does not preclude an action for damages arising from negligence in the construction, reconstruction, or maintenance of a park road.

Sec. 3. [161.361] [ADVANCE FUNDING FOR TRUNK HIGHWAY PROJECTS.]

Subdivision 1. [ADVANCE FUNDING.] A road authority other than the commissioner may by agreement with the commissioner make advances from any available funds to the commissioner to expedite construction of all or part of a trunk highway within its boundaries. Money may be advanced under this section only for projects already included in the commissioner's highway work program.

Subd. 2. [REPAYMENT.] Subject to the availability of state money, the commissioner shall repay without interest the amount advanced under subdivision 1, up to the state's share of project costs, at the time the project is scheduled for completion in the highway work program. The total amount of annual repayment to road authorities under this section must never exceed the amount stated in the department's debt management policy or $10 million, whichever is less.

Subd. 3. [LOCAL COST SHARING FOR TRUNK HIGHWAY IMPROVEMENTS.] The commissioner may accept gifts, contributions, or grants from a local government body for trunk highway construction, reconstruction, improvement, or maintenance of trunk highways within its boundaries. Money accepted by the commissioner under this subdivision must not adversely affect the scheduling of other trunk highway projects that are not funded in whole or in part by local contributions.

Sec. 4. Minnesota Statutes 1990, section 162.02, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.021 or 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. For purposes of this subdivision, with respect to a variance required for a county state-aid highway that is a park road as defined in section 160.83, subdivision 1, "political subdivision"

includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park agency.

Sec. 5. [162.021] [NATURAL PRESERVATION ROUTES.]

Subdivision 1. [NATURAL PRESERVATION ROUTES ESTABLISHED.] The commissioner shall create within the county state-aid highway system a system of natural preservation routes. The commissioner shall provide for criteria for inclusion in the system and for the adoption of standards for the design of routes on the system.

Subd. 2. [CRITERIA.] The criteria for inclusion on the natural preservation route system must provide for the inclusion in the system of those county state-aid highways that possess unique scenic, environmental, aesthetic, recreational, or historic characteristics that would be harmed by construction or reconstruction using standards applicable to county state-aid highways that are not part of the natural preservation route system.

Subd. 3. [STANDARDS.] The design standards adopted by the commissioner for natural preservation routes must provide for the preservation of the characteristics described in subdivision 2, to the extent consistent with public safety. The standards must provide for minimum width of vehicle recovery areas, minimum slopes, and minimum ditch widths, consistent with anticipated speed and volume of traffic on the highway.

Subd. 4. [DESIGNATION.] The commissioner may designate a county state-aid highway as a natural preservation route only on petition of the governing body of the county having jurisdiction over the road. On receiving a petition for designation the commissioner shall appoint an advisory committee consisting of seven members. An advisory committee must include at least one representative of the department of natural resources or the United States department of agriculture forest service, one county commissioner, one county highway engineer, and one representative of a recognized environmental organization. The advisory committee shall consider the petition for designation and make a recommendation to the commissioner. Following receipt of the committee's recommendation the commissioner may designate the highway as a natural preservation route.

Subd. 5. [SIGNS.] The county having jurisdiction over a natural preservation route must post signs at each entry point to the route informing the public that the highway is a natural preservation route. Signs erected under this subdivision are prima facie evidence of adequate notice to the public that the highway has been designated a natural preservation route.

Subd. 6. [LIABILITY.] When a county state-aid highway has been

designated a natural preservation route, constructed in accordance with the standards established by the commissioner under subdivision 1, and signs have been erected as provided in subdivision 5, the state and the county having jurisdiction over the highway, and their officers and employees, are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the standards for its design, if the design standards comply with the standards established by the commissioner under subdivision 1. This subdivision does not preclude an action for damages arising from negligence in the construction, reconstruction, or maintenance of a natural preservation route.

Sec. 6. Minnesota Statutes 1990, section 162.09, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. For purposes of this subdivision, with respect to a variance requested for a municipal state-aid street that is a park road as defined in section 160.83, subdivision 1, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

ARTICLE 5

TOLL FACILITY STUDY

Section 1. [STUDY DIRECTED.]

Subdivision 1. [STUDY DIRECTED.] The transportation study board shall study the feasibility and desirability of authorizing toll transportation facilities in Minnesota.

The study must include:

(1) methods of ensuring that toll facilities are designed, con-

structed, and maintained in such a manner as to protect the investment in them, and to protect road authorities that eventually assume ownership of them;

(2) methods of protecting local interests, including methods of requiring local approval for establishment and location of toll facilities;

(3) alternative methods of regulating tolls, including regulation by a state agency and regulation by road authorities acting individually or jointly;

(4) application of state highway traffic regulations on toll facilities, and provision of law enforcement services on them;

(5) necessity for restrictions on financing of toll facilities;

(6) procedures for transfer of ownership of toll facilities from a private operator to a road authority; and

(7) relationship between toll facilities and publicly owned facilities planned for the same or comparable transportation corridors.

Subd. 2. [REPORT.] The transportation study board shall submit a report containing its findings and recommendations and draft legislation, should the transportation study board determine that legislation is warranted, to the legislature not later than February 15, 1992.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 6

TRANSPORTATION SERVICES FUND

Section 1. [161.041] [TRANSPORTATION SERVICES FUND.]

Subdivision 1. [FUND CREATED.] A transportation services fund is created in the state treasury. The fund consists of all money required by law to be deposited in the fund, and other money made available to the fund by law.

Subd. 2. [USES OF FUND.] Money in the transportation services fund may only be expended by appropriation for

(1) activities of the commissioner of public safety relating to (i)

driver licensing, (ii) motor vehicle registration and licensing, (iii) the accident reporting system; and (iv) the state patrol;

(2) activities of the commissioner of transportation relating to oversize and overweight permits, including the cost of necessary highway maintenance and preservation related to granting those permits;

(3) activities of the commissioner of transportation related to junkyard screening and control of outdoor advertising devices;

(4) activities of the transportation regulation board related to motor carrier regulation; and

(5) repayment of money borrowed for new buildings, and improvements to existing buildings, of the department of transportation.

Sec. 2. Minnesota Statutes 1990, section 168.54, subdivision 5, is amended to read:

Subd. 5. The proceeds of the fee imposed under the provisions of this section shall be collected by the commissioner of public safety and paid into the ~~general~~ transportation services fund.

Sec. 3. Minnesota Statutes 1990, section 168.54, subdivision 6, is amended to read:

Subd. 6. The unobligated balances in excess of $4,000 in said revolving fund as of June 30 of each fiscal year shall be canceled into the ~~general~~ transportation services fund.

Sec. 4. Minnesota Statutes 1990, section 169.09, subdivision 13, is amended to read:

Subd. 13. [ACCIDENT REPORTS CONFIDENTIAL.] All written reports and supplemental reports required under this section to be provided to the department of public safety shall be without prejudice to the individual so reporting and shall be for the confidential use of the department of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except that the department of public safety or any law enforcement department of any municipality or county in this state shall, upon written request of any person involved in an accident or upon written request of the representative of the person's estate, surviving spouse, or one or more surviving next of kin, or a trustee appointed pursuant to section 573.02, disclose to the requester, the requester's legal counsel or a representative of the requester's insurer any information contained therein except the parties' version of the accident as set out in the written report filed by the parties or may disclose identity of a person involved in an

accident when the identity is not otherwise known or when the person denies presence at the accident. No report shall be used as evidence in any trial, civil or criminal, arising out of an accident, except that the department of public safety shall furnish upon the demand of any person who has, or claims to have, made a report, or, upon demand of any court, a certificate showing that a specified accident report has or has not been made to the department of public safety solely to prove a compliance or a failure to comply with the requirements that the report be made to the department of public safety. Disclosing any information contained in any accident report, except as provided herein, is unlawful and a misdemeanor.

Nothing herein shall be construed to prevent any person who has made a report pursuant to this chapter from providing information to any persons involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the person's knowledge. It is intended by this subdivision to render privileged the reports required but it is not intended to prohibit proof of the facts to which the reports relate. Legally qualified newspaper publications and licensed radio and television stations shall upon request to a law enforcement agency be given an oral statement covering only the time and place of the accident, the names, addresses, and dates of birth of the parties involved, whether a citation was issued, and if so, what it was for, and whether the parties involved were wearing seat belts, and a general statement as to how the accident happened without attempting to fix liability upon anyone, but said legally qualified newspaper publications and licensed radio and television stations shall not be given access to the hereinbefore mentioned confidential reports, nor shall any such statements or information so orally given be used as evidence in any court proceeding, but shall merely be used for the purpose of a proper publication or broadcast of the news.

When these reports are released for accident analysis purposes the identity of any involved person shall not be revealed. Data contained in these reports shall only be used for accident analysis purposes, except as otherwise provided by this subdivision. Accident reports and data contained therein which may be in the possession or control of departments or agencies other than the department of public safety shall not be discoverable under any provision of law or rule of court.

Notwithstanding other provisions of this subdivision to the contrary, the commissioner of public safety shall give to the commissioner of transportation the name and address of a carrier subject to section 221.031 that is named in an accident report filed under subdivision 7 or 8. The commissioner of transportation may not release the name and address to any person. The commissioner shall use this information to enforce accident report requirements under chapter 221. In addition the commissioner of public safety may give to the United States Department of Transportation commercial

vehicle accident information in connection with federal grant programs relating to safety.

The ~~department~~ commissioner of public safety may charge authorized persons a $5 fee for a copy of an accident report. Proceeds from the fee must be deposited into the transportation services fund.

Sec. 5. Minnesota Statutes 1990, section 170.23, is amended to read:

170.23 [ABSTRACTS; FEE; ADMISSIBLE IN EVIDENCE.]

The commissioner shall upon request furnish any person a certified abstract of the operating record of any person subject to the provisions of this chapter, and, if there shall be no record of any conviction of such person of violating any law relating to the operation of a motor vehicle or of any injury or damage caused by such person, the commissioner shall so certify. Such abstracts shall not be admissible as evidence in any action for damages or criminal proceedings arising out of a motor vehicle accident. A fee of $5 shall be paid for each such abstract. The commissioner shall permit a person to inquire into the operating record of any person by means of the inquiring person's own computer facilities for a fee to be determined by the commissioner of at least $2 for each inquiry. The commissioner shall furnish an abstract that is not certified for a fee to be determined by the commissioner in an amount less than the fee for a certified abstract but more than the fee for an inquiry by computer. Fees collected under this section must be paid into the state treasury with 90 percent of the money credited to the ~~trunk highway~~ transportation services fund and ten percent credited to the general fund.

Sec. 6. Minnesota Statutes 1990, section 171.185, is amended to read:

171.185 [COSTS PAID FROM ~~TRUNK HIGHWAY~~ TRANSPORTATION SERVICES FUND.]

All costs incurred by the commissioner in carrying out the provisions of sections 171.182 to 171.184 shall be paid from the ~~trunk highway~~ transportation services fund.

Sec. 7. Minnesota Statutes 1990, section 171.26, is amended to read:

171.26 [MONEY CREDITED TO ~~TRUNK HIGHWAY~~ TRANSPORTATION SERVICES FUND AND TO GENERAL FUND.]

All money received under the provisions of this chapter shall be paid into the state treasury with 90 percent of such money credited

to the ~~trunk highway~~ transportation services fund, and ten percent credited to the general fund, except as provided in section 171.29, subdivision 2.

Sec. 8. Minnesota Statutes 1990, section 171.36, is amended to read:

171.36 [LICENSE RENEWAL AND FEES.]

All licenses shall expire one year from date of issuance and may be renewed upon application to the commissioner. Each application for an original or renewal school license shall be accompanied by a fee of $150 and each application for an original or renewal instructor's license shall be accompanied by a fee of $50. The license fees collected under sections 171.33 to 171.41 shall be paid into the ~~trunk highway~~ transportation services fund. No license fee shall be refunded in the event that the license is rejected or revoked.

Sec. 9. Minnesota Statutes 1990, section 173.13, subdivision 4, is amended to read:

Subd. 4. The annual fee for each such permit or renewal thereof shall be as follows:

(1) If the advertising area of the advertising device does not exceed 50 square feet, the fee shall be ~~$20~~ $40.

(2) If the advertising area exceeds 50 square feet but does not exceed 300 square feet, the fee shall be ~~$40~~ $80.

(3) If the advertising area exceeds 300 square feet, the fee shall be ~~$80~~ $160.

(4) No fee shall be charged for a permit for official signs and notices as they are defined in section 173.02, except that a fee may be charged for a star city sign erected under section 173.085.

Sec. 10. Minnesota Statutes 1990, section 173.231, is amended to read:

173.231 [FEES.]

All fees collected under sections 173.07 and 173.13, ~~shall~~ must be paid into the ~~trunk highway~~ transportation services fund.

Sec. 11. Minnesota Statutes 1990, section 221.036, subdivision 14, is amended to read:

Subd. 14. [~~TRUNK HIGHWAY~~ TRANSPORTATION SERVICES FUND.] Penalties collected under this section must be deposited in

the state treasury and credited to the ~~trunk highway~~ transportation services fund.

Sec. 12. [221.297] [DISPOSITION OF RECEIPTS.]

All money deposited in the state treasury from fees and penalties under this chapter must be credited to the transportation services fund.

Sec. 13. Minnesota Statutes 1990, section 296.16, subdivision 1a, is amended to read:

Subd. 1a. [INTENT; FOREST ROADS.] ~~$675,000~~ Approximately 0.116 percent of the total annual unrefunded revenue from the gasoline fuel tax on all gasoline and special fuel received in, produced, or brought into this state, except gasoline and special fuel used for aviation purposes, is derived from the operation of motor vehicles *on state forest* roads and county forest access roads~~, and~~. Of this ~~sum, $400,000~~ amount, 0.0605 percent is annually derived from motor vehicles operated on state forest roads and ~~$275,000~~ 0.0555 percent is annually derived from motor vehicles operated on county forest access roads in this state.

Sec. 14. Minnesota Statutes 1990, section 296.421, subdivision 8, is amended to read:

Subd. 8. [COMPUTATION AND DISTRIBUTION OF UNREFUNDED TAXES FOR FOREST ROADS.] The amount of unrefunded tax paid on gasoline and special fuel used to operate motor vehicles on forest roads, except gasoline and special fuel used for aviation purposes, is ~~$675,000 annually~~ 0.116 percent of the total unrefunded revenue from the tax on all gasoline and special fuel received *in, produced, or* brought into the state, and this revenue is appropriated from the highway user tax distribution fund and must be transferred and credited in equal installments on July 1 and January 1 to the state forest road account established in section 89.70. ~~$275,000 of this amount~~ An amount equal to 0.0555 percent of the unrefunded revenue must be annually transferred to counties for management and maintenance of county forest roads.

Sec. 15. Minnesota Statutes 1990, section 299D.03, subdivision 5, is amended to read:

Subd. 5. [FINES AND FORFEITED BAIL MONEY.] (a) All fines and forfeited bail money, from traffic and motor vehicle law violations, collected from persons apprehended or arrested by officers of the state patrol, shall be paid by the person or officer collecting the fines, forfeited bail *money or installments* thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the county treasurer of the county where the violation

occurred. Three-eighths of these receipts shall be credited to the general revenue fund of the county. The other five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the ~~trunk highway~~ transportation services fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation in a nationwide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) Notwithstanding any other provisions of law, all fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by these employees, shall be paid by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the county treasurer of the county where the violation occurred. Five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited ~~to the highway user tax distribution fund~~ as follows: 62 percent to the transportation services fund; 29 percent to the county state-aid highway fund; and 9 percent to the municipal state-aid street fund. Three-eighths of these receipts shall be credited to the general revenue fund of the county.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective July 1, 1991.

ARTICLE 7

METROPOLITAN TRANSPORTATION DEVELOPMENT

Section 1. [174.35] [LIGHT RAIL TRANSIT.]

The commissioner of transportation may plan, acquire, construct, and equip light rail transit facilities in the metropolitan area as provided in this section, sections 473.399 to 473.3996, and sections 11 and 12 and may exercise the powers granted in chapter 174 as necessary for this purpose. The commissioner shall review and approve all preliminary design, preliminary engineering, and final design plans for light rail transit facilities.

Sec. 2. Minnesota Statutes 1990, section 473.373, subdivision 4a, is amended to read:

Subd. 4a. [MEMBERSHIP.] (a) The board consists of 11 members with governmental or management experience. Appointments are subject to the advice and consent of the senate. Terms of members are four years commencing on the first Monday in January of the first year of the term.

(b) The council shall appoint eight members, one from each of the following agency districts:

(1) district A, consisting of council districts 1 and 2;

(2) district B, consisting of council districts 3 and 7;

(3) district C, consisting of council districts 4 and 5;

(4) district D, consisting of council districts 6 and 11;

(5) district E, consisting of council districts 8 and 10;

(6) district F, consisting of council districts 9 and 13;

(7) district G, consisting of council districts 12 and 14; and

(8) district H, consisting of council districts 15 and 16.

~~At least~~ Six must be elected officials of statutory or home rule charter cities, towns, or counties. ~~Two of these officials must be county board members, each from a different county, and four must be elected officials of cities or towns. Service on the board of a person who is appointed as an elected official may continue only as long as the person holds the office. At least 30 days before the expiration of a term or upon the occurrence of a vacancy, the council shall request nominations for the position from relevant organizations of local elected officials, such as the association of metropolitan municipalities, the metropolitan intercounty association, the association of urban counties, and where applicable, the association of townships. Each relevant organization shall nominate at least two persons for each position. A local governmental unit that is not a member of an organization may submit nominations independently. The council shall make its appointments from the nominations submitted to it to the extent possible consistent with the other requirements of this paragraph and with the appointment of a board that fairly reflects the diverse areas and constituencies affected by transit.~~

(c) The governor shall appoint, in addition to the chair, two persons, one who is age 65 or older at the time of appointment, and one with a disability. These appointments must be made following the procedures of section 15.0597. In addition, at least 30 days before the expiration of a term or upon the occurrence of a vacancy in the office held by a senior citizen or a person with a disability, the

governor shall request nominations from organizations of senior citizens and persons with disabilities. Each organization shall nominate at least two persons. The governor shall consider the nominations submitted.

(d) No more than three of the members appointed under paragraphs (b) and (c) may be residents of the same statutory or home rule city or town, and none may be a member of the joint light rail transit advisory committee established under section 473.3991.

Sec. 3. Minnesota Statutes 1990, section 473.399, is amended to read:

473.399 [LIGHT RAIL TRANSIT; REGIONAL PLAN.]

Subdivision 1. [GENERAL REQUIREMENTS.] (a) The transit board shall adopt a regional light rail transit plan, as provided in this section, to ensure that light rail transit facilities in the metropolitan area will be acquired, developed, owned, and capable of operation in an efficient, cost-effective, and coordinated manner as an integrated and unified system on a multicounty basis in coordination with buses and other transportation modes and facilities. To the extent practicable, the board shall incorporate into its plan appropriate elements of the plans of regional railroad authorities in order to avoid duplication of effort.

(b) The regional plan required by this section must be adopted by the board before any regional railroad authority may begin construction of light rail transit facilities and before any authority is eligible for state financial assistance for constructing light rail transit facilities. Following adoption of the regional plan, each regional railroad authority or other developer of light rail transit in the metropolitan area shall act in conformity with the plan. Each authority or proposer shall prepare or amend its comprehensive plan and preliminary and final design plans as necessary to make the plans consistent with the regional plan.

(c) Throughout the development and implementation of the plan, the board shall contract for or otherwise obtain engineering services to assure that the plan adequately addresses the technical aspects of light rail transit.

(d) The board may periodically review the plan and may make modifications or amendments to the plan.

Subd. 2. [DEVELOPMENT AND FINANCIAL PLAN.] (a) The board shall adopt a regional development and financial plan for light rail transit composed of the following elements:

(1) a staged development plan of light rail transit corridors;

(2) a statement of needs, objectives, and priorities for capital development and service for a prospective ten-year period, considering service needs, ridership projections, and other relevant factors for the various segments of the system, along with a statement of the fiscal implications of these objectives and priorities, and policies and recommendations for long-term capital financing;

(3) a capital investment component for a five-year period following the commencement of construction of facilities, with policies and recommendations for ownership of facilities and for financing capital and operating costs.

(b) For any segments of rail line that may be constructed below the surface elevation, the plan must estimate the additional capital costs, debt service, and subsidy level that are attributable to the below grade construction. The plan must include a method of financing the operation of light rail transit that depends on property tax revenue for no more than 35 percent of the operations cost.

(c) The board shall prepare the initial plan in consultation with its light rail transit advisory committee. The board shall submit the plan and amendments to the plan to the metropolitan council for review and approval or disapproval, for conformity with the council's transportation plan. The council has 90 days to complete its review.

Subd. 3. [COORDINATION PLAN.] (a) The board shall adopt a regional coordination plan for light rail transit. The plan must include:

(1) a method for organizing and coordinating acquisition, construction, ownership, and operation of light rail transit facilities, including in particular, coordination of vehicle specifications, provisions for a single light rail transit operator for the system, and the organization and coordination method required if a turn-key approach to facility acquisition is used by a regional railroad authority;

(2) specifications and standards to ensure joint or coordinated procurement of rights-of-way, track, vehicles, electrification, communications and ticketing facilities, yards and shops, stations, and other facilities that must be or should be operated on a systemwide basis;

(3) systemwide operating and performance specifications and standards;

(4) bus and park-and-ride coordination policies, standards, and plans to assure maximum use of light rail transit and the widest possible access to light rail transit in both urban and suburban areas;

(5) a method for ensuring ongoing coordination of development, design, and operational plans for light rail facilities;

(6) provision for the operation of light rail transit by the metropolitan transit commission; and

(7) other matters that the board deems prudent and necessary to ensure that light rail transit facilities are acquired, developed, owned, and capable of operation in an efficient, cost-effective, and coordinated manner as an integrated and unified system on a multicounty basis in coordination with buses and other transportation modes and facilities.

(b) The joint light rail transit advisory committee shall prepare and recommend the initial plan to the board. The board shall review the plan within 90 days and either adopt it or disapprove it and return it to the committee with the modifications that the board recommends before adoption of the plan. The committee shall take into consideration the board's recommendations and resubmit the plan to the board for review and adoption or disapproval.

(c) The metropolitan council shall review and comment on the plan and amendments to the plan.

Sec. 4. Minnesota Statutes 1990, section 473.3991, subdivision 1, is amended to read:

Subdivision 1. [CREATION; PURPOSE.] The transit board shall establish a joint light rail transit advisory committee, to assist the board in planning light rail transit facilities and in coordinating the light rail transit activities of the county regional railroad authorities and the transit commission. The committee shall perform the duties specified in section 473.399 and Laws 1989, chapter 339, section 20, ~~and shall otherwise assist the board upon request of the board~~.

Sec. 5. Minnesota Statutes 1990, section 473.3991, is amended by adding a subdivision to read:

Subd. 5. [TERMINATION.] The committee ceases to exist on the day following final enactment.

Sec. 6. Minnesota Statutes 1990, section 473.3993, subdivision 2, is amended to read:

Subd. 2. [PRELIMINARY DESIGN PLAN.] "Preliminary design plan" means a light rail transit plan that ~~identifies~~ includes:

(1) preliminary plans for the physical design of facilities, at approximately the ten percent engineering level, including location,

length, and termini of routes; general dimension, elevation, alignment, and character of routes and crossings; whether the track is elevated, on the surface, or below ground; approximate station locations; and related park and ride, parking, and other transportation facilities; and a plan for handicapped access; and

(2) preliminary plans for intermodal coordination with bus operations and routes; ridership; capital costs; operating costs and revenues; and funding ~~for final design, construction, and operation; and an implementation method~~.

Sec. 7. Minnesota Statutes 1990, section 473.3993, is amended by adding a subdivision to read:

Subd. 2a. [PRELIMINARY ENGINEERING PLAN.] "Preliminary engineering plan" means a light rail transit engineering plan that includes plans for the physical design of the facilities at approximately the 30 percent engineering level; a funding plan for final design, construction, and operation; and an implementation method.

Sec. 8. Minnesota Statutes 1990, section 473.3993, subdivision 3, is amended to read:

Subd. 3. [FINAL DESIGN PLAN.] "Final design plan" means a light rail transit plan that includes the items in the preliminary design and preliminary engineering plan for the facilities proposed for construction, but with greater detail and specificity. The final design plan must include, at a minimum:

(1) final plans for the physical design of facilities, including the right-of-way definition; environmental impacts and mitigation measures; intermodal coordination with bus operations and routes; and civil engineering plans for vehicles, track, stations, parking, and access, including handicapped access; and

(2) final plans for civil engineering for electrification, communication, and other similar facilities; operational rules, procedures, and strategies; capital costs; ridership; operating costs and revenues; financing for construction and operation; an implementation method; and other similar matters.

The final design plan must be stated with sufficient particularity and detail to allow the proposer to begin the acquisition and construction of operable facilities. If a turn-key implementation method is proposed, instead of civil engineering plans the final design plan must state detailed design criteria and performance standards for the facilities.

Sec. 9. Minnesota Statutes 1990, section 473.3994, is amended to read:

473.3994 [LIGHT RAIL TRANSIT; ~~DESIGN~~ FACILITY PLANS.]

Subd. 1a. [PRELIMINARY DESIGN PLANS.] The regional transit board shall establish a procedure for preparing preliminary design plans for light rail transit facilities. The procedure must ensure that preliminary design plans implement the board's regional transit plan and qualify for federal funds in accordance with the board's plan, and that proposals for engineering and construction projects are prepared in a timely and cost-effective manner.

Subd. 2. [PRELIMINARY DESIGN AND ENGINEERING PLANS; PUBLIC HEARING.] ~~Before preparing final design plans for a light rail transit facility, the~~ A political subdivision ~~proposing the~~ that has prepared preliminary design and preliminary engineering plans for a proposed facility must hold a public hearing on the physical design component of the preliminary design plans and the preliminary engineering plans. The proposer must provide appropriate public notice of the hearing and publicity to ensure that affected parties have an opportunity to present their views at the hearing.

Subd. 3. [PRELIMINARY DESIGN AND PRELIMINARY ENGINEERING PLANS; LOCAL APPROVAL.] At least 30 days before the hearing under subdivision 2, the proposer shall submit the ~~physical design component of the preliminary design~~ plans to the governing body of each statutory and home rule charter city, county, and town in which the route is proposed to be located. The city, county, or town shall hold a public hearing, except that a county board need not hold a hearing if the county board membership is identical to the membership of the regional railroad authority submitting the plan for review. Within 45 days after the hearing under subdivision 2, the city, county, or town shall review and approve or disapprove the plans for the route to be located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within 45 days after the hearing is deemed to be approval, unless an extension of time is agreed to by the city, county, or town and the proposer.

Subd. 4. [PRELIMINARY DESIGN AND PRELIMINARY ENGINEERING PLANS; REGIONAL TRANSIT BOARD REFERRAL.] If the governing body of one or more cities, counties, or towns disapproves the preliminary design or preliminary engineering plans within the period allowed under subdivision 3, the proposer may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall hold a hearing on the plans, giving the proposer, any disapproving local governmental units, and other persons an opportunity to present their views on the plans. The board may conduct independent study as it deems desirable and may mediate and attempt to resolve disagreements

about the plans. Within 90 days after the referral, the board shall review the plans submitted by the proposer and may recommend amended plans to accommodate the objections presented by the disapproving local governmental units.

Subd. 5. [FINAL DESIGN PLANS.] (a) Before beginning construction, the proposer shall submit the physical design component of final design plans to the governing body of each statutory and home rule city, county, and town in which the route is proposed to be located. Within 60 days after the submission of the plans, the city, county, or town shall review and approve or disapprove the plans for the route located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within the time period is deemed to be approval, unless an extension is agreed to by the city, county, or town and the proposer.

(b) If the governing body of one or more cities, counties, or towns disapproves the plans within the period allowed under paragraph (a), the proposer may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall review the final design plans under the same procedure and with the same effect as provided in subdivision 4 for preliminary design plans.

Subd. 6. [COUNTY APPROVAL.] The proposer of a light rail transit facility in the metropolitan area ~~must~~ shall submit the preliminary and final design plans for the facility to the governing board of the county in which the route is proposed to be located for approval or disapproval. The proposer of the facility may not proceed with construction of the facility without the approval of the county.

Subd. 7. [COUNCIL REVIEW.] Before proceeding with construction of a light rail transit facility, ~~a regional rail authority established under chapter 398A must~~ the proposer of the facility shall submit preliminary design plans, preliminary engineering plans, and final design plans to the metropolitan council. The council ~~must~~ shall review the plans for consistency with the council's development guide and comment on the plans.

Subd. 8. [METROPOLITAN SIGNIFICANCE.] This section does not diminish or replace the authority of the council under section 473.173.

Sec. 10. Minnesota Statutes 1990, section 473.3996, is amended to read:

473.3996 [LIGHT RAIL TRANSIT FACILITY ~~DESIGN~~ PLANS; REVIEW ~~BY BOARD~~.]

Subdivision 1. [PRELIMINARY DESIGN AND ENGINEERING PLANS; BOARD REVIEW.] Before submitting the physical design component of final design plans of a light rail transit facility for local review under section 473.3994, subdivision 5, the proposer shall submit preliminary design and preliminary engineering plans to the regional transit board for review. The board shall review the ~~preliminary design~~ plans to determine the compatibility of the plans with other light rail transit plans and facilities in the metropolitan area, the adequacy of the plans for operation and maintenance of facilities, the adequacy of the plans for handicapped accessibility, and the conformity of the plans with the council's transportation policy plan and the board's regional light rail transit plan prepared under section 473.399. The board shall submit the plans to the metropolitan transit commission for recommendations on specifications and other matters affecting operation and maintenance of facilities. The board shall submit the plans to the council for recommendations on the conformity of the plans with the council's transportation policy plan. The board may comment on any aspect of the plans. The board has 90 days to complete its review, unless an extension of time is agreed to by the proposer. If the board determines that the plans do not satisfy the standards stated in this subdivision, the board shall recommend modifications in the plans that are necessary in order to satisfy the board. After adopting or amending the regional plan required by section 473.399, the board may again review any previously reviewed preliminary design plans and recommend modifications that are necessary to satisfy the board.

Subd. 2. [FINAL DESIGN PLANS; BOARD APPROVAL.] Before acquiring or constructing light rail transit facilities, other than land for right of way, the proposer shall submit final design plans to the regional transit board for review. The board shall review the final design plans under the same procedure and schedule and according to the same standards as provided for its review of preliminary design plans. The board shall either approve the plans, or if it determines that the plans do not satisfy the standards, disapprove the plans, in whole or in part, and recommend modifications in the plans that are necessary to secure approval. A proposer may not proceed with acquisition or construction of a light rail transit facility, other than land for right of way, unless the final design plans for the facility have been approved by the board. ~~Following approval of final design plans by the board, if a regional railroad authority wishes to select a bid or a response to a request for proposal that is more than ten percent higher than the capital costs indicated in the final design plans for the facility, the authority may not proceed with construction until it has resubmitted the final design plans to the transit board for further review and approval or disapproval. The board has ten working days to review and approve or disapprove and recommend modification, unless an extension of time is agreed to by the authority.~~

Sec. 11. [LIGHT RAIL FUNDING.]

If funds are appropriated by the legislature for construction of light rail transit facilities, the funds must be used first for construction of the central corridor in accordance with section 12. A regional rail authority may on its own seek federal funds to design and construct one demonstration light rail facility that does not include a downtown tunnel, and may construct that facility using a combination of federal and county funds as described in the light rail transit regional development plan as approved by the regional transit board.

Sec. 12. [CENTRAL CORRIDOR FACILITIES.]

Subdivision 1. [CONSTRUCTION.] The commissioner of transportation shall review and approve preliminary engineering plans, prepare final design plans, and construct light rail transit facilities in the central corridor. The commissioner shall submit final design plans for review in the manner provided under Minnesota Statutes, sections 473.3994 and 473.3996.

Subd. 2. [TUNNEL.] The commissioner may not construct underground light rail transit facilities, except that the commissioner may enter into agreements providing for underground construction if the additional costs of underground construction are paid by the city or the regional railroad authority in which the facility is located.

Subd. 3. [OWNERSHIP.] By January 1, 1993, the commissioner shall present to the legislature a plan for transferring or sharing ownership in the land and facilities for light rail transit, and providing for maintenance of the facilities. The plan must be prepared in consultation with the regional transit board, the metropolitan transit commission, and affected local government units.

Subd. 4. [REPORT TO BOARD.] The commissioner shall report to the transportation study board on the status of the preliminary engineering plans, including cost estimates, for the central corridor by November 15, 1991.

Sec. 13. [APPLICATION.]

Sections 1 to 12 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 14. [EFFECTIVE DATE.]

Sections 4 and 5 are effective July 1, 1991.

ARTICLE 8

TRANSPORTATION STUDIES

Section 1. [161.53] [RESEARCH ACTIVITIES.]

The commissioner may set aside for transportation research in each fiscal year an amount up to one percent of the total amount of all funds appropriated to the commissioner other than county state-aid and municipal state-aid highway funds. The commission shall expend this money for (1) research to improve the design, construction, maintenance, management, and environmental compatibility of transportation systems; (2) research to improve the development of transportation policies with respect to energy efficiency and economic development; (3) programs for implementing and monitoring research results; and (4) developing transportation education and outreach activities. Of all funds appropriated to the commissioner other than state-aid funds, the commissioner shall expend 0.1 percent, but not exceeding $800,000 in any fiscal year, for research and related activities performed by the center for transportation studies of the University of Minnesota. The center shall establish a technology transfer and training center for Minnesota transportation professionals.

Sec. 2. [DEPARTMENT OF TRANSPORTATION; CORRIDOR STUDIES.]

Subdivision 1. [FINDING.] The legislature finds that a system of improved highways between regional centers in greater Minnesota and the Twin Cities metropolitan area is needed to promote economic development and to enhance commercial access, personal mobility, and traffic safety in Minnesota. It is therefore in the public interest to provide financing methods that accelerate construction of trunk highways linking regional centers in greater Minnesota with the Twin Cities metropolitan area.

Subd. 2. [STUDY.] The commissioner of transportation shall study and report to the governor and legislature the feasibility and desirability of establishing a comprehensive system of multilane divided highways connecting all regional centers with the Twin Cities metropolitan area. The study must include:

(1) existing highways on corridors between regional centers and the metropolitan area;

(2) improvements to bring all highways in these corridors to expressway standards;

(3) the cost of these improvements;

(4) the role of these improvements in the department of transportation's trunk highway programming priorities; and

(5) a schedule for completing these improvements.

The commissioner shall complete the study and submit the report not later than January 15, 1992.

Sec. 3. [3.862] [TRANSPORTATION STUDY BOARD.]

Subdivision 1. [BOARD EXTENDED; MEMBERSHIP.] The transportation study board created under Laws 1988, chapter 603, section 6, is hereby extended. The board shall consist of the following members:

(1) five members of the senate, with not more than three of the same political party, appointed by the senate committee on committees; and

(2) five members of the house of representatives, with not more than three of the same political party, appointed by the speaker of the house. Appointments are for two-year terms beginning July 1 of each odd-numbered year. Vacancies must be filled in the same manner as the original appointments.

Subd. 2. [OFFICERS.] The board shall elect a chair and vice-chair from among its members. The chair must alternate biennially between a member of the house and a member of the senate. The vice-chair must be a house member when the chair is a senate member, and a senate member when the chair is a house member.

Subd. 3. [STAFF.] The board may employ professional, technical, consulting, and clerical services. The board may use legislative staff to provide legal counsel, research, secretarial, and clerical assistance.

Subd. 4. [EXPENSES AND REIMBURSEMENT.] The members of the board may receive per diem when attending meetings and other commission business. Members, employees, and legislative staff must be reimbursed for expenses actually and necessarily incurred in the performance of their duties under the rules governing legislators and legislative employees.

Sec. 4. [3.863] [DUTIES.]

The transportation study board shall perform the following duties:

(1) review and participate with the house and senate transporta-

tion committees in developing recommendations for state transportation policies;

(2) monitor state transportation programs, expenditures, and activities;

(3) review and participate in the coordination of legislative initiatives that affect state and local transportation agencies; and

(4) propose special studies to the legislature and conduct studies at the direction of the legislature.

Sec. 5. [3.864] [SPECIAL STUDIES.]

Subdivision 1. [STUDIES.] The board shall conduct the studies in subdivisions 2 to 7 by January 1, 1993. The board may request the commissioner of transportation to conduct any of the studies and report to the board and the legislature.

Subd. 2. [HIGHWAY PLANNING PROCESS.] The board shall review the department of transportation's policies and procedures for identifying, evaluating, prioritizing, and implementing trunk highway development projects. The board shall not propose, identify, or otherwise select any specific project or category of projects. The board shall report to the legislature and the commissioner of transportation on the results of the study with recommendations:

(1) to the commissioner of transportation with respect to changes in the department's policies and procedures; and

(2) to the legislature with respect to changes in law governing those policies and procedures.

Subd. 3. [HIGHWAY JURISDICTION.] The board shall conduct a study of the functional classification of all streets and highways in Minnesota. The study shall include:

(1) development of a state jurisdiction plan, which must include:

(i) criteria for determining the functional class of each street and highway in the state;

(ii) identification of the appropriate jurisdiction of each street and highway, based on functional class; and

(iii) criteria for determining when jurisdiction should be based on factors other than functional class;

(2) recommendations for implementing the jurisdiction plan; and

(3) recommendations for changes in law to facilitate future jurisdiction transfers.

The board shall report to the legislature and the commissioner of transportation on the results of the study.

Subd. 4. [LIGHT RAIL TRANSIT.] The board shall review and report to the legislature on any preliminary engineering plans for light rail transit adopted by the commissioner of transportation under article 7.

Subd. 5. [STATE-AID DISTRIBUTION.] The board shall study all unresolved issues relating to distribution of the county state-aid highway fund and the municipal state-aid street fund. These issues may include, but need not be limited to:

(1) formulas for distributing money in these funds;

(2) methods of measuring and quantifying factors used in those formulas;

(3) the role of screening boards in this distribution;

(4) methods of mitigating reductions in state aid that might result to one or more counties from various changes in state aid formulas and distribution procedures; and

(5) appropriate levels of state participation in the cost of constructing and maintaining county state-aid highways and municipal state-aid streets.

Subd. 6. [LOCAL PARTICIPATION IN TRUNK HIGHWAY PROJECTS.] The board shall study the appropriate role of local units of government in assisting in the cost of projects to construct or reconstruct trunk highways. The study must include a recommendation of guidelines to govern the extent of that participation and the types of projects for which participation is feasible and desirable.

Subd. 7. [INCREASED USE OF HIGH-OCCUPANCY VEHICLES.] The board shall study the feasibility and desirability of increasing incentives for the use of high-occupancy vehicles such as carpools, vanpools, and transit. The board shall study and evaluate, among other things, each of the following incentives:

(1) tax incentives to employees;

(2) tax incentives and other incentives to employers;

(3) parking charges designed to discourage single-occupant vehicles and promote high-occupancy vehicles;

(4) road pricing on freeways and other commuting routes;

(5) staggered work hours;

(6) expanded availability and reduced cost of regular-route transit; and

(7) increased use of demand-responsive transit to meet the needs of persons otherwise automobile dependent.

Subd. 8. [LOCAL FINANCE STUDY.] The board shall study and report to the legislature by February 15, 1992, the use and effect of methods other than property tax revenues to finance local transportation improvements, including impact fees, transportation utility fees, and similar methods.

Sec. 6. [APPROPRIATION.]

$..... is appropriated from the highway user tax distribution fund to the transportation study board.

Sec. 7. [REPEALER.]

Laws 1988, chapter 603, section 6, is repealed.

ARTICLE 9

METROPOLITAN TRANSIT SERVICE

Section 1. Minnesota Statutes 1990, section 473.375, subdivision 15, is amended to read:

Subd. 15. [PERFORMANCE STANDARDS.] The board may establish performance standards for recipients of financial assistance, except that performance standards for recipients of financial assistance under section 473.388 shall be established after consultation with such recipients.

Sec. 2. Minnesota Statutes 1990, section 473.377, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] The transit board shall prepare, submit to the council, and adopt an implementation plan as provided in section 473.161. The services and systems management component of the board's plan must include a description of the special transportation service provided under section 473.386. The

board shall prepare an implementation plan meeting the requirements of this section and submit the plan to the council by August 1, 1986, and thereafter at a time prescribed by the council. The components of the implementation plan that are applicable to recipients of financial assistance under section 473.388 shall be prepared after consultation with such recipients.

Sec. 3. [STUDIES REQUIRED.]

(a) The metropolitan council, in consultation with the board and after consultation with participants in the opt-out transit service program, must conduct a study of the costs of planning, administering and managing transit services in the metropolitan area, including the costs of coordinating and integrating services provided by different transit operators or authorities. The council, in consultation with the board, must direct its staff to examine whether the percentage of property tax revenues raised in communities participating in the program under Minnesota Statutes, section 473.388, which accrues to the board from the tax it levies under Minnesota Statutes, section 473.446, is adequate to finance those communities' prorated share of these costs. The council, in consultation with the board, must make a recommendation to the legislature on the appropriate percentage of property tax revenues to be used to finance these costs.

(b) The council, in consultation with the board and after consultation with participants in the opt-out transit service program, must conduct a study of the interaction between the funding mechanisms of the program under Minnesota Statutes, section 473.388, and the reductions of levied taxes made pursuant to Minnesota Statutes, section 473.446, subdivision 1. The council, in consultation with the board, must direct its staff to study the interaction of these provisions, including the effect of the interaction on the financing of transit services in the metropolitan area.

(c) The council must report to the legislature on the results of these studies on or before February 15, 1992.

Sec. 4. [APPLICATION.]

Sections 1 to 3 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; providing for enforcement of law requiring stops at railroad grade crossings; providing for enhanced public information and education regarding grade crossing safety; direct-

ing a study of rail-highway grade crossings and requiring a report; authorizing the commissioner of transportation to make grants for the improvement of commercial navigation facilities; authorizing local units of government to advance funds for the completion of trunk highway projects; providing for rustic roads and natural preservation routes; requiring a study of toll facilities; creating a transportation services fund and providing for its uses; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; providing for light rail transit; directing a study of highway corridors; extending and reconstituting the transportation study board and directing it to conduct certain studies; providing procedures related to assistance for transit systems; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 168.54, subdivisions 5 and 6; 169.09, subdivision 13; 169.26; 170.23; 171.13, subdivision 1, and by adding a subdivision; 170.23; 171.185; 171.26; 171.36; 173.13, subdivision 4; 173.231; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 221.036, subdivision 14; 222.50, subdivision 7; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.375, subdivision 15; 473.377, subdivision 1; 473.399; 473.3991, subdivision 1, and by adding a subdivision; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; and 221; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Laws 1988, chapter 603, section 6."

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

The report was adopted.

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

H. F. No. 781, A bill for an act relating to health; infectious waste control; clarifying that veterinarians are also covered by the act; clarifying requirements for management and generators' plans; creating a medical waste task force; amending Minnesota Statutes 1990, sections 116.77; and 116.79, subdivisions 1 and 3.

Reported the same back with the following amendments:

Page 2, line 11, delete "the generating facility" and insert "all generating facilities except hospitals and laboratories. A management plan from a hospital must list the number of licensed beds and from a laboratory must list the number of generating employees"

Page 3, line 33, after the period insert "Long-term health care facilities, including nursing homes, boarding care facilities, or intermediate care facilities, with less than 25 licensed beds shall have a fee of $60."

Page 4, line 21, delete "$40" and insert "$60"

Page 4, line 23, delete "$20" and insert "$30"

Page 4, line 24, delete "$225" and insert "$350"

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

The report was adopted.

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

H. F. No. 996, A bill for an act relating to utilities; requiring that applicants under the telephone assistance plan be certified by the department of human services for eligibility before receiving benefits; requiring reports; amending Minnesota Statutes 1990, section 237.70, subdivision 7.

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

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 1002, A bill for an act relating to housing; authorizing the Minnesota housing finance agency to establish a shallow rent subsidy program, a lease-purchase housing program and providing for homestead classification, a blighted property acquisition program, and a housing capital reserve program; changing eligibility requirements and allocation formulas for the community resource program; appropriating money; amending Minnesota Statutes 1990, sections 273.124, subdivision 7; 462A.05, by adding a subdivision; 466A.01, subdivision 2; 466A.02, subdivision 2; and 466A.05, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1

Page 8, line 12, delete "5" and insert "4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "homestead classification,"

Page 1, line 10, delete everything after "sections"

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

The report was adopted.

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

H. F. No. 1037, A bill for an act relating to human services; family preservation; clarifying requirements for grants to counties; authorizing grants for family-based crisis services; amending Minnesota Statutes 1990, sections 256F.01; 256F.02; 256F.03, subdivision 5; 256F.04; 256F.05; 256F.06; 256F.07, subdivisions 1, 2, and 3; and 257.3579.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 256F.01, is amended to read:

256F.01 [PUBLIC POLICY.]

~~It is the policy of this~~ The public policy of this state is to assure that all children, regardless of minority racial or ethnic heritage, ~~are entitled to~~ live in families that offer a safe, permanent relationship with nurturing parents or caretakers ~~and have~~. To help assure children the opportunity to establish lifetime relationships~~. To help assure this opportunity~~, public social services must be directed toward ~~accomplishment of the following purposes~~:

(1) preventing the unnecessary separation of children from their families by identifying family problems, assisting families in resolv-

ing their problems, and preventing breakup of the family if ~~the prevention of child removal~~ it is desirable and possible;

(2) restoring to their families children who have been removed, by continuing to provide services to the reunited child and the families;

(3) placing children in suitable adoptive homes, in cases where restoration to the biological family is not possible or appropriate; and

(4) assuring adequate care of children away from their homes, in cases where the child cannot be returned home or cannot be placed for adoption.

Sec. 2. Minnesota Statutes 1990, section 256F.02, is amended to read:

256F.02 [CITATION.]

Sections 256F.01 to 256F.07 may be cited as the "~~permanency planning grants to counties~~ Minnesota family preservation act."

Sec. 3. Minnesota Statutes 1990, section 256F.03, subdivision 5, is amended to read:

Subd. 5. [FAMILY-BASED SERVICES.] "Family-based services" means ~~intensive family-centered services to families primarily in their own home and for a limited time.~~ one or more of the services described in paragraphs (a) to (e) provided to families primarily in their own home for a limited time. Family-based services eligible for funding under the family preservation act are the services described in paragraphs (a) to (e).

(a) [CRISIS SERVICES.] "Crisis services" means professional services provided within 24 hours of referral to alleviate a family crisis and to offer an alternative to placing a child outside the family home. The services are intensive and time limited. The service may offer transition to other appropriate community-based services.

(b) [COUNSELING SERVICES.] "Counseling services" means professional family counseling provided to alleviate individual and family dysfunction; provide an alternative to placing a child outside the family home; or permit a child to return home. The duration, frequency, and intensity of the service is determined in the individual or family service plan.

(c) [LIFE MANAGEMENT SKILLS SERVICES.] "Life management skills services" means paraprofessional services that teach family members skills in such areas as parenting, budgeting, home management, and communication. The goal is to strengthen family

skills as an alternative to placing a child outside the family home or to permit a child to return home. A social worker shall coordinate these services within the family case plan.

(d) [CASE COORDINATION SERVICES.] "Case coordination services" means professional services provided to an individual, family, or caretaker as an alternative to placing a child outside the family home, to permit a child to return home, or to stabilize the long-term or permanent placement of a child. Coordinated services are provided directly, are arranged, or are monitored to meet the needs of a child and family. The duration, frequency, and intensity of services is determined in the individual or family service plan.

(e) [MENTAL HEALTH SERVICES.] "Mental health services" means the professional services defined in section 245.4871, subdivision 31.

Sec. 4. Minnesota Statutes 1990, section 256F.04, is amended to read:

256F.04 [DUTIES OF COMMISSIONER OF HUMAN SERVICES.]

Subdivision 1. [GRANT PROGRAM.] The commissioner shall establish a statewide ~~permanency planning~~ family preservation grant program to assist counties in providing placement prevention and family reunification services.

Subd. 2. [FORMS AND INSTRUCTIONS.] The commissioner shall provide necessary forms and instructions to the counties for their community social services plan, as required in section 256E.09, that incorporate the permanency plan format and information necessary to apply for a ~~permanency planning~~ family preservation grant. ~~For calendar year 1986, the local social services agency shall submit an amendment to their approved biennial community social services plan using the forms and instructions provided by the commissioner. Beginning January 1, 1986, the biennial community social services plan must include the permanency plan.~~

Subd. 3. [MONITORING.] The commissioner shall design and implement methods for monitoring the delivery and evaluating the effectiveness of placement prevention and family reunification services ~~including family-based services within the state according to section 256E.05, subdivision 3, paragraph (c). An evaluation report describing program implementation, client outcomes, cost, and the effectiveness of those services in relation to measurable objectives and performance criteria to keep families unified and minimize the use of out-of-home placements for children must be prepared by the commissioner for the period from January 1, 1986 through June 30, 1988~~. The commissioner shall monitor the provision of family-based

services, conduct evaluations, and prepare and submit biannual reports to the legislature.

Subd. 4. [TRAINING.] The commissioner shall provide training on family-based services.

Sec. 5. Minnesota Statutes 1990, section 256F.05, is amended to read:

256F.05 [DISTRIBUTION OF GRANTS.]

Subd. 2. [MONEY AVAILABLE.] Money appropriated for ~~permanency planning~~ family preservation grants to counties, together with an amount as determined by the commissioner of title IV-B funds distributed to Minnesota according to the Social Security Act, United States Code, title 42, section 621, must be distributed to counties on a calendar year basis according to the formula in subdivision 3.

Subd. 2a. [DISTRIBUTION OF FUNDS.] At least 50 percent of any additional federal revenue resulting from revenue enhancement activities initiated after January 1, 1991, to increase title IV-E revenue to Minnesota counties and Indian child welfare grants, under the Social Security Act, United States Code, title 42, section 674, shall be reimbursed to the counties based on title IV-E earnings for family preservation services under this chapter; for services under section 257.075; or for the Minnesota Indian child welfare grants under section 257.3571.

Subd. 3. [FORMULA.] The amount of money ~~distributed~~ allocated to counties under subdivision 2 must be based on the following two factors:

(1) the population of the county under age 19 years as compared to the state as a whole as determined by the most recent data from the state demographer's office; and

(2) the county's percentage share of the number of minority children in substitute care as determined by the most recent department of human services annual report on children in foster care.

The amount of money allocated according to formula factor (1) must not be less than 90 percent of the total ~~distributed~~ allocated under subdivision 2.

Subd. 4. [PAYMENTS.] The commissioner shall make grant payments to each county whose biennial community social services plan includes a permanency plan under section 256F.04, subdivision 2. The payment must be made in four installments per year. The

commissioner may certify the payments for the first three months of a calendar year. Subsequent payments must be made on ~~April 30~~ May 15, ~~July 30~~ August 15, and ~~October 30~~ November 15, of each calendar year. When an amount of title IV-B funds as determined by the commissioner is made available, it shall be reimbursed to counties on ~~October 30~~ November 15.

Subd. 5. [INAPPROPRIATE EXPENDITURES.] ~~Permanency planning~~ Family preservation grant money must not be used for:

(1) child day care necessary solely because of the employment or training to prepare for employment, of a parent or other relative with whom the child is living;

(2) residential facility payments;

(3) adoption assistance payments;

(4) public assistance payments for aid to families with dependent children, supplemental aid, medical assistance, general assistance, general assistance medical care, or community health services authorized by sections 145A.09 to 145A.13; or

(5) administrative costs for local social services agency public assistance staff.

Subd. 6. [TERMINATION OF GRANT.] A grant may be reduced or terminated by the commissioner when the county agency has failed to comply with the terms of the grant or sections 256F.01 to 256F.07.

Subd. 7. [TRANSFER OF FUNDS.] Notwithstanding subdivision 1, the commissioner may transfer money from the appropriation for ~~permanency planning~~ family preservation grants to counties into the subsidized adoption account when a deficit in the subsidized adoption program occurs. The amount of the transfer must not exceed five percent of the appropriation for ~~permanency planning~~ family preservation grants to counties.

Sec. 6. Minnesota Statutes 1990, section 256F.06, is amended to read:

256F.06 [DUTIES OF COUNTY BOARDS.]

Subdivision 1. [RESPONSIBILITIES.] A county board may, alone or in combination with other county boards, apply for a ~~permanency planning~~ family preservation grant as provided in section 256F.04, subdivision 2. Upon approval of the ~~permanency planning~~ family preservation grant, the county board may contract for or directly provide ~~placement prevention and family reunification services~~ family-based services.

Subd. 2. [USES OF GRANTS.] The grant must be used exclusively ~~for placement prevention, family reunification services and training~~ for family-based ~~service and permanency planning~~ services. The grant may not be used as a match for other federal money or to meet the requirements of section 256E.06, subdivision 5.

Subd. 3. [DESCRIPTION OF FAMILY-BASED SERVICE.] When a county board elects to provide family-based service as a part of its permanency plan, its written description of family-based service must include the number of families to be served in each caseload, the provider of the service, the planned frequency of contacts with the families, and the maximum length of time family-based service will be provided to families.

Subd. 4. [REPORTING.] The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17). The reports must include:

(1) a detailed statement of expenses attributable to the grant during the preceding quarter; and

(2) a statement of the expenditure of money for ~~placement prevention and family reunification~~ family-based services by the county during the preceding quarter, including the number of clients served and the expenditures, by client, for each service provided.

Sec. 7. Minnesota Statutes 1990, section 256F.07, subdivision 1, is amended to read:

Subdivision 1. [PREPLACEMENT REVIEW.] Each county board shall establish a preplacement procedure to review each request for substitute care placement and determine if appropriate community resources have been utilized before making a substitute care placement. Emergency placements shall be reviewed to determine services necessary to allow a child to return home. Placements shall be reviewed for compliance with the minority family heritage act, sections 257.071 and 259.244; the Minnesota minority family preservation act, section 260.181, subdivision 3; the Minnesota Indian family preservation act, sections 257.35 to 257.356; and the Indian Child Welfare Act of 1978, United States Code, title 25, part 1901.

Sec. 8. Minnesota Statutes 1990, section 256F.07, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE FOR PLACEMENT.] When the preplacement review has determined that a substitute care placement is required because the child is in imminent risk of abuse or neglect; or requires treatment of an emotional disorder, chemical dependency, or mental retardation; the agency shall determine the level of care

most appropriate to meet the child's needs in the least restrictive setting and in closest proximity to the child's family; and estimate the length of time of the placement, project a placement goal, and provide a statement of the anticipated outcome of the placement.

Placements must be in compliance with the minority family heritage act, sections 257.071 and 259.255; the Minnesota minority family preservation act, section 260.181, subdivision 3; the Minnesota Indian family preservation act, sections 257.35 to 257.356; and the Indian Child Welfare Act of 1978, United States Code, title 25, part 1901.

Sec. 9. Minnesota Statutes 1990, section 256F.07, subdivision 3, is amended to read:

Subd. 3. [TYPES OF SERVICES.] Placement prevention and family reunification services include:

~~(1) family-based service;~~

~~(2) individual and family counseling;~~

~~(3) crisis intervention and crisis counseling;~~

~~(4) day care;~~

~~(5) 24-hour emergency caretaker and homemaker services;~~

~~(6) emergency shelter care up to 30 days in 12 months;~~

~~(7) access to emergency financial assistance;~~

~~(8) arrangements to provide temporary respite care to the family for up to 72 hours consecutively or 30 days in 12 months; and~~

~~(9) transportation services to the child and parents in order to prevent placement or accomplish reunification of the family~~ family-based services as defined in section 256F.03, subdivision 5.

Family-based services must be coordinated with additional services identified and funded in the county social service act plan to provide a comprehensive placement prevention and family reunification services program.

Sec. 10. [GRANTS FOR FAMILY-BASED CRISIS SERVICES.]

Money allocated for the families first program, including Minnesota Statutes, section 256F.08, must be distributed on a calendar year basis by the commissioner of human services to counties to

provide programs for family-based crisis services defined in section 3. The commissioner shall ask counties to present proposals for the funding and shall award grants for the funding on a competitive basis. Beginning January 1, 1993, the state share of the costs of the programs shall be 75 percent and the county share, 25 percent.

Sec. 11. [APPROPRIATIONS.]

$750,000 for fiscal year 1992 and $1,250,000 for fiscal year 1993 is appropriated from the general fund to the commissioner of human services for families first grants under section 10."

Delete the title and insert:

"A bill for an act relating to human services; family preservation; clarifying requirements for grants to counties; authorizing grants for family-based crisis services; appropriating money; amending Minnesota Statutes 1990, sections 256F.01; 256F.02; 256F.03, subdivision 5; 256F.04; 256F.05; 256F.06; and 256F.07, subdivisions 1, 2, and 3."

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

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1226, A bill for an act relating to the city of Mankato; authorizing the city to annex uncontiguous territory to the city.

Reported the same back with the following amendments:

Page 1, line 10, after the period insert "Property abutting the airport shall not be deemed contiguous to the city of Mankato for the purposes of further annexation proceedings under Minnesota Statutes, chapter 414, without the consent of the city, town, and all the affected property owners."

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

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1246, A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring a report to the legislature; making conforming amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.16, subdivision 6b; 216B.241; 216B.243, by adding a subdivision; 216C.02, subdivision 1; 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B and 216C; repealing Minnesota Statutes 1990, section 16B.32, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

CONSERVATION IMPROVEMENT PROGRAMS

Section 1. Minnesota Statutes 1990, section 216B.16, subdivision 6b, is amended to read:

Subd. 6b. [ENERGY CONSERVATION IMPROVEMENTS.] All investments and expenses of a public utility as defined in section 216B.241, subdivision ~~(1),~~ ~~clause (c)~~ 1, paragraph (d), incurred in connection with energy conservation improvements shall be recognized and included by the commission in the determination of just and reasonable rates as if the investments and expenses were directly made or incurred by the utility in furnishing utility service.

Sec. 2. Minnesota Statutes 1990, section 216B.241, is amended to read:

216B.241 [ENERGY CONSERVATION IMPROVEMENTS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision ~~shall~~ have the meanings given them:

(a) "Commission" means the public utilities commission~~, department of public service~~;.

(b) "Commissioner" means the commissioner of public service.

(c) "Department" means the department of public service~~;~~.

~~(c)~~ (d) "Energy conservation improvement" means the purchase or installation of ~~any~~ a device, method, or material that reduces consumption of or increases ~~the~~ efficiency in the use of electricity or natural gas, including, but not limited to:

(1) insulation and ventilation;

(2) storm or thermal doors or windows;

(3) caulking and weatherstripping;

(4) furnace efficiency modifications;

(5) thermostat or lighting controls;

(6) awnings; or

(7) systems to turn off or vary the delivery of energy. The term "energy conservation improvement" includes ~~any~~ a device or method ~~which~~ that creates, converts, or actively uses energy from renewable sources such as solar, wind, and biomass, ~~providing such~~ provided that the device or method conforms with national or state performance and quality standards whenever applicable.

~~(d)~~ (e) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement including, but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no interest or below market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement;

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for such improvements.

~~(e) "Public utility" has the same meaning as given that term in section 216B.02, subdivision 4. For the purposes of this section, "public utility" shall not include cooperative electric associations that become subject to rate regulation after April 16, 1980.~~

Subd. 1a. [INVESTMENTS, EXPENDITURES, AND CONTRIBUTIONS; REGULATED UTILITIES.] (a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. By December 31, 1995, each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:

(1) for a utility that furnishes gas service, .5 percent of its gross operating revenues from service provided in the state; and

(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state.

(b) To reach the amounts required under this subdivision, each public utility shall compute its spending and investment required above based on its 1991 gross revenues, subtract the amount spent and invested for energy conservation improvements in 1991, and increase spending investment by one-fourth of the difference in each year beginning in 1992 and ending December 31, 1995. After December 31, 1995, each public utility shall compute the required amount for conservation improvement under this subdivision based on the previous year's gross operating revenues.

(c) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 116C.54 projects a peak demand deficit of 100 megawatts or greater within five years under mid-range forecast assumptions. A public utility may appeal a decision of the commissioner under this paragraph to the commission under subdivision 2. In reviewing a decision of the commissioner under this paragraph, the commission shall rescind the decision if it finds that the required investments or spending will:

(1) not result in cost-effective programs;

(2) have a long-range negative financial effect on one or more classes of customers; or

(3) otherwise not be in the public interest.

(d) Each utility shall determine what portion of the amount it sets aside for conservation improvement will be used for conservation improvements under subdivision 2 and what portion it will contribute to the energy and conservation account established in subdivision 2a. Contributions must be remitted to the commissioner of revenue by February 1 of each year beginning in 1993. Nothing in this subdivision prohibits a public utility from spending or investing

for energy conservation improvement more than required in this subdivision.

Subd. 1b. [CONSERVATION IMPROVEMENT; COOPERATIVES; MUNICIPALITIES.] (a) This subdivision applies to:

(1) a cooperative electric association that generates and transmits electricity to associations that provide electricity at retail including a cooperative electric association not located in this state that serves associations or others in the state;

(2) a municipality that provides electric service to retail customers and that purchases 85 percent or less of its electricity from a public utility governed by subdivision 1a or a cooperative electric association governed by this subdivision; and

(3) a municipality with gross operating revenues in excess of $5,000,000 from sales of natural gas to retail customers.

(b) By December 31, 1995, each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

(1) for a municipality, .5 percent of its gross operating revenues from the sale of gas and one percent of its gross operating revenues from the sale of electricity; and

(2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state.

(c) To reach the amounts required under this subdivision, each municipality or cooperative shall compute its spending and investment required in paragraph (b) based on its 1991 gross revenues, subtract the amount spent and invested for energy conservation improvements in 1991, and increase spending and investment by one-fourth of the difference in each year beginning in 1992 and ending December 31, 1995. After December 31, 1995, each municipality shall compute the amount for conservation improvement under this subdivision based on the previous year's gross operating revenues.

(d) Each municipality and cooperative association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association. Load management may be used to meet the requirements of this subdivision if it reduces the demand for or increases the efficiency of electric services. A generation and transmission cooperative electric association may include as spending and investment required under this subdivision conservation im-

provement spending and investment by cooperative electric associations that provide electric service at retail to consumers and that are served by the generation and transmission association. Starting in 1992, by February 1 of each year, each municipality or cooperative shall report to the commissioner its energy conservation improvement spending and investments with a brief analysis of effectiveness in reducing consumption of electricity or gas. The commissioner shall review each report and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities.

(e) As part of its spending for conservation improvement, a municipality or association may contribute to the energy and conservation account. Any amount contributed must be remitted to the commissioner of revenue by February 1 of each year beginning in 1992.

Subd. 2. [PROGRAMS.] The ~~department~~ commissioner may by rule require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover a two-year period. The ~~department~~ commissioner shall require at least one public utility to establish a pilot program to make investments in and expenditures for energy from renewable resources such as solar, wind, or biomass and shall give special consideration and encouragement to programs that bring about significant net savings through the use of energy-efficient lighting. The ~~department~~ commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. The rules of the department must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, or material constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable. The ~~department~~ commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the ~~department~~ commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The ~~department~~ commissioner shall nevertheless ensure that every public utility operate one or more programs~~,~~ under periodic review by the department~~, that make significant investments in and expenditures for energy conservation improvements~~. Load management may be used to meet the requirements for energy conservation improvements under this section if it results in a demonstrable reduction in consumption of energy. The ~~department~~ commissioner shall consider and may require a utility

to undertake a program suggested by an outside source, including a political subdivision or a nonprofit or community organization. ~~The department shall ensure that at least half the money spent on residential programs is devoted to programs that directly address the needs of renters and low-income families and individuals unless an insufficient number of appropriate programs are available. For purposes of this section, "low income" means an income less than 185 percent of the federal poverty level. Investments and expenditures made under this subdivision must be treated for ratemaking purposes in the manner prescribed in section 216B.16, subdivision 6b.~~ No utility ~~shall~~ may make an energy conservation improvement ~~pursuant to~~ under this section to a building envelope unless:

(1) it is the primary supplier of energy used for either space heating or cooling in the building ~~or unless~~;

(2) the ~~department~~ commissioner determines that special circumstances, which would unduly restrict the availability of conservation programs, warrant otherwise; or

(3) the utility has been awarded a contract under subdivision 2a.

A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, or the attorney general acting on behalf of consumers and small business interests, may petition the commission to modify or revoke a department decision ~~to require a program~~ under this ~~subdivision~~ section, and the commission may do so if it determines that the program is ~~ineffective, does not adequately address the needs of renters and low-income families and individuals~~ not cost effective, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The person petitioning for commission review has the burden of proof. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

Subd. 2a. [ENERGY AND CONSERVATION ACCOUNT.] The commissioner shall deposit money contributed under subdivisions 1a and 1b in the energy and conservation account in the general fund. Money in the account is appropriated to the department for programs designed to meet the energy conservation needs of low-income persons and to make energy conservation improvements in areas not adequately served under subdivision 2. Interest on money in the account accrues to the account. Using information collected under section 216C.02, subdivision 1, paragraph (b), the commissioner shall, to the extent possible, allocate enough money to programs for low-income persons to assure that their needs are being adequately addressed. The commissioner shall request the commissioner of revenue to transfer money from the account to the commissioner of jobs and training for an energy conservation program for low-income persons. In establishing programs, the

commissioner shall consult political subdivisions and nonprofit and community organizations, especially organizations engaged in providing energy and weatherization assistance to low-income persons. At least one program must address the need for energy conservation improvements in areas in which a high percentage of residents use fuel oil or propane to fuel their source of home heating. The commissioner may contract with a political subdivision, a nonprofit or community organization, a public utility, a municipality, or a cooperative electric association to implement its programs.

Subd. 2b. [RECOVERY OF EXPENSES; TAXES.] The commission shall allow a utility to recover expenses resulting from a conservation improvement program required by the department and contributions to the energy and conservation account, unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. In addition, a utility may file annually, or the public utilities commission may require the utility to file, and the commission may approve, rate schedules containing provisions for the automatic adjustment of charges for utility service in direct relation to changes in the expenses of the utility for real and personal property taxes, fees, and permits, the amounts of which the utility cannot control. A public utility is eligible to file for adjustment for real and personal property taxes, fees, and permits under this subdivision only if, in the year previous to the year in which it files for adjustment, it has spent or invested at least two percent of its gross revenues from provision of electric service and one percent of its gross revenues from provision of gas service for that year for energy conservation improvements under section 216B.241.

Subd. 3. [OWNERSHIP OF ENERGY CONSERVATION IMPROVEMENTS.] ~~Any~~ An energy conservation improvement made to or installed in ~~any~~ a building ~~pursuant to~~ in accordance with this section, except systems owned by the utility and designed to turn off, limit, or vary the delivery of energy, ~~shall be~~ are the exclusive property of the owner of the building except ~~insofar as it~~ to the extent that the improvement is subjected to a security interest in favor of the utility in case of a loan to the building owner. The utility ~~shall have~~ has no liability for loss, damage or injury caused directly or indirectly by ~~any~~ an energy conservation improvement except for negligence by the utility in purchase, installation, or modification of the product.

Subd. 4. [FEDERAL LAW PROHIBITIONS.] If investments by public utilities in energy conservation improvements are in any manner prohibited or restricted by federal law and there is a provision under which ~~such~~ the prohibition or restriction may be waived, then the commission, the governor, or any other necessary state agency or officer shall take all necessary and appropriate steps to secure a waiver with respect to those public utility investments in energy conservation improvements included in this section.

Sec. 3. Minnesota Statutes 1990, section 216C.02, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] (a) The commissioner may:

(1) apply for, receive, and spend money received from federal, municipal, county, regional, and other government agencies and private sources;

(2) apply for, accept, and disburse grants and other aids from public and private sources;

(3) contract for professional services if work or services required or authorized to be carried out by the commissioner cannot be satisfactorily performed by employees of the department or by another state agency;

(4) enter into interstate compacts to carry out research and planning jointly with other states or the federal government when appropriate;

(5) upon reasonable request, distribute informational material at no cost to the public; and

(6) enter into contracts for the performance of the commissioner's duties with federal, state, regional, metropolitan, local, and other agencies or units of government and educational institutions, including the University of Minnesota, without regard to the competitive bidding requirements of chapters 16A and 16B.

(b) The commissioner shall collect information on conservation and other energy-related programs carried on by other agencies, by public utilities, by cooperative electric associations, by municipal power agencies, by other fuel suppliers, by political subdivisions, and by private organizations. Other agencies, cooperative electric associations, municipal power agencies, and political subdivisions shall cooperate with the commissioner by providing information requested by the commissioner. The commissioner may by rule require the submission of information by other program operators. The commissioner shall make the information available to other agencies and to the public and, as necessary, shall recommend to the legislature changes in the laws governing conservation and other energy-related programs to ensure that:

(1) expenditures on the programs are adequate to meet identified needs;

(2) the needs of low-income energy users are being adequately addressed;

(3) duplication of effort is avoided or eliminated;

(4) a program that is ineffective is improved or eliminated; and

(5) voluntary efforts are encouraged through incentives for their operators.

The commissioner shall appoint an advisory task force to help evaluate the information collected and formulate recommendations to the legislature. The task force must include low-income energy users ~~as defined in section 216B.241, subdivision 2~~.

(c) By January 15 of each year, the commissioner shall report to the legislature on the projected amount of federal money likely to be available to the state during the next fiscal year, including grant money and money received by the state as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations. The report must also estimate the amount of money projected as needed during the next fiscal year to finance a level of conservation and other energy-related programs adequate to meet projected needs, particularly the needs of low-income persons and households, and must recommend the amount of state appropriations needed to cover the difference between the projected availability of federal money and the projected needs.

Sec. 4. [REPORT; "CIP" PROGRAMS FOR STORED FUELS PROVIDERS.]

Not later than February 1, 1992, the commissioner of public service shall report to the energy policy committees of the senate and the house of representatives on proposals to include in conservation improvement programs providers of liquified petroleum gas (LPG or "propane") and fuel oil for residential heating.

Sec. 5. [216C.195] [ENERGY CODE AMENDMENTS; COMMERCIAL BUILDINGS.]

Subdivision 1. [COMMISSIONER TO ADOPT.] Not later than September 1, 1992, the commissioner of public service shall adopt amendments to the energy code portion of the Minnesota building code to implement energy-efficient standards for new commercial buildings.

Subd. 2. [ADOPTION OF ASHRAE/IES 90.1 STANDARD.] The standards adopted under subdivision 1 must require energy efficiency at least as stringent as:

(1) the "minimum performance" standards for opaque building envelopes; and

(2) the January 1, 1992, standards for heating, ventilating and air conditioning, and water heating as proposed in ASHRAE/IES standard 90.1.

Subd. 3. [LIGHTING STANDARDS.] The standards adopted under subdivision 1 must be at least as stringent as lighting standards for new federal buildings (for 1993) in Code of Federal Regulations, title 10, section 435.103.

ARTICLE 2

COLD WEATHER RULE

Section 1. [216B.097] [COLD WEATHER RULE, COOPERATIVE AND MUNICIPAL UTILITIES.]

Subdivision 1. [APPLICATION; NOTICE TO RESIDENTIAL CUSTOMERS.] (a) A municipal utility or a cooperative electric association must not disconnect the utility service of a residential customer if the disconnection affects the primary heat source for the residential unit when the following conditions are met:

(1) the disconnection would occur during the period between October 15 and April 15;

(2) the customer has declared inability to pay on forms provided by the utility;

(3) the household income of the customer is less than 185 percent of the federal poverty level, as documented by the customer to the utility; and

(4) the customer's account is current for the billing period immediately prior to October 15 or the customer has entered into a payment schedule and is reasonably current with payments under the schedule.

(b) A municipal utility or a cooperative electric association must, between August 15 and October 15 of each year, notify all residential customers of the provisions of this section.

Subd. 2. [NOTICE TO RESIDENTIAL CUSTOMER FACING DISCONNECTION.] Before disconnecting service to a residential customer during the period between October 15 and April 15, a municipal utility or cooperative electric association must provide the following information to a customer:

(1) a notice of proposed disconnection;

(2) a statement explaining the customer's rights and responsibilities;

(3) a list of local energy assistance providers;

(4) forms on which to declare inability to pay; and

(5) a statement explaining available time payment plans and other opportunities to secure continued utility service.

Subd. 3. [RESTRICTIONS IF DISCONNECTION NECESSARY.] (a) If a residential customer must be involuntarily disconnected between October 15 and April 15 for failure to comply with the provisions of subdivision 1, the disconnection must not occur on a Friday or on the day before a holiday. Further, the disconnection must not occur until at least 20 days after the notice required in subdivision 2 has been mailed to the customer or 15 days after the notice has been personally delivered to the customer.

(b) If a customer does not respond to a disconnection notice, the customer must not be disconnected until the utility investigates whether the residential unit is actually occupied. If the unit is found to be occupied, the utility must immediately inform the occupant of the provisions of this section. If the unit is unoccupied, the utility must give seven days' written notice of the proposed disconnection to the local energy assistance provider before making a disconnection.

(c) If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided by the utility's established appeal procedure, the utility must not disconnect until the appeal is resolved.

ARTICLE 3

ENERGY-EFFICIENT EXIT LIGHTING

Section 1. Minnesota Statutes 1990, section 16B.61, subdivision 3, is amended to read:

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as

defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) [CHILD CARE FACILITIES IN CHURCHES.] A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) [FAMILY AND GROUP FAMILY DAY CARE.] The commissioner of administration shall establish a task force to determine occupancy standards specific and appropriate to family and group family day care homes and to examine hindrances to establishing day care facilities in rural Minnesota. The task force must include representatives from rural and urban building code inspectors, rural and urban fire code inspectors, rural and urban county day care licensing units, rural and urban family and group family day care providers and consumers, child care advocacy groups, and the departments of administration, human services, and public safety.

By January 1, 1989, the commissioner of administration shall report the task force findings and recommendations to the appropriate legislative committees together with proposals for legislative action on the recommendations.

Until the legislature enacts legislation specifying appropriate standards, the definition of Group R-3 occupancies in the state building code applies to family and group family day care homes licensed by the department of human services under Minnesota Rules, chapter 9502.

(f) [MINED UNDERGROUND SPACE.] Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reasonable safeguards for health, safety, welfare, comfort, and security is maintained.

(g) [ENCLOSED STAIRWAYS.] No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(h) [DOUBLE CYLINDER DEAD BOLT LOCKS.] No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(i) [RELOCATED RESIDENTIAL BUILDINGS.] A residential building relocated within or into a political subdivision of the state need not comply with the state energy code or section 326.371 provided that, where available, an energy audit is conducted on the relocated building.

(j) [AUTOMATIC GARAGE DOOR OPENING SYSTEMS.] The code must require all residential buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82 and 325F.83.

(k) [EXIT SIGN ILLUMINATION.] The code must prohibit the use of incandescent bulbs in internally illuminated exit signs.

Sec. 2. Minnesota Statutes 1990, section 299F.011, is amended by adding a subdivision to read:

Subd. 4c. [EXIT SIGN ILLUMINATION.] The uniform fire code must prohibit the use of incandescent bulbs in internally illuminated exit signs.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1994, and apply to all internally illuminated exit signs in use on or after that date.

ARTICLE 4

CERTIFICATE OF NEED PROCESS

Section 1. Minnesota Statutes 1990, section 216B.243, is amended by adding a subdivision to read:

Subd. 3a. [USE OF RENEWABLE RESOURCES.] The commission may not issue a certificate of need under this section for a large energy facility that generates electric power by means of a nonrenewable energy source, or that transmits electric power generated by means of a nonrenewable energy source, unless the applicant for the certificate has demonstrated to the commission's satisfaction that the generation of power to meet the identified need by means of a renewable energy source is not efficient, economical, or reliable. For purposes of this subdivision, "renewable energy source" includes

hydro, wind, solar, and geothermal energy and the use of trees or other vegetation as fuel.

ARTICLE 5

ENERGY CONSERVATION: BUILDINGS

Section 1. Minnesota Statutes 1990, section 16B.32, is amended to read:

16B.32 [~~ALTERNATIVE~~ ENERGY ~~SOURCES~~ USE.]

Subdivision 1. [ALTERNATIVE ENERGY SOURCES.] Plans prepared by the commissioner for a new building or for a renovation of 50 percent or more of an existing building or its energy systems must include designs which use active and passive solar energy systems, earth sheltered construction, and other alternative energy sources where feasible.

Subd. 2. [ENERGY CONSERVATION GOALS.] (a) The commissioner shall apply energy conservation measures to buildings owned and wholly leased by the state, including the state university system, and shall improve the design for the construction or rehabilitation of state buildings and the standards for lease renewals so that the average statewide BTU energy consumption for each gross square foot of state-owned and wholly state-leased buildings during the fiscal year beginning July 1, 1994, is at least 25 percent less than the BTU energy consumption and at least 15 percent less than the fuel energy consumption for each gross square foot of state-owned and wholly state-leased buildings in the fiscal year that began July 1, 1985.

(b) The commissioner may exclude from the requirements of paragraph (a) a building in which energy conservation measures are carried out. "Energy conservation measures" means measures that are applied to a state building that improve energy efficiency and have a simple return of investment in five years or within the remaining period of a lease, whichever time is shorter, and involves energy conservation, conservation facilities, renewable energy sources, improvements in operations and maintenance efficiencies, or retrofit activities.

(c) By January 1, 1993, the commissioner shall submit to the legislature a report that includes:

(1) an energy use survey of new or added space state buildings occupy;

(2) a plan for conserving energy without undertaking any physical alterations of the space;

(3) recommendations for physical alterations that would enable the agency to conserve additional energy along with an estimate of the cost of the alterations; and

(4) recommendations for additional legislation needed to achieve the goal along with an estimate of any costs associated with the recommended legislation.

Sec. 2. [BUILDING CODE REVIEW.]

The commissioner of public service, in cooperation with the commissioner of administration, shall review the state building code and the energy conservation standards for public buildings in view of the state's projected long-range energy needs, the effect of conservation programs on those needs, and advances in technology with respect to weatherization and energy efficiency. The commissioner shall report to the energy and public utilities committee of the senate and the energy committee of the house of representatives by January 15, 1992, on the results of the review. The report must include:

(1) any recommendations for changes in the building code and the energy conservation standards to achieve greater conservation of energy;

(2) the direct effect of implementing the changes on the cost of construction and remodeling; and

(3) an estimate of energy savings that would result in the changes, including an estimate of net costs when savings are deducted from any increased construction and remodeling costs.

Sec. 3. [APPROPRIATION.]

$..... is appropriated to the commissioner of administration for purposes of section 1 and is available until January 1, 1993.

Sec. 4. [REPEALER.]

Section 1, subdivision 2, is repealed effective July 1, 1995.

Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective May 1, 1991.

ARTICLE 6

FINANCIAL INCENTIVES

Section 1. Minnesota Statutes 1990, section 216B.16, is amended by adding a subdivision to read:

Subd. 6c. [INCENTIVE PLANS FOR ENERGY CONSERVATION IMPROVEMENTS.] (a) The commission may order public utilities to develop and submit for commission approval incentive plans that describe the method of recovery and accounting for utility conservation expenditures and savings. In developing the incentive plans the commission shall ensure the effective involvement of interested parties.

In approving incentive plans, the commission shall consider:

(1) whether the plan is likely to increase utility investment in cost-effective energy conservation;

(2) whether the plan is compatible with the interest of utility ratepayers and other interested parties;

(3) whether the plan links the incentive to the utility's performance in achieving cost-effective conservation; and

(4) whether the plan is in conflict with other provisions of this chapter.

(b) The commission may set rates to encourage the vigorous and effective implementation of utility conservation programs. The commission may:

(1) increase or decrease any otherwise allowed rate of return on net investment based upon the utility's skill, efforts, and success in conserving energy;

(2) share between ratepayers and utilities the net savings resulting from energy conservation programs to the extent justified by the utility's skill, efforts, and success in conserving energy; and

(3) compensate the utility for earnings lost as a result of its conservation programs.

Sec. 2. Minnesota Statutes 1990, section 216B.243, subdivision 3, is amended to read:

Subd. 3. No proposed large energy facility shall be certified for construction unless the applicant can show that demand for electricity cannot be met more cost effectively through energy conser-

vation and load-management measures and unless the applicant has otherwise justified its need. In assessing need, the commission shall evaluate:

(1) The accuracy of the long-range energy demand forecasts on which the necessity for the facility is based;

(2) The effect of existing or possible energy conservation programs under sections 216C.05 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

(3) The relationship of the proposed facility to overall state energy needs, as described in the most recent state energy policy and conservation report prepared ~~pursuant to~~ under section 216C.18;

(4) Promotional activities ~~which~~ that may have given rise to the demand for this facility;

(5) Socially beneficial uses of the output of this facility, including its uses to protect or enhance environmental quality;

(6) The effects of the facility in inducing future development;

(7) Possible alternatives for satisfying the energy demand including but not limited to potential for increased efficiency of existing energy generation facilities;

(8) The policies, rules, and regulations of other state and federal agencies and local governments; and

(9) Any feasible combination of energy conservation improvements, required ~~by the commission pursuant to~~ under section 216B.241, that can ~~(a)~~ (i) replace part or all of the energy to be provided by the proposed facility, and ~~(b)~~ (ii) compete with it economically."

Delete the title and insert:

"A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring a report to the legislature; authorizing conservation improvement financial incentive plans; making conforming amendments; prescribing penalties; appropriating money; amend-

ing Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.16, subdivision 6b, and by adding a subdivision; 216B.241; 216B.243, subdivision 3, and by adding a subdivision; 216C.02, subdivision 1; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B and 216C."

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

The report was adopted.

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

H. F. No. 1263, A bill for an act relating to human services; medical assistance and general assistance medical care; clarifying payment rates for hospitals; clarifying coverage of services and eligibility requirements; clarifying the role of independent actuaries; amending Minnesota Statutes 1990, sections 256.045, subdivision 10; 256.936, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.9685, subdivision 1; 256.9686, subdivisions 1 and 6; 256.969, subdivisions 1, 2, 2c, 3a, 6a, and by adding a subdivision; 256.9695, subdivisions 1 and 5; 256B.031, subdivision 4; 256B.055, subdivisions 10 and 12; 256B.057, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0575; 256B.0625, subdivisions 4, 9, 12, 13, 17, 24, 25, 28, 30, and by adding subdivisions; 256B.063; 256B.08, by adding a subdivision; 256B.19, by adding a subdivision; 256B.25, subdivision 3; and 256D.03, subdivisions 3 and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PAYMENT RATES FOR HOSPITALS

Section 1. Minnesota Statutes 1990, section 256.9685, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner shall establish procedures for determining medical assistance and general assistance medical care payment rates under a prospective payment system for inpatient hospital services in hospitals that qualify as vendors of medical assistance. The commissioner shall establish, by rule, procedures for implementing this section and sections 256.9686, 256.969, and 256.9695. The medical assistance payment rates must be based on methods and standards that the commis-

sioner finds are adequate to provide for the costs that must be incurred for the care of recipients in efficiently and economically operated hospitals. Services must meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), to be eligible for payment.

Sec. 2. Minnesota Statutes 1990, section 256.9686, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For purposes of this section and sections ~~256.9685,~~ 256.969, and 256.9695, the following terms and phrases have the meanings given.

Sec. 3. Minnesota Statutes 1990, section 256.9686, subdivision 6, is amended to read:

Subd. 6. [HOSPITAL.] "Hospital" means a facility licensed under sections 144.50 to 144.58 ~~or~~, an out-of-state facility licensed to provide acute care under the requirements of that state in which it is located, or an Indian health service facility designated to provide acute care by the federal government.

Sec. 4. Minnesota Statutes 1990, section 256.969, subdivision 1, is amended to read:

Subdivision 1. [HOSPITAL COST INDEX.] The hospital cost index shall be obtained from an independent source and shall represent a weighted average of historical, as limited to statutory maximums, and projected cost change estimates determined for expense categories to include wages and salaries, employee benefits, medical and professional fees, raw food, utilities, insurance including malpractice insurance, and other applicable expenses as determined by the commissioner. The index shall reflect Minnesota cost category weights. Individual indices shall be specific to Minnesota if the commissioner determines that sufficient accuracy of the hospital cost index is achieved. The hospital cost index shall be used to adjust the base year operating payment rate through the rate year on an annually compounded basis. Notwithstanding section 256.9695, subdivision 3, paragraph (c), the hospital cost index shall not be effective under the general assistance medical care program for admissions occurring during the biennium ending June 30, 1993.

Sec. 5. Minnesota Statutes 1990, section 256.969, subdivision 2, is amended to read:

Subd. 2. [DIAGNOSTIC CATEGORIES.] The commissioner shall use to the extent possible existing diagnostic classification systems, including the system used by the Medicare program to determine the relative values of inpatient services and case mix indices. The commissioner may combine diagnostic classifications into diagnostic

categories and may establish separate categories and numbers of categories based on program eligibility or hospital peer group. Relative values shall be recalculated when the base year is changed ~~and shall not be determined on a hospital specific basis~~. Relative value determinations shall include paid claims for admissions during each hospital's base year. The commissioner may extend the time period forward to obtain sufficiently valid information to establish relative values. Relative value determinations shall not include property cost data, Medicare crossover data, and data ~~from the transferring hospital~~ on admissions that are paid a per day transfer ~~discharges, except data on transfer discharges with a burn diagnostic classification or data on transfer discharges for the patient's convenience that have been reported by the hospital to the commissioner by the October 1 preceding the~~ rate ~~year~~ under subdivision 13. The computation of the base year cost per admission must include identified outlier cases and their weighted costs up to the point that they become outlier cases, but must exclude costs recognized in outlier payments beyond that point. The commissioner may recategorize the diagnostic classifications and recalculate relative values and case mix indices to reflect actual hospital practices, the specific character of specialty hospitals, or to reduce variances within the diagnostic categories after notice in the State Register and a 30-day comment period.

Sec. 6. Minnesota Statutes 1990, section 256.969, subdivision 2c, is amended to read:

Subd. 2c. [PROPERTY PAYMENT RATES.] For each hospital's first two consecutive fiscal years beginning on or after July 1, 1988, the commissioner shall limit the annual increase in property payment rates for depreciation, rents and leases, and interest expense to the annual growth in the hospital cost index derived from the methodology in effect on the day before July 1, 1989. When computing budgeted and settlement property payment rates, the commissioner shall use the annual increase in the hospital cost index forecasted by Data Resources, Inc., consistent with the quarter of the hospital's fiscal year end. For admissions occurring on or after the rate year beginning January 1, 1991, the commissioner shall obtain property data from an updated base year and establish property payment rates per admission for each hospital. Property payment rates shall be derived from data from the same base year that is used to establish operating payment rates. The property information shall include cost categories not subject to the hospital cost index and shall reflect the cost-finding methods and allowable costs of the Medicare program ~~in effect during the base year~~. The base year property payment ~~rate per admission~~ rates shall be adjusted for ~~positive percentage change differences~~ increases in the ~~net book value of hospital~~ property ~~and equipment~~ cost by increasing the base year property payment rate ~~per admission~~ 85 percent of the percentage change from the base year through the ~~most recent~~ year ~~ending prior to the rate year~~ for which ~~required information is available~~ a

Medicare cost report has been submitted to the Medicare program and filed with the department by the October 1 before the rate year. ~~The percentage change shall be derived from equivalent audited information in both years and shall be adjusted to account for changes in generally accepted accounting principles, reclassification of assets, allocations to nonhospital areas, and fiscal years.~~ The ~~cost, audit, and charge data used to establish~~ property rates shall only reflect inpatient services covered by medical assistance ~~and shall not include operating cost information. To be eligible for the property payment rate per admission adjustment, the hospital must provide the necessary information to the commissioner, in a format specified by the commissioner, by the October 1 preceding the rate year.~~ The commissioner shall adjust rates for the rate year beginning January 1, 1991, to ensure that all hospitals are subject to the hospital cost index limitation for two complete years.

Sec. 7. Minnesota Statutes 1990, section 256.969, subdivision 3a, is amended to read:

Subd. 3a. [PAYMENTS.] Acute care hospital billings under the medical assistance program must not be submitted until the recipient is discharged. However, the commissioner shall establish monthly interim payments for inpatient hospitals that have individual patient lengths of stay over 30 days regardless of diagnostic category. To establish interim rates, the commissioner is exempt from the requirements of chapter 14. Medical assistance reimbursement for treatment of mental illness shall be reimbursed based on diagnostic classifications. The commissioner may selectively contract with hospitals for services within the diagnostic categories relating to mental illness and chemical dependency under competitive bidding when reasonable geographic access by recipients can be assured. No physician shall be denied the privilege of treating a recipient required to use a hospital under contract with the commissioner, as long as the physician meets credentialing standards of the individual hospital. Individual hospital payments established under this section and sections 256.9685, 256.9686, and 256.9695, in addition to third party and recipient liability, for ~~admissions~~ discharges occurring during the rate year shall not exceed, in aggregate, the charges for the medical assistance covered inpatient services paid for the same period of time to the hospital. This payment limitation ~~is not applicable and~~ shall ~~not~~ be calculated ~~to include~~ separately for medical assistance and general assistance medical care services. The limitation on general assistance medical care shall be effective for admissions occurring on or after July 1, 1991. Services that have rates established under subdivision 6a, paragraph (a), clause (5) or (6), must be limited separately from other services. After consulting with the affected hospitals, the commissioner may consider related hospitals one entity and may merge the payment rates while maintaining separate provider numbers. The operating and property base rates per admission or per day shall be derived from the best Medicare and claims data

available when rates are established. The commissioner shall determine the best Medicare and claims data, taking into consideration variables of recency of the data, audit disposition, settlement status, and the ability to set rates in a timely manner. The commissioner shall notify hospitals of payment rates by December 1 of the year preceding the rate year. The rate setting data must reflect the admissions data used to establish relative values. Base year changes from 1981 to the base year established for the rate year beginning January 1, 1991, and for subsequent rate years, shall not be limited to the limits ending June 30, 1987, on the maximum rate of increase under subdivision 1. The commissioner may adjust base year cost, relative value, and case mix index data to exclude the costs of services that have been discontinued by the October 1 of the year preceding the rate year or that are paid separately from inpatient services. Inpatient stays that encompass portions of two or more rate years shall have payments established based on payment rates in effect at the time of admission unless the date of admission preceded the rate year in effect by six months or more. In this case, operating payment rates for services rendered during the rate year in effect and established based on the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

Sec. 8. Minnesota Statutes 1990, section 256.969, subdivision 6a, is amended to read:

Subd. 6a. [SPECIAL CONSIDERATIONS.] ~~(a)~~ In determining the payment rates, the commissioner shall consider whether the ~~following~~ circumstances in subdivisions 7 to 13 exist:.

~~(1) [MINIMAL MEDICAL ASSISTANCE USE.] Minnesota hospitals with 30 or fewer annualized admissions of Minnesota medical assistance recipients in the base year, excluding Medicare crossover admissions, may have the base year operating rates, as adjusted by the case mix index, and property payment rates established at the 70th percentile of hospitals in the peer group in effect during the base year as established by the Minnesota department of health for use by the rate review program. Rates within a peer group shall be adjusted for differences in fiscal years and outlier percentage payments before establishing the 70th percentile. The operating payment rate portion of the 70th percentile shall be adjusted by the hospital cost index. To have rates established under this paragraph, the hospital must notify the commissioner in writing by November 1 of the year preceding the rate year. This paragraph shall be applied to all payment rates of the affected hospital.~~

~~(2)~~ Subd. 7. [UNUSUAL COST OR LENGTH OF STAY EXPERIENCE.] The commissioner shall establish day and cost outlier thresholds for each diagnostic category established under subdivision 2 at two standard deviations beyond the ~~geometric~~ mean length of stay or allowable cost. Payment for the days and cost beyond the outlier threshold shall be in addition to the operating and property

payment rates per admission established under subdivisions 2, 2b, and 2c. Payment for outliers shall be at 70 percent of the allowable operating cost ~~calculated by dividing the operating payment rate per admission~~, after adjustment by the case mix index, hospital cost index, relative values and the disproportionate population adjustment~~, by the arithmetic mean length of stay for the diagnostic category~~. The outlier threshold for neonatal and burn diagnostic categories shall be established at one standard deviation beyond the ~~geometric~~ mean length of stay or allowable cost, and payment shall be at 90 percent of allowable operating cost calculated in the same manner as other outliers. A hospital may choose an alternative ~~percentage~~ to the 70 percent outlier payment ~~to~~ that is at a minimum of 60 percent and a maximum of 80 percent if the commissioner is notified in writing of the request by October 1 of the year preceding the rate year. The chosen percentage applies to all diagnostic categories except burns and neonates. The percentage of allowable cost that is unrecognized by the outlier payment shall be added back to the base year operating payment rate per admission. Cost outliers shall be calculated using hospital specific allowable cost data. If a stay is both a day and a cost outlier, outlier payments shall be based on the higher outlier payment.

~~(3)~~ Subd. 8. [DISPROPORTIONATE NUMBERS OF LOW-INCOME PATIENTS SERVED.] For admissions occurring on or after July 1, 1989, the medical assistance disproportionate population adjustment shall comply with federal law at fully implemented rates. The commissioner may establish a separate disproportionate population operating payment rate adjustment under the general assistance medical care program. ~~For admissions occurring on or after the rate year beginning January 1, 1991, the disproportionate population adjustment shall be derived from base year Medicare cost report data and may be adjusted by data reflecting actual claims paid by the department.~~

~~(4)~~ Subd. 9. [SEPARATE BILLING BY CERTIFIED REGISTERED NURSE ANESTHETISTS.] Hospitals may exclude certified registered nurse anesthetist costs from the operating payment rate as allowed by section 256B.0625, subdivision 11. To be eligible, a hospital must notify the commissioner in writing by October 1 of the year preceding the rate year of the request to exclude certified registered nurse anesthetist costs. The hospital must agree that all hospital claims for the cost and charges of certified registered nurse anesthetist services will not be included as part of the rates for inpatient services provided during the rate year. In this case, the operating payment rate shall be adjusted to exclude the cost of certified registered nurse anesthetist services. Payments made through separate claims for certified registered nurse anesthetist services shall not be paid directly through the hospital provider number or indirectly by the certified registered nurse anesthetist to the hospital or related organizations.

For admissions occurring on or after July 1, 1991, and until the expiration date of section 256.9695, subdivision 3, services of certified registered nurse anesthetists provided on an inpatient basis may be paid as allowed by section 256B.0625, subdivision 11, when the hospital's base year did not include the cost of these services. To be eligible, a hospital must notify the commissioner in writing by July 1, 1991, of the request and must comply with all other requirements of this subdivision.

~~(5)~~ Subd. 10. [SPECIAL RATES.] The commissioner may establish special rate-setting methodologies, including a per day operating and property payment system, for hospice, ventilator dependent, and other services on a hospital and recipient specific basis taking into consideration such variables as federal designation, program size, and admission from a medical assistance waiver or home care program. The data and rate calculation method shall conform to the requirements of ~~paragraph (7)~~ subdivision 12, except that rates shall not be standardized by the case mix index or adjusted by relative values and hospice rates shall not exceed the amount allowed under federal law ~~and payment shall be secondary to any other medical assistance hospice program~~. Rates and payments established under this ~~paragraph~~ subdivision must meet the requirements of section 256.9685, subdivisions 1 and 2~~, and must not exceed payments that would otherwise be made to a hospital in total for rate year admissions under subdivisions 2, 2b, 2c, 3, 4, 5, and 6~~. The cost and charges used to establish rates shall only reflect inpatient medical assistance covered services. Hospital and claims data that are used to establish rates under this ~~paragraph~~ subdivision shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, ~~3, 4, 5~~ 3a, 4a, 5a, and ~~6~~ 7 to 13.

~~(6)~~ Subd. 11. [REHABILITATION DISTINCT PARTS.] Units of hospitals that are recognized as rehabilitation distinct parts by the Medicare program shall have separate provider numbers under the medical assistance program for rate establishment and billing purposes only. These units shall also have operating and property payment rates and the disproportionate population adjustment, if allowed by federal law, established separately from other inpatient hospital services~~, based on the methods of subdivisions 2, 2b, 2c, 3, 4, 5, and 6~~. The commissioner may establish separate relative values under subdivision 2 for rehabilitation hospitals and distinct parts as defined by the Medicare program. For individual hospitals that did not have separate medical assistance rehabilitation provider numbers or rehabilitation distinct parts in the base year, hospitals shall provide the information needed to separate rehabilitation distinct part cost and claims data from other inpatient service data.

~~(7)~~ Subd. 12. [NEONATAL TRANSFERS.] For admissions occurring on or after July 1, 1989, neonatal diagnostic category transfers shall have operating and property payment rates established at receiving hospitals which have neonatal intensive care units on a

per day payment system that is based on the cost finding methods and allowable costs of the Medicare program during the base year. Other neonatal diagnostic category transfers shall have rates established according to ~~paragraph (8)~~ subdivision 13. The rate per day for the neonatal service setting within the hospital shall be determined by dividing base year neonatal allowable costs by neonatal patient days. The operating payment rate portion of the rate shall be adjusted by the hospital cost index and the disproportionate population adjustment. For admissions occurring after the transition period specified in section 256.9695, subdivision 3, the operating payment rate portion of the rate shall be standardized by the case mix index and adjusted by relative values. The cost and charges used to establish rates shall only reflect inpatient services covered by medical assistance. Hospital and claims data used to establish rates under this ~~paragraph~~ subdivision shall not be used to establish ~~payments or relative values~~ rates under subdivisions 2, 2b, 2c, ~~3, 4, 5~~ 3a, 4a, 5a, and ~~6~~ 7 to 13.

~~(8)~~ Subd. 13. [TRANSFERS.] Except as provided in ~~paragraphs (5)~~ subdivisions 10 and ~~(7)~~ 12, operating and property payment rates for admissions that result in transfers and transfers shall be established on a per day payment system. The per day payment rate shall be the sum of the adjusted operating and property payment rates determined ~~in~~ under this subdivision and subdivisions 2, 2b ~~and~~, 2c, 3a, 4a, 5a, and 7 to 12, divided by the arithmetic mean length of stay for the diagnostic category. Each admission that results in a transfer and each transfer is considered a separate admission to each hospital, and the total of the admission and transfer payments to each hospital must not exceed the total per admission payment that would otherwise be made to each hospital under ~~paragraph (2) and~~ this subdivision and subdivisions 2, 2b ~~and~~, 2c, 3a, 4a, 5a, and 7 to 12.

~~(b)~~ Subd. 14. [ROUTINE SERVICE COST LIMITATION; APPLICABILITY.] The computation of each hospital's payment rate and the relative values of the diagnostic categories are not subject to the routine service cost limitation imposed under the Medicare program.

~~(c)~~ Subd. 15. [INDIAN HEALTH SERVICE FACILITIES.] Indian health service facilities are exempt from the rate establishment methods required by this section and shall be reimbursed at ~~the facility's usual and customary~~ charges ~~to the general public~~ as limited to the amount allowed under federal law. This exemption is not effective for payments under general assistance medical care.

~~(d)~~ Subd. 16. [OUT-OF-STATE HOSPITALS IN LOCAL TRADE AREAS.] ~~Except as provided in paragraph (a), clauses (1) and (3),~~ Out-of-state hospitals that are located within a Minnesota local trade area shall have rates established using the same procedures and methods that apply to Minnesota hospitals. For this subdivision

and subdivision 17, local trade area means a county contiguous to Minnesota. Hospitals that are not required by law to file information in a format necessary to establish rates shall have rates established based on the commissioner's estimates of the information. Relative values of the diagnostic categories shall not be redetermined under this ~~paragraph~~ subdivision until required by rule. Hospitals affected by this ~~paragraph~~ subdivision shall then be included in determining relative values. However, hospitals that have rates established based upon the commissioner's estimates of information shall not be included in determining relative values. This ~~paragraph~~ subdivision is effective for hospital fiscal years beginning on or after July 1, 1988. A hospital shall provide the information necessary to establish rates under this ~~paragraph~~ subdivision at least 90 days before the start of the hospital's fiscal year.

~~(e)~~ Subd. 17. [OUT-OF-STATE HOSPITALS OUTSIDE LOCAL TRADE AREAS.] Hospitals that are not located within Minnesota or a Minnesota local trade area shall have operating and property rates established at the average of statewide and local trade area rates or, at the commissioner's discretion, at an amount negotiated by the commissioner. Relative values shall not include data from hospitals that have rates established under this ~~paragraph~~ subdivision. Payments, including third party and recipient liability, established under this ~~paragraph~~ subdivision may not exceed the charges on a claim specific basis for inpatient services that are covered by medical assistance.

~~(f)~~ Subd. 18. [METABOLIC DISORDER TESTING OF MEDICAL ASSISTANCE RECIPIENTS.] Medical assistance inpatient payment rates must include the cost incurred by hospitals to pay the department of health for metabolic disorder testing of newborns who are medical assistance recipients, if the cost is not recognized by another payment source.

~~(g)~~ Subd. 19. [INCREASES IN MEDICAL ASSISTANCE INPATIENT PAYMENTS; CONDITIONS.] (a) Medical assistance inpatient payments shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

~~(h)~~ (b) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and

December 31, 1990, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

~~(i)~~ Subd. 20. [MENTAL HEALTH OR CHEMICAL DEPENDENCY ADMISSIONS; RATES.] Admissions occurring on or after July 1, 1990, that are classified to a diagnostic category of mental health or chemical dependency shall have rates established according to the methods of ~~paragraph (a), clause (8)~~ subdivision 13, except the per day rate shall be multiplied by a factor of 2, provided that the total of the per day rates shall not exceed the per admission rate. This methodology shall also apply when a hold or commitment is ordered by the court for the days that inpatient hospital services are medically necessary. Stays which are medically necessary for inpatient hospital services and covered by medical assistance shall not be billable to any other governmental entity. Medical necessity shall be determined under criteria established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b).

Sec. 9. Minnesota Statutes 1990, section 256.9695, subdivision 1, is amended to read:

Subdivision 1. [APPEALS.] A hospital may appeal a decision arising from the application of standards or methods under section 256.9685, 256.9686, or 256.969, if an appeal would result in a change to the hospital's payment rate or payments. Both overpayments and underpayments that result from the submission of appeals shall be implemented. Regardless of any appeal outcome, relative values shall not be recalculated. The appeal shall be heard by an administrative law judge according to sections ~~14.48~~ 14.57 to ~~14.56~~ 14.62, or upon agreement by both parties, according to a modified appeals procedure established by the commissioner and the office of administrative hearings. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect or not according to law.

(a) To appeal a payment rate or payment determination or a determination made from base year information, the hospital shall file a written appeal request to the commissioner within 60 days of the date the payment rate determination was mailed. The appeal request shall specify: (i) the disputed items; (ii) the authority in federal or state statute or rule upon which the hospital relies for each disputed item; and (iii) the name and address of the person to contact regarding the appeal. ~~A change to a payment rate or~~

~~payments that results from a successful appeal to the Medicare program of the base year information establishing rates for the rate year beginning in 1991 and after is a prospective adjustment to subsequent rate years.~~ After December 31, 1990, payment rates shall not be adjusted for appeals of base year information that affect years prior to the rate year beginning January 1, 1991. Facts to be considered in any appeal of base year information are limited to those in existence at the time the payment rates of the first rate year were established from the base year information. In the case of Medicare settled appeals, the 60-day appeal period shall begin on the mailing date of the notice by the Medicare program or the date the medical assistance payment rate determination notice is mailed, whichever is later.

(b) To appeal a payment rate or payment change that results from a difference in case mix between the base year and a rate year, the procedures and requirements of paragraph (a) apply. However, the appeal must be filed with the commissioner within 120 days after the end of a rate year. A case mix appeal must apply to the cost of services to all medical assistance patients that received inpatient services from the hospital during the rate year appealed.

Sec. 10. Minnesota Statutes 1990, section 256.9695, subdivision 5, is amended to read:

Subd. 5. [RULES.] The commissioner of human services shall adopt permanent rules to implement this section and sections 256.9685, 256.9686, and 256.969 under chapter 14, the administrative procedure act. The criteria and establishment of the peer groups at section 256.969, subdivision 21, is not subject to the requirements of chapter 14, the administrative procedures act, for the 1992 rate year.

Sec. 11. [INSTRUCTION TO REVISOR.]

In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C. The revisor shall also correct any cross-references to Minnesota Statutes, section 256.969, subdivision 6a, that appear in Minnesota Rules.

Column A	Column B	Column C
256.969, subd. 3a	256.969, subd. 6a, paragraph (a), clause (5) or (6)	256.969, subds. 10 and 11
256.9695, subd. 3	256.969, subd. 6a, paragraph (a), clause (3)	256.969, subd. 8

256.9695, subd. 3, paragraph (a)	256.969, subd. 6a, paragraph (a), clauses (1), (2), (4), (5), (6), and (8)	256.969, subds. 7, 9, 10, 11, and 13
256.9695, subd. 3, paragraph (a)	256.969, subd. 6a, paragraph (a), clause (7), and paragraph (i)	256.969, subds. 12 and 20
256.9695, subd. 3, paragraph (c)	256.969, subd. 6a, paragraphs (g) and (h)	256.969, subd. 19, paragraphs (a) and (b)

ARTICLE 2

HEALTH CARE

Section 1. Minnesota Statutes 1990, section 256.045, subdivision 10, is amended to read:

Subd. 10. [PAYMENTS PENDING APPEAL.] If the commissioner of human services or district court orders monthly assistance or aid or services paid or provided in any proceeding under this section, it shall be paid or provided pending appeal to the commissioner of human services, district court, court of appeals, or supreme court. The human services referee may order the local human services agency to reduce or terminate medical assistance or general assistance medical care to a recipient before a final order is issued under this section if: (1) the human services referee determines at the hearing that the sole issue on appeal is one of a change in state or federal law; and (2) the commissioner or the local agency notifies the recipient before the action. The state or county agency has a claim for food stamps ~~and~~, cash payments, medical assistance, and general assistance medical care made to or on behalf of a recipient or former recipient while an appeal is pending if the recipient or former recipient is determined ineligible for the food stamps ~~and~~, cash payments, medical assistance, or general assistance medical care as a result of the appeal, except for medical assistance and general assistance medical care made on behalf of a recipient pursuant to a court order.

Sec. 2. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 5. [APPEALS.] If the commissioner suspends, reduces, or terminates eligibility for the children's health plan, or services provided under the children's health plan, the commissioner must

provide notification according to the laws and rules governing the medical assistance program. A children's health plan applicant or enrollee aggrieved by a determination of the commissioner has the right to appeal the determination according to section 256.045.

Sec. 3. Minnesota Statutes 1990, section 256.9365, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner of human services shall establish a program to pay private health plan premiums for persons who have contracted human immunodeficiency virus (HIV) to enable them to continue coverage under a group or individual health plan. If a person is determined to be eligible under subdivision 2, the commissioner shall: (1) pay the eligible person's group plan ~~continuation coverage~~ premium for ~~18 months after termination of employment, or~~ the period of continuation coverage provided in the Consolidated Omnibus Budget Reconciliation Act of 1985; or (2) pay the eligible person's individual plan premium for 24 months ~~after initial application~~.

Sec. 4. Minnesota Statutes 1990, section 256.9365, subdivision 3, is amended to read:

Subd. 3. [RULES.] The commissioner shall establish rules as necessary to implement the program. Special requirements for the payment of individual plan premiums under subdivision 2, clause (5), must be designed to ensure that the state cost of paying an individual plan premium over a two-year period does not exceed the estimated state cost that would otherwise be incurred in the medical assistance or general assistance medical care program.

Sec. 5. Minnesota Statutes 1990, section 256B.031, subdivision 4, is amended to read:

Subd. 4. [PREPAID HEALTH PLAN RATES.] For payments made during calendar year 1988, the monthly maximum allowable rate established by the commissioner of human services for payment to prepaid health plans must not exceed 90 percent of the projected average monthly per capita fee-for-service medical assistance costs for state fiscal year 1988 for recipients of aid to families with dependent children. The base year for projecting the average monthly per capita fee-for-service medical assistance costs is state fiscal year 1986. A maximum allowable per capita rate must be established collectively for Anoka, Carver, Dakota, Hennepin, Ramsey, St. Louis, Scott, and Washington counties. A separate maximum allowable per capita rate must be established collectively for all other counties. The maximum allowable per capita rate may be adjusted to reflect utilization differences among eligible classes of recipients. For payments made during calendar year 1989, the maximum allowable rate must be calculated in the same way as 1988 rates, except the base year is state fiscal year 1987. For

payments made during calendar year 1990 and later years, the commissioner shall ~~contract~~ consult with an independent actuary ~~to establish~~ in establishing prepayment rates, but shall retain final control over the rate methodology. Rates established for prepaid health plans must be based on the services that the prepaid health plan provides under contract with the commissioner.

Sec. 6. Minnesota Statutes 1990, section 256B.031, is amended by adding a subdivision to read:

Subd. 11. [LIMITATION ON REIMBURSEMENT TO PROVIDERS NOT AFFILIATED WITH A PREPAID HEALTH PLAN.] A prepaid health plan may limit any reimbursement it may be required to pay to providers not employed by or under contract with the prepaid health plan to the medical assistance rates paid by the commissioner of human services to providers for services to recipients not enrolled in a prepaid health plan.

Sec. 7. Minnesota Statutes 1990, section 256B.055, subdivision 10, is amended to read:

Subd. 10. [INFANTS.] Medical assistance may be paid for an infant less than one year of age ~~born on or after October 1, 1984~~, whose mother was eligible for and receiving medical assistance at the time of birth and who remains in the mother's household or who is in a family with countable income that is equal to or less than the income standard established under section 256B.057, subdivision 1. ~~Eligibility under this subdivision is concurrent with the mother's and does not depend on the father's income except as the income affects the mother's eligibility.~~

Sec. 8. Minnesota Statutes 1990, section 256B.055, subdivision 12, is amended to read:

Subd. 12. [DISABLED CHILDREN.] (a) A person is eligible for medical assistance if the person is under age 19 and qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance under the state plan if residing in a medical institution, and who requires a level of care provided in a hospital, skilled nursing facility, intermediate care facility, or intermediate care facility for persons with mental retardation or related conditions, for whom home care is appropriate, provided that the cost to medical assistance for home care services is not more than the amount that medical assistance would pay for appropriate institutional care.

(b) For purposes of this subdivision, "hospital" means an acute care institution as defined in section 144.696, subdivision 3, licensed pursuant to sections 144.50 to 144.58, which is appropriate if a person is technology dependent or has a chronic health condition

which requires frequent intervention by a health care professional to avoid death.

(c) For purposes of this subdivision, "skilled nursing facility" and "intermediate care facility" means a facility which provides nursing care as defined in section 144A.01, subdivision 5, licensed pursuant to sections 144A.02 to 144A.10, which is appropriate if a person is in active restorative treatment; is in need of special treatments provided or supervised by a licensed nurse; or has unpredictable episodes of active disease processes requiring immediate judgment by a licensed nurse.

(d) For purposes of this subdivision, "intermediate care facility for the mentally retarded" or "ICF/MR" means a program licensed to provide services to persons with mental retardation under section 252.28, and chapter 245A, and a physical plant licensed as a supervised living facility under chapter 144, which together are certified by the Minnesota department of health as meeting the standards in Code of Federal Regulations, title 42, part 483, for an intermediate care facility which provides services for persons with mental retardation or persons with related conditions who require 24-hour supervision and active treatment for medical, behavioral, or habilitation needs.

(e) For purposes of this subdivision, a person "requires a level of care provided in a hospital, skilled nursing facility, intermediate care facility, or intermediate care facility for persons with mental retardation or related conditions" if the person requires 24-hour supervision because the person exhibits suicidal or homicidal ideation or behavior, psychosomatic disorders or somatopsychic disorders that may become life threatening, severe socially unacceptable behavior associated with psychiatric disorder, psychosis or severe developmental problems requiring continuous skilled observation, or disabling symptoms that do not respond to office-centered outpatient treatment. The determination of the level of care needed by the child shall be made by the commissioner based on information supplied to the commissioner by the case manager if the child has one, the parent or guardian, the child's physician or physicians or, if available, the screening information obtained under section 256B.092.

Sec. 9. Minnesota Statutes 1990, section 256B.057, subdivision 1, is amended to read:

Subdivision 1. [PREGNANT WOMEN AND INFANTS.] An infant less than one year of age or a pregnant woman who has written verification of a positive pregnancy test from a physician or licensed registered nurse, is eligible for medical assistance if countable family income is equal to or less than 185 percent of the federal poverty guideline for the same family size. Eligibility for a pregnant woman or infant less than one year of age under this subdivision

must be determined without regard to asset standards established in section 256B.056, subdivision 3. ~~Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the changes.~~ An infant born on or after January 1, 1991, to a woman who was eligible for and receiving medical assistance on the date of the child's birth shall continue to be eligible for medical assistance without redetermination until the child's first birthday, as long as the child remains in the woman's household.

Sec. 10. Minnesota Statutes 1990, section 256B.057, subdivision 2, is amended to read:

Subd. 2. [CHILDREN.] A child one through five years of age in a family whose countable income is less than 133 percent of the federal poverty guidelines for the same family size, is eligible for medical assistance. A child six through ~~seven~~ 18 years of age, who was born after September 30, 1983, in a family whose countable income is less than 100 percent of the federal poverty guidelines for the same family size is eligible for medical assistance. Eligibility for children under this subdivision must be determined without regard to asset standards established in section 256B.056, subdivision 3. ~~Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the changes.~~

Sec. 11. Minnesota Statutes 1990, section 256B.057, subdivision 3, is amended to read:

Subd. 3. [QUALIFIED MEDICARE BENEFICIARIES.] A person who is entitled to Part A Medicare benefits, whose income is equal to or less than 85 percent of the federal poverty guidelines, and whose assets are no more than twice the asset limit used to determine eligibility for the supplemental security income program, is eligible for medical assistance reimbursement of Part A and Part B premiums, Part A and Part B coinsurance and deductibles, and cost-effective premiums for enrollment with a health maintenance organization or a competitive medical plan under section 1876 of the Social Security Act. The income limit shall be increased to 90 percent of the federal poverty guidelines on January 1, 1990; and to ~~95~~ 100 percent on January 1, 1991; ~~and to 100 percent on January 1, 1992~~. Reimbursement of the Medicare coinsurance and deductibles, when added to the amount paid by Medicare, must not exceed the total rate the provider would have received for the same service or services if the person were a medical assistance recipient with Medicare coverage. ~~Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the changes.~~ Increases in benefits under Title II of the Social Security Act shall not be counted as income for purposes of this subdivision until the first day of the

second full month following publication of the change in the federal poverty guidelines.

Sec. 12. Minnesota Statutes 1990, section 256B.057, subdivision 4, is amended to read:

Subd. 4. [QUALIFIED WORKING DISABLED ADULTS.] A person who is entitled to Medicare Part A benefits under section 1818A of the Social Security Act; whose income does not exceed 200 percent of the federal poverty guidelines for the applicable family size; whose nonexempt assets do not exceed twice the maximum amount allowable under the supplemental security income program, according to family size; and who is not otherwise eligible for medical assistance, is eligible for medical assistance reimbursement of the Medicare Part A premium. ~~Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the changes.~~

Sec. 13. Minnesota Statutes 1990, section 256B.057, is amended by adding a subdivision to read:

Subd. 6. [DISABLED WIDOWS AND WIDOWERS.] A person who is at least 50 years old who is entitled to disabled widow's or widower's benefits under United States Code, title 42, section 402(e) or (f), who is not entitled to Medicare Part A, and who received supplemental security income or Minnesota supplemental aid in the month before the month the widow's or widower's benefits began, is eligible for medical assistance as long as the person would be entitled to supplemental security income or Minnesota supplemental aid in the absence of the widow's or widower's benefits.

Sec. 14. Minnesota Statutes 1990, section 256B.0575, is amended to read:

256B.0575 [AVAILABILITY OF INCOME FOR INSTITUTIONALIZED PERSONS.]

When an institutionalized person is determined eligible for medical assistance, the income that exceeds the deductions in paragraphs (a) and (b) must be applied to the cost of institutional care.

(a) The following amounts must be deducted from the institutionalized person's income in the following order:

(1) the personal needs allowance under section 256B.35 or, for a veteran who does not have a spouse or child, the amount of his or her veteran's pension not exceeding $90 per month;

(2) the personal allowance for disabled individuals under section 256B.36;

(3) if the institutionalized person has a legally-appointed guardian or conservator, five percent of the recipient's gross monthly income up to $100 as reimbursement for guardianship or conservatorship services;

(4) a monthly income allowance determined under section 256B.058, subdivision 2, but only to the extent income of the institutionalized spouse is made available to the community spouse;

(5) a monthly allowance for children under age 18 which, together with the net income of the children, would provide income equal to the medical assistance standard for families and children according to section 256B.056, subdivision 4, for a family size that includes only the minor children. This deduction applies only if the children do not live with the community spouse and only if the children resided with the institutionalized person immediately prior to admission;

(6) a monthly family allowance for other family members, equal to one-third of the difference between 122 percent of the federal poverty guidelines and the monthly income for that family member; ~~and~~

(7) reparations payments made by the Federal Republic of Germany; and

(8) amounts for reasonable expenses incurred for necessary medical or remedial care for the institutionalized spouse that are not medical assistance covered expenses and that are not subject to payment by a third party.

For purposes of clause (6), "other family member" means a person who resides with the community spouse and who is a minor or dependent child, dependent parent, or dependent sibling of either spouse. "Dependent" means a person who could be claimed as a dependent for federal income tax purposes under the Internal Revenue Code.

(b) Income shall be allocated to an institutionalized person for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if:

(1) a physician certifies that the person is expected to reside in the long-term care facility for three calendar months or less;

(2) if the person has expenses of maintaining a residence in the community; and

(3) if one of the following circumstances apply:

(i) the person was not living together with a spouse or a family

member as defined in paragraph (a) when the person entered a long-term care facility; or

(ii) the person and the person's spouse become institutionalized on the same date, in which case the allocation shall be applied to the income of one of the spouses.

For purposes of this paragraph, a person is determined to be residing in a licensed nursing home, regional treatment center, or medical institution if the person is expected to remain for a period of one full calendar month or more.

Sec. 15. Minnesota Statutes 1990, section 256B.0625, subdivision 4, is amended to read:

Subd. 4. [OUTPATIENT AND PHYSICIAN-DIRECTED CLINIC SERVICES.] Medical assistance covers outpatient hospital or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians and all services shall be provided under the direct supervision of a physician. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. ~~A second medical opinion is required before reimbursement for elective surgeries requiring a second opinion. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion before reimbursement and the criteria and standards for deciding whether an elective surgery should require a second surgical opinion. The list and the criteria and standards are not subject to the requirements of sections 14.001 to 14.69. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal.~~ "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section.

Sec. 16. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 4a. [SECOND MEDICAL OPINION FOR SURGERY.] Certain surgeries require a second medical opinion to confirm the

necessity of the procedure, in order for reimbursement to be made. The commissioner shall publish in the State Register a list of surgeries that require a second medical opinion and the criteria and standards for deciding whether a surgery should require a second medical opinion. The list and the criteria and standards are not subject to the requirements of sections 14.01 to 14.69. The commissioner's decision about whether a second medical opinion is required, made according to rules governing that decision, is not subject to administrative appeal.

Sec. 17. *Minnesota Statutes 1990*, section 256B.0625, subdivision 9, is amended to read:

Subd. 9. [DENTAL SERVICES.] Medical assistance covers dental services for children under age 18, and dental services not to exceed $150 annually for adults. Dental services include, with prior authorization, fixed cast metal restorations that are cost-effective for persons who cannot use removable dentures because of their medical condition.

Sec. 18. Minnesota Statutes 1990, section 256B.0625, subdivision 12, is amended to read:

Subd. 12. [EYEGLASSES, DENTURES, AND PROSTHETIC DEVICES.] Medical assistance covers eyeglasses, dentures, and prosthetic devices if prescribed by a licensed practitioner. Coverage for eyeglasses is limited to one pair a year for children under age 18 and one pair every two years for adults. The commissioner shall negotiate with volume purchase suppliers to make eyeglasses available at the contract price for recipients who require additional eyeglasses during the one- or two-year period.

Sec. 19. Minnesota Statutes 1990, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, or by a physician enrolled in the medical assistance program as a dispensing physician. The commissioner shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human

services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary committee shall review and recommend drugs which require prior authorization. Prior authorization may be required by the commissioner~~, with the consent of the drug formulary committee,~~ before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, and vitamins for children under the age of seven and pregnant or nursing women; ~~or any other over-the-counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act;~~ nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state

who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of $.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written - brand medically necessary" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

Sec. 20. Minnesota Statutes 1990, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. [TRANSPORTATION COSTS.] (a) Medical assistance covers transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by nonambulatory persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this subdivision, a person who is incapable of transport by taxicab or bus shall be considered to be nonambulatory.

(b) Medical assistance covers special transportation, as defined in Minnesota Rules, part 9505.0315, subpart 1, item F, if the provider receives and maintains a current physician's order by the recipient's attending physician. The commissioner shall establish maximum medical assistance reimbursement rates for special transportation services for persons who need a wheelchair lift van or stretcher-equipped vehicle and for those who do not need a wheelchair lift van or stretcher-equipped vehicle. The average of these two rates must not exceed $12.50 for the base rate and 60 cents per mile. Special transportation provided to nonambulatory persons who do not need a wheelchair lift van or stretcher-equipped vehicle, may be reim-

bursed at a lower rate than special transportation provided to persons who need a wheelchair lift van or stretcher-equipped vehicle.

Sec. 21. Minnesota Statutes 1990, section 256B.0625, subdivision 24, is amended to read:

Subd. 24. [OTHER MEDICAL OR REMEDIAL CARE.] Medical assistance covers any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law, except chiropractic services in excess of 18 visits per year, and except licensed chemical dependency treatment programs or primary treatment or extended care treatment units in hospitals that are covered under ~~Laws 1986, chapter 394, sections 8 to 20~~ chapter 254B. The commissioner shall include chemical dependency services in the state medical assistance plan for federal reporting purposes, but payment must be made under ~~Laws 1986, chapter 394, sections 8 to 20~~ chapter 254B. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion before medical assistance reimbursement, and the criteria and standards for deciding whether an elective surgery should require a second medical opinion. The list and criteria and standards are not subject to the requirements of sections 14.01 to 14.69.

Sec. 22. Minnesota Statutes 1990, section 256B.0625, subdivision 25, is amended to read:

Subd. 25. [~~SECOND OPINION OR~~ PRIOR AUTHORIZATION REQUIRED.] The commissioner shall publish in the State Register a list of health services that require prior authorization, as well as the criteria and standards used to select health services on the list. The list and the criteria and standards used to formulate it are not subject to the requirements of sections 14.001 to 14.69. The commissioner's decision whether prior authorization is required for a health service ~~or a second medical opinion is required for an elective surgery~~ is not subject to administrative appeal.

Sec. 23. Minnesota Statutes 1990, section 256B.0625, subdivision 28, is amended to read:

Subd. 28. [CERTIFIED ~~PEDIATRIC OR FAMILY~~ NURSE PRACTITIONER SERVICES.] Medical assistance covers services performed by a certified pediatric nurse practitioner ~~or~~, a certified family nurse practitioner, a certified adult nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.

Sec. 24. Minnesota Statutes 1990, section 256B.0625, subdivision 30, is amended to read:

Subd. 30. [OTHER CLINIC SERVICES.] (a) Medical assistance covers rural health clinic services, federally qualified health center services, ~~and~~ nonprofit community health clinic services, public health clinic services, and the services of a clinic meeting the criteria established in rule by the commissioner. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

(b) A federally qualified health center that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. A federally qualified health center that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, a federally qualified health center shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. Federally qualified health centers that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state.

Sec. 25. Minnesota Statutes 1990, section 256B.063, is amended to read:

256B.063 [COST SHARING.]

Subdivision 1. [FEES.] Notwithstanding the provisions of section 256B.05, subdivision 2, the commissioner is authorized to promulgate rules pursuant to the administrative procedure act, and to require a nominal enrollment fee, premium, or similar charge for recipients of medical assistance, if and to the extent required by applicable federal regulation.

Subd. 2. [COPAYMENTS.] The commissioner shall require a nominal copayment in the amount of the maximum allowed under Code of Federal Regulations, title 42, section 447.54 for nonemergency services provided in an emergency room. If the United States Department of Health and Human Services grants a waiver under Code of Federal Regulations, title 42, section 431.55, subsection (g), the commissioner may charge the maximum allowable copayment under that section.

Subd. 3. [EXCEPTIONS.] The commissioner may not charge a copayment for services provided to: children under 18 years of age; pregnant women through 60 days postpartum; persons residing in nursing facilities, intermediate care facilities for the mentally retarded, and medical institutions; individuals who are receiving hospice care; and individuals who are enrolled in health maintenance organizations.

Subd. 4. [COLLECTION.] The commissioner shall reduce medical assistance reimbursement to the provider in the amount of the copayment. The provider may collect the copayment from the recipient, but may not deny medical assistance services to a recipient who is unable to pay the copayment.

Sec. 26. Minnesota Statutes 1990, section 256B.08, is amended by adding a subdivision to read:

Subd. 3. [OUTREACH LOCATIONS.] The local agency must establish locations, other than those used to process applications for cash assistance, to receive and perform initial processing of applications for pregnant women and children who want medical assistance only. At a minimum, these locations must be in federally qualified health centers and in hospitals that receive disproportionate share adjustments under section 256.969, subdivision 8, except that hospitals located outside of this state that receive the disproportionate share adjustment are not included. Initial processing of the application need not include a final determination of eligibility. Local agencies shall designate a person or persons within the agency who will receive the applications taken at an outreach location and the local agency will be responsible for timely determination of eligibility.

Sec. 27. Minnesota Statutes 1990, section 256B.19, is amended by adding a subdivision to read:

Subd. 2c. [OBLIGATION OF LOCAL AGENCY TO INVESTIGATE AND DETERMINE ELIGIBILITY FOR MEDICAL ASSISTANCE.] (a) When the commissioner receives information that indicates that a general assistance medical care recipient or children's health plan enrollee may be eligible for medical assistance, the commissioner may notify the appropriate local agency of that fact. The local agency must investigate eligibility for medical assistance and take appropriate action and notify the commissioner of that action within 90 days from the date notice is issued. If the person is eligible for medical assistance, the local agency must find eligibility retroactively to the date on which the person met all eligibility requirements.

(b) When a prepaid health plan under a contract with the state to provide medical assistance services notifies the commissioner that an infant has been or will be born to an enrollee under the contract,

the commissioner may notify the appropriate local agency of that fact. The local agency must investigate eligibility for medical assistance for the infant, take appropriate action, and notify the commissioner of that action within 90 days from the date notice is issued. If the infant would have been eligible on the date of birth, the local agency must establish eligibility retroactively to that month.

(c) For general assistance medical care recipients and children's health plan enrollees, if the local agency fails to comply with paragraph (a), the local agency is responsible for the entire cost of general assistance medical care or children's health plan services provided from the date the commissioner issues the notice until the date the local agency takes appropriate action on the case and notifies the commissioner of the action. For infants, if the local agency fails to comply with paragraph (b), the commissioner may determine eligibility for medical assistance for the infant for a period of two months, and the local agency shall be responsible for the entire cost of medical assistance services provided for that infant, in addition to a fee of $100 for processing the case. The commissioner shall deduct any obligation incurred under this paragraph from the amount due to the local agency under subdivision 1.

Sec. 28. Minnesota Statutes 1990, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] (a) General assistance medical care may be paid for any person who is age 18 or older and who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spend-down of excess income according to section 256B.056, subdivision 5, and:

(1) who is receiving assistance under section 256D.05 or 256D.051 ~~and is not eligible for medical assistance under chapter 256B including eligibility for medical assistance based on a spend-down of excess income according to section 256B.056, subdivision 5~~; or

(2)(i) who is a resident of Minnesota; and whose equity in assets is *not* in excess of $1,000 per assistance unit. Exempt assets, the reduction of excess assets, and the *waiver of* excess assets must conform to the medical assistance program in chapter 256B; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period, except that a one-month budget period must be used for recipients residing in a long-term care facility. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1.

However, if a disregard of $30 and one-third of the remainder described in section 256.74, subdivision 1, clause (4), has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except the disregard of the first $50 of earned income is not allowed; or

(3) ~~who is over age 18 and~~ who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application, and for one month prior to application if the person was eligible under paragraph (a), clause (1) or (2), and three months prior to application if the person was eligible under paragraph (a), clause (3), in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care ~~may be paid for a person, regardless of age, who~~ is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, ~~if~~ and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 30 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation

received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

Sec. 29. Minnesota Statutes 1990, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) ~~Reimbursement under the general assistance medical care program shall be limited to the following categories of service~~ For a person who is eligible under subdivision 3, paragraph (a), clause (3), general assistance medical care covers:

(1) inpatient hospital ~~care,~~ services;

(2) outpatient hospital ~~care,~~ services;

(3) services provided by Medicare certified rehabilitation agencies~~,~~;

(4) prescription drugs, and only the following over-the-counter drugs: insulin, aspirin, antacids, products for the treatment of lice, and acetaminophen. Reimbursement for prescribed drugs shall be the lower of: the average wholesale price minus 15 percent plus the fixed dispensing fee; the maximum allowable cost set by the federal government or the commissioner plus the fixed dispensing fee; or the usual and customary price charged to the public. The maximum pharmacy dispensing fee is the amount paid by the health insurer or nonprofit health service plan with the largest number of insured persons in the state;

(5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level~~,~~;

(6) eyeglasses and eye examinations provided by a physician or optometrist~~,~~ as covered under the medical assistance program;

(7) hearing aids~~,~~;

(8) prosthetic devices~~,~~;

(9) laboratory and X-ray services~~,~~;

(10) physician's services~~,~~;

(11) medical transportation~~,~~;

(12) chiropractic services as covered under the medical assistance program~~,~~;

(13) podiatric services~~, and~~;

(14) dental ~~care. In addition, payments of state aid shall be made for:~~ services as covered under the medical assistance program;

~~(1)~~ (15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;

~~(2)~~ (16) day treatment services for mental illness provided under contract with the county board;

~~(3)~~ (17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;

~~(4)~~ (18) case management services for a person with serious and persistent mental illness ~~who would be eligible for medical assistance except that the person resides in an institution for mental diseases~~;

~~(5)~~ (19) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments ~~for a person who would be eligible for medical assistance except that the person resides in an institution for mental diseases~~; and

~~(6)~~ (20) medical equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision.

(b) For a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the following exceptions and limitations:

(1) chiropractic services, vision care, podiatry services, allergy testing, special transportation, case management for persons with serious and persistent mental illness, and Medicare premiums, coinsurance, and deductibles are not covered;

(2) audiology, occupational therapy, and speech therapy are not covered, regardless of provider type;

(3) physical therapy is limited to five treatment modalities, regardless of provider type;

(4) services of a Medicare-certified rehabilitation agency, except physical therapy services under clause (3), are not covered;

(5) coverage for dental services is limited to $100 annually;

(6) coverage for physician services is limited to 14 physician visits annually;

(7) coverage for mental health therapy, including psychological services and diagnostic services is limited to ten hours annually. For purposes of this clause, two hours of group therapy count as one hour;

(8) coverage for legend drugs is limited to those prescribed by a physician and contained in a general assistance medical care drug formulary established by the commissioner in the manner used to establish and publish the formulary in section 256B.0625, subdivision 13.

(9) outpatient hospital services are covered to the extent otherwise provided under paragraph (b); and

(10) for an emergency room visit that does not result in an inpatient admission, reimbursement for the emergency room visit shall be reduced by $5 and the hospital may collect that amount from the recipient. The hospital may not deny services to the recipient for failure to pay the copayment amount.

(c) Contracts with prepaid health plans to provide health care services to recipients of general assistance medical care may include, without limitation, the services set forth in paragraph (b), clauses (3), (5), (6), (8), and (10). The commissioner may seek a waiver according to section 62D.30 in order to execute contracts for the benefit package in paragraph (b).

~~(b)~~ (d) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that

necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall ~~contract~~ consult with an independent actuary ~~to establish~~ in establishing prepayment rates, but shall retain final control over the rate methodology.

~~(e)~~ (e) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985, to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986, to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987, to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments

allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987, to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988, to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

~~There shall be no copayment required of any recipient of benefits for any services provided under this subdivision.~~ A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

~~(d)~~ (f) Any county may, from its own resources, provide medical payments for which state payments are not made.

~~(e)~~ (g) Chemical dependency services that are reimbursed under ~~Laws 1986, chapter 394, sections 8 to 20,~~ chapter 254B must not be reimbursed under general assistance medical care.

~~(f)~~ (h) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

~~(g)~~ (i) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule.

Sec. 30. [PERSONAL NEEDS ALLOWANCE.]

The personal needs allowance in Minnesota Statutes, section

256B.35, subdivision 1, shall not be affected by increases in social security or supplemental security income benefits that become effective in fiscal years 1992 and 1993.

Sec. 31. [EFFECTIVE DATES.]

Subdivision 1. [SPECIAL CATEGORIES OF ELIGIBILITY.] (a) Those portions of sections 9, 10, and 12 regarding publication of federal poverty guidelines are effective retroactive to the date the 1991 change in the federal poverty guidelines became effective.

(b) Sections 11 and 13 are effective retroactive to January 1, 1991.

Subd. 2. [AVAILABILITY OF INCOME.] The deduction for reparation payments in section 14 is effective retroactive to January 1, 1991. The deduction for veterans pensions in section 14 is effective the month in which the Veteran's Administration implements the change at section 8003 of the Omnibus Budget Reconciliation Act of 1990.

Subd. 3. [COVERED SERVICES; MEDICAL ASSISTANCE.] The amendments relating to services covered by medical assistance in sections 17, 18, and 25 are effective July 1, 1991; except that the amendments are effective July 1, 1992, for all contracts with prepaid health plans for medical assistance services that become effective, are amended, or are renewed on or after July 1, 1992.

Subd. 4. [COVERED SERVICES; GAMC.] The amendments relating to services covered by general assistance medical care in section 29 are effective July 1, 1991, except that the amendments are effective July 1, 1992, for all contracts with prepaid health plans that become effective, are amended, or are renewed on or after July 1, 1992.

ARTICLE 3

HUMAN SERVICES BUDGET CHANGES

Section 1. Minnesota Statutes 1990, section 252.46, subdivision 3, is amended to read:

Subd. 3. [RATE MAXIMUM.] Unless a variance is granted under subdivision 6, the maximum payment rates for each vendor for a calendar year must be equal to the payment rates approved by the commissioner for that vendor in effect December 1 of the previous calendar year ~~increased by no more than the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the upcoming calendar year over the current calendar year~~.

Sec. 2. Minnesota Statutes 1990, section 256B.0625, subdivision 19, is amended to read:

Subd. 19. [PERSONAL CARE ASSISTANTS.] Medical assistance covers personal care assistant services provided by an individual, not a relative, who is qualified to provide the services, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. ~~Payments to personal care assistants shall be adjusted annually to reflect changes in the cost of living or of providing services by the average annual adjustment granted to vendors such as nursing homes and home health agencies.~~

Sec. 3. Minnesota Statutes 1990, section 256B.091, subdivision 8, is amended to read:

Subd. 8. [ALTERNATIVE CARE GRANTS.] (a) The commissioner shall provide funds to counties participating in the program to pay costs of providing alternative care to individuals screened under subdivision 4 and nursing home or boarding care home residents who request a screening.

(b) Prior to July of each year, the commissioner shall allocate state funds available for alternative care grants to each local agency.

(c) For fiscal year 1991 only, the appropriation shall be distributed as specified in paragraphs (1) and (2).

(1) Sufficient state funds shall be set aside for payment for unreimbursed services provided prior to April 1, 1990, as billed by each county by June 1, 1990.

(2) The remainder of the state funds available for alternative care grants must be allocated to each county in the same proportion as each county's share of the actual payments made plus claims submitted for services rendered in the base year. The base year for each county shall be either fiscal year 1989 or calendar year 1989, whichever period contains a larger total dollar amount of payments plus claims submitted for each county. To be counted in the allocation process, claims must be submitted by June 1, 1990. This allocation will include the state share for medical assistance recipients as well as the state share for those who would be eligible within 180 days after nursing home admission. No reallocation between counties will be made. The county agency shall not be reimbursed for services which exceed the county allocation. To receive reimbursement for persons who are eligible within 180 days, the county must submit invoices within 90 days following the month of service. The number of medical assistance waiver recipients which each county may serve is allocated according to the number of open medical assistance waiver cases on July 1, 1990. Additional recipients may be served with the approval of the commissioner.

These additional recipients must be served within the county's allocation.

(d) The alternative care grant appropriation for fiscal years 1992 and beyond shall cover only individuals who would be eligible for medical assistance within 180 days after admission to a nursing home. The commissioner shall allocate state funds available for alternative care grants to each county agency. The allocation must be made as follows: the state funds available for alternative care grants, up to the amount of the previous year's allocation increased by the percentage for rates in Minnesota Rules, part 9505.2490, must be allocated to each county in the same proportion as the previous year's allocation. If the appropriation is less than the previous year's allocation plus inflation, it shall be prorated according to the county's share of the formula. Any funds appropriated in excess of the previous year's allocation plus inflation shall be allocated to county agencies by methodologies that target funds for programs designed to reduce premature nursing home placements and promote cost-effective alternatives to increasing nursing home beds and nursing home utilization. The additional allocation to counties will become part of the allocation base. No percentage inflationary increase based on Minnesota Rules, part 9505.2490, may be provided for the biennium ending June 30, 1993. The commissioner shall appoint a work group including county and senior representatives to assist in developing criteria for allocating funds which may include identifying special target populations, geographic areas, or projects. No reallocation between counties shall be made. The county agency shall not be reimbursed for services which exceed the county allocation. To receive reimbursement, the county must submit invoices within 90 days following the date of service. The number of medical assistance waiver recipients which a county may serve must be allocated according to the number of open medical assistance waiver cases on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(e) The commissioner is directed to conduct a review of the preadmission screening program and alternative care grant program including screening requirements, screening reimbursement, program effectiveness, eligibility criteria for alternative care, accessibility to services, copayment and sliding fee issues, county utilization, rates for services, the payment system, funding and forecasting issues, administrative requirements, incentives for innovation, improved consistency with the community assistance for disabled individuals program and medical assistance home care services, and the allocation formula. In conducting this review, special attention should be given to ways to increase sliding fee collections and reduce or minimize administrative and program requirements and associated county costs. The commissioner shall appoint a work group including county and senior citizen representatives to assist in the program review. The commissioner must

present a report on the findings of the review and recommendations for change to the legislature by February 15, 1991.

(f) Payment is available under this subdivision only for individuals (1) for whom the screening team would recommend nursing home or boarding care home admission, or continued stay if alternative care were not available; (2) who are receiving medical assistance or who would be eligible for medical assistance within 180 days of admission to a nursing home; (3) who need services that are not available at that time in the county through other public assistance; and (4) who are age 65 or older.

(g) The commissioner shall establish by rule, in accordance with chapter 14, procedures for determining limits on the rates for payment of approved services, including screenings, and submittal and approval of a biennial county plan for the administration of the preadmission screening and alternative care grants program.

(h) Grants may be used for payment of costs of providing care-related supplies, equipment, and the following services: adult foster care, adult day care, home health aide, homemaker, personal care, case management, and respite care. These services must be provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency.

(i) The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e)(2), and that a client's service needs and eligibility is reassessed at least every six months. The plan shall include any services prescribed by the individual's attending physician as necessary and follow up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program and shall provide documentation in each individual's plan of care and to the commissioner that the most cost-effective alternatives available have been offered to the individual and that the individual was free to choose among available qualified providers, both public and private. The county agency shall document to the commissioner that the agency made reasonable efforts to inform potential providers of the anticipated need for services under the alternative care grants program, including a minimum of 14 days written advance notice of the opportunity to be selected as a service provider and an annual public meeting with providers to explain and review the criteria for selection, and that the agency allowed potential providers an opportunity to be selected to contract with the county board. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

(j) The county must select providers for contracts or agreements using the following criteria and other criteria established by the county:

(1) the need for the particular services offered by the provider;

(2) the population to be served, including the number of clients, the length of time services will be provided, and the medical condition of clients;

(3) the geographic area to be served;

(4) quality assurance methods, including appropriate licensure, certification, or standards, and supervision of employees when needed;

(5) rates for each service and unit of service exclusive of county administrative costs;

(6) evaluation of services previously delivered by the provider; and

(7) contract or agreement conditions, including billing requirements, cancellation, and indemnification.

(k) The county must evaluate its own agency services under the criteria established for other providers. The county shall provide a written statement of the reasons for not selecting providers.

(l) The commissioner shall establish a sliding fee schedule for requiring payment for the cost of providing services under this subdivision to persons who are eligible for the services but who are not yet eligible for medical assistance. The sliding fee schedule is not subject to chapter 14 but the commissioner shall publish the schedule and any later changes in the State Register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the sliding fee schedule in final forms.

(m) The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. Waivered services provided to medical assistance recipients must comply with the same criteria as defined in this section and in the approved waiver. Reimbursement for the medical assistance recipients shall be made from the regular medical assistance account. The commissioner shall provide grants to counties from the nonfederal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new

programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of care that the recipient would receive if placed in a nursing home or boarding care home. The nonfederal share may be used to pay up to *90* percent *of the start-up and service delivery costs of* providing care under this subdivision. The state share of the nonfederal portion of costs shall be 90 percent and the county share shall be ten percent. Each county agency that receives a grant shall pay ten percent of the costs for persons who are eligible for the services but who are not yet eligible for medical assistance.

(n) Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision from January 1, 1991, on, for individuals who are receiving medical assistance.

(o) Beginning July 1, 1991, the state will reimburse counties, up to the limit of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision from January 1, 1991, on, for individuals who would be *eligible for medical assistance within 180 days of admis*sion to a nursing home.

(p) The commissioner shall promulgate emergency rules in accordance with sections 14.29 to 14.36, to establish required documentation and reporting of care delivered.

Sec. 4. Minnesota Statutes 1990, section 256B.49, is amended by adding a subdivision to read:

Subd. 4. [INFLATION ADJUSTMENT.] For the biennium ending June 30, 1993, the commissioner of human services shall not provide an annual inflation adjustment for home and community-based waivered services.

Sec. 5. Minnesota Statutes 1990, section 256B.501, subdivision 3g, is amended to read:

Subd. 3g. [ASSESSMENT OF RESIDENTS.] For rate years beginning on or after October 1, ~~1990~~ 1993, the commissioner shall establish program operating cost rates for care of residents in facilities that take *into consideration service characteristics of* residents in those facilities. To establish the service characteristics of residents, the quality assurance and review teams in the department of health shall assess all residents annually beginning January 1, 1989, using a uniform assessment instrument developed by the commissioner. This instrument shall include assessment of the client's behavioral needs, integration into the community, ability to

perform activities of daily living, medical and therapeutic needs, and other relevant factors determined by the commissioner. The commissioner may adjust the program operating cost rates of facilities based on a comparison of client service characteristics, resource needs, and costs. The commissioner may adjust a facility's payment rate during the rate year when accumulated changes in the facility's average service units exceed the minimums established in the rules required by subdivision 3j.

Each facility's interdisciplinary team shall continue to assess each new admission to the facility. The quality assurance and review teams in the department of health shall continue to assess all residents annually. The quality assurance and review teams and the interdisciplinary team shall assess all residents using a uniform assessment instrument developed by the commissioner and the ICF/MR reimbursement and quality assurance and review manual. Beginning with the reporting year which ends December 31, 1991, the commissioner shall annually collect client statistical data based on assessments performed by the quality assurance and review teams and by the interdisciplinary team on annual cost reports submitted by the facility and may use this data in the calculation of program operating costs payment rates after October 1, 1993.

Sec. 6. Minnesota Statutes 1990, section 256B.501, subdivision 11, is amended to read:

Subd. 11. [INVESTMENT PER BED LIMITS, INTEREST EXPENSE LIMITATIONS, AND ARMS-LENGTH LEASES.] (a) The provisions of Minnesota Rules, part 9553.0075, except as modified under this subdivision, shall apply to newly constructed or established facilities that are certified for medical assistance on or after May 1, 1990.

(b) For purposes of establishing payment rates under this subdivision and Minnesota Rules, parts 9553.0010 to 9553.0080, the term "newly constructed or newly established" means a facility (1) for which a need determination has been approved by the commissioner under sections 252.28 and 252.291; (2) whose program is newly licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, and certified under Code of Federal Regulations, title 42, section 442.400, et seq.; and (3) that is part of a proposal that meets the requirements of section 252.291, subdivision 2, paragraph (2). The term does not include a facility for which a need determination was granted solely for other reasons such as the relocation of a facility; a change in the facility's name, program, number of beds, type of beds, or ownership; or the sale of a facility, unless the relocation of a facility to one or more service sites is the result of a closure of a facility under section 252.292, in which case clause (3) shall not apply. The term does include a facility that converts more than 50 percent of its licensed beds from class A to class B residential or class B institutional to serve persons discharged from state regional

treatment centers on or after May 1, 1990, in which case clause (3) does not apply.

(c) Newly constructed or newly established facilities that are certified for medical assistance on or after May 1, 1990, shall be allowed the capital asset investment per bed limits as provided in clauses (1) to (4).

(1) The 1990 calendar year investment per bed limit for a facility's land must not exceed $5,700 per bed for newly constructed or newly established facilities in Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, Carver, Chisago, Isanti, Wright, Benton, Sherburne, Stearns, St. Louis, Clay, and Olmsted counties, and must not exceed $3,000 per bed for newly constructed or newly established facilities in other counties.

(2) The 1990 calendar year investment per bed limit for a facility's depreciable capital assets must not exceed $44,800 for class B residential beds, and $45,200 for class B institutional beds.

(3) The investment per bed limit in clause (2) must not be used in determining the three-year average percentage increase adjustment in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (4), for facilities that were newly constructed or newly established before May 1, 1990.

(4) The investment per bed limits in clause (2) shall be adjusted annually beginning January 1, 1991, and each January 1 following, as provided in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (2).

(d) A newly constructed or newly established facility's interest expense limitation as provided for in Minnesota Rules, part 9553.0060, subpart 3, item F, on capital debt for capital assets acquired during the interim or settle-up period, shall be increased by 2.5 percentage points for each full .25 percentage points that the facility's interest rate on its mortgage is below the maximum interest rate as established in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2). For all following rate periods, the interest expense limitation on capital debt in Minnesota Rules, part 9553.0060, subpart 3, item F, shall apply to the facility's capital assets acquired, leased, or constructed after the interim or settle-up period. If a newly constructed or newly established facility is acquired by the state, the limitations of this paragraph and Minnesota Rules, part 9553.0060, subpart 3, item F, shall not apply.

(e) If a newly constructed or newly established facility is leased with an arms-length lease as provided for in Minnesota Rules, part 9553.0060, subpart 7, the lease agreement shall be subject to the following conditions:

(1) the term of the lease, including option periods, must not be less than 20 years;

(2) the maximum interest rate used in determining the present value of the lease must not exceed the lesser of the interest rate limitation in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2), or 16 percent; and

(3) the residual value used in determining the net present value of the lease must be established using the provisions of Minnesota Rules, part 9553.0060.

(f) All leases of the physical plant of an intermediate care facility for the mentally retarded shall contain a clause that requires the owner to give the commissioner notice of any requests or orders to vacate the premises 90 days before such vacation of the premises is to take place. In the case of unlawful detainer actions, the owner shall notify the commissioner within three days of notice of an unlawful detainer action being served upon the tenant. The only exception to this notice requirement is in the case of emergencies where immediate vacation of the premises is necessary to assure the safety and welfare of the residents. In such an emergency situation, the owner shall give the commissioner notice of the request to vacate at the time the owner of the property is aware that the vacating of the premises is necessary. This section applies to all leases entered into after May 1, 1990. Rentals set in leases entered into after that date that do not contain this clause are not allowable costs for purposes of medical assistance reimbursement.

(g) A newly constructed or newly established facility's preopening costs are subject to the provisions of Minnesota Rules, part 9553.0035, subpart 12, and must be limited to only those costs incurred during one of the following periods, whichever is shorter:

(1) between the date the commissioner approves the facility's need determination and 30 days before the date the facility is certified for medical assistance; or

(2) the 12-month period immediately preceding the 30 days before the date the facility is certified for medical assistance.

(h) The development of any newly constructed or newly established facility as defined in this subdivision and projected to be operational after July 1, 1991, by the commissioner of human services shall be delayed until July 1, 1993, except for those facilities authorized by the commissioner as a result of a closure of a facility according to section 252.292 prior to January 1, 1991, or those facilities developed as a result of a receivership of a facility according to section 245A.12. This paragraph does not apply to state-operated community facilities authorized in section 252.50.

Sec. 7. Minnesota Statutes 1990, section 256I.04, is amended by adding a subdivision to read:

Subd. 3. [MORATORIUM ON THE DEVELOPMENT OF NEGOTIATED RATE BEDS.] County agencies shall not enter into agreements for new general assistance or Minnesota supplemental aid negotiated rate beds except for: adult foster homes licensed by the commissioner of human services under Minnesota Rules, parts 9555.5105 to 9555.6265, or facilities licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, provided the foster home or facility is needed to meet the census reduction targets for persons with mental retardation or related conditions at regional treatment centers; or to ensure compliance with the federal Omnibus Budget Reconciliation Act alternative disposition plan requirements for inappropriately placed persons with mental retardation or related conditions or mental illness. Agreements for new beds are subject to the approval of the commissioner. This moratorium expires June 30, 1993.

Sec. 8. Minnesota Statutes 1990, section 256I.05, is amended by adding a subdivision to read:

Subd. 1a. [LOWER MAXIMUM RATE.] The maximum monthly rate for a general assistance or Minnesota supplemental aid negotiated rate residence that enters into an initial negotiated rate agreement with a county agency on or after June 1, 1989, may not exceed 90 percent of the maximum rate established under subdivision 1. This is effective until June 30, 1993, or until the statewide system authorized under subdivision 6 is established, whichever occurs first.

Sec. 9. Minnesota Statutes 1990, section 256I.05, is amended by adding a subdivision to read:

Subd. 1b. [RATES FOR UNCERTIFIED BOARDING CARE HOMES.] The maximum rate for a boarding care home not certified to receive medical assistance is equal to 47 percent of the average nursing home level "A" rate in effect for the geographic area in which the boarding care home is located. This is effective until June 30, 1993. A noncertified boarding care home licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, is exempt from this rate limit.

Sec. 10. Minnesota Statutes 1990, section 256I.05, subdivision 2, is amended to read:

Subd. 2. [MONTHLY RATES; EXEMPTIONS.] (a) The maximum negotiated rate does not apply to a residence that on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner of human services

under Minnesota Rules, parts 9520.0500 to 9520.0690. For residences in this clause that have less than five percent of their licensed boarding care capacity reimbursed by the medical assistance program, rate increases shall be provided according to section 256B.431, subdivision 4, paragraph (c).

(b) The maximum negotiated rate does not apply to a residence that on August 1, 1984, was licensed by the commissioner of human services under Minnesota Rules, parts 9525.0520 to 9525.0660, but funded as a negotiated rate residence under general assistance or Minnesota supplemental aid. Rate increases for these residences are subject to the provisions of subdivision 7.

(c) ~~The following residences are exempt from the limit on negotiated rates and must be reimbursed for documented actual costs, until an alternative reimbursement system covering services excluding room and board maintenance services is developed by the commissioner:~~

~~(1) a residence that is not certified to participate in the medical assistance program, that was licensed as a boarding care facility by March 1, 1985, and does not receive supplemental program funding under Minnesota Rules, parts 9535.2000 to 9535.3000 or 9553.0010 to 9553.0080;~~

~~(2)~~ A residence certified to participate in the medical assistance program, licensed as a boarding care facility or a nursing home, and declared to be an institution for mental disease by January 1, 1989, is exempt from the limit on negotiated rates and must be reimbursed for documented actual costs, until an alternative reimbursement system covering services excluding room and board maintenance services is developed by the commissioner. Effective January 1, 1989, the actual documented cost for these residences is the individual's appropriate medical assistance case mix rate until the commissioner develops a comprehensive system of rates and payments for persons in all negotiated rate residences. The exclusion from the rate limit for residences under this clause expires July 1, 1991. The commissioner of human services, in consultation with the counties in which these residences are located, shall review the status of each certified nursing home and board and care facility declared to be an institution for mental disease. This review shall include the cost effectiveness of continued payment for residents through general assistance or Minnesota supplemental aid; the appropriateness of placement of general assistance or supplemental aid clients in these facilities; the effects of Public Law Number 100-203 on these facilities; and the role of these facilities in the mental health service delivery system. The commissioner shall make recommendations to the legislature by January 1, 1990, regarding the need to continue the exclusion of these facilities from the negotiated rate maximum and the future role of these facilities in serving persons with mental illness.

Sec. 11. Minnesota Statutes 1990, section 256I.05, is amended by adding a subdivision to read:

Subd. 7a. [RATE INCREASES FOR THE 1991-1993 BIENNIUM.] For the biennium ending June 30, 1993, no inflationary increases shall be provided in rates for negotiated rate settings under subdivision 7.

Sec. 12. [DEMONSTRATION PROJECTS.]

The commissioner shall demonstrate the development of family foster care services for persons with developmental disabilities in order to achieve regional treatment center census reduction or to develop alternative placements for persons inappropriately placed in nursing homes. For all persons participating in this demonstration that receive services funded by the enhanced waivered services fund, the costs of waivered services shall not exceed an average of $120 per person per day in fiscal year 1993.

The commissioner shall demonstrate a family choice option for 100 persons with developmental disabilities and their families in fiscal year 1992 and for 200 persons and their families in fiscal year 1993. For all persons authorized by the commissioner to receive services under the family choice option, the cost of services funded by the Title XIX home- and community-based waiver are limited to an average of $35 per person per day in fiscal year 1992 with annual cost adjustments as authorized by the legislature."

Delete the title and insert:

"A bill for an act relating to human services; medical assistance and general assistance medical care; clarifying payment rates for hospitals; clarifying coverage of services and eligibility requirements; clarifying the role of independent actuaries; making various human services budget changes; amending Minnesota Statutes 1990, sections 252.46, subdivision 3; 256.045, subdivision 10; 256.936, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.9685, subdivision 1; 256.9686, subdivisions 1 and 6; 256.969, subdivisions 1, 2, 2c, 3a, and 6a; 256.9695, subdivisions 1 and 5; 256B.031, subdivision 4, and by adding a subdivision; 256B.055, subdivisions 10 and 12; 256B.057, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0575; 256B.0625, subdivisions 4, 9, 12, 13, 17, 19, 24, 25, 28, 30, and by adding a subdivision; 256B.063; 256B.08, by adding a subdivision; 256B.091, subdivision 8; 256B.19, by adding a subdivision; 256B.49, by adding a subdivision; 256B.501, subdivisions 3g and 11; 256D.03, subdivisions 3 and 4; 256I.04, by adding a subdivision; and 256I.05, subdivision 2, and by adding subdivisions."

And that when so amended the bill be re-referred to the Committee on Appropriations without further recommendation.

The report was adopted.

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

H. F. No. 1323, A bill for an act relating to state lands; transferring state land by private sale to the town board of the town of Lake in Roseau county.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 92.03, subdivision 1, is amended to read:

Subdivision 1. [SCHOOL LANDS.] The price of school lands must be at least $5 an acre, including the value of timber reproduction. Sales of school lands must be held within the county containing the lands or an adjacent county. No more than 100,000 acres of school lands may be sold in one year. If a patent has been issued by the federal government to school land before 1864 and the taxes on it have been paid for at least 35 years, the commissioner of finance may reduce the minimum price of $5 an acre by the taxes paid to make the land salable.

Sec. 2. Minnesota Statutes 1990, section 92.12, subdivision 4, is amended to read:

Subd. 4. [SALES.] The commissioner shall hold frequent sales of school and other state lands. The time and place of the sales must be publicly posted ~~on the front door of~~ in the courthouse in the county where the lands are located and in the courthouse in the county where the sale is to take place at least 30 days in advance, in addition to the regular notice of sale provided by law. At this sale the commissioner shall sell lands the commissioner considers best for the public interest.

Sec. 3. Minnesota Statutes 1990, section 92.13, is amended to read:

92.13 [STATE LANDS, DATE OF SALE.]

The commissioner shall hold public sales of school and other state

lands ~~in counties containing them~~ when it is advantageous to the state and to intending buyers and settlers.

Sec. 4. Minnesota Statutes 1990, section 92.14, is amended to read:

92.14 [SALE, NOTICE.]

Subdivision 1. [TIME.] ~~Before any sale is made,~~ The commissioner shall give four weeks' published notice of the ~~time and place of~~ sale at St. Paul ~~and~~, in each county containing land to be sold, and in the county where the sale will be held. ~~The notice must describe each parcel of land to be sold.~~ If there is no newspaper published in the county, four weeks' posted notice in the county courthouse must be given. On or before the day of sale, the commissioner may withdraw any lands.

Subd. 2. [CONTENTS.] ~~The commissioner shall give public notice of each sale referred to in section 92.13 by four publications in a weekly newspaper printed and published at the county seat of the county containing the lands, and by four weekly publications in a daily newspaper published and printed in St. Paul.~~ The notice must contain the following information:

(1) the time and place for the holding of the sales;

(2) the limitations and requirements provided by law for purchasers of the lands;

(3) the terms and conditions of payments required by law; and

(4) the place where lists of lands to be offered for sale may be obtained.

Subd. 3. [ADDITIONAL ADVERTISING OF LAND SALES.] In addition to ~~posted~~ notice of land sales required by ~~subdivisions~~ subdivision 1 ~~and 2~~, the commissioner shall publicize land sales in Minnesota and elsewhere to the greatest extent possible, consistent with appropriations available for that purpose.

Sec. 5. Minnesota Statutes 1990, section 92.67, subdivision 1, is amended to read:

Subdivision 1. [SALE REQUIREMENT.] Notwithstanding section 92.45 or any other law, at the request of a lessee or as otherwise provided in this section, the commissioner of natural resources shall sell state property bordering public waters that is leased for the purpose of a private cabin under section 92.46. The commissioner may also sell other state property that is not necessary for public access to water and that has been included in plats of state property

authorized for sale under this section. Requests for sale must be made prior to December 31, 1992, and the commissioner shall complete all requested sales and sales arising from those requests by December 31, 1993, subject to subdivision 3, clause (d). The sale shall be made in accordance with laws providing for the sale of trust fund land except as modified by the provisions of this section. In 1990 and 1991 a request for sale may be withdrawn by a lessee at any time more than ten days before the day set for a sale. Property withdrawn from sale by its lessee is not subject to sale under this section until the lessee makes another request. Property withdrawn from sale shall continue to be governed by other law.

Sec. 6. Laws 1986, chapter 449, section 6, is amended to read:

Sec. 6. [REPEALER.]

Minnesota Statutes 1990, sections ~~2~~ 92.67 and ~~3 of this act~~ 92.68, are repealed on ~~July 1, 1992~~ January 1, 1994.

Sec. 7. [STATE LAND CONVEYANCE; LAKE.]

(a) Notwithstanding Minnesota Statutes, sections 282.14 to 282.21, the commissioner of natural resources, on behalf of the state, shall convey the land described in paragraph (c) to the town board of the town of Lake in Roseau county for no consideration.

(b) The conveyance must be in a form approved by the attorney general and must provide that the land reverts to the state if the land is not used for the purposes described in paragraph (d).

(c) The land to be conveyed is located in Roseau county, contains 32.33 acres, more or less, and is described as Lot 2 in Section 27, Township 163 North, Range 37 West.

(d) The described property is located adjacent to the town hall property. The town desires to expand its town hall and to manage and use the remaining property in its natural state or as a park.

Sec. 8. [EFFECTIVE DATE.]

Section 7 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; allowing sales of certain state lands to be held in counties adjacent to the county where the land is located; allowing the commissioner of natural resources to sell certain state lands bordering public waters; transferring state land by private sale to the town board of the town of Lake in Roseau

county; amending Minnesota Statutes 1990, sections 92.03, subdivision 1; 92.12, subdivision 4; 92.13; 92.14; 92.67, subdivision 1; and Laws 1986, chapter 449, section 6."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1359, A bill for an act relating to housing; requiring counseling for reverse mortgage loans; providing penalties; amending Minnesota Statutes 1990, section 47.58, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 20, delete everything after the period

Page 1, delete lines 21 and 22

Page 1, line 23, delete everything before the period and insert "A failure by the lender to comply with this act results in a $1,000 civil penalty payable to the mortgagor"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1377, A bill for an act relating to the city of Richfield; authorizing the city to advance money to the commissioner of transportation to expedite construction of a frontage road within the city; authorizing an agreement between the commissioner and the city; authorizing the city to issue bonds and requiring the commissioner to pay interest on the bonds up to a certain amount.

Reported the same back with the following amendments:

Page 1, line 15, after "commissioner" insert "of transportation"

Page 1, line 21, delete "Before entering into the contract, the" and insert "The"

Page 1, line 22, after "commissioner's" insert "six-year highway improvement"

Page 1, line 23, after "requirements" insert "before the city and the commissioner may enter into the contract"

Page 2, line 32, delete "of transportation"

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

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1442, A bill for an act relating to transportation; creating a paratransit advisory council; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 171.01, is amended by adding a subdivision to read:

Subd. 24. [SPECIAL TRANSPORTATION SERVICE.] "Special transportation service" means motor vehicle transportation provided on a regular basis by a public or private entity or person that is designed primarily to serve individuals who are elderly, handicapped, or disabled and who are unable to use regular means of transportation but do not require ambulance service, as defined in section 144.801, subdivision 4. Special transportation service includes but is not limited to service provided by specially equipped buses, vans, and taxis.

Sec. 2. Minnesota Statutes 1990, section 171.02, subdivision 2, is amended to read:

Subd. 2. [DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class of license shall be valid to operate a motorcycle, school bus, special transportation service vehicle, tank vehicle, double-trailer or triple-trailer combination, vehicle trans-

porting hazardous materials, or bus, unless so endorsed. There shall be four general classes of licenses as follows:

(a) Class C; valid for:

(1) all farm trucks as defined in section 168.011, subdivision 17, operated by (i) the owner, (ii) an immediate family member of the owner, (iii) an employee of the owner not primarily employed to operate the farm truck, within 150 miles of the farm, or (iv) an employee of the owner employed during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the production site or on-farm storage site to any other location within 50 miles of that site;

(2) fire trucks and emergency fire equipment, whether or not in excess of 26,000 pounds gross vehicle weight, operated by a firefighter while on duty, or a tiller operator employed by a fire department who drives the rear portion of a midmount aerial ladder truck;

(3) recreational equipment as defined in section 168.011, subdivision 25, that is operated for personal use; and

(4) all single unit vehicles except vehicles with a gross vehicle weight of 26,001 or more pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials.

The holder of a class C license may also tow vehicles under 10,000 pounds gross vehicle weight.

(b) Class CC; valid for:

(1) operating class C vehicles;

(2) with a hazardous materials endorsement, transporting hazardous materials in class C vehicles; ~~and~~

(3) with a school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver; and

(4) with a special transportation service vehicle endorsement, operating a motor vehicle providing special transportation service.

(c) Class B; valid for all vehicles in class C, class CC, and all other single unit vehicles including, with a passenger endorsement, buses.

(d) Class A; valid for any vehicle or combination thereof.

Sec. 3. Minnesota Statutes 1990, section 171.10, subdivision 2, is amended to read:

Subd. 2. [ENDORSEMENTS ADDED.] (a) Any person, after applying for or receiving a driver's license and prior to the expiration year of the license, who wishes to have a motorcycle, school bus, special transportation service vehicle, tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement added to the license, shall, after taking the necessary examination, apply for a duplicate license and make payment of the proper fee.

(b) The examination for a special transportation service vehicle endorsement shall consist of proof of completion of training as required by the commissioner of transportation under section 174.30, and a criminal records check as required under section 5.

Sec. 4. Minnesota Statutes 1990, section 171.13, subdivision 5, is amended to read:

Subd. 5. [FEE FOR VEHICLE ENDORSEMENT.] Any person applying to secure a motorcycle, school bus, special transportation service vehicle, tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement on the person's driver's license shall pay a $2.50 examination fee at the place of application.

Sec. 5. [171.323] [SPECIAL TRANSPORTATION SERVICE DRIVERS.]

Subdivision 1. [DRIVER'S LICENSE WITH ENDORSEMENT REQUIRED.] No person shall drive a motor vehicle providing special transportation service without having a valid class A, class B, or class C driver's license with a special transportation service vehicle endorsement.

Subd. 2. [QUALIFICATIONS; RULES.] The commissioner of public safety shall prescribe rules governing the qualifications of individuals to drive motor vehicles providing special transportation services.

Subd. 3. [STUDY OF APPLICANT.] Before issuing or renewing a special transportation service vehicle endorsement, the commissioner shall conduct a criminal records check of the applicant. The commissioner may also conduct a records check at any time while a person is so licensed. The check shall consist of a criminal records check of the state criminal records repository. If the applicant has resided in Minnesota for less than five years, the records check shall also include a criminal records check of information from the state law enforcement agencies in the states where the applicant resided

during the five years before moving to Minnesota, and of the national criminal records repository including the criminal justice data communications network. The applicant's failure to cooperate with the commissioner in conducting a records check is reasonable cause to deny an application or cancel a special transportation vehicle endorsement. The commissioner may not release the results of a records check to any person except the applicant.

Sec. 6. [256B.74] [ADVISORY COUNCIL ON PARATRANSIT.]

Subdivision 1. [CREATION; MEMBERSHIP.] The regional transit board shall establish a paratransit advisory council under section 15.059, consisting of the following members:

(1) two members representing the regional transit board, appointed by the chair of the board;

(2) two members representing the department of human services, appointed by the commissioner of human services;

(3) one member representing the department of transportation, appointed by the commissioner of transportation;

(4) one member representing the metropolitan transit commission, appointed by the commission's chair;

(5) one member representing the council on disability, appointed by the council;

(6) one member representing nonprofit providers, appointed by the commissioner of human services;

(7) one member representing for-profit providers, appointed by the commissioner of human services;

(8) one member representing the senior community, appointed by the commissioner of human services;

(9) one member representing the metropolitan area, appointed by the chair of the metropolitan council; and

(10) two members representing users of paratransit, appointed by the chair of the board.

The council shall expire December 31, 1991.

Subd. 2. [ADMINISTRATION.] The regional transit board and the department of human services shall provide staff and administrative services for the council. The organizations whose representatives are listed in subdivision 1, clauses (4) to (8), shall provide

information, staff, and technical assistance for the council as needed.

Subd. 3. [STUDIES.] The council shall conduct a feasibility study of the consolidation and coordination of the existing metro mobility service trips with the existing department of human services medical assistance service trips in the metropolitan area. The council shall seek consultation from affected persons and organizations not represented by members appointed under subdivision 1, including but not limited to, day training and habilitation centers, nursing facilities, and intermediate care facilities for the mentally retarded.

Subd. 4. [REPORT.] The commissioner of human services and the chair of the regional transit board shall jointly submit their consolidation and coordination feasibility report and recommendations to the legislature and the governor not later than December 31, 1991.

Subd. 5. [DEFINITION.] For the purposes of this section, "metropolitan area" has the meaning given it in section 473.121, subdivision 2.

Sec. 7. [APPLICATION.]

Section 6 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to transportation; requiring endorsement on driver's license of driver of special transportation service vehicle; requiring applicant for the endorsement to be qualified and to undergo a background investigation; creating a paratransit advisory council; requiring a study and report; imposing a fee; amending Minnesota Statutes 1990, sections 171.01, by adding a subdivision; 171.02, subdivision 2; 171.10, subdivision 2; and 171.13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 171 and 256B."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rodosovich from the Committee on Redistricting to which was referred:

H. F. No. 1468, A bill for an act relating to elections; establishing additional standards for county and city redistricting plans regard-

ing population equality, protection of minority populations, and preservation of communities of interest; amending Minnesota Statutes 1990, sections 205.84, subdivision 1; and 375.025, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 204B.135, subdivision 2, is amended to read:

Subd. 2. [OTHER ELECTION DISTRICTS.] For purposes of this subdivision, "local government election district" means a county district, park and recreation district, school district, or soil and water conservation district. Local government election districts, other than city wards covered by subdivision 1, may not be redistricted until precinct boundaries are reestablished under section 204B.14, subdivision 3, paragraph (c), or by May 10 in a year ending in two, whichever comes first. When redistricting is required, election districts covered by this subdivision must be redistricted within 65 days of the time when the legislature has been redistricted or by June 1 in the year ending in two, whichever comes first.

Sec. 2. Minnesota Statutes 1990, section 205.84, is amended to read:

205.84 [WARDS IN CERTAIN CITIES.]

Subdivision 1. [GENERAL PROVISIONS.] In a statutory or home rule charter city electing council members by wards, wards shall be as equal in population as practicable and each ward shall be composed of compact, contiguous territory. No ward shall vary in population more than five percent from the average for all wards in the city, unless the result would force a voting precinct to be split. The wards must not dilute the voting strength of racial or language minority populations. Where a concentration of a racial or language minority population makes it possible, the wards must increase the probability that members of the minority will be elected. The wards should attempt to preserve communities of interest where that can be done in compliance with the preceding standards. Each council member shall be a resident of the ward for which elected~~, but a change in ward boundaries does not disqualify a council member from serving for the remainder of a term~~.

Subd. 2. [REDEFINING WARD BOUNDARIES.] This subdivision applies to statutory cities. The governing body of the city may by ordinance redefine ward boundaries after a municipal general election. The council shall hold a public hearing on the proposed ordinance before its adoption. One week's published notice of the

hearing shall be given. Within six months after the official certification of each federal decennial or special census, the governing body of the city shall either confirm the existing ward boundaries as conforming to the standards of subdivision 1 or redefine ward boundaries to conform to those standards. If the governing body of the city fails to take either action within the time required, no further compensation shall be paid to the mayor or council member until the wards of the city are either reconfirmed or redefined as required by this section. An ordinance establishing new ward boundaries shall apply to the first election held at least six months after adoption of the ordinance. All council members whose ward boundaries have changed must run for election at this time. Following redistricting of wards, the initial terms of the members to be elected from each ward must be determined by lot at a meeting of the city council, unless otherwise determined by a majority decision of the council.

Sec. 3. Minnesota Statutes 1990, section 375.025, subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] The redistricting plan in use in a county shall be used until a new plan is adopted in accordance with this section. Each county shall be divided into as many districts numbered consecutively as it has members of the county board. Commissioner districts shall be bounded by town, municipal, ward, or precinct lines. Each district shall be composed of contiguous territory as regular and compact in form as practicable, depending upon the geography of the county involved and shall be as nearly equal in population as possible. No district shall vary in population more than ~~ten~~ five percent from the average for all districts in the county, unless the result forces a voting precinct to be split. A majority of the least populous districts shall contain not less than a majority of the population of the county. The districts must not dilute the voting strength of racial or language minority populations. Where a concentration of a racial or language minority population makes it possible, the districts must increase the probability that members of the minority will be elected. The districts should attempt to preserve communities of interest where that can be done in compliance with the preceding standards. A county may be redistricted by the county board after each federal census. When it appears after a federal census that the districts of the county are not in accord with the standards set forth in this subdivision, the county shall be redistricted by the county board within the times set in section 204B.135, subdivision 2. Before acting to redistrict, the county board, or a redistricting commission if one is appointed, shall publish three weeks notice of its purpose, stating the time and place of the meeting where the matter will be considered, in the newspaper having the contract to publish the commissioners' proceedings for the county for the current year.

Sec. 4. Minnesota Statutes 1990, section 375.025, subdivision 4, is amended to read:

Subd. 4. [REDISTRICTING PLAN; ELECTION FOLLOWING REDISTRICTING.] A redistricting plan whether prepared by the county board or the redistricting commission shall be filed in the office of the county auditor. A redistricting plan shall be effective on the 31st day after filing unless a later effective date is specified but no plan shall be effective for the next election of county commissioners unless the plan is filed with the county auditor not less than 30 days before the first date candidates may file for the office of county commissioner. One commissioner shall be elected in each district who, at the time of the election, is a resident of the district. A person elected may hold the office only while remaining a resident of the commissioner district. The county board or the redistricting commission shall determine the number of members of the county board who shall be elected for two-year terms and for four-year terms to provide staggered terms on the county board. Unless a majority of the county board agrees, the county auditor shall publicly decide by lot at a meeting of the county board which districts shall have members elected for an initial two-year term of office. Thereafter, all commissioners shall be elected for four years. ~~When~~ If a county is redistricted, there shall be a new election of commissioners in ~~all~~ the districts whose boundaries have changed at the next general election ~~except that if the change made in the boundaries of a district is less than ten percent of the average of all districts of the county, the commissioner in office at the time of the redistricting shall serve for the full period for which elected~~."

Delete the title and insert:

"A bill for an act relating to elections; changing certain local government redistricting deadlines and procedures; establishing additional standards for city and county redistricting plans; amending Minnesota Statutes 1990, sections 204B.135, subdivision 2; 205.84; and 375.025, subdivisions 1 and 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to rule 9.03, H. F. No. 1468 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 1542, A bill for an act relating to motor vehicles; clarifying that engines may be replaced under certain conditions;

amending Minnesota Statutes 1990, sections 116.63, subdivision 3; and 325E.0951, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 116.63, subdivision 3, is amended to read:

Subd. 3. [ALTERATION.] A person may not materially alter or change any equipment or mechanism of a motor vehicle that has been certified to comply with the rules of the agency, so that the motor vehicle is no longer in compliance with those rules. This subdivision does not prohibit the replacement or rebuilding of an engine if: (1) the motor vehicle in which the engine is replaced is not subject to the inspection requirement in section 116.61; or (2) after the replacement the motor vehicle complies with section 2.

Sec. 2. [116.635] [EXCHANGED AND REBUILT ENGINES.]

(a) Except as provided in paragraph (b), a motor vehicle that is subject to the inspection requirement in section 116.61, and has had its engine rebuilt or exchanged, must comply with the emissions standards for the model year of the vehicle's engine or the model year of the vehicle's chassis, whichever year is earlier.

(b) Vehicles that have received an exchanged or rebuilt engine before August 1, 1991, must comply with the emissions standards for the year the engine was manufactured.

(c) If a vehicle with an exchanged or rebuilt engine is subject to inspection as required by section 116.61, the owner may submit to the person conducting the inspection reasonable proof:

(1) of the year the engine was manufactured; and

(2) that the engine was exchanged before August 1, 1991.

Proof of the engine year may be based on either the engine identification number or documentation provided by the vehicle owner. If the inspector determines that the engine was manufactured before the 1976 model year, the vehicle is exempt from the emissions inspection requirement. If the inspector determines that the vehicle meets the emissions standards for an exchanged or rebuilt engine as set forth in this section, the vehicle must be issued a certificate of compliance.

If the inspector is unable to determine the engine year by

reviewing the engine identification number or the owner is unable to provide documentation of the year the engine was manufactured, the vehicle is required to meet the emissions standards for the year of the chassis.

(d) Motor vehicles manufactured after the 1975 model year that have exchanged engines must have a catalytic converter and an unvented fuel cap if the engine was originally equipped with these devices.

Sec. 3. Minnesota Statutes 1990, section 325E.0951, subdivision 3, is amended *to read:*

Subd. 3. [REPAIRS.] This section does not prevent:

(1) the service, repair, or replacement of any air pollution control system; or

(2) the replacement or rebuilding of an engine if after the replacement or rebuilding the motor vehicle complies with the applicable standards and criteria adopted by the pollution control agency under section 116.62, subdivision 2, for the model year of the chassis.

Sec. 4. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to motor vehicles; clarifying that engines may be replaced under certain conditions; amending Minnesota Statutes 1990, sections 116.63, subdivision 3; and 325E.0951, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116."

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

The report was adopted.

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

H. F. No. 1591, A bill for an act relating to health; establishing health and safety standards for residential care home; requiring licenses; imposing penalties; amending Minnesota Statutes 1990, sections 144A.51, subdivision 5; 144A.53, subdivision 1; and

157.031, subdivisions 2, 3, 4, and 9; proposing coding for new law as Minnesota Statutes, chapter 144B; repealing Minnesota Statutes 1990, section 157.031, subdivision 5.

Reported the same back with the following amendments:

Page 3, line 16, delete everything after the comma and insert: "where adult residents are provided sleeping accommodations and two or more meals per day and where supportive services are provided or offered to all residents by the facility. A "residential care home" does not include:

(1) a board and lodging establishment licensed under chapter 157 and also licensed by the commissioner of human services under chapter 245A;

(2) a boarding care home or a supervised living facility licensed under chapter 144;

(3) a home care provider licensed under chapter 144A; and

(4) any housing arrangement which consists of apartments containing a separate kitchen or kitchen equipment that will allow residents to prepare meals and where supportive services may be provided, on an individual basis, to residents in their living units either by the management of the residential care home or by home care providers under contract with the home's management."

Page 3, delete lines 17 and 18

Page 3, line 21, delete "social"

Page 3, line 22, delete "and recreational opportunities,"

Page 3, line 24, delete "cleaning rooms,"

Page 3, line 25, delete everything after the first comma and insert "and personal shopping assistance."

Page 4, delete section 5

Page 6, line 26, delete "of" and insert "or"

Page 6, line 29, delete "operational control of" and insert "legal responsibility to operate"

Page 14, after line 7, insert:

"Sec. 19. [144B.17] [ADVISORY WORK GROUP.]

The commissioner shall convene a work group to advise, consult with, and make recommendations to the commissioner regarding the development of rules required under sections 3 to 18. The work group must include consumers and providers of the services described in sections 3 to 18 and other interested parties."

Page 15, after line 17, insert:

"Sec. 24. Minnesota Statutes 1990, section 256I.04, is amended by adding a subdivision to read:

Subd. 3. [MORATORIUM ON THE DEVELOPMENT OF NEGOTIATED RATE BEDS.] County agencies shall not enter into agreements for new general assistance or Minnesota supplemental aid negotiated rate beds except: (1) for adult foster homes licensed by the commissioner of human services under Minnesota Rules, parts 9555.5105 to 9555.6265, or facilities licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, provided the foster home or facility is needed to meet the census reduction targets for persons with mental retardation or related conditions at regional treatment centers; (2) to ensure compliance with the federal Omnibus Budget Reconciliation Act alternative disposition plan requirements for inappropriately placed persons with mental retardation or related conditions or mental illness; or (3) to allow up to eight additional general assistance or Minnesota supplemental aid negotiated rate facility beds for adult foster homes licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, provided the beds serve persons with developmental disabilities and are located in Todd county. Agreements for new beds are subject to the approval of the commissioner. This moratorium expires January 1, 1992.

Sec. 25. [REPORT TO THE LEGISLATURE.]

By February 1, 1992, the commissioner shall report to the legislature on the implementation of sections 3 to 18. This report must include a description of the provisions included in rules required under sections 3 to 18, and an estimate of the expected fiscal impact to the state of adopting those rules."

Renumber the sections and proposed coding in sequence

Correct internal references

Amend the title as follows:

Page 1, line 4, after the second semicolon insert "requiring a report; setting a temporary bed moratorium;"

Page 1, line 6, delete "and"

Page 1, line 7, after the semicolon insert "and 256I.04, by adding a subdivision;"

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

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1635, A bill for an act relating to waste management; requiring counties to prepare and amend solid waste management plans; requiring counties and solid waste facilities to develop and implement problem materials management plans; prohibiting issuance and renewal of certain permit if plans are not developed and implemented; requiring the governor to submit a biennial policy report to the legislature on energy and the environment; amending Minnesota Statutes 1990, sections 115A.03, subdivision 24a; 115A.46, subdivisions 1 and 2; 115A.956; 115A.96, subdivision 6; 116.07, subdivisions 4j and 4k; 473.149, subdivision 1; and 473.803, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116D; repealing Minnesota Statutes 1990, section 116D.07.

Reported the same back with the following amendments:

Pages 2 to 4, delete sections 2 and 3

Page 5, delete lines 10 to 28

Page 6, lines 20 and 21, delete "sections 115A.956, subdivision 3, and" and insert "section"

Page 6, line 31, delete "new"

Page 6, lines 34 and 35, delete "within the state of Minnesota"

Page 7, line 12, delete "plans" and insert "plan"

Page 7, line 13, delete "subdivisions 2 and 3" and insert "subdivision 2"

Page 8, line 3, delete "May 15, 1994" and insert "September 30, 1993"

Pages 13 to 16, delete sections 10 and 11

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete lines 3 to 5

Page 1, line 6, delete "plans;"

Page 1, line 11, delete everything after the semicolon

Page 1, line 12, delete "subdivisions 1 and 2;"

Page 1, line 13, after the first semicolon insert "and" and delete "473.149,"

Page 1, line 14, delete everything before "proposing"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

S. F. No. 81, A bill for an act relating to towns; clarifying certain provisions for the terms of town supervisor; providing for the compensation of certain town officers and employees; amending Minnesota Statutes 1990, sections 367.03, subdivision 1; and 367.05, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 171.06, subdivision 4, is amended to read:

Subd. 4. [APPLICATION, FILING.] Any applicant for an instruction permit, a driver's license, restricted license, or duplicate license may file an application with a court administrator of the district court or at a state office. The administrator or state office shall receive and accept the application. To cover all expenses involved in receiving, accepting, or forwarding to the department applications and fees, the court administrator of the district court may retain a

county fee of ~~$1~~ $3 for each application for a Minnesota identification card, instruction permit, duplicate license, driver license, or restricted license. The amount allowed to be retained by the court administrator of the district court shall be paid into the county treasury and credited to the general revenue fund of the county. Before the end of the first working day following the final day of an established reporting period, the court administrator shall forward to the department all applications and fees collected during the reporting period, less the amount herein allowed to be retained for expenses. The court administrators of the district courts may appoint agents to assist in accepting applications, but the administrators shall require every agent to forward to the administrators by whom the agent is appointed all applications accepted and fees collected by the agent, except that an agent may retain one-half of the ~~$1~~ $3 county fee to cover the agent's expenses involved in receiving, accepting or forwarding the applications and fees. The court administrators shall be responsible for the acts of agents appointed by them and for the forwarding to the department of all applications accepted and those fees collected by agents and by themselves as are required to be forwarded to the department.

Sec. 2. Minnesota Statutes 1990, section 272.46, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATION OF TAX LIENS.] The county auditor, upon written application of any person, shall make search of the records of the auditor's office, and ascertain the existence of all tax liens and tax sales as to any lands described in the application, and certify the result of such search under the auditor's hand and official seal, giving the description of the land and all tax liens and tax sales shown by such records, and the amount thereof, the year of tax covered by such lien, the date of tax sale, and the name of the purchaser at such tax sale.

For such service the county auditor shall charge a fee ~~not to exceed $5~~ for each lot or tract of land described in the certificate. The amount of the fee will be established by the county board on or before July 1 of each year. Any number of contiguous tracts of land not exceeding one section, assessed as broad acres, or adjoining lots in the same block, in the city, shall be considered as one lot or parcel within the meaning of this section. The provisions of this section shall not apply to counties having a population of more than 225,000.

Sec. 3. Minnesota Statutes 1990, section 272.47, is amended to read:

272.47 [COUNTY TREASURER, CERTIFICATE OF CURRENT TAXES; FEE.]

The county treasurer, upon written application of any person,

shall make search of the tax duplicates and records of the treasurer's office and ascertain the amount of current tax against any lot or parcel of land described in the application, and shall certify the result of such search under the treasurer's hand and official seal, giving the description of land, year of tax and amount, if any, and for such certificate the treasurer shall be entitled to charge the applicant a fee ~~not to exceed $5~~. The amount of the fee will be established by the county board on or before July 1 of each year. The definition of "lot or parcel," for the purposes of this section, shall be the same as set forth in section 272.46.

This section shall not authorize such treasurer to charge any amount for certifying to taxes on a deed to be recorded or for information with reference to the current tax on any subdivision of land in the county, where no certificate thereof is necessary or required. The provisions of this section shall not apply to counties having a population of more than 200,000.

Sec. 4. Minnesota Statutes 1990, section 279.09, is amended to read:

279.09 [PUBLICATION OF NOTICE AND LIST.]

The county auditor shall cause the notice and list of delinquent real property to be published ~~once in each of two consecutive weeks~~ twice in the newspaper designated~~,~~. The first publication ~~of which~~ shall be made on or before March 20 immediately following the filing of such list with the court administrator of the district court. The second publication shall occur during the fourth week following the first publication. The first publication may include a notice stating that if taxes for a parcel are paid in full not less than one week before the second publication, that parcel and information relating to it will not appear in the second publication. The county auditor shall act in accordance with the notice. Publication charges for the second publication may not exceed the publication charges for the first publication. The auditor shall deliver such list to the publisher of the newspaper designated, at least 20 days before the date upon which the list shall be published for the first time.

Sec. 5. Minnesota Statutes 1990, section 281.13, is amended to read:

281.13 [NOTICE OF EXPIRATION OF REDEMPTION.]

Every person holding a tax certificate after expiration of three years after the date of the tax sale under which the same was issued, may present such certificate to the county auditor; and thereupon the auditor shall prepare, under the auditor's hand and official seal, a notice, directed to the person or persons in whose name such lands are assessed, specifying the description thereof, the amount for which the same was sold, the amount required to redeem the same,

exclusive of the costs to accrue upon such notice, and the time when the redemption period will expire. If, at the time when any tax certificate is so presented, such lands are assessed in the name of the holder of the certificate, such notice shall be directed also to the person or persons in whose name title in fee of such land appears of record in the office of the county recorder. The auditor shall deliver such notice to the party applying therefor, who shall deliver it to the sheriff of the proper county for service. Within 20 days after receiving it, the sheriff shall serve such notice upon the persons to whom it is directed, if to be found in the sheriff's county, in the manner prescribed for serving a summons in a civil action; if not so found, then upon the person in possession of the land, and make return thereof to the auditor. In the case of land held in joint tenancy the notice shall be served upon each joint tenant. If one or more of the persons to whom the notice is directed cannot be found in the county, and there is no one in possession of the land, of each of which facts the return of the sheriff so specifying shall be prima facie evidence, service shall be made upon those persons that can be found and service shall also be made by ~~three~~ two weeks' published notice, proof of which publication shall be filed with the auditor.

When the records in the office of the county recorder show that any lot or tract of land is encumbered by an unsatisfied mortgage or other lien, and show the post office address of the mortgagee or lienee, or if the same has been assigned, the post office address of the assignee, the person holding such tax certificate shall serve a copy of such notice upon such mortgagee, lienee, or assignee by certified mail addressed to such mortgagee, lienee, or assignee at the post office address of the mortgagee, lienee, or assignee as disclosed by the records in the office of the county recorder, at least 60 days prior to the time when the redemption period will expire.

The notice herein provided for shall be sufficient if substantially in the following form:

"NOTICE OF EXPIRATION OF REDEMPTION

Office of the County Auditor

County of ....., State of Minnesota.

To .....

You are hereby notified that the following described piece or parcel of land, situated in the county of ....., and State of Minnesota, and known and described as follows: ...., is now assessed in your name; that on the ..... day of May, ..., at the sale of land pursuant to the real estate tax judgment, duly given and made in and by the district court in and for said county of

....., on the ..... day of March, ..., in proceedings to enforce the payment of taxes delinquent upon real estate for the year ..... for said county of ...., the above described piece or parcel of land was sold for the sum of $....., and the amount required to redeem such piece or parcel of land from such sale, exclusive of the cost to accrue upon this notice, is the sum of $....., and interest at the rate of ..... percent per annum from said ..... day of ....., ..., to the day such redemption is made, and that the tax certificate has been presented to me by the holder thereof, and the time for redemption of such piece or parcel of land from such sale will expire 60 days after the service of this notice and proof thereof has been filed in my office.

Witness my hand and official seal this ..... day of ....., ...

.....

(OFFICIAL SEAL)

County Auditor of

..... County, Minnesota."

Sec. 6. Minnesota Statutes 1990, section 281.23, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION.] As soon as practicable after the posting of the notice prescribed in subdivision 2, the county auditor shall cause to be published for ~~three~~ two successive weeks in the official newspaper of the county, the notice prescribed by subdivision 2.

Sec. 7. Minnesota Statutes 1990, section 367.03, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS, TERMS.] Except in towns operating under option A, three supervisors shall be elected in each town as provided in this section. When a new town is organized and supervisors are elected at a town meeting prior to the annual town election, they shall serve only until the next annual town election. At that election three supervisors shall be elected, one for three years, one for two years, and one for one year, so that the term of one shall expire each year. The number of years for which each is elected shall be indicated on the ballot. When two supervisors are to be elected for three-year terms under option A, a candidate shall indicate on the affidavit of candidacy which of the two offices the candidate is filing for. At following annual town elections one supervisor shall be elected for three years to succeed the one whose term expires at that time and shall serve until a successor is elected

and qualified. Except in towns operating under option B or option D, or both, at the annual town election in even-numbered years one town clerk and at the annual town election in odd-numbered years one town treasurer shall be elected. The clerk and treasurer each shall serve for two years and until their successors are elected and qualified.

Sec. 8. Minnesota Statutes 1990, section 367.05, subdivision 1, is amended to read:

Subdivision 1. The town board shall set the compensation of supervisors, town assessors, the treasurer, clerk, deputy clerk, if one is employed, ~~the road overseer~~ deputy treasurer, if one is employed, and other employees of the town. In addition, supervisors, assessors, treasurers, clerks, deputy clerks, ~~road overseers~~ deputy treasurers, and other employees of the town shall be entitled to mileage for the use of their own automobile at a rate to be determined by the town board for necessary travel on official town business. The town board may fix the hours of employment for town employees, and reimburse a town assessor for expenses.

Sec. 9. Minnesota Statutes 1990, section 375.17, is amended to read:

375.17 [PUBLICATION OF FINANCIAL STATEMENTS.]

Annually, not later than the first Tuesday after the first Monday in March, the county board shall make a full and accurate statement of the receipts and expenditures of the preceding year, which shall contain a statement of the assets and liabilities, a summary of receipts, disbursements, and balances of all county funds together with a detailed statement of each fund account, under the form and style prescribed by and on file with the state auditor. The prescribed form and any changes or modifications of it shall so far as practical be uniform for all counties and be approved by the attorney general and the state printer. Before June 1 the board shall publish the statement or a summary of the statement in a form as prescribed by the state auditor, for one issue in a duly qualified legal newspaper in the county. ~~The board may refrain from publishing an itemized account of amounts paid out, to whom and for what purpose to the extent that the published proceedings of the county board contain the information, if all disbursements aggregating $5,000 or more to any person are set forth in a schedule of major disbursements showing amounts paid out, to whom and for what purpose and are made a part of, and published with, the financial statement. The county board may refrain from publishing the names and amounts of salaries and expenses paid to employees but shall publish the totals of disbursements for salaries and expenses. The county board may refrain from publishing the names of persons receiving poor relief or direct relief and the amounts paid to each, but the totals of the disbursements for those purposes must be published.~~ In addition

to the publication in the newspaper designated by the board as the official newspaper for publication of the financial statement, the statement or summary shall be published in one other newspaper, if one of general circulation is located in a different municipality in the county than the official newspaper. The county board shall call for separate bids for each publication. If the county board elects to publish the full statement, the county board may:

(1) refrain from publishing an itemized account of amounts paid out, to whom and for what purpose to the extent that the published proceedings or the financial statement of the county board contain the information, if all disbursements aggregating $100 or more to any person are set forth in a schedule of major disbursements showing amounts paid out, to whom and for what purpose and are made part of, and published with the financial statement;

(2) refrain from publishing the names and amounts of salaries and expenses paid to employees but shall publish the totals of disbursements for salaries and expenses; and

(3) refrain from publishing the names of persons receiving poor relief or direct relief and the amounts paid to each, but the totals of disbursements for those purposes must be published. If a provision of this section is inconsistent with section 393.07, the provisions of that section shall prevail. The financial statement must be filed with the county auditor for public inspection.

Sec. 10. Minnesota Statutes 1990, section 375B.03, is amended to read:

375B.03 [ESTABLISHMENT OF SERVICE DISTRICTS.]

Notwithstanding any provision of law requiring uniform property tax rates on real or personal property within the county, any county in this state, except a metropolitan county as defined in section 473.121, subdivision 4, ~~and any other county containing a city of the first class,~~ may establish subordinate service districts to provide and finance any governmental service or function which it is otherwise authorized to undertake. A function or service to be provided shall not include a function or service which the county generally provides throughout the county unless an increase in the level of the service is to be supplied in the service district.

Sec. 11. [383D.09] [AUDITOR; TREASURER; RECORDER.]

Subdivision 1. The Dakota county board of commissioners may, by resolution, merge the offices of county treasurer and county auditor. The board may provide, by resolution, that the office of county recorder shall not be elective but shall be filled by appointment by

the county board as provided in this section. These offices will be referred to as treasurer/auditor and property records.

Subd. 2. As provided by a resolution by the Dakota county board of commissioners and subject to subdivisions 3 and 4, the duties of the elected county treasurer and county auditor required by statute shall be combined and performed by one elected official to be referred to as the county treasurer/auditor. The treasurer/auditor shall perform all duties required by statute to be performed by either a county treasurer or auditor and shall be elected in the manner as provided by statute for those officials. A vacancy in the office of treasurer/auditor shall be filled in accordance with section 375.08.

Upon adoption of a resolution by the Dakota county board of commissioners and subject to subdivisions 3 and 4, the duties of the elected county recorder whose office is made appointive under this section shall be discharged by the board of commissioners acting through a department head appointed by the board for that purpose. The appointed department head shall serve at the pleasure of the board. The board may reorganize, consolidate, reallocate, or delegate the duties to promote efficiency in county government. A reorganization, reallocation, or delegation or other administrative change or transfer shall not impair the discharge of duties required by statute to otherwise be performed by a county recorder.

Subd. 3. The persons elected to be county treasurer, county auditor, and county recorder at the last county general election preceding action under this section shall serve in those capacities and perform their duties, functions, and responsibilities until the completion of the term of office to which each was elected, or until a vacancy occurs in the office, whichever occurs earlier.

Subd. 4. The county board, before action as permitted by subdivision 2 and before any appointment permitted by subdivision 1 or 2, but after adopting a resolution permitted by subdivision 1 or 2, shall publish the resolution once each week for two consecutive weeks in the official publication of the county. The resolution may be implemented without the submission of the question to the voters of the county, unless within 21 days after the second publication of the resolution a petition requesting a referendum, signed by at least 15 percent of the voters in the county voting in the last general election, is filed with the county auditor. If a petition is filed, the resolution may be implemented unless disapproved by a majority of the voters of the county, voting on the question at a regular or special election.

Sec. 12. Minnesota Statutes 1990, section 465.79, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF BOUNDARY COMMISSION.] The bound-

ary commission shall review ~~metes and bounds~~ property descriptions within the city. Upon notice to all known parties in interest, the commission shall attempt to establish agreements between adjoining landowners as to the location of common boundaries as delineated by a certified land survey. If agreement cannot be reached, the commission shall make a recommendation as to the location of the common boundary. The commission shall prepare a plan designating all agreed and recommended boundary lines and report to the city council.

Sec. 13. Minnesota Statutes 1990, section 465.79, subdivision 4, is amended to read:

Subd. 4. [JUDICIAL REVIEW.] Following hearing, the council may petition the district court for judicial approval of the proposed plan. If any affected parcel is land registered under chapter 508 or 508A, the petition must be referred to the examiner of titles for a report. The council shall provide sufficient information to identify all parties in interest and shall give notice to parties in interest as the court may order. The court shall determine the location of any contested, disputed, or unagreed boundary and shall determine adverse claims to each parcel as provided in chapter 559. After hearing and determining all disputes, the court shall issue its judgment in the form of a plat complying with chapter 505 and an order designating the owners and encumbrancers of each lot. Real property taxes need not be paid or current as a condition of filing the plat, notwithstanding the requirements of section 505.04.

Sec. 14. Minnesota Statutes 1990, section 471.562, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY.] "Municipality" means any city, however organized, a county, a housing and redevelopment authority created pursuant to, or exercising the powers contained in, chapter 462, or a port authority created pursuant to, or exercising the powers contained in, chapter 458.

Sec. 15. Minnesota Statutes 1990, section 471.563, is amended to read:

471.563 [USES OF LOAN REPAYMENTS.]

Subject to any restrictions imposed on their use by any related federal or state grant, economic development loan repayments and the proceeds of any bonds issued pursuant to section 471.564 may be applied by a municipality to any of the following purposes:

(1) to finance or otherwise pay the costs of a project;

(2) to pay principal and interest on any bonds issued pursuant to

section 469.178, with respect to a project, certification of which is requested before August 1, 1987, or pursuant to chapter 474, 458, 462, or section 471.564, to purchase insurance or other credit enhancement for any of those obligations or to create or maintain reserves therefor; ~~or~~

(3) to establish and maintain a revolving loan fund for economic development; or

(4) for any other purpose authorized by law.

If economic development loan repayments are used to pay principal or interest on any such obligations, the municipality may be reimbursed for the amount so applied with interest not exceeding the rate of interest on the obligations from subsequent collections of taxes or other revenues that had been designated as the primary source of payment of the obligations.

Sec. 16. [473.140] [LEGISLATIVE MEMBERS OF METROPOLITAN AGENCIES.]

Subdivision 1. [APPLICATION.] This section applies to the following agencies or their successor agencies: the metropolitan council; the regional transit board; the metropolitan transit commission; the metropolitan waste control commission; the metropolitan sports facilities commission; the metropolitan airports commission; and the metropolitan mosquito control commission.

Subd. 2. [LEGISLATIVE MEMBERSHIP.] One member of the house of representatives and one member of the senate, appointed by the customary appointing authority of each house, serve as nonvoting members of the agency. The legislative members of the regional transit board shall also serve as members of the advisory committee created in section 473.3991.

Subd. 2a. [EXCLUSION.] Agency provisions relating to member qualifications, terms of office, removal by the council for cause, vacancies, and compensation do not apply to legislative members of the agency.

Sec. 17. Minnesota Statutes 1990, section 473.303, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] (a) The commission shall consist of ~~eight~~ ten members, plus a chair appointed as provided in subdivision 3.

(b) The metropolitan council shall appoint ~~the~~ eight members in accordance with the provisions of section 473.141.

(c) Two members are legislators, one member of the house of representatives and one member of the senate, appointed by the customary appointing authority of each house. The provisions of subdivisions 4, 4a, 5, and 6 do not apply to the legislative members of the commission.

Sec. 18. Minnesota Statutes 1990, section 473.303, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The chair of the commission shall be appointed by the council and shall be the ~~ninth~~ 11th member of the commission and shall meet all qualifications established for members, except the chair need only reside within the metropolitan area. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Sec. 19. Minnesota Statutes 1990, section 473.3991, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The committee consists of:

(1) two members of the governing board of each regional railroad authority that applies for and receives state funding for preliminary engineering of light rail transit facilities;

(2) one member, in addition to those under clause (1), of the governing board of the Hennepin county regional railroad authority;

(3) one member of the governing board of each regional railroad authority not represented under clause (1) that applies for and receives state funding for planning of light rail transit facilities;

(4) two members of the metropolitan transit commission; ~~and~~

(5) the commissioner of transportation or an employee of the department designated by the commissioner; and

(6) two legislators, one member of the house of representatives and one member of the senate, appointed to the transit board under section 16.

Appointments under clauses (1) to (3) are made by the respective authorities, and appointments under clause (4) are made by the commission. The regional transit board shall make the appointment for any appointing authority that fails to make the required appointments. Members serve at the pleasure of the agency making the appointment.

Sec. 20. Minnesota Statutes 1990, section 473.3991, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] The regional transit board shall provide staff and administrative services for the committee. The organizations represented on the committee, other than the legislature, shall provide information, staff, and technical assistance for the committee as needed.

Sec. 21. Minnesota Statutes 1990, section 473.553, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The chair shall be appointed by the governor with the advice and consent of the senate as the seventh voting member and shall meet all of the qualifications of a member, except the chair need only reside outside the metropolitan area. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Sec. 22. Minnesota Statutes 1990, section 473.604, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The commission consists of:

(1) the mayor of each of the cities, or a qualified voter appointed by the mayor, for the term of office as mayor;

(2) a number of members appointed from precincts equal or nearest to but not exceeding half the number of districts which are provided by law for the selection of members of the metropolitan council in section 473.123. Each member shall be a resident of the precinct represented. The members shall be appointed by the governor as follows: a number as near as possible to one-fourth, for a term of one year; a similar number for a term of two years; a similar number for a term of three years; and a similar number for a term of four years, all of which terms shall commence on July 1, 1981. The successors of each member shall be appointed for four-year terms commencing in July of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult with each member of the legislature from the precinct for which the member is to be appointed, to solicit the legislator's recommendation on the appointment;

(3) four members appointed from outside of the metropolitan area to reflect fairly the various regions and interests throughout the state that are affected by the operation of the commission's major airport and airport system. Two of these members must be residents

of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as a key airport. The other two must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as an intermediate airport. The members must be appointed by the governor as follows: one for a term of one year, one for a term of two years, one for a term of three years, and one for a term of four years. All of the terms start on July 1, 1989. The successors of each member must be appointed to four-year terms commencing on July 1 of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult each member of the legislature representing the municipality or county from which the member is to be appointed, to solicit the legislator's recommendation on the appointment; and

(4) a chair appointed by the governor for a term of four years, with the advice and consent of the senate as provided in section 15.066. The chair may be removed at the pleasure of the governor.

Sec. 23. Minnesota Statutes 1990, section 505.02, subdivision 1, is amended to read:

Subdivision 1. The land shall be surveyed and a plat made setting forth and naming all thoroughfares, showing all public grounds, and giving the dimensions of all lots, thoroughfares and public grounds. All in-lots shall be numbered by beginning the numbering with number one and numbering each lot progressively, through the block in which they are situated, all blocks shall be numbered progressively, by beginning the numbering with the number one and numbering each block progressively through each plat. Consecutive lot or block numbering shall not be continued from one plat into another. All outlots shall be designated by alphabetical order beginning with outlot "A" in each plat. Durable iron monuments shall be set at all angle and curve points on the outside boundary lines of the plat and also at all block and lot corners and at all intermediate points on the block and lot lines indicating changes of direction in the lines and witness corners. The plat shall indicate that all monuments have been set or will be set within one year after recording, or sooner as specified by the approving local governmental unit. A financial guarantee may be required for the placement of monuments. There shall be shown on the plat all survey and mathematical information and data necessary to locate all monuments and to locate and retrace any and all interior and exterior boundary lines appearing thereon. The outside boundary lines of the plat shall be correctly designated on the plat and shall show bearings on all straight lines, or angles at all angle points, and central angle and radii and arc length for all curves. All distances shall be shown between all monuments as measured to the nearest hundredth of a foot. All lot distances shall be shown on the plat to the nearest hundredth of a foot and all curved lines within the plat

shall show central angles, radii and arc distances. If a curved line constitutes the line of more than one lot in any block of a plat, the central angle for that part of each lot on the curved line shall be shown. The width of all thoroughfares shall be shown on the plat. Ditto marks shall not be used on the plat for any purpose. In any instance where a river, stream, creek, lake or pond constitutes a boundary line within or of the plat, a survey line shall be shown with bearings or angles and distances between all angle points and their relation to a water line, and all distances measured on the survey line between lot lines shall be shown, and the survey line shall be shown as a dashed line. The outside boundary lines of the plat shall close by latitude and departure with an error not to exceed one foot in 7,500 feet. All rivers, streams, creeks, lakes, ponds, swamps, and all public highways and thoroughfares laid out, opened, or traveled (existing before the platting) shall be correctly located and plainly shown and designated on the plat. The name and adjacent boundary lines of any adjoining platted lands shall be dotted on the plat.

Sec. 24. Minnesota Statutes 1990, section 505.03, subdivision 1, is amended to read:

Subdivision 1. On the plat shall be written an instrument of dedication, which shall be signed and acknowledged by the owner of the land. All signatures on the plat shall be written with black ink (not ball point). The instrument shall contain a full and accurate description of the land platted and set forth what part of the land is dedicated, and also to whom, and for what purpose these parts are dedicated. The surveyor shall certify on the plat that the plat is a correct representation of the survey, that all distances are correctly shown on the plat, that all monuments have been or will be correctly placed in the ground as shown or stated, and that the outside boundary lines are correctly designated on the plat. If there are no wet lands or public highways to be designated in accordance with section 505.02, the surveyor shall so state. The certificate shall be sworn to before any officer authorized to administer an oath. The plat shall, except in cities whose charters provide for official supervision of plats by municipal officers or bodies, together with an abstract and certificate of title, be presented for approval to the council of the city or town board of towns wherein there reside over 5,000 people in which the land is located; and, if the land is located outside the limits of any city, or such town, then to the board of county commissioners of the county in which the land is located.

Sec. 25. [NEW BRIGHTON; GRANULAR CARBON.]

The city of New Brighton may contract for the procurement, installation, removal, and treatment of granular activated carbon to be used in a water treatment facility for the treatment of contaminated water for potable consumption without complying with Minnesota Statutes, section 574.26, if the city first determines by

resolution that requiring a performance bond will result in no bids or economically disadvantageous bids.

Sec. 26. Laws 1988, chapter 719, article 16, section 1, subdivision 3, is amended to read:

Subd. 3. [SPECIAL SERVICES.] "Special services" means the following services rendered or contracted for by the city:

(1) snow and ice removal;

(2) sweeping and cleaning sidewalks, curbs, gutters, streets, and alleys;

(3) litter, poster, and handbill removal;

(4) construction, repair, operation, and maintenance of sidewalks, curbs, gutters, bus shelters, parking facilities, lighting, benches, chairs, tables, telephone booths, traffic signs, fire hydrants, newsstands, kiosks, trash receptacles, utility connections, marquees, awnings, canopies, display cases, information booths, and banners;

(5) landscaping, planting, repair, maintenance, and care of trees, shrubs, bushes, flowers, grass, and other decorative materials;

(6) security personnel, equipment, and systems;

(7) approval and supervision of special activities;

(8) insurance; and

(9) administration, coordination, studies, and preparation of designs.

Special service district funds may be used to pay operating costs of a neighborhood business association composed of a majority of owners or operators of businesses located within the district.

Sec. 27. [COUNTY OF SWIFT; CITY OF BENSON: REORGANIZATION OF JOINT POWERS HOSPITAL.]

Subdivision 1. [AUTHORIZATION.] Any hospital organized and operating under a joint powers agreement between the county of Swift and the city of Benson may be reorganized and operate pursuant to the provisions of this act, upon compliance with subdivision 2.

Subd. 2. [REORGANIZATION.] In order to effect a reorganization, the existing governing body of the hospital shall file its request for

reorganization with the county board of the county of Swift and the city council of the city of Benson and the county board and city council shall then at their next regular meetings consider the establishment of a hospital district under sections 27 to 40. Upon the adoption of resolutions by each political subdivision stating that the reorganization is effective and assigning a name to the hospital district the creation of the hospital district shall be effected.

Subd. 3. [REORGANIZATION; DISSOLUTION.] After a hospital district is organized under sections 27 to 40 upon approval by the city and the county, it may reorganize and operate under and pursuant to Minnesota Statutes, sections 447.31 to 447.50; or it may be dissolved in accordance with Minnesota Statutes, section 447.38, provided that in that event the county and the city shall be deemed to be the governmental subdivisions that may petition for dissolution and upon dissolution one-third of the assets of the district shall be conveyed to the city and two-thirds shall be conveyed to the county.

Subd. 4. [POLITICAL SUBDIVISION.] For the purpose of laws applicable to political subdivisions, the hospital district shall be a political subdivision but shall not have taxing authority.

Sec. 28. [HOSPITAL BOARD; APPOINTMENT; TERMS.]

Subdivision 1. [GOVERNING BOARD.] The hospital district shall be governed by a board of directors of at least nine and not more than 12 voting members, elected as provided in subdivision 2. All members of the hospital board at the time the hospital district is organized shall continue in office until the members of the first board of the hospital district are elected and qualify.

Subd. 2. [ELECTION.] Three directors shall be elected by the city council and six directors shall be elected by the county board. Up to three additional voting members and additional nonvoting members may be provided for in bylaws adopted pursuant to section 31, subdivision 5. As nearly as possible, one-third of the members of the first board of directors shall be elected for a term to expire one year from the next December 31 following that election, one-third for a term to expire two years from that date, and one-third for a term to expire three years from that date. Each of the political subdivisions electing directors shall assign terms of office to each director according to these staggered terms. Successors to the first board members shall each be elected for terms of three years, and all members shall hold office until their successors are elected and qualify. Terms of office shall expire on December 31. In case of vacancy on the board of directors, whether due to death, removal from the district, inability to serve, resignation, removal by the entity that elected the director, or other cause, the majority of the governing body of the entity that elected the director whose position

is vacant shall elect a director to fill such vacancy for the then unexpired term.

Subd. 3. [COMPENSATION.] The members of the board of directors may receive compensation for their services as such and may be reimbursed for reasonable expenses necessarily incurred in the performance of their duties to the extent provided for in bylaws adopted pursuant to section 31, subdivision 5.

Subd. 4. [IMMUNITY FROM LIABILITY.] Except as otherwise provided in this subdivision, no person who serves without compensation as a member of the board of directors shall be held civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as a member of the board, and did not constitute willful or reckless misconduct. This subdivision does not apply to:

(1) an action or proceeding brought by the attorney general for a breach of a fiduciary duty as a director;

(2) a cause of action to the extent it is based on federal law; or

(3) a cause of action based on the board member's express contractual obligation.

Nothing in this subdivision shall be construed to limit the liability of a member of the board for physical injury to the person of another or for wrongful death which is personally and directly caused by the board member.

For purposes of this subdivision, the term "compensation" means any thing of value received for services rendered, except:

(1) reimbursement for expenses actually incurred;

(2) a per diem in an amount not to exceed the per diem authorized for state advisory councils and committees pursuant to Minnesota Statutes, section 15.059, subdivision 3; or

(3) payment by the hospital district of insurance premiums on behalf of a member of the board.

Sec. 29. [OFFICERS OF THE BOARD.]

Subdivision 1. [OFFICES; ELECTION.] At the first meeting of the board of directors of the hospital district, and at each first regular meeting after December 31, the board shall elect, from their number, a chair, a vice-chair, a secretary, and a treasurer. Each officer elected at the first regular meeting after December 31 shall hold office for one year, and until the officer's successor has been

duly elected and qualified. In case of vacancy in any office the chair shall appoint a member to fill the vacancy until the next regular election of officers.

Subd. 2. [DUTIES.] The officers shall have the duties specified in this subdivision and additional duties as set forth in bylaws adopted in accordance with section 31, subdivision 5. The chair shall preside at all meetings of the board of directors and shall perform all duties usually incumbent upon such an officer. The vice-chair shall preside in the absence of the chair. The secretary shall record the minutes of all meetings of the board and be the custodian of all books and records of the district. The treasurer shall be the custodian of money received by the district and shall see that they are properly accounted for. The board may appoint deputies who shall perform any functions and duties of any officer, subject to the supervision and control of the officer.

Sec. 30. [MEETINGS OF THE BOARD.]

Regular meetings of the board of directors shall be held at least quarterly and more frequently as provided in bylaws of the hospital district, at the time and place as the board shall by resolution determine. The meetings may be held at any time upon the call of the chair or of any two other members, upon written notice mailed to each member three days prior to the meeting, or upon other notice as the board, by resolution or according to bylaws adopted by the board of directors, may provide, or without notice, if each member is present or files with the secretary a written consent to the holding of the meeting, which consent may be filed before or after the meeting. Any action within the authority of the board may be taken by the vote of a majority of the members present at a regular or adjourned meeting or at a duly called special meeting if a quorum is present. A majority of all the members of the board shall constitute a quorum, but a lesser number may meet and adjourn from time to time.

Sec. 31. [THE HOSPITAL DISTRICT AND ITS POWERS.]

Subdivision 1. [AUTHORITY; STATUS; PREEXISTING OBLIGATION.] The hospital district shall have perpetual succession, may contract and be contracted with, may sue and be sued, may, but shall not be required to, use a corporate seal, may acquire real and personal property as it may require, within or without the district, by purchase, gift, devise, lease, condemnation, or otherwise, and may hold, manage, control, sell, convey, or otherwise dispose of such property as its interests require. All of the assets, real and personal, of the preexisting hospital organization owned by the county and the city, doing business as Swift County-Benson Hospital, shall pass to the hospital district in fee title or by lease, and all legally valid and enforceable claims and contract obligations of the preexisting hospital organization shall be assumed by the city of Benson and county

of Swift. All taxable property in the district shall continue to be taxable for the payment of any bonded debt previously incurred by the preexisting hospital or by the city of Benson or the county of Swift on behalf of the preexisting hospital. Any properties, real, personal, or mixed, which are acquired, owned, leased, controlled, used, or occupied by the district shall be exempt from general property taxation by the state or any of its political subdivisions, but nothing in this act shall prevent the levy of special assessments for public improvements benefiting the property.

Subd. 2. [BUDGET.] The board of directors shall adopt a budget for each ensuing year and shall provide the budget to the city council and the county board prior to the beginning of the year to which the budget applies. The city council and county board may consider the budget and provide their comments and recommendations to the board of directors.

Subd. 3. [POWERS.] The hospital district shall have all the powers necessary and convenient to provide for the acquisition, betterment, operation, maintenance, and administration for the hospital, including nursing home, other facilities for the residential occupancy of ambulatory elderly citizens who do not require nursing home or general hospital care and related programs, as the board of directors shall determine to be necessary and expedient. The enumeration of specific powers herein does not restrict the power of the board to take any lawful action which, in the reasonable exercise of its discretion, it deems necessary or convenient for the furtherance of the purpose for which the district exists, whether or not the power to take the action is implied from any of the powers expressly granted. These powers shall include, but not be limited to, the power to:

(1) employ management, administrative, nursing, and other personnel, legal counsel, engineers, architects, accountants, and other qualified persons, who may be paid for their services by monthly salaries, hourly wages, and pension benefits, or by fees as may be agreed on;

(2) cause reports, plans, studies, and recommendations to be prepared;

(3) when acquiring real and personal property as authorized in subdivision 1, contract for the acquisition by option, contract for deed, conditional sales contract, or otherwise;

(4) construct, equip, and furnish necessary buildings and grounds and maintain the same;

(5) adopt bylaws and rules and regulations to govern the operation and administration of any and all hospital, nursing home, and other facilities under its control, and for the admission of persons thereto;

(6) impose and collect charges for all services and facilities provided and made available by it;

(7) borrow money and issue bonds as prescribed in this act;

(8) procure insurance against liability of the district or its officers and employees, or both, for torts committed within the scope of their official duties, whether governmental or proprietary, or for errors and omissions, and against damage to or destruction of any of its facilities, equipment, or other property;

(9) subject to subdivision 4, sell or lease any of its facilities or equipment as may be expedient;

(10) cause annual audits to be made of its accounts, books, vouchers, and funds by competent public accountants; this provision shall be construed to be mandatory;

(11) require a corporate surety bond from officers and employees of the district, and in the amount the board shall determine, and authorize payment of the premiums therefor; or

(12) provide loans to students as provided in Minnesota Statutes, section 447.331.

Subd. 4. [APPROVAL FOR SALE OR LEASE.] Nothing contained in this section shall be construed to authorize the district or its board of directors to at any time sell, lease, or otherwise transfer the management, control, or operation of the hospital, including nursing home or other facilities, except upon approval by a majority vote of the county board and the city council.

Subd. 5. [BYLAWS.] Bylaws shall be adopted to further govern the operation of the hospital district. Bylaws or any amendment or repeal of them, shall first be adopted by the board of directors, but shall not take effect until approved by the county board and the city council. Bylaws may address any subject matter pertinent to the organization and operation of the hospital district consistent with sections 31 to 40 and other applicable laws.

Sec. 32. [PAYMENT OF EXPENSES.]

Expenses of acquisition, betterment, administration, operation, and maintenance of the hospital district shall be paid from the revenue derived therefrom and, to the extent authorized by this act, from the proceeds of debt incurred for the benefit of the district, and to the extent determined from time to time by the county board or the city council, from appropriations made by the county board or the city council. Money appropriated by the board of county commissioners and the city council to acquire or improve facilities of the

hospital district may be transferred in the discretion of the board of directors to a sinking fund for bonds issued for that purpose. The hospital board may agree to repay to the county and the city any sums appropriated by the county board or the city council for this purpose, out of the net revenues to be derived from operation of its facilities, and subject to the terms agreed on.

Sec. 33. [TEMPORARY BORROWING AUTHORITY.]

Subdivision 1. [CERTIFICATES OF INDEBTEDNESS.] Subject to the approval of the city and the county, the hospital district may borrow money by issuing certificates of indebtedness in anticipation of revenues and federal aids. Total indebtedness for the certificates must not exceed $50,000. The proceeds must be used for expenses of administration, operation, and maintenance of the district's hospital, nursing home, or other facilities. The approval of the city and county shall be effected by an affirmative vote of their respective governing bodies.

Subd. 2. [RESOLUTION.] The district may authorize and borrow and issue the certificates of indebtedness on passage of a resolution specifying the amount and reasons for borrowing. The resolution must be adopted by a vote of at least two-thirds of its board members, excluding board members who may not vote. The board shall fix the amount, date, maturity, form, denomination, and other details of the certificates and the date and place for receipt of bids for their purchase. The board shall direct the secretary to give notice of the date and place fixed.

Subd. 3. [TERMS OF CERTIFICATES.] Certificates must become due and payable no later than two years from the date of issuance. Certificates must be negotiable and payable to the order of the payee and have a definite due date but may be payable on or before the due date. Certificates must be sold for at least par and accrued interest and must bear interest at not more than eight percent a year. Interest must be payable at maturity or earlier as the board determines. The proceeds of current county or city appropriations, revenues derived from the facilities of the district and future federal aids, and any other district funds that become available must be applied to the extent necessary to repay the certificates.

Sec. 34. [HOSPITALS, NURSING HOMES, AND OTHER FACILITIES; FINANCING AND LEASING.]

Subdivision 1. [FINANCING.] Subject to the approval of the city and the county, the hospital district may issue revenue bonds by resolution of its governing body to finance the acquisition and betterment of hospital, nursing home, and other facilities. This power is in addition to other powers granted by law and includes, but is not limited to, the payment of interest during construction and for a reasonable period after construction and the establishment

of reserves for bond payment and for working capital. The approval of the city and county shall be effected by an affirmative vote of their respective governing bodies. In connection with the acquisition of any existing hospital or nursing home facilities, the city, county, or district may retire outstanding indebtedness incurred to finance the construction of the existing facilities.

Subd. 2. [PLEDGE OF REVENUE.] The hospital district may pledge and appropriate the revenues to be derived from its operation of the facilities to pay the principal and interest on the bonds when due and to create and maintain reserves for that purpose, as a first and prior lien on the revenues or, if so provided in the bond resolution, as a lien on the revenues subordinate to the current payment of a fixed amount or percentage or all of the costs of running the facilities.

Sec. 35. [SECURITY FOR BONDS; PLEDGE OF CREDIT FOR BONDS.]

In the issuance of bonds the revenues or rentals must be pledged and appropriated by resolution for the use and benefit of bondholders generally, or may be pledged by the execution of an indenture or other appropriate instrument to a trustee for the bondholders. The site and facilities, or any part of them, may be mortgaged to the trustee. The governing body may enter into any covenants with the bondholders or trustee that it finds necessary and proper to assure the marketability of the bonds, the completion of the facilities, the segregation of the revenues or rentals and other funds pledged, and the sufficiency of funds for prompt and full payment of bonds and interest. The bonds shall be deemed to be payable wholly from the income of a revenue-producing convenience within the meaning of Minnesota Statutes, section 475.58, unless the appropriate governing body also pledges to their payment the full faith and credit of the county or city. In this event, notice of the intent to issue bonds with a pledge of the full faith and credit of the county or city specifying the maximum amount and the purpose of the bond issue shall be published and if, within ten days of the date of publication, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular election is filed with the secretary, the bonds may not be issued unless approved by a majority of the electors voting on the question at a legal election.

Sec. 36. [MISCELLANEOUS PROVISIONS.]

Bonds issued under sections 31 to 38 must be issued and sold as provided in Minnesota Statutes, chapter 475. If the bonds do not pledge the credit of the hospital district as provided in section 35, the governing body may negotiate their sale without advertisement for bids. They shall not be included in the net debt of any municipality or county, and are not subject to interest rate limitations, as

defined or referred to in Minnesota Statutes, sections 475.51 and 475.55.

Sec. 37. [LEASE OF FACILITIES TO NONPROFIT OR PUBLIC CORPORATION.]

Subject to section 31, subdivision 4, the hospital district may lease hospital, nursing home, or other facilities to be run by a nonprofit or public corporation as community facilities. The facilities must be open to all residents of the community on equal terms. The district may lease related medical facilities to any person, firm, association, or corporation, at rent and on conditions agreed. The term of the lease must not exceed 30 years. The lessee may be granted an option to renew the lease for an additional term or to purchase the facilities. The terms of renewal or purchase must be provided for in the lease. The hospital district may by resolution of its governing body agree to pay to the lessee annually, and to include in each annual budget for hospital and nursing home purposes, a fixed compensation for services agreed to be performed by the lessee in running the hospital, nursing home, or other facilities as a community facility; for any investment by the lessee of its own funds or funds granted or contributed to it in the construction or equipment of the hospital, nursing home, or other facilities; and for any auxiliary services to be provided or made available by the lessee through other facilities owned or operated by it. Services other than those provided for in the lease agreement may be compensated at rates agreed upon later. The lease agreement must, however, require the lessee to pay a net rental not less than the amount required to pay the principal and interest when due on all revenue bonds issued by the hospital district to acquire, improve, and refinance the leased facilities, and to maintain the agreed revenue bond reserve. The lease agreement must not grant the lessee an option to purchase the facilities at a price less than the amount of the bonds issued and interest accrued on them, except bonds and accrued interest paid from the net rentals before the option is exercised.

To the extent that the facilities are leased under this section for use by persons in private medical or dental or similar practice or other private business, a tax on that use must be imposed just as though the user were the owner of the space. It must be collected as provided in Minnesota Statutes, section 272.01, subdivision 2.

Sec. 38. [REFUNDING BONDS.]

The county, city, or hospital district may issue bonds by resolution of its governing body to refund bonds issued for the purposes stated in sections 27 to 40.

Sec. 39. [SWIFT COUNTY.]

The county of Swift may make appropriations in whatever amount it deems appropriate for capital acquisition, capital improvements, maintenance, and operating subsidy for a hospital district created under this act and any other hospital in the county notwithstanding Minnesota Statutes, sections 376.08 and 376.09 or any other limiting statutes or laws otherwise applicable to the county. The county may also guarantee any indebtedness incurred by or on behalf of the hospital and pledge its full faith and credit in support of it.

Sec. 40. [CITY OF BENSON.]

The city of Benson may make appropriations in whatever amount it deems appropriate for the purposes of capital acquisition, capital improvements, maintenance, and operating subsidy for a hospital district created under this act notwithstanding any limiting statutes or laws otherwise applicable to the city. The city may also guarantee any indebtedness incurred by or on behalf of the hospital and pledge its full faith and credit in support of it.

Sec. 41. [POWERS SUPPLEMENTARY.]

The powers granted by sections 27 to 40 are supplementary to and not in substitution for any other powers possessed by political subdivisions in connection with the acquisition, betterment, administration, operation, and maintenance of hospitals, nursing homes, and related facilities and programs or the creation of hospital districts.

Sec. 42. [KOOCHICHING COUNTY; ENTERPRISE ZONE.]

Notwithstanding Minnesota Statutes, section 469.167, subdivision 3, the commissioner of trade and economic development shall designate up to 400 acres in Koochiching county as an enterprise zone under sections 469.166 to 469.173. The applicant must submit an application to the commissioner containing at a minimum documentation required by section 469.169, subdivisions 1; 2, clauses (2), (3), (5), (6), and (7); and 5. The area designated must meet requirements of section 469.168, subdivisions 1, 2, and 3.

The application and application review procedures shall not comply with the provisions of Minnesota Statutes, sections 469.168, subdivision 4; 469.169, subdivisions 2, clauses (1) and (4); 3; 4; and 6.

Sec. 43. [APPLICATION.]

Sections 16 to 22 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 44. [REPEALER.]

Minnesota Statutes 1990, sections 383C.33; 383C.331; 383C.332; 383C.333; 383C.334; 383C.335; 383C.336; 383C.337; 383C.338; 383C.34, are repealed.

Sec. 45. [EFFECTIVE DATE.]

Sections 7 and 8 are effective the day after final enactment. Section 11 is effective the day after the Dakota county board complies with Minnesota Statutes, section 645.021, subdivision 3. Section 25 is effective the day after the governing body of the city of New Brighton complies with section 645.021, subdivision 3. Section 26 is effective the day after the governing body of the city of Minneapolis complies with section 645.021, subdivision 3. Sections 27 to 41 are effective the day after the county board of Swift county and the governing body of the city of Benson comply with section 645.021, subdivision 3. Section 44 is effective the day after the county board of St. Louis county complies with section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to local government; setting fees; providing for certain publications and notices; setting conditions for town officers; requiring boundary information; permitting certain accounts; providing for members of metropolitan bodies; providing certain county and city powers; amending Minnesota Statutes 1990, sections 171.06, subdivision 4; 272.46, subdivision 1; 272.47; 279.09; 281.13; 281.23, subdivision 3; 367.03, subdivision 1; 367.05, subdivision 1; 375.17; 375B.03; 465.79, subdivisions 2 and 4; 471.562, subdivision 3; 471.563; 473.303, subdivisions 2 and 3; 473.3991, subdivisions 2 and 4; 473.553, subdivision 3; 473.604, subdivision 1; 505.02, subdivision 1; 505.03, subdivision 1; Laws 1988, chapter 719, article 16, section 1, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 383D and 473; repealing Minnesota Statutes 1990, sections 383C.33; 383C.331; 383C.332; 383C.333; 383C.334; 383C.335; 383C.336; 383C.337; 383C.338; and 383C.34."

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

S. F. No. 368, A bill for an act relating to motor vehicles; requiring

the appointment of officers of statutory and home rule charter cities as deputy registrars in certain circumstances; amending Minnesota Statutes 1990, section 168.33, subdivision 2.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 64, 654, 1226, 1323, 1359, 1442, 1542 and 1635 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 81 and 368 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Ostrom, Bodahl, Thompson, Lourey and Nelson, S., introduced:

H. F. No. 1664, A bill for an act relating to local government aids; establishing a separate local government aid formula for cities with a population less than 1,000; amending Minnesota Statutes 1990, sections 477A.011, subdivisions 1a, 15, 20, and by adding subdivisions; and 477A.013, by adding a subdivision.

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

SPECIAL ORDERS

H. F. No. 592 was reported to the House.

Rodosovich moved that H. F. No. 592 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 425, A bill for an act relating to state lands; directing sale of two tracts of state-owned land in St. Louis county.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olson, K.	Smith
Anderson, I.	Frerichs	Knickerbocker	Omann	Solberg
Anderson, R.	Garcia	Koppendrayer	Onnen	Sparby
Anderson, R. H.	Girard	Krinkie	Orenstein	Stanius
Battaglia	Goodno	Krueger	Orfield	Steensma
Bauerly	Greenfield	Leppik	Osthoff	Sviggum
Beard	Gruenes	Lieder	Ostrom	Swenson
Begich	Gutknecht	Limmer	Ozment	Thompson
Bertram	Hanson	Long	Pauly	Tompkins
Bettermann	Hartle	Lynch	Pellow	Trimble
Bishop	Hasskamp	Macklin	Pelowski	Tunheim
Blatz	Haukoos	Mariani	Peterson	Uphus
Bodahl	Hausman	Marsh	Pugh	Valento
Boo	Heir	McEachern	Reding	Vellenga
Brown	Henry	McGuire	Rest	Wagenius
Carlson	Hufnagle	McPherson	Rice	Waltman
Carruthers	Hugoson	Milbert	Rodosovich	Weaver
Clark	Jacobs	Morrison	Rukavina	Wejcman
Cooper	Janezich	Munger	Runbeck	Welker
Dauner	Jefferson	Murphy	Sarna	Welle
Davids	Jennings	Nelson, K.	Schafer	Wenzel
Dawkins	Johnson, A.	Nelson, S.	Scheid	Winter
Dempsey	Johnson, R.	Newinski	Schreiber	Spk. Vanasek
Dille	Johnson, V.	O'Connor	Seaberg	
Dorn	Kahn	Ogren	Segal	
Erhardt	Kalis	Olsen, S.	Simoneau	
Farrell	Kelso	Olson, E.	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 980, A bill for an act relating to the legislature; authorizing joint legislative commissions to issue subpoenas; amending Minnesota Statutes 1990, section 3.153.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Carruthers	Dorn	Gruenes
Anderson, I.	Bettermann	Clark	Erhardt	Gutknecht
Anderson, R.	Bishop	Cooper	Farrell	Hanson
Anderson, R. H.	Blatz	Dauner	Frederick	Hartle
Battaglia	Bodahl	Davids	Frerichs	Hasskamp
Bauerly	Boo	Dawkins	Garcia	Haukoos
Beard	Brown	Dempsey	Girard	Hausman
Begich	Carlson	Dille	Greenfield	Heir

Henry	Leppik	Ogren	Rodosovich	Tompkins
Hufnagle	Lieder	Olsen, S.	Rukavina	Trimble
Hugoson	Limmer	Olson, E.	Runbeck	Tunheim
Jacobs	Long	Olson, K.	Sarna	Uphus
Janezich	Lynch	Omann	Schafer	Valento
Jaros	Macklin	Onnen	Scheid	Vellenga
Jefferson	Mariani	Orenstein	Schreiber	Wagenius
Jennings	Marsh	Orfield	Seaberg	Waltman
Johnson, A.	McEachern	Osthoff	Segal	Weaver
Johnson, R.	McGuire	Ostrom	Simoneau	Wejcman
Johnson, V.	McPherson	Ozment	Skoglund	Welker
Kahn	Milbert	Pauly	Smith	Welle
Kalis	Morrison	Pellow	Solberg	Wenzel
Kelso	Munger	Pelowski	Sparby	Winter
Kinkel	Murphy	Peterson	Stanius	Spk. Vanasek
Knickerbocker	Nelson, K.	Pugh	Steensma	
Koppendrayer	Nelson, S.	Reding	Sviggum	
Krinkie	Newinski	Rest	Swenson	
Krueger	O'Connor	Rice	Thompson	

The bill was passed and its title agreed to.

S. F. No. 539 was reported to the House.

Bishop moved to amend S. F. No. 539, as follows:

Page 1, line 19, delete "raise a rebuttable presumption" and insert "permit an inference"

Page 1, after line 20, insert "Evidence of an agreement between the supplier and a competitor of the reseller fixing a specific price or price level is not required to establish a prima facie case of violation of section 325D.51."

Amend the title accordingly

Stanius moved that S. F. No. 539 be re-referred to the Committee on Judiciary.

A roll call was requested and properly seconded.

The question was taken on the Stanius motion and the roll was called. There were 54 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Abrams	Boo	Frerichs	Haukoos	Knickerbocker
Anderson, R.	Davids	Girard	Heir	Koppendrayer
Anderson, R. H.	Dempsey	Goodno	Henry	Krinkie
Bettermann	Dille	Gruenes	Hufnagle	Leppik
Bishop	Erhardt	Gutknecht	Hugoson	Limmer
Blatz	Frederick	Hartle	Johnson, V.	Lynch

Macklin	Omann	Runbeck	Stanius	Valento
McPherson	Onnen	Schafer	Sviggum	Waltman
Morrison	Ozment	Schreiber	Swenson	Weaver
Newinski	Pauly	Seaberg	Tompkins	Welker
Olsen, S.	Pellow	Smith	Uphus	

Those who voted in the negative were:

Anderson, I.	Garcia	Krueger	Olson, E.	Simoneau
Battaglia	Greenfield	Lasley	Olson, K.	Skoglund
Bauerly	Hanson	Lieder	Orenstein	Solberg
Beard	Hasskamp	Long	Osthoff	Sparby
Begich	Hausman	Lourey	Ostrom	Steensma
Bertram	Jacobs	Mariani	Pelowski	Thompson
Bodahl	Janezich	Marsh	Peterson	Trimble
Brown	Jaros	McEachern	Pugh	Tunheim
Carlson	Jefferson	McGuire	Reding	Vellenga
Carruthers	Jennings	Milbert	Rest	Wagenius
Clark	Johnson, A.	Munger	Rice	Wejcman
Cooper	Johnson, R.	Murphy	Rodosovich	Welle
Dauner	Kahn	Nelson, K.	Rukavina	Wenzel
Dawkins	Kalis	Nelson, S.	Sarna	Winter
Dorn	Kelso	O'Connor	Scheid	Spk. Vanasek
Farrell	Kinkel	Ogren	Segal	

The motion did not prevail.

Stanius moved that S. F. No. 539 be returned to General Orders.

A roll call was requested and properly seconded.

The question was taken on the Stanius motion and the roll was called. There were 54 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Hugoson	Newinski	Smith
Anderson, R.	Frerichs	Johnson, V.	Olsen, S.	Stanius
Anderson, R. H.	Girard	Knickerbocker	Omann	Sviggum
Bettermann	Goodno	Koppendrayer	Onnen	Swenson
Bishop	Gruenes	Krinkie	Ozment	Tompkins
Blatz	Gutknecht	Leppik	Pauly	Uphus
Boo	Hartle	Limmer	Pellow	Valento
Davids	Haukoos	Lynch	Runbeck	Waltman
Dempsey	Heir	Macklin	Schafer	Weaver
Dille	Henry	Marsh	Schreiber	Welker
Erhardt	Hufnagle	McPherson	Seaberg	

Those who voted in the negative were:

Anderson, I.	Carlson	Garcia	Jefferson	Krueger
Battaglia	Carruthers	Greenfield	Jennings	Lasley
Bauerly	Clark	Hanson	Johnson, A.	Lieder
Beard	Cooper	Hasskamp	Johnson, R.	Long
Begich	Dauner	Hausman	Kahn	Lourey
Bertram	Dawkins	Jacobs	Kalis	Mariani
Bodahl	Dorn	Janezich	Kelso	McEachern
Brown	Farrell	Jaros	Kinkel	McGuire

Milbert	Olson, E.	Pugh	Segal	Tunheim
Morrison	Olson, K.	Reding	Simoneau	Vellenga
Munger	Orenstein	Rest	Skoglund	Wagenius
Murphy	Orfield	Rice	Solberg	Wejcman
Nelson, K.	Osthoff	Rodosovich	Sparby	Welle
Nelson, S.	Ostrom	Rukavina	Steensma	Wenzel
O'Connor	Pelowski	Sarna	Thompson	Winter
Ogren	Peterson	Scheid	Trimble	Spk. Vanasek

The motion did not prevail.

The question recurred on the Bishop amendment to S. F. No. 539. The motion prevailed and the amendment was adopted.

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

S. F. No. 539, A bill for an act relating to commerce; restraint of trade; providing an evidentiary presumption in resale price maintenance cases; proposing coding for new law in Minnesota Statutes, chapter 325D.

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 84 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Krueger	Olson, E.	Solberg
Anderson, I.	Frederick	Lasley	Olson, K.	Sparby
Battaglia	Garcia	Leppik	Orenstein	Steensma
Bauerly	Greenfield	Lieder	Orfield	Swenson
Beard	Hanson	Long	Osthoff	Thompson
Begich	Hasskamp	Lourey	Ostrom	Trimble
Bertram	Hausman	Mariani	Pelowski	Tunheim
Bishop	Jacobs	Marsh	Peterson	Uphus
Bodahl	Janezich	McEachern	Pugh	Vellenga
Brown	Jaros	McGuire	Rice	Wagenius
Carlson	Jefferson	Milbert	Rodosovich	Weaver
Carruthers	Jennings	Munger	Rukavina	Wejcman
Clark	Johnson, A.	Murphy	Sarna	Welle
Cooper	Johnson, R.	Nelson, K.	Scheid	Wenzel
Dauner	Kahn	Nelson, S.	Segal	Winter
Dawkins	Kelso	O'Connor	Simoneau	Spk. Vanasek
Dorn	Kinkel	Ogren	Skoglund	

Those who voted in the negative were:

Anderson, R.	Erhardt	Haukoos	Knickerbocker	Morrison
Anderson, R. H.	Frerichs	Heir	Koppendrayer	Newinski
Bettermann	Girard	Henry	Krinkie	Olsen, S.
Blatz	Goodno	Hufnagle	Limmer	Omann
Boo	Gruenes	Hugoson	Lynch	Onnen
Davids	Gutknecht	Johnson, V.	Macklin	Ozment
Dille	Hartle	Kalis	McPherson	Pauly

Pellow	Schreiber	Stanius	Valento
Runbeck	Seaberg	Sviggum	Waltman
Schafer	Smith	Tompkins	Welker

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

The Speaker called Krueger to the Chair.

H. F. No. 592 which was temporarily laid over earlier today was again reported to the House.

Brown moved that H. F. No. 592 be returned to General Orders. The motion prevailed.

H. F. No. 1201, A bill for an act relating to local government; permitting police and fire civil service commissions to expand certified lists in certain circumstances; amending Minnesota Statutes 1990, sections 419.06; and 420.07.

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 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Segal
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Simoneau
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Skoglund
Anderson, R. H.	Girard	Krinkie	Omann	Smith
Battaglia	Goodno	Krueger	Onnen	Solberg
Bauerly	Greenfield	Lasley	Orenstein	Sparby
Beard	Gutknecht	Leppik	Orfield	Stanius
Begich	Hanson	Lieder	Osthoff	Steensma
Bertram	Hartle	Limmer	Ostrom	Swenson
Bettermann	Hasskamp	Long	Ozment	Thompson
Bishop	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Henry	Mariani	Peterson	Uphus
Brown	Hufnagle	Marsh	Pugh	Valento
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	Milbert	Rice	Waltman
Cooper	Jaros	Morrison	Rodosovich	Weaver
Dauner	Jefferson	Munger	Rukavina	Wejcman
Davids	Jennings	Murphy	Runbeck	Welker
Dawkins	Johnson, A.	Nelson, K.	Sarna	Welle
Dille	Johnson, R.	Nelson, S.	Schafer	Wenzel
Dorn	Johnson, V.	Newinski	Scheid	Winter
Erhardt	Kahn	O'Connor	Schreiber	Spk. Vanasek
Farrell	Kalis	Ogren	Seaberg	

Those who voted in the negative were:

McPherson Sviggum

The bill was passed and its title agreed to.

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

The Speaker resumed the Chair.

H. F. No. 540 was reported to the House.

Stanius offered an amendment to H. F. No. 540.

POINT OF ORDER

Skoglund raised a point of order pursuant to rule 3.09 that the Stanius amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

The bill was read for the third time and placed upon its final passage.

The Speaker called Krueger to the Chair.

POINT OF ORDER

Osthoff raised a point of order pursuant to section 102 of "Mason's Manual of Legislative Procedure" relating to a member having the right to speak only once on a question. Speaker pro tempore Krueger ruled the point of order not well taken.

Begich moved that H. F. No. 540 be returned to General Orders.

A roll call was requested and properly seconded.

The question was taken on the Begich motion and the roll was called. There were 79 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Beard	Bodahl	Dorn	Gruenes
Anderson, R.	Begich	Boo	Erhardt	Gutknecht
Anderson, R. H.	Bertram	Cooper	Frederick	Hartle
Battaglia	Bettermann	Davids	Girard	Hasskamp
Bauerly	Blatz	Dille	Goodno	Haukoos

Heir	Krinkie	Murphy	Reding	Swenson
Hufnagle	Krueger	Nelson, S.	Rodosovich	Thompson
Hugoson	Lasley	Newinski	Rukavina	Tompkins
Jacobs	Lieder	Olson, E.	Runbeck	Uphus
Janezich	Limmer	Omann	Schafer	Valento
Jennings	Lourey	Onnen	Schreiber	Waltman
Johnson, R.	Lynch	Ostrom	Smith	Weaver
Johnson, V.	Macklin	Ozment	Sparby	Welker
Kalis	Marsh	Pellow	Stanius	Wenzel
Kinkel	McEachern	Pelowski	Steensma	Winter
Koppendrayer	McPherson	Peterson	Sviggum	

Those who voted in the negative were:

Abrams	Hanson	McGuire	Osthoff	Solberg
Bishop	Hausman	Milbert	Pauly	Trimble
Brown	Henry	Morrison	Pugh	Tunheim
Carlson	Jefferson	Munger	Rest	Vellenga
Carruthers	Johnson, A.	Nelson, K.	Rice	Wagenius
Clark	Kahn	O'Connor	Sarna	Wejcman
Dauner	Kelso	Ogren	Scheid	Welle
Dawkins	Knickerbocker	Olsen, S.	Seaberg	Spk. Vanasek
Farrell	Leppik	Olson, K.	Segal	
Garcia	Long	Orenstein	Simoneau	
Greenfield	Mariani	Orfield	Skoglund	

The motion prevailed and H. F. No. 540 was returned to General Orders.

Long moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Gruenes moved that the name of Smith be added as an author on H. F. No. 1663. The motion prevailed.

Simoneau moved that H. F. No. 897, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Reding moved that H. F. No. 401, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Bauerly moved that H. F. No. 1330 be returned to its author. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:30 p.m., Monday, April 29, 1991. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and Speaker pro tempore Krueger declared the House stands adjourned until 2:30 p.m., Monday, April 29, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives