

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FORTY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 1, 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 Monsignor James D. Habiger, House Chaplain.

The roll was called and the following members were present:

Abrams	Frerichs	Kinkel	Olson, E.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Smith
Anderson, R.	Girard	Koppendrayner	Omann	Solberg
Anderson, R. H.	Goodno	Krinkie	Onnen	Sparby
Battaglia	Greenfield	Krueger	Orenstein	Stanius
Bauerly	Gruenes	Lasley	Orfield	Steensma
Beard	Gutknecht	Leppik	Osthoft	Svigum
Begich	Hanson	Lieder	Ostrom	Swenson
Bertram	Hartle	Limmer	Ozment	Thompson
Bettermann	Hasskamp	Long	Pauly	Tompkins
Bishop	Haukoos	Lourey	Pellow	Trimble
Blatz	Hausman	Lynch	Pelowski	Tunheim
Bodahl	Heir	Mariani	Peterson	Uphus
Boo	Henry	Marsh	Pugh	Valento
Brown	Hufnagle	McEachern	Reding	Vellenga
Carlson	Hugoson	McGuire	Rest	Wagenius
Carruthers	Jacobs	McPherson	Rice	Waltman
Cooper	Janezich	Milbert	Rodosovich	Weaver
Dauner	Jaros	Morrison	Rukavina	Wejzman
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	
Frederick	Kelso	Olsen, S.	Simoneau	

A quorum was present.

Macklin was excused until 3:25 p.m. Clark was excused until 6:30 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Hanson moved that further reading of the Journal be dispensed

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

REPORTS OF CHIEF CLERK

S. F. No. 83 and H. F. No. 64, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dauner moved that the rules be so far suspended that S. F. No. 83 be substituted for H. F. No. 64 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 84 and H. F. No. 65, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dauner moved that S. F. No. 84 be substituted for H. F. No. 65 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 226 and H. F. No. 826, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lynch moved that the rules be so far suspended that S. F. No. 226 be substituted for H. F. No. 826 and that the House File be indefinitely postponed. *The motion prevailed.*

S. F. No. 460 and H. F. No. 556, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Frederick moved that the rules be so far suspended that S. F. No. 460 be substituted for H. F. No. 556 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 588 and H. F. No. 647, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Solberg moved that the rules be so far suspended that S. F. No. 588 be substituted for H. F. No. 647 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 593 and H. F. No. 612, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Smith moved that the rules be so far suspended that S. F. No. 593 be substituted for H. F. No. 612 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 765 and H. F. No. 823, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lynch moved that the rules be so far suspended that S. F. No. 765 be substituted for H. F. No. 823 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 800 and H. F. No. 1121, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Stanis moved that the rules be so far suspended that S. F. No. 800 be substituted for H. F. No. 1121 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 880 and H. F. No. 1038, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sparby moved that the rules be so far suspended that S. F. No. 880

be substituted for H. F. No. 1038 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 919 and H. F. No. 1234, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Weaver moved that S. F. No. 919 be substituted for H. F. No. 1234 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 950 and H. F. No. 1141, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wejcman moved that the rules be so far suspended that S. F. No. 950 be substituted for H. F. No. 1141 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 953 and H. F. No. 1003, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Knickerbocker moved that the rules be so far suspended that S. F. No. 953 be substituted for H. F. No. 1003 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 998 and H. F. No. 1264, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Farrell moved that the rules be so far suspended that S. F. No. 998 be substituted for H. F. No. 1264 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1027 and H. F. No. 1220, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Johnson, R., moved that the rules be so far suspended that S. F. No. 1027 be substituted for H. F. No. 1220 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1032 and H. F. No. 1150, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bertram moved that S. F. No. 1032 be substituted for H. F. No. 1150 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1050 and H. F. No. 1241, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Waltman moved that the rules be so far suspended that S. F. No. 1050 be substituted for H. F. No. 1241 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1128 and H. F. No. 1517, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Skoglund moved that the rules be so far suspended that S. F. No. 1128 be substituted for H. F. No. 1517 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1129 and H. F. No. 1288, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Valento moved that S. F. No. 1129 be substituted for H. F. No. 1288 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1295 and H. F. No. 1515, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Orenstein moved that the rules be so far suspended that S. F. No. 1295 be substituted for H. F. No. 1515 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 493, A bill for an act relating to dairy inspection fees; limiting the charge for on-farm inspections to 40 percent of average inspection costs; imposing a fee on certain milk and milk products; requiring reports and continued levels of dairy farm inspections; amending Minnesota Statutes 1990, section 32.394, subdivisions 8, 8b, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [ENVIRONMENT AND NATURAL RESOURCES; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1991," "1992," and "1993," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1991, June 30, 1992, or June 30, 1993, respectively.

SUMMARY BY FUND

	1992	1993	TOTAL
General	\$142,880,500	\$140,594,500	\$283,475,000
Environmental	15,584,000	17,835,000	33,419,000
Metro Landfill Contingency Trust	1,663,000	797,000	2,460,000
Special Revenue	1,040,000	1,040,000	2,080,000
Natural Resources	17,842,000	17,634,000	35,476,000
Game and Fish	49,402,000	50,564,000	99,966,000
Permanent School Trust	267,000	363,000	630,000
Minnesota Resources	16,569,000	16,569,000
Environmental Trust	15,360,000	15,360,000
Oil Overcharge	3,500,000	3,500,000
TOTAL	264,107,500	228,827,500	492,935,000

APPROPRIATIONS
Available for the Year
Ending June 30
1992 1993

Sec. 2. POLLUTION CONTROL
AGENCY

Subdivision 1. Total Appropriation 30,790,000 30,068,000

	1992	1993
Approved Complement –	702	690
General –	206	176
Environmental –	186	204
Federal –	235	235
Metro Landfill Contingency –	2	2
Special Revenue –	73	73

	1992	1993
	\$	\$
Summary by Fund		
General	12,818,000	10,711,000
Environmental	15,454,000	17,705,000
Metro Landfill Contingency	1,663,000	797,000
Special Revenue	855,000	855,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Water Pollution Control

6,992,000 5,508,000

Summary by Fund

General	5,105,000	3,553,000
Environmental	1,887,000	1,955,000

\$1,190,000 the first year is for grants to local units of government for the clean water partnership program. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$100,000 the first year is for grants to municipalities who have experienced catastrophic failure of wastewater treatment facilities resulting from unstable geological formations and which required immediate action to avoid impacts to drinking water supplies.

\$250,000 the first year is for a grant to the Western Lake Sanitary Sewer District for the payment of debt service.

Subd. 3. Air Pollution Control

4,562,000 5,801,000

Summary by Fund

General	1,699,000	940,000
Environmental	2,008,000	4,006,000
Special Revenue	855,000	855,000

	1992	1993
	\$	\$
Subd. 4. Groundwater and Solid Waste Pollution Control		
10,038,000	9,366,000	

Summary by Fund

General	2,124,000	2,313,000
Environmental	6,259,000	6,264,000
Metro Landfill Contingency	1,655,000	789,000

All money in the environmental response, compensation, and compliance account in the environmental fund not otherwise appropriated is appropriated to the commissioner of finance for transfer to the pollution control agency and the commissioner of agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (4), (11), (12), and (13). This appropriation is available until June 30, 1993.

\$1,000,000 the first year and \$1,000,000 the second year are appropriated from the motor vehicle transfer account for transfer to the environmental response, compensation, and compliance account in the environmental fund.

The commissioner, in cooperation with the legislative commission on waste management and other affected parties shall study and submit a report to the legislative commission on waste management identifying and evaluating options for ensuring the long-term financial viability of the Minnesota environmental, response, compensation, and compliance account (superfund) by November 1, 1991. The commission shall evaluate the report and make recommendations to the chairs of the house appropriations and senate finance committees for implementation of a long-term funding strategy by February 1, 1992.

	1992	1993
\$		\$

All money in the metropolitan landfill abatement account in the environmental fund not otherwise appropriated is appropriated to the pollution control agency for payment to the metropolitan council and may be used by the council for the purposes of Minnesota Statutes, section 473.844. The council may not spend the money until the legislative commission on waste management has made its recommendations on the budget and work program submitted by the council.

Any unencumbered balance from the metropolitan landfill contingency action trust fund remaining in the first year does not cancel but is available for the second year.

\$92,000 the first year and \$127,000 the second year is for a grant to the department of administration for assistance in funding a central materials recovery facility if such a facility is constructed by the department of administration.

Subd. 5. Hazardous Waste Pollution Control

4,993,000	5,095,000
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Summary by Fund

General	1,786,000	1,782,000
Environmental	3,207,000	3,313,000

Subd. 6. Regional Support Environmental

52,000	52,000
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The commissioner shall prepare a study on regionalization for presentation to the chairs of the house and senate committees on governmental operations, the house appropriations

	1992	1993
	\$	\$
committee and the senate finance committee by January 1, 1992. The study shall identify options and costs associated with relocating specific agency functions to locations other than the agency's central office. The report shall identify the specific functions that would be relocated, the rationale used for selecting these specific functions for relocation, the geographic areas of the state that would receive these functions, the numbers of personnel involved in the relocation, the impact on service to the public of the proposed relocations, an implementation strategy for the proposed plan and the costs associated with the regionalization of these functions in comparison to the savings, if any, accrued from the relocation.		

Subd. 7. General Support

	5,250,000	5,343,000
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Summary by Fund

General	2,104,000	2,123,000
Environmental	2,041,000	2,115,000
Metro Landfill Contingency	8,000	8,000

The program permit and assessment fees of the pollution control agency shall equal as nearly as possible the amount appropriated from the special revenue fund for the biennium and may not include any amounts to cover the cost items in Minnesota Statutes, section 16A.128, subdivision 1a, except to the extent that the cost items are included in the appropriations.

Sec. 3. OFFICE OF WASTE MANAGEMENT

	20,533,000	20,525,000
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		1992	1993
		\$	\$
	1992	1993	
Approved Complement –	54	54	
General –	47	47	
Bond Proceeds –	3	3	
Environmental –	3	3	
Federal –	1	1	
Summary by Fund			
General	19,686,000		19,678,000
Environmental	847,000		847,000

\$14,008,000 the first year and \$14,008,000 the second year are for SCORE block grants to counties.

The director, in cooperation with the pollution control agency and the legislative commission on waste management shall study mechanisms for assessing the costs of waste disposal to the source of particular types of waste based on the impact that the particular waste has on the waste stream and the environment. The study should develop recommendations for a fee structure and identify the costs associated with implementing a fee structure for disposal based on the type of waste being disposed. A report shall be submitted to the legislative commission on waste management for consideration by January 1992.

Sec. 4. ZOOLOGICAL BOARD	8,971,000	8,826,000
	1992	1993
Approved Complement –	159	159
General –	141	141
Special Revenue –	15	15
Gift –	3	3

\$125,000 in the first year is for major maintenance. In addition, any revenue

	1992	1993
	\$	\$

received from the proposed bird amphitheater admissions sales during the second year of the biennium beyond the first \$400,000 in revenue from this particular revenue source is available for use by the board for major maintenance until expended.

The board shall adopt a system for charging nonresident visitors parking fees on days when the zoo is open to the public without an admission fee.

Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation	145,191,000	146,284,000
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1992	1993
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Agency Approved - Full-Time Equivalency	2,736	2,741
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Summary by Fund

General	77,680,000	77,723,000
Game and Fish	49,402,000	50,564,000
Natural Resources	17,842,000	17,634,000
Permanent School	267,000	363,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Of the total amount appropriated to the commissioner by this act, no more than \$98,200,000 the first year and \$97,800,000 the second year may be used for salary related expenses unless adjusted in accordance with the provisions of Minnesota Statutes, section 16A.123, subdivision 5.

Subd. 2. Mineral Resources Management

5,295,000	5,272,000
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(a) Mineral Resources

4,852,000	4,829,000
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	1992	1993
	\$	\$
<p>\$325,000 the first year and \$325,000 the second year are for iron ore cooperative research, of which \$200,000 the first year and \$200,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.</p>		

\$844,000 the first year and \$826,000 the second year are for mineral diversification. Any unencumbered balance remaining in the first year does not cancel but is available for the second year. The commissioner is authorized one complement position in the unclassified service from the mineral lease account.

(b) Mineland Reclamation

443,000	443,000
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Subd. 3. Water Resources Management

8,356,000	7,965,000
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Summary by Fund

General	8,259,000	7,866,000
Natural Resources	97,000	99,000

\$1,107,000 the first year and \$1,106,000 the second year are available for shoreland management grants to include \$125,000 each year of the biennium for a grant to the North Shore Management Board. Pursuant to existing law and department rules, the metropolitan area shall be considered in distribution of these funds. The unencumbered balance at the end of the first year does not cancel and is available for the second year.

\$75,000 the first year and \$75,000 the second year is to conduct the stream maintenance program under Minne-

	1992	1993
	\$	\$

sota Statutes, section 103G.701. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$70,000 the first year is available for flood damage reduction grants to the Gilmore Creek and United States Corps of Engineers contract for hydraulic modeling in the Red River Valley.

\$10,000 the first year is available for stream stabilization on the Snake River.

\$300,000 of this appropriation in the first year is from the general fund for a loan to the city of Fridley for the purpose of reconstructing the Locke Lake dam pursuant to Minnesota Statutes, section 103G.511, subdivision 10. Notwithstanding Minnesota Statutes, section 103G.511, subdivision 10, clause (e), principal and interest payments received by the commissioner of finance in repayment of the loan shall be deposited in the general fund.

Subd. 4. Forest Management

23,130,000	23,286,000
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\$750,000 the first year and \$750,000 the second year are for emergency fire fighting. Of this amount, \$500,000 the first year and \$550,000 the second year are for presuppression costs of emergency fire fighting and are not subject to transfer. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. If these appropriations are insufficient to cover all costs of suppression, the amount necessary to pay for emergency firefighting expenses during the biennium is appropriated from the general fund.

	1992	1993
	\$	\$
<p>\$343,000 the first year and \$343,000 the second year are for grants to the University of Minnesota College of Natural Resources for hybrid aspen and hybrid larch research and development at the North Central Experiment Station at Grand Rapids.</p>		

\$80,000 the first year and \$80,000 the second year from the general fund under Minnesota Statutes, section 89.04, are for grants to the board of water and soil resources for cost-sharing with landowners in the state forest improvement program.

Subd. 5. Parks and Recreation Management

18,926,000	19,278,000
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Summary by Fund

General	18,342,000	18,689,000
Natural Resources	584,000	589,000

\$584,000 the first year and \$589,000 the second year are from the water recreation account in the natural resources fund for state park development projects. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

The commissioner shall operate pumping facilities at Hill Annex Mine state park sufficient to maintain a water level not to exceed the height of the area known as "pocket A" for the duration of the biennium to assess the pumping and operational costs associated with maintaining this water level. The commissioner shall report the projected pumping and operational costs of maintaining this level to the legislature no later than January 1, 1993.

\$60,000 and three full-time equivalent positions the first year and \$60,000 and

	1992	1993
	\$	\$
three full-time equivalent positions the second year are for an increase in the state park planning effort.		

Subd. 6. Trails and Waterways

10,993,000	11,095,000
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Summary by Fund

General	1,229,000	1,227,000
Game and Fish	750,000	770,000
Natural Resources	9,014,000	9,098,000

\$2,248,000 the first year and \$2,248,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid.

\$250,000 the first year and \$250,000 the second year are from the water recreation account in the natural resources fund for a safe harbor program on Lake Superior. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

The commissioner shall submit recommendations to the legislature before January 1, 1992, concerning the snowmobile account, its continuing viability, and the grants made to local governments from the snowmobile account for grants-in-aid trail operations and maintenance equipment. The recommendations should address, at a minimum, ways to ensure funding for trail-grooming equipment and the appropriateness of the present formula dedicating a share of the unrefunded gas tax to the snowmobile account.

Subd. 7. Fish and Wildlife Management

35,706,000	36,614,000
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	1992	1993
	\$	\$
Summary by Fund		
General	2,740,000	2,733,000
Game and Fish	31,061,000	31,728,000
Natural Resources	1,905,000	2,153,000

\$847,000 in the first year and \$847,000 the second year are appropriated from the game and fish fund for payments to counties in lieu of taxes on acquired wildlife lands and is not subject to transfer.

\$1,467,000 the first year and \$1,704,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year does not cancel but is available the second year.

\$130,000 the first year and \$130,000 the second year are for deer and bear management to include emergency deer feeding. If the appropriation for either year is insufficient, the appropriation for the other year is available.

\$250,000 and three full-time equivalent positions each year is from the game and fish fund for an accelerated deer habitat improvement program and shall not be considered as part of the budget base for the 1994-1995 biennium.

The commissioner, in cooperation with the commissioner of agriculture shall study and make recommendations to the legislature by January 1, 1993, for a program for providing assistance to farmers for crop damage caused by wild animals.

\$75,000 the first year is from the game and fish fund for construction of barrier reefs on Lake of the Woods for fish habitat improvement.

	1992	1993
\$		\$

\$100,000 each year is appropriated from the game and fish fund for expansion of the aquatic education program in the seven-county metropolitan area.

\$1,651,000 the first year and \$1,644,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands, established under Minnesota Statutes, section 84.95, subdivision 2. Any unencumbered balance for the first year does not cancel but is available for use the second year.

Notwithstanding any other law to the contrary, the commissioner shall not use public funds to construct a shooting range at the Carlos Avery Game Farm.

Subd. 8. Enforcement

14,159,000	14,426,000
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Summary by Fund

General	2,226,000	2,220,000
Game and Fish	9,366,000	9,610,000
Natural Resources	2,567,000	2,596,000

\$1,125,000 the first year and \$1,125,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety.

\$125,000 the first year and \$125,000 the second year is from the game and fish fund to assist in filling the six existing vacant field officer positions. The balance of funds necessary to fill these vacancies and to maintain a full complement of field officers during the biennium shall be derived from savings generated by reducing the number of supervisory positions within the division.

The commissioner shall evaluate the number of metropolitan conservation

	1992	1993
	\$	\$
officer stations in relation to the population and need in the metropolitan area and make recommendations to the legislature for appropriate readjustment of assignments by January 1, 1992.		

Subd. 9. Field Operations Support

11,170,000	10,761,000
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Summary by Fund

General	5,347,000	5,338,000
Game and Fish	4,511,000	4,636,000
Natural Resources	1,045,000	424,000
Permanent School	267,000	363,000

\$498,000 the first year and \$594,000 the second year are for land sale costs under Minnesota Statutes, section 92.67, subdivision 3. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

Any unencumbered balance remaining in the appropriation under Minnesota Statutes, section 92.46, subdivision 1, paragraph (d), in the first year does not cancel and is available for the second year.

\$630,000 the first year is from the land acquisition account in the natural resources fund and is for acquisition costs associated with Tettegouche state park and Glendalough state park. Any funds for Glendalough state park acquisition are dependent upon passage of law establishing the statutory boundaries of the proposed park. Any unencumbered balance from this appropriation at the end of the first year does not cancel and is available for the second year.

Subd. 10. Regional Operations Support

5,121,000	5,136,000
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	1992	1993
	\$	\$
Summary by Fund		
General	3,984,000	3,969,000
Game and Fish	888,000	913,000
Natural Resources	249,000	254,000

Subd. 11. Special Services and Programs

5,853,000 5,881,000

Summary by Fund		
General	4,558,000	4,559,000
Game and Fish	482,000	494,000
Natural Resources	813,000	828,000

\$103,000 the first year and \$103,000 the second year are for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$17,000 the first year and \$17,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement their portion of the comprehensive plan for the upper Mississippi.

Notwithstanding any other law to the contrary, any reductions in the department of natural resources' agency operating budget or reductions in agency program efforts prompted by specific legislative action or economic conditions during the biennium shall not be applied against the budget for the Minnesota Conservation Corps. Should the need arise, the commissioner shall reallocate resources within the department to ensure that the corps is maintained at no less than the same level of effort as accomplished during the 1990-1991 biennium.

The commissioner of the department of natural resources shall have the au-

	\$	1992	\$	1993
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thority to contract with and make grants to nonprofit agencies to carry out the purposes, plans, and programs of the office of youth programs, Minnesota conservation corps.

Subd. 12. Administrative Management Services

6,482,000	6,570,000
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Summary by Fund

General	2,570,000	2,564,000
Game and Fish	2,344,000	2,413,000
Natural Resources	1,568,000	1,593,000

Notwithstanding any other law to the contrary, the commissioner, in cooperation with the commissioner of employee relations shall reassign the critical incident stress debriefing unit to the department of employee relations.

Sec. 6. BOARD OF WATER AND SOIL RESOURCES

8,076,000	8,020,000
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	1992	1993
Approved Complement -	37	37
General -	34	34
Federal -	2	2
Bond -	1	1

\$10,000 the first year and \$10,000 the second year are for the International Water Coalition.

\$849,000 the first year and \$849,000 the second year are for general purpose grants to soil and water conservation districts, including conservation tillage and review and comment on water permits. Upon approval of the board, expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts.

	1992	1993
	\$	\$
<p>\$189,000 the first year and \$189,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.</p>		
<p>\$1,461,000 the first year and \$1,461,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management.</p>		
<p>\$159,000 the first year and \$159,000 the second year are for grants-in-aid to soil and water conservation districts and local units of government to assist them in solving sediment and erosion control problems. Grants must not exceed 50 percent of total project costs or 50 percent of the local share if federal money is used. Priority must be given to projects designed to solve lakeshore, stream bank, and roadside erosion and to projects eligible for federal matching money.</p>		
<p>\$2,435,000 the first year and \$2,535,000 the second year are for comprehensive local water planning.</p>		
<p>\$902,000 the first year and \$902,000 the second year are for technical services and implementation of the conservation reserve program. Of this appropriation, \$750,000 the first year and \$750,000 the second year must be distributed to soil and water conservation districts.</p>		
<p>\$200,000 the first year is for a pilot project for a statewide abandoned well inventory. The board shall select counties for inclusion in this pilot that are representative of geographic, hydrological, geologic, and demographic areas of the state. The pilot will include an effort to identify the locations of aban-</p>		

	1992	1993
	\$	\$

doned wells in the selected counties and an analysis of the costs and an evaluation of the need for a statewide inventory of abandoned wells. The board shall submit a report to the legislature with its findings and recommendations by December 1, 1992. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

Any unencumbered balance in the board's program of grants to soil and water conservation districts and counties does not cancel at the end of the first year and is available for the second year for the same grant program.

Sec. 7. AGRICULTURE

Subdivision 1. Total Appropriation	\$12,452,000	\$12,444,000
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	1992	1993
Approved Complement –	537	537
General –	218	218
Environmental –	2	2
Special/Revolving –	293	293
Federal –	24	24

Summary by Fund

General	12,137,000	12,129,000
Environmental	130,000	130,000
Special Revenue	185,000	185,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Protection Service

5,264,000	5,254,000
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Summary by Fund

General	5,134,000	5,124,000
Environmental	130,000	130,000

	1992	1993
\$		\$
<p>\$130,000 the first year and \$130,000 the second year are from the environmental response, compensation, and compliance account in the environmental fund.</p>		

Subd. 3. Promotion and Marketing

753,000	750,000
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\$75,000 the first year and \$75,000 the second year are for transfer to the Minnesota grown matching account which may be used as grants for Minnesota grown promotion.

Subd. 4. Family Farm Services

1,148,000	1,148,000
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\$629,000 the first year and \$629,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. During the biennium, such sums that are not needed for interest payment adjustments are available for farm crisis assistance. No new loans may be approved in fiscal year 1992 or 1993.

\$100,000 the first year and \$100,000 the second year are for farm crisis assistance under the family farm advocacy program. The commissioner shall target these funds to areas of the state with the greatest amount of farm stress.

\$180,000 the first year and \$180,000 the second year are for agriculture information centers and is only available on a dollar for dollar nonstate match. The funds may be released at the rate of one dollar for each dollar of matching nonstate money that is raised. The commissioner may credit in-kind contributions from nonstate sources for up

	1992	1993
	\$	\$

to one-half of the required nonstate match. This appropriation shall be used to target the areas of the state with the greatest amount of farm stress and shall not be a part of the 1994-1995 biennial budget base.

Subd. 5. Administrative Support and Grants

	5,287,000	5,292,000
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Summary by Fund

General	5,102,000	5,107,000
Special Revenue	185,000	185,000

\$185,000 the first year and \$185,000 the second year are from the commodities research and promotion account in the special revenue fund.

\$50,000 the first year and \$50,000 the second year are for payment of claims relating to livestock damaged by endangered animal species. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$10,000 the first year is for payment of claims relating to agricultural crops damaged by elk and is available until June 30, 1993.

\$79,000 the first year and \$79,000 the second year are for the seaway port authority of Duluth.

\$19,000 the first year and \$19,000 the second year is for a grant to the Minnesota livestock breeder's association.

In the event that supplemental grant funding is made available to the com-

	1992	1993
	\$	\$
<p>missioner for farm and small business management programs through the technical college system, the commissioner is authorized to make a supplemental grant or grants to the board of technical colleges for the instructional materials, instructional staff, support staff, and tuition assistance costs associated with this program not to exceed the amount of supplemental funding made available. Any supplemental grants that may be made to this program shall not be considered as part of the 1994-1995 budget base for the technical college system or the department of agriculture.</p>		

Sec. 8. BOARD OF ANIMAL HEALTH

	2,085,000	2,080,000
Approved Complement – 37	35	
General – 36	34	
Federal – 1	1	

This appropriation includes \$25,000 the first year and \$25,000 the second year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 must not be paid.

\$150,000 the first year and \$150,000 the second year are for an integrated pseudorabies control and research program. The board of animal health must consult with the pseudorabies advisory council about how this money should be spent. The appropriation is available only as matched, dollar for dollar, by money from nonstate sources.

Sec. 9. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION

	110,000	110,000
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Sec. 10. CITIZENS COUNCIL ON VOYAGEUR'S NATIONAL PARK

	80,000	80,000
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	1992	1993
	\$	\$
Sec. 11. SCIENCE MUSEUM OF MINNESOTA	1,138,000	1,138,000

Upon completion of its national tour, the Science Museum of Minnesota shall donate free of charge the "Wolves and Humans" exhibit to the International Wolf Center for permanent housing. In the event that the construction necessary to display the exhibit at the International Wolf Center is not completed at the time that the tour concludes, the Science Museum of Minnesota shall provide exhibit space until the International Wolf Center is prepared to display the exhibit.

Sec. 12. MINNESOTA ACADEMY OF SCIENCE	28,000	28,000
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Sec. 13. MINNESOTA HORTICULTURAL SOCIETY	71,500	71,500
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\$3,500 the first year and \$3,500 the second year are to increase the amount of color used in printing the Minnesota Horticulturist.

Sec. 14. MINNESOTA RESOURCES

Subdivision 1. Total Appropriation	35,429,000
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Summary by Fund

Minnesota Future Resources Fund	16,569,000
Minnesota Environment and Natural Resources Trust Fund	15,360,000
Oil Overcharge Money in the Special Revenue Fund	3,500,000

The appropriations in this section are from the Minnesota future resources fund, unless another fund is named.

The appropriations in this section are available until June 30, 1993.

	1992	1993
	\$	\$
Subd. 2. Legislative Commission on Minnesota Resources	850,000	

For the biennium ending June 30, 1993, the commission shall monitor the programs in this section; assess the status of the state's natural resources; convene a state resource congress; establish priorities for, request, review, and recommend programs for the 1993-1995 biennium from the Minnesota future resources fund, Minnesota environment and natural resources trust fund, and oil overcharge money, and for support of the Citizen Advisory Committee activities. \$400,000 of this appropriation is from the Minnesota environment and natural resources trust fund.

Subd. 3. Recreation

(a) Off-highway Vehicle Recreation Area	75,000
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This appropriation is to the commissioner of natural resources to conduct a study in cooperation with the Minnesota 4-WD Association on the feasibility of an off-highway vehicle recreation area.

(b) Superior Hiking Trail	400,000
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This appropriation is to the commissioner of natural resources for planning and administrative assistance and a grant to the Superior Hiking Trail Association for planning, development, and limited use of easement acquisition. The use of conservation corps resources is strongly encouraged. Up to \$80,000 is available to the commissioner for planning and administrative assistance. Available federal and private money is appropriated.

(c) Rails-to-Trails Acquisition and Development	1,000,000
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	1992	1993
\$		\$

This appropriation is to the commissioner of natural resources for acquisition and development of trails in accordance with established priorities.

(d) Local Rivers Planning	400,000
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This appropriation is to the commissioner of natural resources for grants of up to two-thirds of the cost to counties, or groups of counties acting pursuant to joint powers agreement, to develop comprehensive plans for the management and protection of up to eight rivers in northern and central Minnesota. The commissioner of natural resources shall include in the work plan for review and approval by the legislative commission on Minnesota resources a proposed list of rivers and a planning process developed by consensus of the affected counties. All plans must meet or exceed the requirements of state shoreland and floodplain laws.

(e) Access to Lakes and Rivers	1,000,000
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This appropriation is to the commissioner of natural resources to provide boat access to major recreation lakes and rivers and to construct fishing piers in accordance with established priorities, inventory, map, and construct shore access sites in the metropolitan area.

(f) Land and Water Resource Management, Lower St. Croix Riverway	360,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for a grant to the Minnesota-Wisconsin Boundary Area Commission to develop a management strategy, improved technical capability, and sustained local government and landowner stewardship on the jointly managed lower St. Croix.

	1992	1993
	\$	\$
(g) Mississippi River Valley Blufflands Initiative	150,000	

This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to assist local units of government to develop the tools necessary to protect the outstanding scenic and biological resources of the blufflands of the Mississippi Valley in Goodhue, Wabasha, Winona, and Houston counties.

(h) Reclamation of Recreation Systems and Environmental Resources	200,000
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This appropriation is to the University of Minnesota, College of Architecture and Landscape Architecture, to investigate urban design strategies for enhancing recreational amenities in suburban areas. The investigation shall be done in cooperation with the metropolitan council. The legislative commission on Minnesota resources may convene a steering committee to ensure coordination and practical results.

(i) Preservation of Historic Shipwrecks, Lake Superior	100,000
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\$80,000 is to the Minnesota historical society to investigate the historic significance of shipwrecks on the North Shore of Lake Superior in accordance with priorities for placement on the National Register of Historic Places; to develop preservation plans to implement the federal Abandoned Shipwrecks Act; and to conduct a survey of the underwater resources in the vicinity of Split Rock Lighthouse.

\$20,000 is to the commissioner of natural resources to develop facilities at Split Rock Lighthouse State Park for diver access.

	1992	1993
	\$	\$
(j) Grand Portage State Park Development	635,000	
This appropriation is to the commissioner of natural resources for initial development of Grand Portage State Park.		
(k) Land and Water Conservation Fund Administration	84,000	
This appropriation is to the commissioner of natural resources for administration of the federal land and water conservation program and other grant administration activities assigned to the commissioner in this section.		
(l) Historic Records Database – Final Phase	180,000	
This appropriation is to the Minnesota historical society to automate and make widely accessible the society's collections.		
(m) Fur Trade Research and Planning	250,000	
This appropriation is to the Minnesota historical society to plan and design the visitor center at the Northwest Company Fur Post Historic Site, and for site improvements at that site. No more than \$100,000 may be spent for site improvements.		
(n) Mystery Cave Resource Evaluation	150,000	
This appropriation is to the commissioner of natural resources to perform a resource inventory and study of Mystery Cave to include groundwater, cave meteorology, geology, and biology as part of the park plan.		
(o) North Shore Harbor Plan Implementation		

Any unencumbered balance from the appropriation in Laws 1989, chapter

	1992	1993
	\$	\$
335, article 1, section 29, subdivision 3, paragraph (o), does not cancel on June 30, 1991, and is available until June 30, 1993.		

If the match requirements in Laws 1989, chapter 335, article 1, section 29, subdivision 3, paragraph (o), are met on or before June 30, 1991, this appropriation shall be available to the commissioner of natural resources for a grant to the city of Duluth for a breakwater.

If the match requirement is not met on or before June 30, 1991, this appropriation is to the commissioner of natural resources for a grant to the North Shore Management Board to begin implementation of the North Shore Harbor study funded in Laws 1989, chapter 335, article 1, section 29, subdivision 3, paragraph (n).

Subd. 4. Water

(a) Stream and Watershed Information System	200,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of state planning to develop an integrated system of information relating to streams, watersheds, and retrieval and analysis tools.

(b) South Central Minnesota Surface Water Resource Atlases and Data Base	300,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for a grant to Mankato State University for development of surface hydrology atlases and data base in both hard and electronic format for the 13 counties of south central Minnesota.

	1992	1993
	\$	\$
(c) Minnesota River Basin Water Quality Monitoring	700,000	

This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of the pollution control agency. This is the final two years of a multiagency four-year effort to identify the sources of nonpoint pollution threatening the water quality and uses of the Minnesota River. The results will be used to direct state and local implementation programs. Federal matching money is appropriated.

(d) Waterwatch – Citizen Monitoring and Protection Program	272,000
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This appropriation is to the commissioner of the pollution control agency to encourage and coordinate citizen and student volunteer monitoring of water quality and biological indicators for Minnesota's lakes and streams.

(e) Bioremedial Technology for Groundwater	96,000
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This appropriation is to the University of Minnesota, Department of Civil and Mineral Engineering, for a pilot demonstration of technology for in situ biodegradation of organic pollutants in groundwater.

(f) County Geologic Atlas and Groundwater Sensitivity Mapping	1,400,000
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\$800,000 is from the Minnesota environment and natural resources trust fund to the University of Minnesota, Minnesota Geologic Survey, to expand production of county geologic atlases and create a new atlas services office.

\$600,000 is from the Minnesota environment and natural resources trust fund to the commissioner of natural

	1992	1993
	\$	\$
resources for groundwater sensitivity mapping.		
(g) Aquifer Analyses in southeast Minnesota	73,000	

This appropriation is to the commissioner of natural resources for a grant to Winona State University to perform aquifer tests in southeast Minnesota in order to determine aquifer characteristics, surface-subsurface groundwater interaction, and aquifer interaction.

(h) Clean Water Partnership Grants to Local Units of Government	700,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of the pollution control agency for Clean Water Partnership grants under Minnesota Statutes, section 115.096. In addition to the required work program, grants may not be approved until grant proposals have been submitted to the legislative commission on Minnesota resources and the commission has either made a recommendation or allowed 30 days to pass without making a recommendation.

(i) Cannon River Watershed Grants	60,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the board of water and soil resources to provide research and demonstration grants to counties consistent with the comprehensive local water management program under Minnesota Statutes, chapter 110B, as part of the Cannon River watershed protection program.

(j) Mitigating Mercury in Northeast Minnesota Lakes	300,000
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	1992	1993
	\$	\$
<p>This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of the pollution control agency to investigate how to mitigate the damage caused by the presence of mercury in northeast Minnesota lakes.</p>		

(k) Development and Application of Aeration Technologies	148,000
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This appropriation is to the University of Minnesota, St. Anthony Falls Hydraulic Laboratory, to study how to optimize membrane aeration and the hydraulic design of bypass type aerator systems.

(l) Lake Superior Initiative – Institute for Research	400,000
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This appropriation is to the University of Minnesota, Graduate School, to establish an institute for Lake Superior Research that would develop a strong multifaceted research effort.

(m) Lake Mille Lacs Public Land Use Plan	20,000
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This appropriation is to the commissioner of natural resources to plan for shoreline management of publicly-owned lands around Lake Mille Lacs.

(n) Ecological Evaluation of Year-Round Aeration	100,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to collect baseline data on aerated and nonaerated lakes and determine ecological impacts of aeration.

Subd. 5. Education

(a) Environmental Education Program	790,000
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	1992	1993
	\$	\$
<p>\$400,000 is from the Minnesota environment and natural resources trust fund to the commissioner of education to develop and implement model K-12 environmental education curriculum integration. This program will incorporate ongoing models of other deliverers of environmental education.</p>		

\$30,000 is from the Minnesota environment and natural resources trust fund to the commissioner of education for a grant to the Minnesota Community Education Association to incorporate environmental education into the community education system.

\$60,000 is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to complete a long-term plan for the development and coordination of environmental learning centers.

\$85,000 is from the Minnesota environment and natural resources trust fund to the *commissioner of state planning* for a grant to the Audubon Center of the Northwoods for an assessment of environmental learning center programs and services.

\$215,000 is from the Minnesota environment and natural resources trust fund to the commissioner of state planning to develop a statewide environmental education plan. The statewide plan will integrate the plans, strategies, and policies of the department of education, post-secondary institutions, the department of natural resources, and other deliverers of environmental education.

(b) Teacher Training for Environmental Education

5,000

This appropriation is to the commissioner of education for a grant to the St.

	1992	1993
	\$	\$

Paul Chapter of the National Audubon Society for scholarships for the training of teachers in environmental education integration.

(c) Video Education Research and Demonstration Project	100,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of education for a grant to Twin Cities Public Television to develop a video education demonstration project and a model for a statewide video environmental education communication network.

(d) Integrated Resource Management Education and Training Program	300,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to provide training and internship programs in natural resource management.

(e) Continuing Education in Outdoor Recreation for Natural Resource Managers	125,000
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This appropriation is to the University of Minnesota, Department of Forest Resources, to develop and implement an outdoor recreation short course for natural resource planners and managers with outdoor recreation responsibilities.

(f) Environmental Exhibits Collaborative	400,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the Science Museum of Minnesota to establish a statewide collaborative to share and create traveling water-related exhibits

	1992	1993
	\$	\$
and programs for schools and family groups at different sites.		
(g) Upper Mississippi River Environmental Education Center	600,000	
<p>This appropriation is to the commissioner of natural resources for a grant to the city of Winona to develop detailed architectural designs necessary to obtain federal construction funding for an Upper Mississippi River Environmental Education Center. This appropriation is contingent upon federal commitment of at least \$6,000,000 for construction and for future operation and maintenance.</p>		
(h) Urban Rangers Program	100,000	
<p>This appropriation is to the commissioner of education for a grant to the Minneapolis Park and Recreation Board to develop an urban environmental curriculum for elementary students and families conducted at 44 city recreation centers.</p>		
(i) Crosby Farm Park Nature Program	85,000	
<p>This appropriation is to the commissioner of education for a grant to the city of St. Paul to institute a nature study program at Crosby Farm Park to introduce inner city residents and minorities to learning opportunities concerning natural resources and how to conserve and protect those resources.</p>		
(j) Youth in Natural Resources	250,000	
<p>This appropriation is to the commissioner of natural resources to develop a career exploration program for minority youths and to test their vocational interests, skills, and aptitudes.</p>		
(k) Environmental Education for Handicapped	130,000	

1992 1993

\$

\$

This appropriation is to the commissioner of education for a grant to Vinland National Center to develop a program model in environmental education, including education of persons with disabilities, and to teach the model to educators, environmentalists, and the disability community.

Subd. 6. Agriculture

(a) Biological Control of Pests 650,000

This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of agriculture to collect and identify potential biological control agents, and to develop and test biological control agents for a variety of pests. A grant request to supplement this appropriation must be submitted to the U.S. Department of Agriculture and the results reported to the legislative commission on Minnesota resources.

(b) Review Levels of Pesticides at Spill Sites 300,000

This appropriation is to the commissioner of agriculture for a literature search and publication of remediation technologies for pesticide spills, laboratory research on the fate of elevated levels of pesticides in soil, and evaluation of bioremediation techniques.

(c) Effective Nitrogen and Water Management for Sensitive Areas 300,000

This appropriation is to the commissioner of agriculture to provide an integrated research information base on risks of groundwater pollution involved in nitrogen and water management for crop production.

(d) Conservation Reserve Easements 1,000,000

	1992	1993
	\$	\$
<p>This appropriation is from the Minnesota environment and natural resources trust fund to the board of water and soil resources to acquire perpetual easements under Minnesota Statutes, section 40.43, subdivision 3, with priority for wetland areas, to enhance wildlife habitat, control erosion, and improve water quality.</p>		

(e) Native Grass and Wildflower Seed	130,000
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This appropriation is to the commissioner of agriculture in cooperation with the commissioner of natural resources to develop the varietal, cultural, and market information necessary to encourage expanded commercial production of Minnesota origin native wildflower and grass seed.

(f) Community Gardening Program	110,000
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This appropriation is to the University of Minnesota, Minnesota Extension Service, in cooperation with the Minnesota State Horticultural Society and the Self Reliance Center to provide gardening information and technical assistance in metropolitan and non-metropolitan areas.

Subd. 7. Forestry

(a) Minnesota Old-Growth Forests – Character and Identification	150,000
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This appropriation is to the commissioner of natural resources to develop quantitative, structural definitions of Minnesota old-growth forest types, examine the importance of old growth as sensitive habitat, and evaluate old-growth forest stands that are identified as the department of natural resources old-growth guidelines are implemented.

	1992	1993
	\$	\$
(b) Nutrient Cycling and Tree Species Suitability	220,000	

This appropriation is to the University of Minnesota, Department of Forest Resources, to assess the role of nutrient cycling and associated management practices for sustainability of Minnesota's forest resources under scenarios of increased harvesting and atmospheric change.

(c) State Forest Land Acquisition	500,000
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This appropriation is to the commissioner of natural resources to acquire lands in the highest priority purchase compartments in the R. J. Dorer Memorial Hardwood State Forest.

(d) Regeneration and Management of Minnesota's Oak Forests	225,000
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This appropriation is to the University of Minnesota, Minnesota Extension Service, for research and education in oak regeneration and management.

(e) Private Forest Management for Oak Regeneration	200,000
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This appropriation is to the commissioner of natural resources to increase technical assistance to private forest landowners in southern Minnesota for oak regeneration.

(f) Aspen Hybrids and New Tissue Culture Techniques	70,000
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This appropriation is to the University of Minnesota, Department of Forest Resources, to research tissue cultured aspen and hybrid aspen clones.

(g) Aspen Decay Models for Mature Aspen Stands	85,000
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This appropriation is to the commissioner of natural resources to contract

	1992	1993
	\$	\$

with Koochiching county and the University of Minnesota, College of Natural Resources, to develop models for aspen decay in mature aspen stands.

Subd. 8. Fisheries

(a) Pilot Fish Pond Complex – Fisheries Development and Education	250,000
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This appropriation is to the commissioner of natural resources for a grant to the Leech Lake Band of Chippewa Indians to develop fish ponds for production of sportfish and baitfish.

(b) Aquaculture Facility Purchase and Development and Genetic Gamefish Growth Studies	1,200,000
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This appropriation is to the University of Minnesota, College of Natural Resources, to acquire and develop an aquaculture facility and to continue research on genetically engineered gamefish.

(c) Cooperative Urban Aquatic Education Program	340,000
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This appropriation is to the commissioner of natural resources to expand urban fishing opportunities and awareness.

(d) Catch and Release Program	35,000
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This appropriation is to the commissioner of natural resources to accelerate the catch and release portion of the CORE program for matching grants to local anglers clubs for promotion of catch and release statewide. The work must be done in cooperation with the Minnesota Sportfishing Congress and other interested groups.

(e) Metropolitan Lakes Fishing Opportunities	75,000
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	1992	1993
	\$	\$

This appropriation is to the commissioner of natural resources to study metropolitan area lakes to determine if recreational fishing opportunities are being maximized. The study must be done in cooperation with the Minnesota Sportfishing Congress and other interested groups.

(f) Lake Minnetonka Bass Tracking	85,000
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This appropriation is to the commissioner of natural resources to study the impacts of bass fishing contests. The study must be done in cooperation with the Minnesota Sportfishing Congress and other interested groups.

(g) Stocking Survey	35,000
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This appropriation is to the commissioner of natural resources to survey organizations to determine the level of interest in public and private fish stocking activities. The survey must be done in cooperation with the Minnesota Sportfishing Congress and other interested groups.

Subd. 9. Wildlife

(a) Insecticide Impact on Wetland and Upland Wildlife	650,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to research the effect of insecticides on wetland and upland wildlife and habitats.

(b) Biological Control of Eurasian Water Milfoil	100,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to continue a cooperative research program between the

	1992	1993
	\$	\$
department of natural resources, Freshwater Foundation, and the University of Minnesota leading to biological control of Eurasian water milfoil. This appropriation must be matched by \$200,000 from the Freshwater Foundation.		

(c) Microbial and Genetic Strategies for Mosquito Control	150,000
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This appropriation is to the University of Minnesota, Department of Entomology, to enhance mosquito control by development of microbial agents that are environmentally safe and specific for mosquitoes.

(d) Minnesota County Biological Survey	1,000,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to continue the biological survey in Minnesota counties previously funded by Laws 1989, chapter 335, article 1, section 29, subdivision 3, item (t).

(e) Data Base for Plants of Minnesota	130,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the University of Minnesota to computerize the data base for Minnesota plants, including precise information on the distribution, ecology, history, and management of each species.

(f) Aquatic Invertebrate Assessment Archive	130,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of the pollution control agency, in cooperation with the Science Museum of

	1992	1993
	\$	\$
Minnesota, to continue work on a record system for aquatic invertebrates and assign pollution tolerance values and to develop an information system for the zebra mussel.		

(g) Wetlands Forum	40,000	
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to improve communication and information exchange regarding wetlands in the metropolitan area. This appropriation must be matched by \$40,000 from the Freshwater Foundation.

(h) Easement Acquisition on Restored Wetlands	400,000	
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This appropriation is from the Minnesota environment and natural resources trust fund to the board of water and soil resources for a pilot program to acquire permanent conservation easements on federally restored or enhanced wetlands and adjacent lands in cooperation with the United States Fish and Wildlife Service and the Izaak Walton League.

(i) Swan and Heron Lake Area Projects	1,000,000	
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This appropriation is to the commissioner of natural resources. First priority is for acquisition that qualifies for federal match. Second priority is for land management activities. Federal and other matching money is appropriated. Any full-time equivalent positions associated with this appropriation are for land acquisition work.

(j) Wildlife Oriented Recreation Facilities at Sandstone Unit National Wildlife Refuge	9,000	
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This appropriation is to the commissioner of natural resources to contract

	1992	1993
	\$	\$
with Rice Lake National Wildlife Refuge for recreation facility development and access at the Sandstone Unit of Rice Lake National Wildlife Refuge.		
(k) Reinvest in Minnesota Critical Habitat Match	1,000,000	
This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for transfer to the critical habitat private sector matching account under Minnesota Statutes, section 84.943.		
(l) Acquisition and Development of Scientific and Natural Areas	300,000	
This appropriation is to the commissioner of natural resources to acquire and develop scientific and natural area sites consistent with the state scientific and natural areas plan.		
(m) Black Bear Research in East Central Minnesota	100,000	
This appropriation is to the University of Minnesota, Bell Museum of Natural History, to develop landscape ecology concepts and better understand the problem of bear damage to crops.		
(n) Partnership for Accelerated Wild Turkey Management	50,000	
This appropriation is to the commissioner of natural resources to increase wild turkey stocking. This appropriation must be matched by \$50,000 from the National Wild Turkey Federation.		
(o) Restore Thomas Sadler Roberts Bird Sanctuary	50,000	
This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources for a grant to the		

	1992	1993
	\$	\$
Minneapolis Park and Recreation Board to restore and improve public access to the Thomas Sadler Roberts Bird Sanctuary. This appropriation must be matched by \$50,000 of local money.		

(p) Changes in Ecosystem on Biodiversity of Forest Birds	300,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to monitor forest songbird populations and to develop geographic information system tools to correlate forest bird populations with dynamics of the forest landscape. This appropriation must be matched by \$200,000 from a combination of non-state funds and the state nongame wildlife program.

(q) Establish Northern Raptors Rehabilitation and Education Facility	75,000
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This appropriation is to the University of Minnesota, Raptor Center, to establish a raptor rehabilitation and release facility at the Audubon Center of the Northwoods.

(r) Effect of Avian Flu Virus in Mallard Ducks	16,000
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This appropriation is to the University of Minnesota, Department of Veterinary Pathobiology, to research the effects of Avian influenza on Mallard ducks.

Subd. 10. Land

(a) Base Maps for 1990s	1,900,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of state planning to provide the state

	1992	1993
	\$	\$
match for a federal program to complete a major portion of the statewide air photo and base map coverage. The federal share is appropriated.		

(b) Accelerated Soil Survey	1,270,000
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This appropriation is to the University of Minnesota, Agriculture Experiment Station, to complete the soil survey in counties under contract as of July 1, 1988. Up to \$270,000 is for initiation of a survey in Koochiching county, provided that the county share of the cost of the survey shall be one-third of the cost, reduced by a percentage equal to the percent of land located in the county that is owned by the federal or state government that exceeds five percent, and further adjusted by the ratio of the adjusted net tax capacity per capita of the county to the adjusted net tax capacity per capita of the state.

(c) Statewide National Wetlands Inventory, Protected Waters Inventory, Watershed Map Digitization	750,000
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This appropriation is from the Minnesota environment and natural resources trust fund to the commissioner of natural resources to complete the digitization of the national wetlands inventory, protected water inventory, and watershed boundaries.

(d) Statewide Land Use Update	338,000
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This appropriation is to the commissioner of state planning for a grant to The International Coalition to complete a statewide land use update of all land and water resources outside the Twin City metropolitan area.

(e) Local Geographic Information System Program	143,000
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	1992	1993
	\$	\$

This appropriation is to the commissioner of state planning for a grant to The International Coalition to expand the applicability and use of geographic information by developing programs and providing training at the local level.

(f) GIS Control Point Inventory	175,000
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This appropriation is to the commissioner of state planning to produce a statewide inventory of known public land survey control points using data from all levels of government.

(g) Land Use and Design Strategies to Enhance Environmental Quality	100,000
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This appropriation is to the University of Minnesota, College of Architecture and Landscape Architecture, to develop a land use and design concept for typical sites on light rail transit and freeway systems. The work must be done in consultation with the Metropolitan Council and the Regional Transit Board.

(h) Model Residential Land Use Guidelines	150,000
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This appropriation is to the University of Minnesota, Department of Landscape Architecture, to illustrate and disseminate residential land development guidelines that address a broad range of environmental concerns. The work must be done in consultation with the Metropolitan Council. The legislative commission on Minnesota resources may convene a steering committee to ensure coordination and practical results.

	1992	1993
	\$	\$

Subd. 11. Minerals

Subsurface Greenstone Belts in Southwestern Minnesota	120,000	
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This appropriation is to the University of Minnesota, Minnesota Geologic Survey, to apply aeromagnetic interpretation techniques and test drilling to determine greenstone and associated mineral potential in southwestern Minnesota.

Subd. 12. Waste

(a) Remediation of Soils by Co-Composting with Leaves	135,000	
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This appropriation is to the office of waste management for a grant to the Minneapolis Community Development Agency to develop a treatment method for soils contaminated with semi-volatile compounds by co-composting with leaves.

(b) Land Spreading of Yard Wastes	100,000	
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This appropriation is to the office of waste management for a grant to the University of Minnesota, Soils Science Department, to determine the maximum and optimum rates that yard wastes can be applied to soils without reducing yields or endangering the environment.

Subd. 13. Oil Overcharge

The appropriations in this subdivision are from oil overcharge money, as defined in Minnesota Statutes, section 4.071, in the special revenue fund.

(a) Traffic Signal Timing and Optimization Program	1,175,000	
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This appropriation is to the commissioner of administration for transfer to

	1992	1993
	\$	\$
the commissioner of transportation. \$125,000 is for traffic signal retiming and optimization training and \$1,050,000 for a cost share program for signal retiming. \$675,000 of the cost share program is available only as cash flow permits.		

(b) Waste Crumb Rubber in Roadways	100,000
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This appropriation is to the commissioner of administration for transfer to the commissioner of transportation to improve hot-mix asphalt pavement performance through the use of crumb tire rubber and selected polymer additives. The process will use waste tires generated in Minnesota. This appropriation must be matched by \$100,000 from other sources.

(c) Biodegradable Plastics – Microbial and Crop Plant Systems	150,000
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This appropriation is to the commissioner of administration for a grant to the University of Minnesota, Department of Agronomy and Plant Genetics, to genetically engineer yeast and crop plants to produce low-cost polyhydroxybutyric, a biodegradable plastic, to substitute for petroleum-based plastics.

(d) Agricultural Energy Savings Information	150,000
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This appropriation is to the commissioner of administration for a grant to the Agricultural Utilization Research Institute to conduct a series of conferences, communication products, and intensive workshops in order to transfer the results of state-funded research to agricultural practitioners.

(e) Residential Urban Environmental Resource Audit	150,000
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	1992	1993
	\$	\$
<p>This appropriation is to the commissioner of administration for a grant to the St. Paul Neighborhood Energy Consortium to develop and implement neighborhood workshops and one-on-one consultations as part of an environmental urban resource audit and a broad educational campaign.</p>		
(f) Means for Producing Lignin-Based Plastics	100,000	
<p>This appropriation is to the University of Minnesota, Department of Forest Products, to develop means for fabricating engineering plastics based upon industrial by-product lignins and corresponding raw materials from wheat straw.</p>		
(g) Cellulose Rayons for Packaging	150,000	
<p>This appropriation is to the office of waste management for a grant to Bemidji State University, Center for Environmental Studies, to research and develop cellulose rayons.</p>		
(h) Tree and Shrub Planting for Energy in Minnesota Communities	1,250,000	
<p>This appropriation is to the commissioner of natural resources to develop research-based guidelines and publications and to provide matching grants for energy conservation tree planting. \$950,000 of this appropriation is available only as cash flow permits.</p>		
(i) Oil Overcharge Program Administration	200,000	
<p>This appropriation is to the commissioner of administration for processing and oversight of grants and allocations in the Oil Overcharge program.</p>		
(j) Energy Efficiency Standards for Residential Construction	75,000	

	1992	1993
	\$	\$

This appropriation is to the commissioner of administration for a grant to the University of Minnesota, Cold Climate Housing Center for the development of performance-based standards for energy efficient new home construction and procedures for implementation. This appropriation must be matched by \$75,000 of nonstate funds. This appropriation is available only as cash flow permits.

Subd. 14. MFRF Contingent Account	800,000
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In addition to the specific amounts appropriated from the Minnesota future resources fund by this section, any increase in the projected revenue to the fund in excess of the amount indicated in subdivision 1 that would otherwise be available for expenditure during the 1992-1993 biennium is appropriated to the legislative commission on Minnesota resources future resources fund contingent account for disbursement by the commission in accordance with the procedure identified in this subdivision.

This appropriation is for acquisition or development of state land or other projects that are part of a natural resources acceleration activity, when deemed to be of an emergency or critical nature. This appropriation is also available for projects initiated by the legislative commission on Minnesota resources that are found to be proper in order for the commission to carry out its legislative charge.

This appropriation is not available until the legislative commission on Minnesota resources has made a recommendation to the legislative advisory commission regarding each expenditure from the account. The legislative advisory commission must then hold a meeting and provide its

	1992	1993
	\$	\$
recommendation on each item, which may be spent only with the approval of the governor.		

Subd. 15. Trust Fund Contingent Account	1,000,000
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In addition to the specific amounts appropriated from the environmental trust fund by this section, any increase in the projected revenue to the trust fund in excess of the amount indicated in subdivision 1 that would otherwise be available for expenditure during the 1992-1993 biennium in accordance with Minnesota Statutes, sections 116P.08 and 116P.11, is appropriated to the legislative commission on Minnesota resources environmental trust fund contingent account for disbursement by the commission in accordance with the procedure identified in this subdivision.

This appropriation is not available until the legislative commission on Minnesota resources has made a recommendation to the legislative advisory commission regarding each expenditure from the account. The legislative advisory commission must then hold a meeting and provide its recommendation on each item, which may be spent only with the approval of the governor.

Subd. 16. Compatible Data

During the biennium ending June 30, 1993, the data collected by the projects funded under this section that have common value for natural resource planning and management must conform to information architecture as defined in guidelines and standards adopted by the information policy office. Data review committees may be established to develop or comment on plans for data integration and distribu-

	1992	1993
	\$	\$
tion and shall submit semiannual status reports to the legislative commission on Minnesota resources on their findings. In addition, the data must be provided to and integrated with the Minnesota land management information center's geographic data bases with the integration costs borne by the activity receiving funding under this section. This requirement applies to all projects funded under this section, including, but not limited to, the following projects:		

Recreation: Subdivision 3, paragraphs (d) and (e);

Water: Subdivision 4, paragraphs (a), (b), (c), (f), and (g);

Agriculture: Subdivision 6, paragraph (d);

Wildlife: Subdivision 9, paragraphs (d), (e), (h), (k), and (p);

Land: Subdivision 10, paragraphs (a), (b), (c), (d), (e), and (f);

Minerals: Subdivision 11.

Subd. 17. Work Program

It is a condition of acceptance of the appropriations made by this section that the agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided in this section may be spent unless the commission has approved the pertinent work program.

Subd. 18. Temporary Positions

	1992	1993
	\$	\$
The approved full-time equivalent of the following agencies shall be increased for the biennium as indicated for the appropriations in this section:		

Board of Water and Soil Resources – 1
Pollution Control Agency – 5
State Planning Agency – 3
Department of Agriculture – 4
Department of Education – 4
Department of Administration – 1
Department of Natural Resources – 36

Persons employed by a state agency and paid by an appropriation in this section are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. The positions are in addition to any other approved complement for the agency. Part-time employment of persons is authorized.

Subd. 19. Match Requirements

Appropriations in this section that must be matched and for which the match has not been committed by January 1, 1992, must be canceled. Amounts canceled to the Minnesota future resources fund are appropriated to the contingent account created in subdivision 14.

Subd. 20. Patents and Royalties

If an appropriation in this section from the Minnesota future resources fund results in a patent and subsequent royalties, payment of 50 percent of the royalties received, net of patent servicing costs, must be paid to the Minnesota future resources fund, until the entire appropriation made by this section is repaid.

Subd. 21. Carryforward

	1992	1993
	\$	\$

The appropriation in Laws 1989, chapter 335, article 1, section 29, subdivision 3, paragraph (e), Development of Forest Soil Interpretations, is available until December 31, 1991.

The appropriation in Laws 1989, chapter 335, article 1, section 29, subdivision 3, paragraph (h), Statewide Public Recreation Map, is available until June 30, 1992.

The appropriation in Laws 1989, chapter 335, article 1, section 29, subdivision 11, paragraph (o), High Flotation Tire Research is available until June 30, 1992.

Sec. 15. TRANSFERS

If the appropriation in this article to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives. If the appropriation in this act to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.

If an amount is specified in this article item within an activity, that amount must not be transferred or used for any other purpose.

ARTICLE 2
ENVIRONMENT AND NATURAL RESOURCES

Section 1. Minnesota Statutes 1990, section 14.18, is amended to read:

14.18 [PUBLICATION OF ADOPTED RULE; EFFECTIVE DATE.]

Subdivision 1. [GENERALLY.] A rule is effective after it has been subjected to all requirements described in sections 14.131 to 14.20 and five working days after the notice of adoption is published in the State Register unless a later date is required by law or specified in the rule. If the rule adopted is the same as the proposed rule, publication may be made by publishing notice in the State Register that the rule has been adopted as proposed and by citing the prior publication. If the rule adopted differs from the proposed rule, the portions of the adopted rule which differ from the proposed rule shall be included in the notice of adoption together with a citation to the prior State Register publication of the remainder of the proposed rule. The nature of the modifications must be clear to a reasonable person when the notice of adoption is considered together with the State Register publication of the proposed rule, except that modifications may also be made which comply with the form requirements of section 14.07, subdivision 7.

Subd. 2. [POLLUTION CONTROL AGENCY FEES.] A new fee or fee increase adopted by the pollution control agency is subject to legislative approval during the next biennial budget session following adoption. The commissioner shall submit a report of fee adjustments to the legislature as a supplement to the biennial budget. Any new fee or fee increase remains in effect unless the legislature passes a bill disapproving the new fee or fee increase. A fee or fee increase disapproved by the legislature becomes null and void on July 1 following adjournment.

Sec. 2. Minnesota Statutes 1990, section 16A.123, subdivision 5, is amended to read:

Subd. 5. [DEPARTMENT OF NATURAL RESOURCES COMPLEMENT.] (a) Beginning with the biennium ending June 30, 1991, The legislature shall establish complements for the department of natural resources based on the number of full-time equivalent positions and dollars appropriated for salary-related expenditures.

The commissioner of natural resources shall provide a biennial report indicating the distribution of the full-time equivalents for the previous biennium as a supplement to the agency's biennial budget request for succeeding bienniums. The biennial budget document submitted to the legislature by the governor beginning with the

~~1992-1993 biennium~~ shall indicate, by program and by activity, the number of full-time equivalent positions included as base level ~~and recommended changes~~. The governor's salary and full-time equivalents requests for the agency shall include all full-time, part-time, and seasonal dollars and full-time equivalent positions requested. Any change level request submitted by the governor to the legislature for consideration by the governor as part of the governor's biennial budget containing funding for salaries shall indicate the number of additional full-time equivalent positions and salary dollars requested.

Within the full-time equivalent number and amount of salary dollars appropriated for the department, the commissioner shall have the authority to establish as many full-time, part-time, or seasonal positions as required to accomplish the assigned responsibilities for the department. The commissioner shall have the authority to reallocate salary dollars for other operating expenses, but the commissioner shall not have authority to reallocate other operating funds to increase the total amount appropriated for salary-related expenses, including salary supplement, without receiving prior approval according to the process defined in this subdivision.

In the event that the commissioner finds it necessary to exceed the full-time equivalent number or the amount of appropriated dollars and the legislature is not in session, the commissioner shall seek approval of the legislative advisory commission under subdivision 4. Legislative advisory commission approved full-time equivalent positions and dollars shall ~~not only become a part of the agency budget base unless authorized by the legislature if the increase is the result of appropriations made to the agency by the legislature that are in addition to the appropriations made in the omnibus appropriations acts. All other legislative advisory commission authorized full-time equivalent positions or dollar adjustments shall be temporary for the biennium during which they are authorized unless approved by the legislature.~~

(b) This subdivision does not apply to emergency firefighting crews. Subdivisions 1, 2, and 3 do not apply to the department of natural resources.

Sec. 3. Minnesota Statutes 1990, section 18.191, is amended to read:

18.191 [DESTRUCTION OF NOXIOUS WEEDS.]

Except as otherwise specifically provided in sections 18.181 to 18.271, 18.281 to 18.311, and 18.321 to 18.322, it shall be the duty of every occupant of land or, if the land is unoccupied, the owner thereof, or an agent, or the public official in charge thereof, to cut down, otherwise destroy, or eradicate all noxious weeds as defined in section 18.171, subdivision 5, standing, being, or growing upon such

land, in such manner and at such times as may be directed or ordered by the commissioner, the commissioner's authorized agents, the county agricultural inspector, or by a local weed inspector having jurisdiction.

Except as provided below, an owner of nonfederal lands underlying public waters or wetlands designated under section 103G.201 is not required to control or eradicate purple loosestrife (*Lythrum salicaria*) below the ordinary high water level of the public water or wetland. To the extent provided in this section, the commissioner of natural resources is responsible for control and eradication of purple loosestrife on public waters and wetlands designated under section 103G.201, except those located upon lands owned in fee title or managed by the United States. The officers, employees, agents, and contractors of the commissioner may enter upon public waters and wetlands designated under section 103G.201 and may cross adjacent lands as necessary for the purpose of investigating purple loosestrife infestations, formulating methods of eradication, and implementing control and eradication of purple loosestrife. The commissioner, after consultation with the commissioner of agriculture, shall, by June 1 of each year, compile a priority list of purple loosestrife infestations to be controlled in designated public waters or public wetlands. The commissioner of agriculture must distribute the list to county agricultural inspectors, local weed inspectors, and their appointed agents. The commissioner of natural resources shall control listed purple loosestrife infestations in priority order within the limits of appropriations provided for that purpose. This procedure shall be the exclusive means for control of purple loosestrife on designated public waters and public wetlands by the commissioner of natural resources and shall supersede the other provisions for control of noxious weeds set forth elsewhere in Minnesota Statutes, chapter 18. The responsibility of the commissioner to control and eradicate purple loosestrife on public waters and wetlands located on private lands and the authority to enter upon private lands ends ten days after receipt by the commissioner of a written statement from the landowner that the landowner assumes all responsibility for control and eradication of purple loosestrife under sections 18.171 to 18.315. State officers, employees, agents, and contractors are not liable in a civil action for trespass committed in the discharge of their duties under this section and are not liable to anyone for damages, except for damages arising from gross negligence.

Sec. 4. Minnesota Statutes 1990, section 84.82, subdivision 2, is amended to read:

Subd. 2. [APPLICATION, ISSUANCE, REPORTS.] Application for registration or reregistration shall be made to the commissioner of natural resources, or the commissioner of public safety or an authorized deputy registrar of motor vehicles in such form as the commissioner of public safety shall prescribe, and shall state the name and address of every owner of the snowmobile and be signed by

at least one owner. The commissioner of natural resources shall authorize retail dealers of snowmobiles to serve as agents of the deputy registrar for purposes of snowmobile registration and reregistration. A person who purchases a snowmobile from a retail dealer may make application for registration to the dealer at the point of sale. The dealer shall issue a temporary registration to each purchaser who applies to the dealer for registration. The temporary registration is valid until the final registration becomes effective. Upon receipt of the application and the appropriate fee as hereinafter provided, such snowmobile shall be registered and a registration number assigned which shall be affixed to the snowmobile in such manner as the commissioner of natural resources shall prescribe. Each deputy registrar of motor vehicles acting pursuant to section 168.33, shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements. A fee of 50 cents in addition to that otherwise prescribed by law shall be charged for each snowmobile registered by the registrar or a deputy registrar. The additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2.

Sec. 5. Minnesota Statutes 1990, section 84.82, subdivision 3, is amended to read:

Subd. 3. [FEES FOR REGISTRATION.] (a) The fee for registration of each snowmobile, other than those used for an agricultural purpose, as defined in section 84.92, subdivision 1c, or those registered by a dealer or manufacturer pursuant to clause (b) or (c) shall be as follows: ~~\$18~~ \$30 for three years and \$4 for a duplicate or transfer.

(b) The total registration fee for all snowmobiles owned by a dealer and operated for demonstration or testing purposes shall be \$50 per year.

(c) The total registration fee for all snowmobiles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes shall be \$150 per year. Dealer and manufacturer registrations are not transferable.

Sec. 6. Minnesota Statutes 1990, section 84.944, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION OF ACQUIRED SITES.] The critical natural habitat acquired in fee title by the commissioner under this section shall be designated by the commissioner as: (1) an outdoor recreation unit pursuant to section 86A.07, subdivision 3, or (2) as provided in sections 97A.101, 97A.125, 97C.001, and 97C.011; and

97C.021. The commissioner may so designate any critical natural habitat acquired in less than fee title.

Sec. 7. Minnesota Statutes 1990, section 84.96, subdivision 5, is amended to read:

Subd. 5. [PAYMENTS.] (a) The commissioner must make payments to the landowner under this subdivision for the easement.

(b) For a permanent easement, the commissioner must pay 50 percent of the average equalized estimated market value of cropland in the township as established by the commissioner of revenue 65 percent of the permanent marginal agricultural land payment rate as established by the board of water and soil resources for the time period when the application is made.

(c) For an easement of limited duration, the landowner shall receive a lump sum payment equal to the present value of the annual payments for the term of the easement based on 50 percent of the mean adjusted cash rental for cropland in the county as established by the commissioner of revenue commissioner must pay 65 percent of the permanent prairie bank easement rate for the time period when the application is made.

(d) To maintain and protect native prairies, the commissioner may enter into easements that allow selected agricultural practices. Payment must be based on paragraph (b) or (c) but may be reduced due to the agricultural practices allowed after negotiation with the landowner.

Sec. 8. Minnesota Statutes 1990, section 85.015, is amended by adding a subdivision to read:

Subd. 16. [SUPERIOR VISTA TRAIL; ST. LOUIS AND LAKE COUNTIES.] The trail shall originate at the city of Duluth and shall extend in a northeasterly direction along the shoreline of Lake Superior to the city of Two Harbors. The trail shall be designed for bicycles and hikers, shall utilize existing highway and railroad right-of-way where possible, and shall be laid out in a manner to maximize the view of Lake Superior while traversing the length of the trail.

Sec. 9. [COORDINATION.]

In developing a plan to implement section 7, the commissioner shall involve the various jurisdictions through which the Superior Vista trail corridor would pass. This includes, but is not limited to, the St. Louis and Lake counties highway departments, the cities of Duluth and Two Harbors, the Minnesota department of transportation, and the St. Louis and Lake counties railroad authorities.

Sec. 10. Minnesota Statutes 1990, section 85.22, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION.] *The revolving fund established under Laws 1941, chapter 548, section 37, subdivision E, item 4 is the state parks working capital account. The account is to be used to maintain and operate the revenue producing facilities and to operate the resource management and interpretive programs in the state parks within the limits in this section.*

Sec. 11. Minnesota Statutes 1990, section 85.22, subdivision 2a, is amended to read:

Subd. 2a. [RECEIPTS, APPROPRIATION.] All receipts derived from the rental or sale of ~~items in state parks~~ park items shall be deposited in the state treasury and be credited to the state parks working capital account. The money in the account is annually appropriated ~~solely~~ for the purchase and payment of expenses attributable to items for resale or rental and for state park resource management and interpretive programs. No money shall be spent on the resource management or interpretive programs until all expenses attributable to the revenue producing program have been covered.

Sec. 12. Minnesota Statutes 1990, section 86B.415, subdivision 1, is amended to read:

Subdivision 1. [WATERCRAFT LESS THAN 19 FEET OR LESS.] The fee for a watercraft license for watercraft ~~less than~~ 19 feet in length or less is ~~\$12~~ \$35 except:

(1) for watercraft 19 feet in length or less that is offered for rent or lease, the fee is ~~\$6~~ \$12;

(2) for a canoe, kayak, sailboat, sailboard, paddle boat, or rowing shell 19 feet in length or less, the fee is ~~\$7~~ \$12;

(3) for a watercraft less than 17 feet in length, the fee is \$22;

(4) for a watercraft 19 feet in length or less used by a nonprofit corporation for teaching boat and water safety, the fee is as provided in subdivision 4; and

~~(4)~~ (5) for a watercraft owned by a dealer under a dealer's license, the fee is as provided in subdivision 5.

Sec. 13. Minnesota Statutes 1990, section 86B.415, subdivision 2, is amended to read:

Subd. 2. [WATERCRAFT OVER 19 FEET.] Except as provided in subdivisions 3, 4, and 5, the watercraft license fee:

(1) for a watercraft more than 19 feet but less than 26 feet in length is ~~\$20~~ \$45;

(2) for a watercraft 26 feet but less than 40 feet in length is ~~\$30~~ \$60; and

(3) for a watercraft 40 feet in length or longer is ~~\$40~~ \$80.

Sec. 14. Minnesota Statutes 1990, section 86B.415, subdivision 3, is amended to read:

Subd. 3. [WATERCRAFT OVER 19 FEET FOR HIRE.] The license fee for a watercraft more than 19 feet in length for hire with an operator is ~~\$50~~ \$80 each.

Sec. 15. Minnesota Statutes 1990, section 86B.415, subdivision 4, is amended to read:

Subd. 4. [WATERCRAFT USED BY NONPROFIT CORPORATION FOR TEACHING.] The watercraft license fee for a watercraft used by a nonprofit organization for teaching boat and water safety is ~~\$3~~ \$6 each.

Sec. 16. Minnesota Statutes 1990, section 86B.415, subdivision 5, is amended to read:

Subd. 5. [DEALER'S LICENSE.] There is no separate fee for watercraft owned by a dealer under a dealer's license. The fee for a dealer's license is ~~\$30~~ \$60.

Sec. 17. Minnesota Statutes 1990, section 86B.415, subdivision 6, is amended to read:

Subd. 6. [TRANSFER OR DUPLICATE LICENSE.] The fee to transfer a watercraft license or be issued a duplicate license is ~~\$3~~ \$4.

Sec. 18. Minnesota Statutes 1990, section 86B.415, subdivision 7, is amended to read:

Subd. 7. [WATERCRAFT SURCHARGE.] A surcharge of \$2 is placed on each watercraft licensed under subdivisions 1 to 6, ~~that is 17 feet in length or longer, for management of control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil according to law.~~

Sec. 19. [88.86] [MINNESOTA RELEAF PROGRAM.]

The Minnesota releaf program is established in the department of natural resources to encourage, promote, and fund the planting, maintenance, and improvement of trees in this state to reduce atmospheric carbon dioxide levels and promote energy conservation.

Sec. 20. [IMPLEMENTATION PLAN.]

Subdivision 1. [DESCRIPTION.] (a) The commissioner of natural resources in cooperation with the commissioners of the pollution control agency and department of agriculture shall prepare and submit to the legislative commission on Minnesota resources an implementation plan for the Minnesota releaf program containing the following elements:

(1) primary and secondary criteria for selecting projects for funding under the Minnesota releaf program; and

(2) recommended procedures for processing grant applications and allocating funds.

(b) The primary criteria developed under paragraph (a), clause (1), must include, but are not limited to:

(1) reduction and mitigation of adverse environmental impacts of atmospheric carbon dioxide; and

(2) promotion of energy conservation.

(c) The secondary criteria developed under paragraph (a), clause (1), must include, but are not limited to:

(1) balancing of urban and rural needs;

(2) preservation of existing trees in urban areas;

(3) promotion of biodiversity, including development of disease-resistant and drought-resistant tree species;

(4) erosion control;

(5) enhancement of wildlife habitat;

(6) encouragement of cost sharing with public and private entities;

(7) enhancement of recreational opportunities in urban and rural areas;

(8) coordination with existing state and federal programs;

- (9) acceleration of the planting of harvestable timber;
- (10) creation of employment opportunities for disadvantaged youth; and
- (11) maximization of the use of volunteers.

Subd. 2. [DUTIES OF THE COMMISSIONER OF NATURAL RESOURCES.] By February 1, 1992, the commissioner of natural resources shall transmit to the legislature the implementation plan prepared under subdivision 1, and the recommendations prepared under subdivision 3, together with all recommended legislation to implement the Minnesota releaf program and the supporting fee structure.

Subd. 3. [DUTIES OF THE POLLUTION CONTROL AGENCY.]
(a) The pollution control agency, in consultation with potentially affected parties, shall prepare implementation recommendations for applying a fee on carbon dioxide emissions for the Minnesota releaf program. The agency's analysis must include:

(1) a review of the carbon dioxide sources and proposed fee base identified in the study prepared in accordance with Laws 1990, chapter 587, section 2;

(2) recommendations regarding exemptions, if any, that should be granted;

(3) a recommended method for measuring the amount of carbon dioxide emitted by various sources;

(4) a recommended procedure for administering and collecting the fees from the sources described in clause (3); and

(5) an estimate of revenue that would be generated by the fees.

(b) The agency shall submit implementation recommendations to the commissioner of natural resources by December 1, 1991.

Sec. 21. [LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES PARTICIPATION.]

The commissioners of natural resources and pollution control agency shall include the preparation of the plans required for the implementation of the Minnesota releaf program as part of the tree and shrub planting project funded in article 1, section 14. In compliance with article 1, section 14, an amended work plan for the tree and shrub planting project including the Minnesota releaf plans shall be submitted to the legislative commission on Minnesota resources for approval.

Sec. 22. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall renumber Minnesota Statutes, section 116.86, as section 88.85.

Sec. 23. Minnesota Statutes 1990, section 97A.075, subdivision 2, is amended to read:

Subd. 2. [MINNESOTA MIGRATORY WATERFOWL STAMP.] The commissioner may use the revenue from the Minnesota migratory waterfowl stamps for:

(1) development of wetlands in the state and designated waterfowl management lakes for maximum migratory waterfowl production including the construction of dikes, water control structures and impoundments, nest cover, rough fish barriers, acquisition of sites and facilities necessary for development and management of existing migratory waterfowl habitat and the creation of migratory waterfowl management lakes;

(2) ~~protection and propagation~~ management of migratory waterfowl;

(3) development, restoration, maintenance, or preservation of migratory waterfowl habitat;

(4) acquisition of and access to structure sites; and

(5) necessary related administrative costs not to exceed ten percent of the annual revenue.

Sec. 24. Minnesota Statutes 1990, section 97A.141, is amended by adding a subdivision to read:

Subd. 4. [COOPERATION WITH METROPOLITAN GOVERNMENTAL UNITS.] Local units of government owning lands adjacent to public waters within the seven-county metropolitan area shall cooperate with the commissioner to use those lands for public access purposes when identified by the commissioner under subdivision 1. If cooperation does not occur, the commissioner may use condemnation authority under this section to acquire an interest in the local government lands for public access purposes.

Sec. 25. Minnesota Statutes 1990, section 97A.325, subdivision 2, is amended to read:

Subd. 2. [DEER; BEAR; MOOSE; ELK; CARIBOU.] Except as provided in subdivision 1, a person that violates a provision of the

game and fish laws relating to buying or selling deer, bear, moose, elk, or caribou is guilty of a gross misdemeanor.

Sec. 26. Minnesota Statutes 1990, section 97A.435, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Persons eligible for a turkey license shall be determined by this section and commissioner's order. A person is eligible for a turkey license only if the person is ~~a resident~~ and at least age 16 before the season opens or possesses a firearms safety certificate.

Sec. 27. Minnesota Statutes 1990, section 97A.475, subdivision 2, is amended to read:

Subd. 2. [RESIDENT HUNTING.] Fees for the following licenses, to be issued to residents only, are:

- (1) for persons under age 65 to take small game, \$10;
- (2) for persons age 65 or over, \$5;
- (3) to take turkey, ~~\$14~~ \$20;
- (4) to take deer with firearms, \$22;
- (5) husband and wife license to take deer with firearms, \$27;
- (6) family license to take deer with firearms, \$84;
- ~~(6)~~ (7) to take deer by archery, \$22;
- (8) husband and wife license to take deer by archery, \$27;
- ~~(7)~~ (9) to take moose, for a party of not more than four persons, \$275;
- ~~(8)~~ (10) to take bear, \$33; ~~and~~
- ~~(9)~~ (11) to take elk, for a party of not more than two persons, \$220; and
- (12) to take antlered deer only in multiple zones, without provision to apply for a doe permit, if the commissioner determines that there is no deleterious effect on the deer herd, \$32.

Sec. 28. Minnesota Statutes 1990, section 97A.475, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENT HUNTING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take small game, \$56;
- (2) to take deer with firearms, \$110;
- (3) to take deer by archery, \$110;
- (4) to take bear, \$165;
- (5) to take turkey, ~~\$33~~ \$56; and
- (6) to take raccoon, bobcat, fox, coyote, or lynx, \$137.50.

Sec. 29. Minnesota Statutes 1990, section 97A.475, subdivision 7, is amended to read:

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take fish by angling, ~~\$20~~ \$25;
- (2) to take fish by angling limited to seven consecutive days, \$16.50;
- (3) to take fish by angling for three consecutive days, \$13.50;
- (4) to take fish by angling for a combined license for a family, ~~\$33.50~~ \$35;
- (5) to take fish by angling for a period of 24 hours from the time of issuance, \$5; and
- (6) to take fish by angling for a combined license for a married couple, limited to 14 consecutive days, \$25.

Sec. 30. Minnesota Statutes 1990, section 97A.485, subdivision 7, is amended to read:

Subd. 7. [COUNTY AUDITOR'S COMMISSION.] The county auditor shall retain for the county treasury a commission of four percent of all license fees collected by the auditor and the auditor's subagents, excluding the small game surcharge and issuing fees, the fishing surcharge and issuing fees, and the license to take fish by angling for persons age 65 and over. In addition, the auditor shall collect the issuing fees on licenses sold by the auditor to a licensee.

Sec. 31. Minnesota Statutes 1990, section 97B.301, is amended by adding a subdivision to read:

Subd. 6. [HUSBAND AND WIFE DEER LICENSE.] A resident husband and wife license to take deer by firearms or by archery may be issued by the commissioner. A license authorizes the taking of one deer. One antlerless permit application shall be provided with each husband-wife firearms license sold.

Sec. 32. Minnesota Statutes 1990, section 97C.001, subdivision 3, is amended to read:

Subd. 3. [SEASONS, LIMITS, AND RULES.] (a) The commissioner may, by order, establish open seasons, limits, methods, and other rules to take fish on experimental waters.

(b) The open seasons, limits, methods, and other rules must be the same for streams located in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha, and Winona counties in order to be designated as experimental waters by the commissioner.

Sec. 33. Minnesota Statutes 1990, section 103B.321, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The board shall:

(1) develop guidelines for the contents of comprehensive water plans that provide for a flexible approach to meeting the different water and related land resources needs of counties and watersheds across the state;

(2) coordinate assistance of state agencies to counties and other local units of government involved in preparation of comprehensive water plans, including identification of pertinent data and studies available from the state and federal government;

(3) conduct an active program of information and education concerning the requirements and purposes of sections 103B.301 to 103B.355 in conjunction with the association of Minnesota counties;

(4) determine contested cases under section 103B.345;

(5) establish a process for review of comprehensive water plans that assures the plans are consistent with state law; and

(6) report to the legislative commission on Minnesota resources as required by section 103B.351; and

(7) make grants to counties for comprehensive local water plan-

ning, implementation of priority actions identified in approved plans, and sealing of abandoned wells.

Sec. 34. Minnesota Statutes 1990, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. [PERMIT FEES.] (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section 16A.128 establishing the amounts and methods of collection of any permit fees collected under this subdivision. Any money collected under this subdivision paragraph shall be deposited in the special revenue account.

(b) Notwithstanding paragraph (a), and section 16A.128, subdivision 1, the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to the requirement to obtain a permit under Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., or Minnesota Statutes, section 116.081. The annual fee shall be used to pay for all direct and indirect reasonable costs required to develop and administer the permit program requirements of Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., and sections of this chapter related to air contamination. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing the terms and conditions of a permit issued, not including court costs or other costs associated with an enforcement action; emissions and ambient monitoring; preparing generally applicable regulations or guidance; modeling, analyses, and demonstrations; and preparing inventories and tracking emissions.

(c) The agency shall adopt fee rules in accordance with the procedures in section 16A.128, subdivisions 1a and 2a, that will result in the collection, in the aggregate, from the sources listed in paragraph (b), of the following amounts:

(1) in fiscal years 1992 and 1993, the amount appropriated by the legislature from fees under the agency's air quality program; and

(2) for fiscal year 1994 and thereafter, an amount not less than \$25 per ton of each volatile organic compound, pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act), pollutant regulated under

Minnesota Rules, chapter 7005, and each pollutant, except carbon monoxide, for which a national or state primary ambient air quality standard has been promulgated.

The agency shall not include in the calculation of the aggregate amount to be collected from the fee rules any amount in excess of 4,000 tons per year of each air pollutant from a source.

(d) The agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year beginning after 1990 by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of such year exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph, the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year, and the revision of the Consumer Price Index which is most consistent with the Consumer Price Index for calendar year 1989. Any money collected under paragraphs (b) to (d) shall be deposited in an air quality account in the environmental fund and shall be used solely for the activities listed in paragraph (b).

Sec. 35. Minnesota Statutes 1990, section 116.18, subdivision 2a, is amended to read:

Subd. 2a. [STATE MATCHING GRANTS PROGRAM BEGINNING OCTOBER 1, 1987.] For projects tendered, on or after October 1, 1987, a grant of federal money under section 201(g), section 202, 203, or 206(f) of the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections 1251 to 1376, at 55 percent or more of the eligible cost for construction of the treatment works, state money appropriated under subdivision 1 must be expended for 50 percent of the nonfederal share of the eligible cost of construction for municipalities with populations of 25,000 or less. The total state stop payment amount that is withheld from communities completing wastewater treatment facility construction under the state-federal matching grants program must not exceed ten percent of the total state grant amount.

Sec. 36. Minnesota Statutes 1990, section 116P.05, is amended to read:

116P.05 [LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES.]

Subdivision 1. [MEMBERSHIP.] (a) A legislative commission on Minnesota resources of 16 members is created, consisting of the chairs of the house and senate committees on environment and natural resources or designees appointed for the terms of the chairs,

the chairs of the house appropriations and senate finance committees or designees appointed for the terms of the chairs, six members of the senate appointed by the subcommittee on committees of the committee on rules and administration, and six members of the house appointed by the speaker. ~~The commission shall develop a budget plan for expenditures from the trust fund and shall adopt a strategic plan as provided in section 116P.08.~~

~~(b) The commission shall recommend expenditures to the legislature from the Minnesota future resources account under section 116P.13.~~ At least two members from the senate and two members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.

~~(e) (b)~~ Members shall appoint a chair who shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

~~(d) (c)~~ Members shall serve on the commission until their successors are appointed.

~~(e) (d)~~ Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled in the same manner under paragraph (a).

Subd. 2. [DUTIES.] (a) The commission shall recommend a budget plan for expenditures from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08.

(b) The commission shall recommend expenditures to the legislature from the Minnesota future resources fund under section 116P.13.

~~(f) (c)~~ The commission may adopt bylaws and operating procedures to fulfill their duties under sections 116P.01 to 116P.13.

Sec. 37. Minnesota Statutes 1990, section 116P.06, is amended to read:

116P.06 [ADVISORY COMMITTEE.]

Subdivision 1. [MEMBERSHIP.] (a) An advisory committee of 11 citizen members shall be appointed by the governor to advise the legislative commission on Minnesota resources on project proposals to receive funding from the trust fund and the development of budget and strategic plans. The governor shall appoint at least one

member from each congressional district. The governor shall appoint the chair.

(b) The governor's appointees must be confirmed with the advice and consent of the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575.

Subd. 2. [DUTIES.] (a) The advisory committee shall:

(1) prepare and submit to the commission a draft strategic plan to guide expenditures from the trust fund;

(2) review the reinvest in Minnesota program during development of the draft strategic plan;

(3) gather input from the resources congress during development of the draft strategic plan;

(4) advise the commission on project proposals to receive funding from the trust fund; and

(5) advise the commission on development of the budget plan.

(b) The advisory committee may review all project proposals for funding and may make recommendations to the commission on whether the projects:

(1) meet the standards and funding categories set forth in sections 116P.01 to 116P.12;

(2) duplicate existing federal, state, or local projects being conducted within the state; and

(3) are consistent with the most recent strategic plan adopted by the commission.

Sec. 38. Minnesota Statutes 1990, section 116P.07, is amended to read:

116P.07 [RESOURCES CONGRESS.]

The commission must convene a resources congress at least once every biennium and shall develop procedures for the congress. The congress must be open to all interested individuals. The purpose of the congress is to collect public input necessary to allow the commission, with the advice of the advisory committee, to develop a strategic plan to guide expenditures from the trust fund. The congress also may be convened to receive and review reports on trust

fund projects. The congress shall also review the reinvest in Minnesota program.

Sec. 39. Minnesota Statutes 1990, section 116P.08, subdivision 3, is amended to read:

Subd. 3. [STRATEGIC PLAN REQUIRED.] (a) The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. ~~The reinvest in Minnesota program must be reviewed by the advisory committee, resources congress, and commission during the development of the strategic plan.~~ The strategic plan must be updated every two years. The plan is advisory only. The commission shall submit the plan, as a recommendation, to the house of representatives appropriations and senate finance committees by January 1 of each odd-numbered year.

(b) ~~The advisory committee shall work with the resources congress to develop a draft strategic plan to be submitted to the commission for approval. The commission shall develop the procedures for the resources congress.~~

(c) ~~The commission may accept or modify the draft of the strategic plan submitted to it by the advisory committee before voting on the plan's adoption.~~

Sec. 40. Minnesota Statutes 1990, section 116P.08, subdivision 4, is amended to read:

Subd. 4. [BUDGET PLAN.] (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) Projects submitted to the commission for funding may be referred to the advisory committee for recommendation; ~~except that research proposals first must be reviewed by the peer review panel. The advisory committee may review all project proposals for funding and may make recommendations to the commission on whether:~~

(1) ~~the projects meet the standards and funding categories set forth in sections 116P.01 to 116P.12;~~

(2) ~~the projects duplicate existing federal, state, or local projects being conducted within the state; and~~

(3) ~~the projects are consistent with the most recent strategic plan adopted by the commission.~~

(c) The commission must adopt a budget plan to make expenditures from the trust fund for the purposes provided in subdivision 1. The budget plan must be submitted to the governor for inclusion in

the biennial budget and supplemental budget submitted to the legislature.

(d) Money in the trust fund may not be spent except under an appropriation by law.

Sec. 41. Minnesota Statutes 1990, section 116P.09, subdivision 2, is amended to read:

Subd. 2. [LIAISON OFFICERS.] The commission shall request each department or agency head of all state agencies with a direct interest and responsibility in any phase of environment and natural resources to appoint, and the latter shall appoint for the agency, a liaison officer who shall work closely with the commission and its staff. ~~The designated liaison officer shall attend all meetings of the advisory committee to provide assistance and information to committee members when necessary.~~

Sec. 42. Minnesota Statutes 1990, section 116P.09, subdivision 4, is amended to read:

Subd. 4. [PERSONNEL.] Persons who are employed by a state agency to work on a project and are paid by an appropriation from the trust fund or Minnesota future resources ~~account~~ fund are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions must be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons for a project is authorized.

Sec. 43. Minnesota Statutes 1990, section 116P.09, subdivision 5, is amended to read:

Subd. 5. [ADMINISTRATIVE EXPENSE.] (a) The administrative expenses of the commission ~~and advisory committee shall be paid from the Minnesota future resources account until June 30, 1995 shall be prorated among the various funds administered by the commission.~~

(b) ~~After June 30, 1995, the expenses of the commission and advisory committee combined may not exceed an amount equal to two percent of the total earnings of the trust fund in the preceding fiscal year. Through June 30, 1991, the administrative expenses of the commission and the advisory committee shall be paid from the Minnesota future resources fund. After that time, the prorated expenses related to administration of the trust fund shall be paid from the interest earnings of the trust fund.~~

(c) ~~The commission and the advisory committee must include a~~

~~reasonable amount for their administrative expense in the budget plan for the trust fund. After June 30, 1991, the prorated expenses related to administration of the trust fund may not exceed an amount equal to five percent of the projected earnings of the trust fund for the biennium.~~

Sec. 44. Minnesota Statutes 1990, section 116P.09, subdivision 7, is amended to read:

Subd. 7. [REPORT REQUIRED.] The commission shall, by ~~July 1~~ January 15 of each ~~even-numbered~~ odd-numbered year, submit a report to the governor, the chairs of the house appropriations and senate finance committees, and the chairs of the house and senate committees on environment and natural resources. Copies of the report must be available to the public. The report must include:

- (1) a copy of the current strategic plan;
- (2) a description of each project receiving money from the trust fund and Minnesota future resources ~~account~~ fund during the preceding ~~two years~~ biennium;
- (3) a summary of any research project completed in the preceding ~~two years~~ biennium;
- (4) recommendations to implement successful projects and programs into a state agency's standard operations;
- (5) to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund and Minnesota future resources account during the next ~~two years~~ biennium;
- (6) the source and amount of all revenues collected and distributed by the commission, including all administrative and other expenses;
- (7) a description of the ~~trust fund's~~ trust fund's assets and liabilities of the trust fund and the Minnesota future resources fund;
- (8) any findings or recommendations that are deemed proper to assist the legislature in formulating legislation;
- (9) a list of all gifts and donations with a value over \$1,000; and
- (10) a comparison of the amounts spent by the state for environment and natural resources activities through the most recent fiscal year; and.
- (11) ~~a copy of the most recent certified financial and compliance audit.~~

Sec. 45. Minnesota Statutes 1990, section 168C.04, subdivision 1, is amended to read:

Subdivision 1. The registration fee for bicycles shall be \$3 until January 1, 1985, and shall be \$5 thereafter \$9 after July 1, 1991. These fees shall be paid at the time of registration. The fees, and any donations in excess of the fees must be deposited in the general fund a special revenue account in the general government fund entitled the bicycle transportation account. Proof of purchase is required for registration. Bicycles lacking proof of purchase may be registered if there is no evidence that the bicycle is stolen. However, the registration record must be marked to indicate that no proof of purchase was provided. The registration is valid for three calendar years. A person registering a bicycle may add an additional amount to the registration fee, and all amounts so added must be deposited in the same manner as registration fees. A person registering a bicycle must at the time of registration be informed that a registrant may add an additional amount to the fee and that all such additional amounts will be used for the purposes specified in subdivision 2.

Sec. 46. Minnesota Statutes 1990, section 473.844, subdivision 1a, is amended to read:

Subd. 1a. [USE OF FUNDS.] (a) The money in the account may be spent only for the following purposes:

(1) assistance to any person for resource recovery projects funded under subdivision 4 or projects to develop and coordinate markets for reusable or recyclable waste materials, including related public education, planning, and technical assistance;

(2) grants to counties under section 473.8441;

(3) program administration by the metropolitan council;

(4) public education on solid waste reduction and recycling; and

(5) solid waste research.

(b) The council shall allocate at least 50 percent of the annual revenue received by the account, including interest and any amount carried over from a previous fiscal year, for grants to counties under section 473.8441.

Sec. 47. Minnesota Statutes 1990, section 85.012, is amended by adding a subdivision to read:

Subd. 23a. Glendalough state park, Otter Tail county.

Sec. 48. [GLENDALOUGH STATE PARK.]

Subdivision 1. [ESTABLISHMENT.] Glendalough state park is established in Otter Tail county.

Subd. 2. [ACQUISITION.] The commissioner of natural resources is authorized to acquire by gift or purchase the lands for Glendalough state park. The commissioner shall give emphasis to the management of wildlife within the park and shall interpret these management activities for the public. Except as otherwise provided in this subdivision, all lands acquired for Glendalough state park shall be administered in the same manner as provided for other state parks and shall be perpetually dedicated for that use.

Subd. 3. [PAYMENT IN LIEU OF TAXES FOR PRIVATE TRACTS.] (a) If a tract or lot or privately owned land is acquired for inclusion within Glendalough state park and, as a result, of the acquisition, taxes are no longer assessed against the tract or lot or improvements on the tract or lot, the following amount shall be paid by the commissioner of natural resources to Otter Tail county for distribution to the taxing districts:

(1) in the first year after taxes are last required to be paid on the property, 80 percent of the last required payment;

(2) in the second year after taxes are last required to be paid on the property, 60 percent of the last required payment;

(3) in the third year after taxes are last required to be paid on the property, 40 percent of the last required payment; and

(4) in the fourth year after taxes are last required to be paid on the property, 20 percent of the last required payment.

(b) The commissioner shall make the payments from money appropriated for state park maintenance and operation. The county auditor shall certify to the commissioner of natural resources the total amount due to a county on or before March 30 of the year in which money must be paid under this section. Money received by a county under this subdivision shall be distributed to the various taxing districts in the same proportion as the levy on the property in the last year taxes were required to be paid on the property.

Subd. 4. [BOUNDARIES.] The following described lands are located within the boundaries of Glendalough state park:

Government Lots 3 and 4 and that part of Lake Emma and its lake bed lying in Section 7; all of Section 18; Government Lot 1, the Northeast Quarter of the Northwest Quarter and the Southwest Quarter of the Northwest Quarter of Section 19; all in Township 133 North, Range 39 West.

All of Section 13; Government Lots 1 and 2, the West Half of the Southeast Quarter, the Northeast Quarter and the Southwest Quarter of Section 14; Government Lots 1 and 2, the East 66 feet of the West Half of the Southeast Quarter and the Northeast Quarter of Section 23; Government Lots 1, 2, 3, 4, 5, 6, and 8, the Northwest Quarter of the Northwest Quarter, the East Half of the Southeast Quarter of Section 24; that part of Government Lot 7 of Section 24 lying easterly of the following described line: commencing at the northeast corner of Government Lot 1 of Section 25, Township 133 North, Range 40 West; thence North 89 degrees 22 minutes 29 seconds West on an assumed bearing along the north line of said Section 25 a distance of 75.00 feet to the point of beginning; thence on a bearing of North 37 feet, more or less, to the shoreline of Molly Stark Lake and there terminating; that part of Government Lot 1 of Section 25 lying northerly of County State Aid Highway No. 16 and westerly of the following described line: commencing at the northeast corner of said Government Lot 1; thence on an assumed bearing of South along the east line of said Government Lot 1 a distance of 822.46 feet; thence North 77 degrees 59 minutes 14 seconds West 414.39 feet to the point of beginning; thence North 04 degrees 28 minutes 54 seconds East 707 feet, more or less, to the shoreline of Molly Stark Lake and there terminating; the westerly 50 feet except the northerly 643.5 feet of Government Lot 1 of Section 25; Government Lot 1 of Section 26 except the easterly 50 feet of the northerly 643.5 feet; all in Township 133 north, Range 40 West.

Subd. 5. [EFFECTIVE DATE.] Section 47 and this section are effective the day following final enactment.

Sec. 49. [REPEALER.]

Minnesota Statutes 1990, sections 97B.721; and 116P.04, subdivision 5, are repealed.

Sec. 50. [EFFECTIVE DATE.]

Sections 12 to 17 are effective January 1, 1993.

ARTICLE 3

AGRICULTURE

Section 1. Minnesota Statutes 1990, section 18.46, subdivision 6, is amended to read:

Subd. 6. [NURSERY STOCK GROWER.] A nursery operator: A "Nursery operator is any stock grower" means a person who owns, leases, manages, or is in charge of a nursery.

Sec. 2. Minnesota Statutes 1990, section 18.46, subdivision 9, is amended to read:

Subd. 9. [NURSERY STOCK DEALER.] ~~A dealer: A~~ "Nursery stock dealer is any" means a person who obtains nursery stock for the purpose of sale or distribution and includes any person who sells and distributes for more than one nursery ~~operator~~ stock grower. A person who purchases more than half of the nursery stock offered for sale at a sales location during the current certificate year shall be considered a nursery stock dealer rather than a nursery ~~operator~~ stock grower for the purposes of determining a proper fee schedule.

Sec. 3. Minnesota Statutes 1990, section 18.46, is amended by adding a subdivision to read:

Subd. 9a. [LANDSCAPER.] "Landscape" is a nursery stock dealer who obtains certified nursery stock for immediate sale, distribution, or installation and who does not grow or maintain nursery stock for resale.

Sec. 4. Minnesota Statutes 1990, section 18.49, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATE.] It is unlawful for a person to sell or distribute nursery stock to a nursery stock dealer or nursery ~~operator~~ stock grower who does not have a valid ~~certificate of inspection~~ grower's or dealer's certificate.

Sec. 5. Minnesota Statutes 1990, section 18.51, is amended to read:

18.51 [NURSERY STOCK GROWER'S CERTIFICATE OF INSPECTION.]

Subdivision 1. [CERTIFICATE REQUIRED.] Each nursery ~~operator~~ stock grower shall obtain a nursery stock grower's certificate of inspection from the commissioner. Said certificate shall be obtained before offering nursery stock for sale or distribution. Each certificate shall expire on November 15 of each year.

Subd. 2. [FEES; PENALTY.] A nursery ~~operator~~ stock grower shall pay an annual fee before the commissioner shall issue a certificate of inspection. This fee shall be based on the area of all of the ~~operator's~~ nursery stock grower's nurseries as follows:

Nurseries:

- | | |
|---|---|
| (1) 1/2 acre or less | \$40 <u>\$70</u> per nursery operator <u>stock grower</u> |
| (2) Over 1/2 acre to and including 2 acres | \$60 <u>\$85</u> per nursery operator <u>stock grower</u> |
| (3) Over 2 acres to and including 10 acres | \$125 <u>\$150</u> per nursery operator <u>stock grower</u> |
| (4) Over 10 acres to and including 50 acres | \$360 <u>\$400</u> per nursery operator <u>stock grower</u> |
| (5) Over 50 acres | <u>\$725</u> per nursery operator <u>stock grower for the first 50 acres and \$1 per acre for each additional acre</u> |

In addition to the above fees, a minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 6. Minnesota Statutes 1990, section 18.52, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATES REQUIRED.] A dealer's nursery stock dealer certificate shall be obtained by every nursery stock dealer for each location before offering nursery stock for sale or distribution unless the nursery stock dealer holds a valid greenhouse or nursery operator's stock grower's certificate either of which will permit a single sales location. This certificate or a duplicate thereof shall be displayed in a prominent manner at each place where nursery stock is offered for sale. A certificate to sell or distribute certified nursery stock may be obtained by a nursery stock dealer or by an agent through a principal, from the commissioner. The commissioner may refuse to issue a dealer's nursery stock dealer or agent's agent certificate for cause.

Sec. 7. Minnesota Statutes 1990, section 18.52, subdivision 5, is amended to read:

Subd. 5. [FEES; PENALTY.] A nursery stock dealer shall pay an annual fee based on the dealer's gross sales during the preceding certificate year. A nursery stock dealer operating for the first year will pay the minimum fee.

Dealers:

- | | |
|---|---|
| (1) Gross sales up to <u>\$1,000</u>
<u>\$5,000</u> | at a location
<u>\$40</u> <u>\$70</u> per location |
| (2) Gross sales over <u>\$1,000</u> and
up to <u>\$5,000</u> | at a location
<u>\$50</u> per location |

(3) Gross sales over \$5,000 up to \$10,000	at a location \$85 <u>\$100</u> per location
(4) (3) Gross sales over \$10,000 up to \$25,000	at a location \$125 <u>\$200</u> per location
(5) (4) Gross sales over \$25,000 up to \$75,000	at a location \$175 <u>\$300</u> per location
(6) (5) Gross sales over \$75,000 up to \$100,000	at a location \$260 <u>\$400</u> per location
(7) (6) Gross sales over \$100,000 up to \$250,000	at a location \$400 <u>\$500</u> per location
(7) <u>Gross sales over \$250,000</u>	at a location <u>\$600 per location</u>

In addition to the above fees, a minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 8. Minnesota Statutes 1990, section 18.54, subdivision 2, is amended to read:

Subd. 2. [VIRUS DISEASE-FREE CERTIFICATION.] The commissioner shall have the authority to provide special services such as virus disease-free certification and other similar programs. Participation by nursery ~~operators~~ stock growers shall be voluntary. Plants offered for sale as certified virus-free must be grown according to certain procedures in a manner defined by the commissioner for the purpose of eliminating viruses and other injurious disease or insect pests. The commissioner shall collect reasonable fees from participating nursery ~~operators~~ stock growers for services and materials that are necessary to conduct this type of work, as provided in section 16A.128.

Sec. 9. Minnesota Statutes 1990, section 18.55, is amended to read:

18.55 [RECIPROCITY WITH OTHER STATES.]

Subdivision 1. [OUT-OF-STATE NURSERY ~~OPERATOR~~ STOCK GROWER, DEALER, OR AGENT.] A nursery ~~operator~~ stock grower, dealer, or agent from another state which issues certificates to nursery ~~operators~~ stock growers, dealers, or agents of Minnesota on the same or similar basis as to nursery ~~operators~~ stock growers, dealers, or agents of such state may operate in Minnesota upon complying with the plant pest act without procuring a Minnesota certificate. Any person from another state shipping nursery stock into Minnesota shall be accorded treatment similar to that which is

required of Minnesota nursery ~~operators~~ stock growers, dealers, or agents who ship or sell nursery stock in such state. No reciprocity shall be extended under this section until the commissioner has first determined which states issue certificates to nursery ~~operators~~ stock growers, dealers, or agents of Minnesota on the same or similar basis as to nursery ~~operators~~ stock growers, dealers, or agents of such states.

Subd. 2. [FILING OUT-OF-STATE CERTIFICATES OF INSPECTION.] Each out-of-state nursery ~~operator~~ stock grower or dealer whose nursery stock is sold, offered for sale, or distributed within this state shall file a certified current copy of an out-of-state certificate in the office of the commissioner. The commissioner may accept, in lieu of such individual certificates, a certified list of current certified nursery ~~operators~~ stock growers or dealers from the regulatory agency having jurisdiction in the state of origin, and may distribute such lists to persons in the state of Minnesota requesting them. The commissioner also may supply certified lists of certified Minnesota nursery ~~operators~~ stock growers and dealers offering nursery stock for sale in Minnesota and other states on request of any person. If any certified nursery ~~operator~~ stock grower or dealer has violated any provisions of the plant pest act, the filed certificate will be voided or the ~~nursery operator's~~ person's name will be stricken from the appropriate certified list.

Sec. 10. Minnesota Statutes 1990, section 18.56, is amended to read:

18.56 [TAGS.]

A tag bearing a reasonable facsimile of the nursery stock grower or dealer certificate of inspection shall be attached to every package or bundle of nursery stock sold or transported by any person. The form of each tag shall be approved by the commissioner before being used.

Sec. 11. Minnesota Statutes 1990, section 18.57, is amended to read:

18.57 [CARRIERS NOT TO ACCEPT UNTAGGED STOCK.]

All carriers for hire, including railroad companies, express companies and truck lines shall not accept nursery stock which is not tagged with a valid tag of the nursery stock grower or dealer making the shipment. The carrier shall promptly notify the commissioner regarding any prohibited shipment.

Sec. 12. Minnesota Statutes 1990, section 18.60, is amended to read:

18.60 [PENALTIES.]

Subdivision 1. ~~[CERTIFICATE MAY BE REVOKED REVOCATION.]~~ In addition to or in lieu of civil penalties under subdivision 2, the certificate of any person violating any of the provisions of the plant pest act may be suspended or revoked by the commissioner upon five days notice and opportunity to be heard.

Subd. 2. ~~[MISDEMEANOR.]~~ Any person violating any of the provisions of the plant pest act, or any rule promulgated thereunder shall be guilty of a misdemeanor. [CIVIL PENALTY.] The commissioner may impose a penalty upon a person who violates the plant pest act. For a first violation, the commissioner may impose a civil penalty of not less than \$100 nor more than \$1,000 for each act in violation. The penalty may not exceed \$25,000. If a person is found guilty of the same violation a second time during a certificate year, the commissioner may impose a civil penalty of not less than \$500 nor more than \$5,000 for each act in violation. The penalty may not exceed \$50,000. The penalty provisions for a second violation apply to successive violations. In determining the amount of the civil penalty to be assessed under this section, the commissioner shall consider the gravity of the offense, the size of the business involved, and the effect of the penalty on the person's ability to continue in business.

Subd. 3. ~~[APPEAL.]~~ A person adversely affected by an act, order, or ruling made under this section, or a rule adopted under the plant pest act, may appeal under chapter 14.

Subd. 4. ~~[FAILURE TO OBEY.]~~ Violations of an administrative order made under this section or a rule adopted under the plant pest act, must be punished by the district court under the laws of contempt. Each day of failure to obey an order of the commissioner is a separate violation and each violation of a particular act enjoined by the court is a separate violation.

Sec. 13. Minnesota Statutes 1990, section 27.19, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS.] (a) A person subject to the provisions of this section and sections 27.01 to 27.15 may not:

(1) operate or advertise to operate as a dealer at wholesale without a license;

(2) make any false statement or report as to the grade, condition, markings, quality, or quantity of produce, as defined in section 27.069, received or delivered, or act in any manner to deceive a consignor or purchaser;

(3) refuse to accept a shipment contracted for by the person, unless the refusal is based upon the showing of a state inspection certificate secured with reasonable promptness after the receipt of the shipment showing that the kind and quality of produce, as defined in section 27.069, is other than that purchased or ordered by the person;

(4) fail to account or make a settlement for produce within the required time;

(5) violate or fail to comply with the terms or conditions of a contract entered into by the person for the purchase or sale of produce;

(6) purchase for a person's own account any produce received on consignment, either directly or indirectly, without the consent of the consignor;

(7) issue a false or misleading market quotation, or cancel a quotation during the period advertised by the person;

(8) increase the sales charges on produce shipped to the person by means of "dummy" or fictitious sales;

(9) receive decorative forest products and the products of farms and waters from foreign states or countries for sale or resale, either within or outside of the state, and give the purchaser the impression, through any method of advertising or description, that the produce is of Minnesota origin;

(10) fail to notify in writing all suppliers of produce of the protection afforded to suppliers by the person's licensee bond, including: availability of a bond, notice requirements, and any other conditions of the bond;

(11) make a false statement to the commissioner on an application for license or bond or in response to written questions from the commissioner regarding the license or bond;

(12) commit to pay and not pay in full for all produce committed for. A processor may not commit to pay an amount less than the full contract price if the crop produced is satisfactory for processing and is not harvested for reasons within the processor's control. If the processor sets the date for planting, bunching, unusual yields, and a processor's inability or unwillingness to harvest must be considered to be within the processor's control. Under this clause growers must be compensated for passed acreage at the same rate for grade and yield as they would have received had the crop been harvested in a timely manner minus any contractual provision for green manure or

feed value. Both parties are excused from payment or performance for crop conditions that are beyond the control of the parties; or

(13) discriminate between different sections, localities, communities, or cities, or between persons in the same community, by purchasing produce from farmers of the same grade, quality, and kind, at different prices, except that price differentials are allowed if directly related to the costs of transportation, shipping, and handling of the produce and a person is allowed to meet the prices of a competitor in good faith, in the same locality for the same grade, quality, and kind of produce. A showing of different prices by the commissioner is prima facie evidence of discrimination.

(b) A separate violation occurs with respect to each different person involved, each purchase or transaction involved, and each false statement.

Sec. 14. Minnesota Statutes 1990, section 28A.08, is amended to read:

28A.08 [LICENSE FEES; PENALTIES.]

License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. ~~The late penalty~~ penalties may be waived by the commissioner.

Type of food handler	Penalties		
	License Fee	Late Renewal	No License
1. Retail food handler			
(a) Having gross sales of less than \$50,000 <u>\$25,000</u> for the immediately previous license or fiscal year	\$ 40 <u>\$ 50</u>	\$ 10 <u>\$ 15</u>	\$ 13 <u>\$ 25</u>
(b) Having <u>\$25,000 to \$50,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$ 75</u>	<u>\$ 20</u>	<u>\$ 50</u>
(b) (c) Having <u>\$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$ 75</u> <u>\$125</u>	<u>\$ 25</u> <u>\$ 35</u>	<u>\$ 25</u> <u>\$ 75</u>

(e) (d) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year			
	<u>\$125</u>	\$ 50	\$ 50
	<u>\$200</u>		<u>\$100</u>
(d) (e) Having over \$1,000,000 to <u>\$5,000,000</u> gross sales for the immediately previous license or fiscal year			
	<u>\$250</u>	\$ 75	<u>\$100</u>
	<u>\$350</u>	<u>\$100</u>	<u>\$175</u>
(f) Having <u>\$5,000,000 to \$10,000,000 gross sales for the immediately previous license or fiscal year</u>			
	<u>\$575</u>	<u>\$150</u>	<u>\$300</u>
(g) Having <u>over \$10,000,000 gross sales for the immediately previous license or fiscal year</u>			
	<u>\$600</u>	<u>\$200</u>	<u>\$350</u>
2. Wholesale food handler			
(a) Having gross sales or service of less than \$250,000 for the immediately previous license or fiscal year			
	<u>\$100</u>	\$ 25	\$ 50
	<u>\$200</u>	<u>\$ 50</u>	<u>\$100</u>
(b) Having \$250,000 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year			
	<u>\$150</u>	\$ 38	\$ 75
	<u>\$400</u>	<u>\$100</u>	<u>\$200</u>
(c) Having over <u>\$1,000,000 to \$5,000,000</u> gross sales or service for the immediately previous license or fiscal year			
	<u>\$200</u>	\$ 50	<u>\$100</u>
	<u>\$500</u>	<u>\$125</u>	<u>\$250</u>
(d) Having <u>over \$5,000,000 gross sales for the immediately previous license or fiscal year</u>			
	<u>\$575</u>	<u>\$150</u>	<u>\$300</u>
3. Food broker			
	\$ 75	\$ 25	\$ 25
	<u>\$100</u>	<u>\$ 30</u>	<u>\$ 50</u>
4. Wholesale food processor or manufacturer			
(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year			
	<u>\$200</u>	\$ 50	\$ 75
	<u>\$275</u>	<u>\$ 75</u>	<u>\$150</u>
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year			
	<u>\$275</u>	\$ 75	<u>\$100</u>
	<u>\$400</u>	<u>\$100</u>	<u>\$200</u>

(c) Having over \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year			
	<u>\$375</u>	<u>\$100</u>	<u>\$125</u>
	<u>\$500</u>	<u>\$125</u>	<u>\$250</u>
(d) <u>Having over \$5,000,000 gross sales for the immediately previous license or fiscal year</u>			
	<u>\$575</u>	<u>\$150</u>	<u>\$300</u>
5. Wholesale food processor of meat or poultry products under supervision of the U.S. Department of Agriculture			
(a) Having gross sales of less than \$250,000 for the immediately previous license of or fiscal year			
	<u>\$100</u>	<u>\$ 25</u>	<u>\$ 38</u>
	<u>\$150</u>	<u>\$ 50</u>	<u>\$ 75</u>
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year			
	<u>\$150</u>	<u>\$ 50</u>	<u>\$ 45</u>
	<u>\$225</u>	<u>\$ 75</u>	<u>\$125</u>
(c) Having over \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year			
	<u>\$175</u>	<u>\$ 50</u>	<u>\$ 53</u>
	<u>\$275</u>	<u>\$ 75</u>	<u>\$150</u>
(d) <u>Having over \$5,000,000 gross sales for the immediately previous license or fiscal year</u>			
	<u>\$325</u>	<u>\$100</u>	<u>\$175</u>
6. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese			
	<u>\$ 30</u>	<u>\$ 10</u>	<u>\$ 15</u>
7. <u>Nonresident frozen dairy manufacturer</u>			
	<u>\$200</u>	<u>\$ 50</u>	<u>\$ 75</u>

Sec. 15. Minnesota Statutes 1990, section 29.22, is amended to read:

29.22 [DEALERS EGG HANDLERS ANNUAL INSPECTION FEE; DISPOSITION OF FEES.]

Subd. 2. [COMPUTATION; FEE SCHEDULE; RECORDS.] In addition to the annual ~~dealer's~~ food handler's license, required under section 28A.04, there ~~shall be~~ is an annual inspection fee applicable to every person who engages in the business of buying for resale, selling, ~~dealing~~, or trading in eggs except a retail grocer who sells eggs previously candled and graded; ~~such~~. The fee ~~to~~ must be

computed on the basis of the number of cases of shell eggs handled at each place of business during the month of April of each year, providing that if said dealer or processor is not operating during the month of April, the department shall estimate the volume of shell eggs handled, and may revise the fee after three months of operation. In the event that highest volume month of each licensing year. If a given lot of eggs is moved from one location of business to a second location of business and provided that the dealers' food handler's license is held by the same person at both locations, the given lot of eggs shall must be counted in determining the volume of business on which the inspection fee is based at the first location of business but shall must not enter into the computation of volume of business for the second location. For the purpose of determining fees, a case shall be "case" means one of 30 dozen capacity. The schedule of fees shall be is as follows:

**VOLUME (30 DOZEN CASES) IN APRIL MINIMUM
- MAXIMUM FEE**

<u>HIGHEST VOLUME OF CASES EACH LICENSING YEAR</u>	<u>FEE</u>
1 - 100 50	\$ 5 - \$ 10
51 - 100	\$ 25
101 - 1000	\$ 10 - \$ 25 \$ 50
1001 - 2000	\$ 25 - \$ 50 \$ 75
2001 - 4000	\$ 50 - \$ 75 \$100
4001 - 6000	\$ 75 - \$100 \$125
6001 - 8000	\$100 - \$125 \$150
8001 - 10,000	\$125 - \$150 \$200
OVER 10,000	\$150 - \$200 \$250

The commissioner shall fix the annual inspection fee within the limits set herein and may annually adjust the fee, as the commissioner deems necessary, within those limits, to more nearly meet the costs of inspection required to enforce the provisions of sections 29.21 to 29.28. Each person subject to such the inspection fee in this section shall, under the direction of the commissioner, keep such records as may be necessary to accurately determine the volume of shell eggs on which the inspection fee is due and shall prepare annually a written report of such the volume upon forms supplied by the commissioner. This report, together with the required inspection fee, shall must be filed with the department on or before the last day of May of each year.

Subd. 3. [CANDLERS AND GRADERS.] The commissioner shall have has general supervisory powers over the candlers and graders of eggs and may conduct, in collaboration with the institute college of agriculture and the extension service of the University of Minnesota, an educational and training program to improve the efficiency and quality of the work done by such candlers.

Subd. 4. [EGG BREAKING PLANTS.] Any person engaged in the business of breaking eggs for resale shall at all times comply with the rules of the department in respect to the conduct of ~~such~~ that business. The commissioner shall collect from each egg breaking plant laboratory fees for routine analysis and full reimbursement for services performed by a state inspector assigned to that plant on a continuous basis ~~as provided for in~~ under section 29.27.

Subd. 5. [DEPOSIT DISPOSITION OF FEES; APPROPRIATION.] All fees collected, ~~together with~~ and all fines paid for ~~any~~ a violation of ~~any provision~~ of sections 29.21 to 29.28 or ~~any~~ rules promulgated ~~thereunder~~ under those sections, as well as all license fees and penalties ~~for late license renewal~~, ~~shall must~~ be deposited in the state treasury, and ~~shall be~~ credited to a separate account to be known as the egg law inspection fund, which is hereby created, set aside, and appropriated as a revolving fund to be used by the department to help defray the expense of inspection, supervision, and enforcement of sections 29.21 to 29.28 and ~~shall be~~ is in addition to and not in substitution for the sums regularly appropriated or otherwise made available for this purpose to the department.

Sec. 16. Minnesota Statutes 1990, section 31.39, is amended to read:

31.39 [ASSESSMENTS; INSPECTION SERVICES; COMMERCIAL CANNERIES ACCOUNT.]

The commissioner is hereby authorized and directed to collect from each commercial cannery an assessment for inspection and services furnished, and for maintaining a bacteriological laboratory and employing such bacteriologists and trained and qualified sanitarians as the commissioner may deem necessary. The assessment to be made on each commercial cannery, for each and every packing season, shall not exceed one-half cent per case on all foods packed, canned, or preserved therein, nor shall the assessment in any one calendar year to any one cannery exceed ~~\$2,500~~ \$3,000, and the minimum assessment to any cannery in any one calendar year shall be \$100; ~~provided, that the amount of the annual license fee collected under section 28A.08 shall be used to reduce the annual assessment for that year.~~ The commissioner shall provide appropriate deductions from assessments for the net weight of meat, chicken, or turkey ingredients which have been inspected and passed for wholesomeness by the United States Department of Agriculture. The commissioner may, when the commissioner deems it advisable, graduate and reduce the assessment to such sum as is required to furnish the inspection and laboratory services rendered. The assessment made and the license fees, penalties, and other sums so collected shall be deposited in the state treasury, as other departmental receipts are deposited, but shall constitute a separate account to be known as the commercial canneries inspection account, which is hereby created, and together with moneys now remaining

in said account, set aside, and appropriated as a revolving fund, to meet the expense of special inspection, laboratory and other services rendered, as provided in sections 31.31 to 31.392. The amount of such assessment shall be due and payable on or before December 31, of each year, and if not paid on or before February 15 following, shall bear interest after that date at the rate of seven percent per annum, and a penalty of ten percent on the amount of the assessment shall also be added and collected.

Sec. 17. Minnesota Statutes 1990, section 32.394, subdivision 8, is amended to read:

Subd. 8. [GRADE A INSPECTION FEES.] A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market Grade A milk or use the Grade A label must apply for Grade A inspection service from the commissioner. A pasteurization plant requesting Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than ~~\$66~~ \$50 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee of no more than ~~\$33~~ \$25 per reinspection must be paid by the processor or by the marketing organization on behalf of its patrons. ~~If the commissioner deems it necessary to more nearly meet the cost of the service, the commissioner may annually adjust the assessments within the limits set in this subdivision. The Grade A farm inspection fee must not exceed the lesser of (1) 40 percent of the department's actual average cost per farm inspection or reinspection; or (2) the dollar limits set in this subdivision. No fee increase may be implemented until after the commissioner has held three or more public hearings.~~

Sec. 18. Minnesota Statutes 1990, section 32.394, subdivision 8b, is amended to read:

Subd. 8b. [MANUFACTURING GRADE FARM CERTIFICATION.] A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market other than Grade A milk must apply for a manufacturing grade farm certification inspection from the commissioner. A manufacturing plant that pasteurizes milk or milk by-products must pay an annual fee based on the number of pasteurization units. This fee must not exceed \$140 per unit. The fee for farm certification inspection must not be more than ~~\$33~~ \$25 per farm to be paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring more than the one annual inspection required for certification, ~~an additional~~ a reinspection fee of no more than ~~\$33~~ \$25 must be paid by the processor or by the marketing organization on behalf of its patrons. The fee must be set by the commissioner in an amount necessary to ~~meet~~ cover 40 percent of the department's

actual cost of providing the service annual inspection but must not exceed the limits in this subdivision. No fee increase may be implemented until after the commissioner has held three or more public hearings.

Sec. 19. Minnesota Statutes 1990, section 32.394, is amended by adding a subdivision to read:

Subd. 8d. [PROCESSOR ASSESSMENT.] (a) A manufacturer shall pay to the commissioner a fee for fluid milk processed and milk used in the manufacture of fluid milk products sold in Minnesota. Beginning July 1, 1991, the fee is five cents per hundredweight. If the commissioner determines that a different fee, not exceeding nine cents per hundredweight, when combined with general fund appropriations and fees charged under sections 17 and 18, is needed to provide adequate funding for the Grades A and B inspection programs, the commissioner may, by rule, change the fee on processors.

(b) Processors must report quantities of milk processed under paragraph (a) on forms provided by the commissioner. Processor fees must be paid monthly. The commissioner may require the production of records as necessary to determine compliance with this subdivision.

Sec. 20. [CONTINUED LEVEL OF DAIRY FARM INSPECTIONS.]

Minnesota consumers of milk and dairy foods benefit from adequate supplies of pure, healthful, wholesome products. On-farm inspections contribute to the consistently high quality of dairy products. The commissioner of agriculture must continue dairy farm inspections at a level no lower than 1990.

Sec. 21. Laws 1987, chapter 396, article 6, section 2, is amended to read:

Sec. 2. [17.107] [MINNESOTA GROWN MATCHING ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota grown matching account is established as a separate account in the state treasury. The account shall be administered by the commissioner of agriculture as provided in this section.

Subd. 2. [FUNDING SOURCES.] The Minnesota grown matching account shall consist of contributions from private sources and appropriations.

Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.] (a) Appropriations to the Minnesota grown match-

ing account may be expended only to the extent that they are matched with contributions to the account from private sources as provided in paragraph (b) for fiscal years 1988 and 1989.

(b) Private contributions shall be matched on a basis of four dollars \$4 of the appropriation to each one dollar \$1 of private contributions. Matching funds are not available after the appropriation is encumbered. Private contributions made from January 1, 1987, until the end of fiscal year 1987 shall be matched by the appropriation for fiscal year 1988. Amounts that are not matched in fiscal year 1988 are available to be matched in fiscal year 1989.

Subd. 4. [EXPENDITURES.] The amount in the Minnesota grown matching account that is matched by private contributions and the private contributions are appropriated to the commissioner of agriculture for promotion of products using the Minnesota grown logo and labeling.

Sec. 22. [EFFECTIVE DATE.]

Section 13 is effective the day following final enactment and covers contracts for the 1991 crop year."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resources, and agricultural purposes; regulating the amounts, impositions, and processing of various fees prescribed for various licenses issued and activities regulated by the departments of agriculture and natural resources; amending Minnesota Statutes 1990, sections 14.18; 16A.123, subdivision 5; 18.191; 18.46, subdivisions 6, 9, and by adding a subdivision; 18.49, subdivision 2; 18.51; 18.52, subdivisions 1 and 5; 18.54, subdivision 2; 18.55; 18.56; 18.57; 18.60; 27.19, subdivision 1; 28A.08; 29.22; 31.39; 32.394, subdivisions 8, 8b, and by adding a subdivision; 84.82, subdivisions 2 and 3; 84.944, subdivision 2; 84.96, subdivision 5; 85.012, by adding a subdivision; 85.015, by adding a subdivision; 85.22, subdivisions 1 and 2a; 86B.415, subdivisions 1, 2, 3, 4, 5, 6, and 7; 97A.075, subdivision 2; 97A.141, by adding a subdivision; 97A.325, subdivision 2; 97A.435, subdivision 2; 97A.475, subdivisions 2, 3, and 7; 97A.485, subdivision 7; 97B.301, by adding a subdivision; 97C.001, subdivision 3; 103B.321, subdivision 1; 116.07, subdivision 4d; 116.18, subdivision 2a; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, 5, and 7; 168C.04, subdivision 1; and 473.844, subdivision 1a; Laws 1987, chapter 396, article 6, section 2; proposing coding for new law in Minnesota Statutes, chapter 88; repealing Minnesota Statutes 1990, sections 97B.721; and 116P.04, subdivision 5."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 493 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 83, 84, 226, 460, 588, 593, 765, 800, 880, 919, 950, 953, 998, 1027, 1032, 1050, 1128, 1129 and 1295 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Hasskamp introduced:

H. F. No. 1672, A bill for an act relating to taxation; allowing Crow Wing county to abate certain property taxes.

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

Osthoff and Scheid introduced:

H. F. No. 1673, A bill for an act relating to crime; providing for a neighborhood impact statement in presentence investigation reports; requiring notice to community residents, on request, when an offender is released from incarceration; amending Minnesota Statutes 1990, sections 609.115, subdivision 1; and 611A.06.

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

Bauerly and Koppendrayner introduced:

H. F. No. 1674, A bill for an act relating to highways; designating a portion of trunk highway No. 169 as Elmer L. Andersen scenic

highway; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Runbeck, McEachern, Leppik, Jaros and Dille introduced:

H. A. No. 17, A proposal to study math and science education in K-12 and post-secondary education programs.

The advisory was referred to the Committee on Education.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 41, A bill for an act relating to retirement; providing certain widow benefits for the Virginia firefighters relief association; providing for disposition of assets of the Virginia firefighters relief association under certain conditions; amending Laws 1974, chapter 183, section 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 806, A bill for an act relating to retirement; St. Paul teachers retirement fund association; special postretirement adjustment for certain pre-1978 retirees.

H. F. No. 954, A bill for an act relating to retirement; public employees retirement association; granting the equivalent of two

months maternity leave to a certain St. Louis county employee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 132, A bill for an act relating to energy; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring amendments to building codes and standards to increase energy efficiency; requiring state agencies to use funds allocated for utility expenditures to buy nonincandescent bulbs; amending Minnesota Statutes 1990, sections 16B.61, subdivision 3; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

PATRICK E. FLAHAVEN, Secretary of the Senate

Dawkins moved that the House refuse to concur in the Senate amendments to H. F. No. 132, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 809, A bill for an act relating to counties; fixing various fees for documents; amending Minnesota Statutes 1990, sections 357.18, subdivision 1; 508.82; and 508A.82.

PATRICK E. FLAHAVEN, Secretary of the Senate

Olson, E., moved that the House refuse to concur in the Senate amendments to H. F. No. 809, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 244, A bill for an act relating to traffic regulations; regulating traffic safety concerning school buses and the safety of school children; providing penalties; amending Minnesota Statutes 1990, sections 169.01, subdivision 6; 169.45; 169.451; 171.07, by adding a subdivision; 171.17; and 171.18; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, sections 169.44; and 169.64, subdivision 7.

PATRICK E. FLAHAVEN, Secretary of the Senate

Murphy moved that the House refuse to concur in the Senate amendments to H. F. No. 244, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1179, A bill for an act relating to metropolitan government; directing the metropolitan council to conduct a study.

PATRICK E. FLAHAVEN, Secretary of the Senate

Orfield moved that the House refuse to concur in the Senate amendments to H. F. No. 1179, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 633, A bill for an act relating to watercraft; regulating the use and operation of personal watercraft; amending Minnesota Statutes 1990, section 86B.005, by adding subdivisions; proposing

coding for new law in Minnesota Statutes, chapter 86B.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kinkel moved that the House refuse to concur in the Senate amendments to H. F. No. 633, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 246, A bill for an act relating to alcoholic beverages; allowing proof of age by means of a Canadian identification card; amending Minnesota Statutes 1990, section 340A.503, subdivision 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Tunheim moved that the House concur in the Senate amendments to H. F. No. 246 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 246, A bill for an act relating to alcoholic beverages; allowing proof of age by means of a Canadian identification card; amending Minnesota Statutes 1990, section 340A.503, subdivision 6.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage 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	Bettermann	Dauner	Frerichs	Hasskamp
Anderson, I.	Bishop	Davids	Garcia	Haukoos
Anderson, R.	Blatz	Dawkins	Girard	Hausman
Anderson, R. H.	Bodahl	Dempsey	Goodno	Heir
Battaglia	Boo	Dille	Greenfield	Henry
Bauerly	Brown	Dorn	Gruenes	Hufnagle
Beard	Carlson	Erhardt	Gutknecht	Hugoson
Begich	Carruthers	Farrell	Hanson	Jacobs
Bertram	Cooper	Frederick	Hartle	Janezich

Jaros	Lourey	Olson, K.	Runbeck	Trimble
Jefferson	Lynch	Omann	Sarna	Tunheim
Jennings	Mariani	Onnen	Schafer	Uphus
Johnson, A.	Marsh	Orenstein	Scheid	Valento
Johnson, R.	McEachern	Orfield	Schreiber	Vellenga
Johnson, V.	McGuire	Osthoff	Seaberg	Wagenius
Kahn	McPherson	Ostrom	Segal	Waltman
Kalis	Milbert	Ozment	Simoneau	Weaver
Kelso	Morrison	Pauly	Skoglund	Wejzman
Kinkel	Munger	Pellow	Smith	Welker
Knickerbocker	Murphy	Pelowski	Solberg	Welle
Koppendrayner	Nelson, K.	Peterson	Sparby	Wenzel
Krueger	Nelson, S.	Pugh	Stanious	Winter
Lasley	Newinski	Reding	Steensma	Spk. Vanasek
Leppik	O'Connor	Rest	Sviggun	
Lieder	Ogren	Rice	Swenson	
Limmer	Olsen, S.	Rodosovich	Thompson	
Long	Olson, E.	Rukavina	Tompkins	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 274, A bill for an act relating to commerce; motor vehicle sales and distribution; regulating franchises; proscribing certain acts; providing remedies; amending Minnesota Statutes 1990, sections 80E.04, subdivision 1, and by adding a subdivision; 80E.05; 80E.06, subdivision 2; 80E.12; and 80E.13.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Sparby moved that the House concur in the Senate amendments to H. F. No. 274 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 274, A bill for an act relating to commerce; motor vehicle sales and distribution; regulating franchises; proscribing certain acts; providing remedies; amending Minnesota Statutes 1990, sections 80E.04, subdivision 1, and by adding a subdivision; 80E.05; 80E.06, subdivision 2; 80E.12; and 80E.13.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 415, A bill for an act relating to commerce; regulating farm equipment dealerships; amending Minnesota Statutes 1990, sections 325E.061, subdivisions 2, 4, and 5; 325E.063; 325E.064; 325E.068, subdivisions 2, 4, and 5; 325E.0682; and 325E.0683.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Sparby moved that the House concur in the Senate amendments to H. F. No. 415 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 415, A bill for an act relating to commerce; regulating farm equipment dealerships; amending Minnesota Statutes 1990, sections 325E.061, subdivisions 2, 4, and 5; 325E.063; 325E.064; 325E.068, subdivisions 2, 4, and 5; 325E.0682; and 325E.0683.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 832, A bill for an act relating to commerce; regulating heavy and utility equipment dealership agreements; providing for returns and repurchases under certain circumstances; providing remedies; amending Minnesota Statutes 1990, section 325E.0681, by adding subdivisions.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Sparby moved that the House concur in the Senate amendments to

H. F. No. 832 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 832, A bill for an act relating to commerce; regulating heavy and utility equipment dealership agreements; providing for returns and repurchases under certain circumstances; providing remedies; amending Minnesota Statutes 1990, section 325E.0681, by adding subdivisions.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

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

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 877, A bill for an act relating to game and fish; authorizing certain disabled permit holders to take deer of either sex; authorizing the commissioner to establish special seasons for

persons with a physical disability to take game with firearms and by archery; amending Minnesota Statutes 1990, section 97B.055, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 97B.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Johnson, A., moved that the House concur in the Senate amendments to H. F. No. 877 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 877, A bill for an act relating to game and fish; authorizing the commissioner to establish special seasons for persons with a physical disability to take game with firearms and by archery; proposing coding for new law in Minnesota Statutes, chapter 97B.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

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

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 620, A bill for an act relating to state lands; authorizing the sale of certain land in Cook county.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Battaglia moved that the House concur in the Senate amendments to H. F. No. 620 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 620, A bill for an act relating to state lands; authorizing the sale of certain land in Cook county; authorizing the private sale of certain state lands in St. Louis county.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

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

Valento
Vellenga
Wagenius

Waltman
Weaver
Wejman

Welker
Welle
Wenzel

Winter
Spk. Vanasek

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 179, A bill for an act relating to animals; prohibiting greyhound races using live lures and training of greyhound dogs for racing using live lures; proposing coding for new law in Minnesota Statutes, chapter 343.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kelso moved that the House concur in the Senate amendments to H. F. No. 179 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 179, A bill for an act relating to animals; prohibiting greyhound races using live lures and training of greyhounds for racing using live lures; proposing coding for new law in Minnesota Statutes, chapter 343.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson	Goodno	Jaros	Leppik
Anderson, I.	Carruthers	Greenfield	Jefferson	Lieder
Anderson, R.	Cooper	Gruenes	Jennings	Limmer
Anderson, R. H.	Dauner	Gutknecht	Johnson, A.	Long
Battaglia	Davids	Hanson	Johnson, R.	Lourey
Bauerly	Dawkins	Hartle	Johnson, V.	Lynch
Beard	Dempsey	Hasskamp	Kahn	Mariani
Begich	Dille	Haukoos	Kalis	Marsh
Bertram	Dorn	Hausman	Kelso	McEachern
Bettermann	Erhardt	Heir	Kinkel	McGuire
Bishop	Farrell	Henry	Knickerbocker	McPherson
Blatz	Frederick	Hufnagle	Koppendrayner	Milbert
Bodahl	Frerichs	Hugoson	Krinkie	Morrison
Boo	Garcia	Jacobs	Krueger	Munger
Brown	Girard	Janezich	Lasley	Murphy

Nelson, K.	Osthoff	Rukavina	Sparby	Wagenius
Nelson, S.	Ostrom	Runbeck	Stanius	Waltman
Newinski	Ozment	Sarna	Steensma	Weaver
O'Connor	Pauly	Schafer	Sviggun	Wejcmán
Ogren	Pellow	Scheid	Swenson	Welker
Olsen, S.	Pelowski	Schreiber	Thompson	Welle
Olson, E.	Peterson	Seaberg	Tompkins	Wenzel
Olson, K.	Pugh	Segal	Trimble	Winter
Omann	Reding	Simoneau	Tunheim	Spk. Vanasek
Onnen	Rest	Skoglund	Uphus	
Orenstein	Rice	Smith	Valento	
Orfield	Rodosovich	Solberg	Vellenga	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 417, 887, 871, 958 and 1071.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 417, A bill for an act relating to education; making noncontroversial clarifications and modifications to certain school district and department of education provisions; amending Minnesota Statutes 1990, sections 120.062, subdivisions 4 and 6; 120.0752, subdivision 2; 121.612, subdivisions 2 and 5; 122.23, subdivision 18; 123.932, subdivision 3; 124.14, subdivision 1; 124.155, subdivision 2; 124.195, subdivisions 2, 3, 3a, 10, and 11; 124.2139; 124.214, subdivisions 2 and 3; 124.244, subdivision 3; 124.83, subdivisions 1 and 5; 124A.036, subdivision 5; 124A.24; 124B.03, subdivision 2; 124C.03, subdivision 14; 124C.49; 125.12, subdivision 6b; 125.60, subdivision 3; 126.22, subdivision 4; 275.065, subdivision 6; 275.125, subdivisions 4, 11d, 18, and 20; 275.16; 297A.256; and 354.094, subdivision 1; and Laws 1991, chapter 2, article 2, section 2; repealing Minnesota Statutes 1990, sections 119.01; 119.02; 119.03; 119.04, subdivisions 1, 2, and 3; 119.05; 119.06; 119.07; 119.08; 119.09; 121.933, subdivision 2; 122.23, subdivision 17; 123.932, subdivision 4; 124A.02, subdivision 19; 124C.21; 275.125, subdivisions 1, 4a, and 8d; and 354.094, subdivisions 1a and 1b.

The bill was read for the first time.

Nelson, K., moved that S. F. No. 417 and H. F. No. 582, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 887, A bill for an act relating to economic development; creating a commission on economic development policy.

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

S. F. No. 871, A bill for an act relating to the city of New Brighton; permitting the city to acquire granular carbon without a bond.

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

S. F. No. 958, A bill for an act relating to state lands; authorizing sale of tax-forfeited lands and an easement in St. Louis county.

The bill was read for the first time.

Rukavina moved that S. F. No. 958 and H. F. No. 994, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1071, A bill for an act relating to higher education; creating the higher education board; merging the state university, community college, and technical college systems; appropriating money; amending Minnesota Statutes 1990, sections 15A.081, subdivision 7b; and 179A.10, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 136E.

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

CONSENT CALENDAR

Long moved that the bills on the Consent Calendar for today be continued. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Ogren requested immediate consideration of H. F. No. 1086.

H. F. No. 1086 was reported to the House.

Ogren offered an amendment to H. F. No. 1086, the first engrossment.

Knickerbocker requested a division of the Ogren amendment to H. F. No. 1086, the first engrossment.

The portion of the Ogren amendment to be voted upon first reads as follows:

Page 127, after line 31, insert:

"Sec. 28. Minnesota Statutes 1990, section 290.0802, subdivision 2, is amended to read:

Subd. 2. [SUBTRACTION.] (a) A qualified individual is allowed a subtraction from federal taxable income for the individual's subtraction base amount. The excess of the subtraction base amount over the taxable net income computed without regard to the subtraction for the elderly or disabled under section 290.01, subdivision 19b, clause (5), may be used to reduce the amount of a lump sum distribution subject to tax under section 290.032.

(b)(1) The initial subtraction base amount equals

(i) ~~\$10,000~~ \$12,000 for a married taxpayer filing a joint return if a spouse is a qualified individual,

(ii) ~~\$8,000~~ \$9,600 for a single taxpayer, and

(iii) ~~\$5,000~~ \$6,000 for a married taxpayer filing a separate federal return.

(2) The qualified individual's initial subtraction base amount, then, must be reduced by the sum of nontaxable retirement and disability benefits and one-half of the amount of adjusted gross income in excess of the following thresholds:

(i) ~~\$15,000~~ \$18,000 for a married taxpayer filing a joint return if both spouses are qualified individuals,

(ii) ~~\$12,000~~ \$14,500 for a single taxpayer or for a married couple filing a joint return if only one spouse is a qualified individual, and

(iii) ~~\$7,500~~ \$9,000 for a married taxpayer filing a separate federal return.

(3) In the case of a qualified individual who is under the age of 65, the maximum amount of the subtraction base may not exceed the taxpayer's disability income.

(4) The resulting amount is the subtraction base amount."

Renumber the sections in article 5 in sequence

A roll call was requested and properly seconded.

The question was taken on the portion of the Ogren amendment to be voted upon first and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

Olsen, S., requested a division of the remaining portion of the Ogren amendment to H. F. No. 1086, the first engrossment, as amended.

The first portion of the remaining portion of the Ogren amendment to H. F. No. 1086, the first engrossment, as amended, reads as follows:

Pages 19 and 20, delete section 14

A roll call was requested and properly seconded.

The question was taken on the first portion of the remaining portions of the Ogren amendment and the roll was called. There were 85 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Hanson	Long	Osthoff	Solberg
Anderson, R.	Hartle	Lourey	Ostrom	Sparby
Anderson, R. H.	Hasskamp	Mariani	Ozment	Steensma
Battaglia	Hausman	McEachern	Pelowski	Swenson
Bauerly	Jacobs	McGuire	Peterson	Thompson
Bertram	Janezich	Milbert	Pugh	Trimble
Bishop	Jaros	Munger	Reding	Tunheim
Bodahl	Jefferson	Murphy	Rest	Uphus
Brown	Jennings	Nelson, K.	Rice	Valento
Carlson	Johnson, A.	Nelson, S.	Rodosovich	Vellenga
Carruthers	Johnson, R.	Newinski	Rukavina	Wagenius
Cooper	Kahn	O'Connor	Runbeck	Waltman
Dauner	Kalis	Ogren	Sarna	Wejcman
Dawkins	Kelso	Olson, E.	Scheid	Welle
Dorn	Kinkel	Olson, K.	Segal	Wenzel
Farrell	Lasley	Orenstein	Simoneau	Winter
Greenfield	Lieder	Orfield	Skoglund	Spk. Vanasek

Those who voted in the negative were:

Abrams	Garcia	Johnson, V.	McPherson	Smith
Begich	Girard	Knickerbocker	Morrison	Stanius
Bettermann	Goodno	Koppendrayner	Olsen, S.	Sviggm
Blatz	Gruenes	Krinkie	Omann	Tompkins
Davids	Gutknecht	Krueger	Onnen	Weaver
Dempsey	Haukoos	Leppik	Pauly	Welker
Dille	Heir	Limmer	Pellow	
Erhardt	Henry	Lynch	Schafer	
Frederick	Hufnagle	Macklin	Schreiber	
Frerichs	Hugoson	Marsh	Seaberg	

The motion prevailed and the amendment was adopted.

The remaining portion of the Ogren amendment to H. F. No. 1086, the first engrossment, as amended, reads as follows:

Page 9, line 12, delete "or increased"

Page 9, delete line 20 and insert "each city's, county's, town's, and special taxing district's aid shall be increased proportionately."

Page 12, line 32, after the third "the" insert "speaker shall, in consultation with the"

Page 12, line 33, delete "shall, in consultation"

Page 12, line 34, delete "with the speaker"

Page 12, line 35, after the first "The" insert "senate majority leader shall, in consultation with the"

Page 12, line 36, delete the new language up to and including "shall"

Page 18, line 6, after the period, insert "If a municipality imposes a franchise fee under this section, the fee must be imposed at the same rate on each public utility furnishing natural, manufactured, or mixed gas or electricity in the municipality."

Page 20, line 13, delete "15" and insert "14"

Page 20, line 18, delete "16" and insert "15"

Page 20, line 22, delete everything after the period

Page 20, delete lines 23 and 24

Page 34, line 18, after the period insert "In order for property to be eligible for homestead treatment under this paragraph, occupants of the property must have incomes no greater than 60 percent of the county or area median income."

Page 50, after line 5, insert:

"(g) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

(1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or

(2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 13 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph."

Page 55, line 2, after "section" insert "and section 275.60"

Page 55, after line 6, insert:

"This section does not apply to a school district bond election if the

debt service payments are to be made entirely from transfers of revenue from the capital fund to the debt service fund."

Page 55, line 8, before "Any" insert "For local governmental subdivisions other than school districts,"

Page 55, line 10, delete everything after the comma

Page 55, line 11, delete "124A.03, subdivision 29,"

Page 55, line 13, after the period insert "For school district referenda under section 124A.03, subdivision 2a, the amount approved shall be levied against the market value of all taxable property within the school district."

Page 92, line 11, delete "a regional railroad"

Page 92, line 12, delete "authority" and insert "the applicant"

Page 97, line 4, after "the" insert "affected"

Page 97, line 5, delete "authority" and insert "authorities"

Page 97, line 9, after the period insert "In reviewing the application the council must consider the information submitted to it under section 473.3994, subdivision 9"

Page 98, after line 6, insert:

"Sec. 24. [SPECIAL SERVICE DISTRICT; CITY OF CROOKSTON.]

Subdivision 1. [SPECIAL SERVICES DEFINED.] For purposes of this section, "special services" means all services rendered or contracted for by the city of Crookston, including, but not limited to:

(1) the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;

(2) parking services rendered or contracted for by the city; and

(3) any other service or improvement provided by the city or development authority that is authorized by law or charter.

Subd. 2. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.] If approved by the voters under subdivision 4, the governing body of the city of Crookston may adopt an ordinance establishing a special service district to be operated by the Crookston development author-

ity. Minnesota Statutes, chapter 428A, governs the establishment and operation of special service districts in the city.

Subd. 3. [SPECIAL SERVICE DISTRICT LEVY.] After establishing the special service district under subdivision 2, the city may levy in 1991, payable in 1992 and thereafter, an annual amount not to exceed \$100,000 on the taxable property in the city of Crookston. This amount is not subject to the city's levy limitations in Minnesota Statutes, sections 275.50 to 275.56.

Subd. 4. [REFERENDUM ON PROPERTY TAX LEVY.] Before the governing body of the city of Crookston exercises the authority granted in subdivision 2 and levies under subdivision 3, an election shall be held on the question of levying the tax. The election shall be held in the manner provided in Minnesota Statutes, section 375.20. If the referendum under this section is held on a day other than the first Tuesday after the first Monday in November, it must be conducted by mail in accordance with section 204B.46. The notice shall be prepared and delivered by first class mail at least 20 days before the referendum.

Subd. 5. [LOCAL APPROVAL; EFFECTIVE DATE.] Subdivisions 1 through 4 are effective the day after approval by the governing body of the city of Crookston and its compliance with Minnesota Statutes, section 645.021, subdivision 3."

Page 98, line 7, delete "24" and insert "25"

Page 98, line 10, delete "25" and insert "26"

Page 146, line 14, delete "29 and 30" and insert "30 and 31"

Page 146, line 15, delete "42 to 44" and insert "43 to 45"

Page 175, after line 1, insert:

"Sec. 5. Minnesota Statutes 1990, section 289A.60, subdivision 15, is amended to read:

Subd. 15. [ACCELERATED PAYMENT OF JUNE SALES TAX LIABILITY; PENALTY FOR UNDERPAYMENT.] If a vendor is required by law to submit an estimation of June sales tax liabilities and one-half payment by a certain date, and the vendor fails to remit the balance due by the date required, the vendor shall pay a penalty equal to ten percent of the amount of actual June liability required to be paid in June less the amount remitted in June. The penalty must not be imposed, however, if the amount remitted in June equals the lesser of: (1) 45 percent of the actual June liability, or (2) 50 percent of the preceding May's liability, or (3) 50 percent of the average monthly liability for the previous calendar year."

Renumber remaining sections in article 7

Page 201, line 5, after the period, insert "Section 5 is effective for the June accelerated payment made in 1992 and thereafter."

Page 201, line 5, delete everything after the first "to" and insert "4, 6, 8 to 12, 18, 22, and 28 are"

Page 201, line 6, delete "25" and insert "26"

Page 201, line 10, delete everything after "sections" and insert "7, 15, 17, 20,"

Page 201, line 11, delete "25" and insert "26"

Page 201, line 11, delete "26, 28, and 35" and insert "27, 29, and 36"

Page 201, line 12, delete "12" and insert "13"

Page 201, line 13, delete "15" and insert "16"

Page 201, line 14, delete "22" and insert "23"

Page 201, line 15, delete "24" and insert "25"

Page 201, line 16, delete "18" and insert "19"

Page 201, line 17, delete "29" and insert "30"

Page 201, line 19, delete "13 and 20" and insert "14 and 21"

Page 209, delete section 11

Renumber the sections in article 8 in sequence

Page 222, line 35, delete "26, and 27" and insert "25, and 26"

Page 223, line 1, delete "13, and 19" and insert "12, and 18"

Page 223, line 2, delete "25" and insert "24"

Page 281, line 9, delete "paid" and insert "filed"

Page 285, line 29, after "1" insert "and 3"

Page 285, line 30, after the period insert "Section 2 is effective for aids paid in 1992 and thereafter."

Pages 327 to 342, delete article 17

Renumber remaining articles in sequence

Amend the title as follows:

Page 1, line 46, delete "274.19, subdivision 3"

Page 2, line 1, delete "275.07, subdivisions 1 and 4;"

Page 2, line 5, delete "subdivisions" and insert "subdivision"; delete "and 3"

Page 2, line 6, delete "276.10; 276.11, subdivision 1;" and delete "278.03"

Page 2, line 7, delete "278.05, subdivision 5;" and delete everything after "subdivisions" and insert "1 and 2"

Page 2, line 8, delete "by adding subdivisions"

Page 2, line 20, after "12," insert "15,"

Page 2, line 26, delete "subdivision 1" and insert "subdivisions 1 and 2"

Page 2, line 37, delete "subdivisions" and insert "a subdivision"

Page 3, line 18, delete "sections 9, subdivision 1; and" and insert "section"

Page 3, line 23, delete "276.09;"

Page 3, line 24, delete "276.111;"

Page 3, line 25, delete "279.01,"

Page 3, line 26, delete "subdivisions 1, 2, and 3;"

A roll call was requested and properly seconded.

The question was taken on the remaining portion of the Ogren amendment and the roll was called. There were 129 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Krinkie Schreiber Welker

The motion prevailed and the amendment was adopted.

Hasskamp; Beard; Rukavina; Begich; Olson, K.; Smith; Kinkel; Morrison; Stanius; Sparby; Valento; Bodahl; Battaglia; Wenzel; Goodno; Waltman; Dempsey; Hartle; Thompson; Dorn; Welle; Blatz; Bettermann; Krueger; Peterson; Tunheim; Johnson, V.; Johnson, R.; Haukoos; Boo; Frederick; Cooper; Solberg; Sviggum; Lourey and Jennings moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 18, delete lines 30 to 36

Page 19, delete lines 1 through 5

Renumber remaining sections in article 2

Page 20, delete section 15

Page 20, line 19, delete "12" and insert "11"

Page 20, line 20, delete "13" and insert "12"

Page 20, line 22, delete "14" and insert "13"

Amend the title as follows:

Page 2, line 71, delete "subdivisions 3 and 7" and insert "subdivision 7"

A roll call was requested and properly seconded.

Carruthers, McGuire, Vellenga, Mariani, Skoglund, Wejcman, Wagenius, Abrams and Scheid moved to amend the Hasskamp et al amendment to H. F. No. 1086, the first engrossment, as amended, as follows:

Page 1, of the Hasskamp et al amendment, delete line 5 and insert:

"Page 20, after line 12, insert:

"Sec. 14. [CITIES OR TOWNS IN HENNEPIN AND RAMSEY COUNTIES; LODGING TAX PROCEEDS.]

Notwithstanding the provisions of Minnesota Statutes, section 469.190, subdivision 3, the proceeds of a tax imposed under Minnesota Statutes, section 469.190, subdivision 1, by a statutory or home rule charter city or town located in Hennepin or Ramsey county may be used for any purpose otherwise permitted by law."

Page 1, of the Hasskamp et al amendment, line 6, after "11" insert "and 14"

Renumber the sections in article 2 in sequence

A roll call was requested and properly seconded.

The question was taken on the Carruthers et al amendment to the Hasskamp et al amendment and the roll was called. There were 74 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Lieder	Olson, K.	Segal
Battaglia	Gutknecht	Long	Orenstein	Simoneau
Bauerly	Hanson	Lourey	Orfield	Skoglund
Beard	Hausman	Mariani	Osthoff	Sparby
Begich	Jacobs	McEachern	Ostrom	Steensma
Brown	Janezich	McGuire	Pelowski	Trimble
Carlson	Jaros	Milbert	Peterson	Tunheim
Carruthers	Jefferson	Munger	Pugh	Vellenga
Cooper	Jennings	Murphy	Reding	Wagenius
Dauner	Johnson, A.	Nelson, K.	Rest	Weaver
Dawkins	Kahn	Nelson, S.	Rice	Wejcman
Dille	Kalis	O'Connor	Rodosovich	Welle
Dorn	Kelso	Ogren	Rukavina	Winter
Farrell	Lasley	Olsen, S.	Sarna	Spk. Vanasek
Garcia	Leppik	Olson, E.	Scheid	

Those who voted in the negative were:

Anderson, I.	Frerichs	Johnson, V.	Newinski	Stanius
Anderson, R.	Girard	Kinkel	Omann	Sviggun
Anderson, R. H.	Goodno	Knickerbocker	Onnen	Swenson
Bertram	Gruenes	Koppendrayer	Ozment	Thompson
Bettermann	Hartle	Krinkie	Pauly	Tompkins
Blatz	Hasskamp	Krueger	Pellow	Uphus
Bodahl	Haukoos	Limmer	Runbeck	Valento
Boo	Heir	Lynch	Schafer	Waltman
Dauids	Henry	Macklin	Schreiber	Welker
Dempsey	Hufnagle	Marsh	Seaberg	Wenzel
Erhardt	Hugoson	McPherson	Smith	
Frederick	Johnson, R.	Morrison	Solberg	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Hasskamp et al amendment, as amended, and the roll was called. There were 98 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Girard	Kelso	Nelson, S.	Solberg
Anderson, R.	Goodno	Kinkel	Newinski	Sparby
Anderson, R. H.	Greenfield	Koppendrayer	O'Connor	Stanius
Battaglia	Gruenes	Krueger	Omann	Steensma
Bauerly	Gutknecht	Lasley	Onnen	Sviggun
Begich	Hartle	Lieder	Orfield	Swenson
Bertram	Hasskamp	Limmer	Ozment	Thompson
Bettermann	Haukoos	Lourey	Pellow	Tompkins
Bishop	Hausman	Lynch	Pelowski	Tunheim
Blatz	Heir	Macklin	Peterson	Uphus
Bodahl	Henry	Mariani	Pugh	Valento
Boo	Hufnagle	Marsh	Reding	Wagenius
Carlson	Hugoson	McEachern	Rest	Waltman
Carruthers	Janezich	McGuire	Rodosovich	Weaver
Cooper	Jaros	McPherson	Rukavina	Wejman
Dauner	Johnson, A.	Milbert	Runbeck	Welle
Dauids	Johnson, R.	Morrison	Sarna	Wenzel
Dille	Johnson, V.	Munger	Schafer	Winter
Dorn	Kahn	Murphy	Schreiber	
Frederick	Kalis	Nelson, K.	Seaberg	

Those who voted in the negative were:

Abrams	Frerichs	Krinkie	Orenstein	Simoneau
Beard	Garcia	Leppik	Osthoff	Skoglund
Brown	Hanson	Long	Ostrom	Smith
Dawkins	Jacobs	Ogren	Pauly	Trimble
Dempsey	Jefferson	Olsen, S.	Rice	Vellenga
Erhardt	Jennings	Olson, E.	Scheid	Welker
Farrell	Knickerbocker	Olson, K.	Segal	Spk. Vanasek

The motion prevailed and the amendment, as amended, was adopted.

Welle; Bertram; Rest; Long; Olson, K.; Kalis; Bauerly; Lasley;

Lieder; Tunheim; Dorn; Pelowski; Nelson, S.; Reding; Cooper; Rodosovich; Steensma; Janezich; Peterson; Johnson, R.; Winter; Dauner; Bodahl; Thompson; Sparby and Dille moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 77, line 28, strike "clause" and insert "clauses"

Page 78, line 1, after "(a)" insert "and (b)"

Page 87, line 2, after the stricken "years" insert "three percent for taxes levied in 1991 and subsequent years, excluding cities of the first class;

(b) in the case of cities of the first class,"

Page 87, line 6, strike "(b)" and insert "(c)"

A roll call was requested and properly seconded.

The question was taken on the Welle et al amendment and the roll was called. There were 100 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Goodno	Kelso	Nelson, S.	Simoneau
Anderson, R. H.	Greenfield	Kinkel	Newinski	Skoglund
Battaglia	Gruenes	Koppendrayer	Ogren	Solberg
Bauerly	Gutknecht	Krueger	Olson, E.	Sparby
Beard	Hanson	Lasley	Olson, K.	Stanisus
Bertram	Hartle	Leppik	Omann	Steensma
Bettermann	Hasskamp	Lieder	Onnen	Sviggum
Bishop	Haukoos	Long	Ostrom	Swenson
Bodahl	Hausman	Lourey	Ozment	Thompson
Boo	Hugoson	Lynch	Pelowski	Tompkins
Brown	Jacobs	Macklin	Peterson	Trimble
Carlson	Janezich	Mariani	Pugh	Tunheim
Cooper	Jaros	Marsh	Reding	Uphus
Dauner	Jefferson	McEachern	Rest	Valento
Dempsey	Jennings	McGuire	Rice	Waltman
Dille	Johnson, A.	McPherson	Rodosovich	Weaver
Dorn	Johnson, R.	Milbert	Rukavina	Wejman
Frederick	Johnson, V.	Munger	Runbeck	Welle
Garcia	Kahn	Murphy	Schafer	Winter
Girard	Kalis	Nelson, K.	Schreiber	Spk. Vanasek

Those who voted in the negative were:

Abrams	Erhardt	Krinkie	Osthoff	Smith
Anderson, L.	Farrell	Limmer	Pauly	Vellenga
Begich	Frerichs	Morrison	Pellow	Wagenius
Blatz	Heir	O'Connor	Sarna	Welker
Carruthers	Henry	Olsen, S.	Scheid	Wenzel
Davids	Hufnagle	Orenstein	Seaberg	
Dawkins	Knickerbocker	Orfield	Segal	

The motion prevailed and the amendment was adopted.

Johnson, R.; Osthoff; Stanius; Swenson; Lynch; Rukavina; Boo; Munger; Krueger; McGuire; Battaglia; Solberg; Kalis; Waltman; Schreiber; Reding; Garcia; Jacobs; Wagenius; Nelson, S.; Bishop; Cooper; Marsh; Sviggum; Omann; Valento; Weaver; Scheid; Anderson, R.; Dempsey; Peterson; Heir; Uphus; Sparby; Olsen, S.; Kahn; Long; Hasskamp; Schafer; Nelson, K.; Johnson, V.; Pellow; Runbeck; Pugh; Beard; Sarna; Milbert; Wejcman and Steensma moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Pages 133 and 134, delete section 33 and insert:

"Sec. 33. Minnesota Statutes 1990, section 290.431, is amended to read:

290.431 [NONGAME WILDLIFE CHECKOFF AND FOOD-SHELF CHECKOFFS.]

Subdivision 1. [CHECKOFF AUTHORIZED.] Every individual who files an income tax return or property tax refund claim form may designate on their original return that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that individual and paid either into an account to be established for the management of nongame wildlife or into the foodshelf account, or both. The commissioner of revenue shall, on the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into either the nongame wildlife management account or the foodshelf account, or both.

Subd. 2. [DEPOSIT OF MONEY.] The sum of the amounts so designated to be paid shall be credited to the nongame wildlife management account for use by the nongame program of the section of wildlife in the department of natural resources and to the foodshelf account established under section 1.

Subd. 3. [NONGAME WILDLIFE ACCOUNT.] All interest earned on money accrued in the nongame wildlife management account shall be credited to the account by the state treasurer. The commissioner of natural resources shall submit a work program for each fiscal year and semiannual progress reports to the legislative commission on Minnesota resources in the form determined by the commission. None of the money provided in this section may be expended unless the commission has approved the work program.

Subd. 4. [STATE PLEDGE.] The state pledges and agrees with all contributors to the nongame wildlife management account to use the funds contributed solely for the management of nongame wildlife projects and further agrees that it will not impose additional

conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of nongame wildlife.

The state further pledges that all money given to the foodshelf programs will be used for foodshelf programs for needy people in Minnesota.

Subd. 5. [INFORMATION ON SOURCE.] The commissioner shall annually report to the foodshelf account distribution board the amount of the contributions to that account designated on the tax returns of residents of each county.

Subd. 6. [LIMITATIONS ON CHECKOFFS.] (a) No more than two tax checkoffs may be included on income tax returns and property tax refund forms for any taxable year.

(b) Beginning with the third taxable year when a tax checkoff for contributions for a specific purpose is included on the tax form, if the contributions designated for a tax year equal less than \$300,000, the checkoff program for that purpose will terminate and that checkoff will no longer be included on the income tax returns and property tax refund forms for subsequent years."

A roll call was requested and properly seconded.

The question was taken on the Johnson, R., et al amendment and the roll was called. There were 130 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Dille	Jaros	Mariani	Ostrom
Anderson, I.	Dorn	Jefferson	Marsh	Ozment
Anderson, R.	Erhardt	Jennings	McEachern	Pauly
Anderson, R. H.	Farrell	Johnson, A.	McGuire	Pellow
Battaglia	Frederick	Johnson, R.	McPherson	Pelowski
Bauerly	Ferichs	Johnson, V.	Milbert	Peterson
Beard	Garcia	Kahn	Morrison	Pugh
Begich	Girard	Kalis	Munger	Reding
Bertram	Goodno	Kelso	Murphy	Rest
Bettermann	Gruenes	Kinkel	Nelson, K.	Rodosovich
Bishop	Gutknecht	Knickerbocker	Nelson, S.	Rukavina
Blatz	Hanson	Koppendrayer	Newinski	Runbeck
Bodahl	Hartle	Krinkie	O'Connor	Sarna
Boo	Hasskamp	Krueger	Ogren	Schafer
Brown	Haukoos	Lasley	Olsen, S.	Scheid
Carlson	Hausman	Leppik	Olson, E.	Schreiber
Carruthers	Heir	Lieder	Olson, K.	Seaberg
Cooper	Henry	Limmer	Omann	Segal
Dauner	Hufnagle	Long	Onnen	Simoneau
Dauids	Hugoson	Lourey	Orenstein	Skoglund
Dawkins	Jacobs	Lynch	Orfield	Smith
Dempsey	Janezich	Macklin	Osthoff	Solberg

Sparby	Swenson	Tunheim	Wagenius	Welker
Stanius	Thompson	Uphus	Waltman	Welle
Steensma	Tompkins	Valento	Weaver	Wenzel
Sviggun	Trimble	Vellenga	Wejzman	Winter

Those who voted in the negative were:

Greenfield	Rice	Spk. Vanasek
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The motion prevailed and the amendment was adopted.

Reding moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Pages 194 and 195, delete section 30

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Reding amendment and the roll was called. There were 56 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Frerichs	Johnson, A.	Newinski	Solberg
Anderson, R. H.	Girard	Kalis	Olsen, S.	Steensma
Beard	Goodno	Kelso	Olson, K.	Sviggun
Begich	Hanson	Krinkie	Orfield	Tunheim
Bertram	Hartle	Lasley	Ostrom	Uphus
Blatz	Hasskamp	Lieder	Pauly	Waltman
Brown	Haukoos	Lourey	Peterson	Welker
Carlson	Heir	Lynch	Reding	Welle
Dauner	Henry	Macklin	Rice	
Davids	Hufnagle	McEachern	Rukavina	
Dempsey	Hugoson	Morrison	Sarna	
Farrell	Jacobs	Nelson, S.	Seaberg	

Those who voted in the negative were:

Abrams	Dille	Jefferson	Limmer	Olson, E.
Anderson, R.	Dorn	Jennings	Long	Omann
Battaglia	Erhardt	Johnson, V.	Mariani	Onnen
Bettermann	Frederick	Kahn	Marsh	Orenstein
Bishop	Garcia	Kinkel	McPherson	Osthoff
Bodahl	Greenfield	Knickerbocker	Milbert	Ozment
Boo	Gruenes	Koppendrayer	Munger	Pellow
Carruthers	Gutknecht	Krueger	Murphy	Pelowski
Cooper	Hausman	Leppik	Ogren	Pugh

Rest
Rodosovich
Runbeck
Schaffer
Scheid

Schreiber
Segal
Simoneau
Skoglund
Smith

Stanius
Swenson
Thompson
Tompkins
Trimble

Valento
Vellenga
Wagenius
Weaver
Wejman

Wenzel
Winter
Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Onnen; Olsen, S.; Stanius; Dempsey; McPherson; Welker; Abrams; Valento; Heir and Limmer moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 14, line 29, delete "two" and insert "1.5"

Page 14, line 33, delete "0.165" and insert "0.124"

Page 115, line 33, delete everything after "\$79,120," and insert "8.2 percent"

Page 115, line 34, delete the new language

Page 116, line 20, delete everything after "\$44,750," and insert "8.2 percent"

Page 116, line 21, delete the new language

Page 117, line 2, delete everything after "\$67,390," and insert "8.2 percent"

Page 117, line 3, delete the new language

Pages 127 and 128, delete section 28

Page 136, line 8, delete "nine" and insert "8.2"

Page 138, line 5, delete "nine" and insert "8.2"

Page 176, lines 29 to 32, delete the new language

Page 178, line 11, delete the semicolon and insert a period

Page 176, delete lines 12 to 19

Page 183, delete sections 11 and 12

Page 190, delete section 21

Pages 192 and 193, delete section 27

Pages 204 to 207, delete sections 6 and 7

Page 222, delete section 41

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Onnen et al amendment and the roll was called. There were 51 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Koppendrayner	Omann	Sviggunn
Anderson, R. H.	Goodno	Krinkie	Onnen	Swenson
Bettermann	Gruenes	Leppik	Ozment	Tompkins
Blatz	Hartle	Limmer	Pauly	Valento
Boo	Haukoos	Lynch	Pellow	Waltman
Dauids	Heir	Macklin	Runbeck	Weaver
Dempsey	Henry	Marsh	Schafer	Welker
Dille	Hufnagle	McPherson	Schreiber	
Erhardt	Hugoson	Morrison	Seaberg	
Frederick	Johnson, V.	Newinski	Smith	
Frerichs	Knickerbocker	Olsen, S.	Stanisus	

Those who voted in the negative were:

Anderson, I.	Garcia	Krueger	Olson, K.	Simoneau
Anderson, R.	Greenfield	Lasley	Orenstein	Skoglund
Battaglia	Hanson	Lieder	Orfield	Solberg
Bauerly	Hasskamp	Long	Osthoft	Sparby
Beard	Hausman	Lourey	Ostrom	Steensma
Begich	Jacobs	Mariani	Pelowski	Thompson
Bertram	Janezich	McEachern	Peterson	Trimble
Bodahl	Jaros	McGuire	Pugh	Tunheim
Brown	Jefferson	Milbert	Reding	Vellenga
Carlson	Jennings	Munger	Rest	Wagenius
Carruthers	Johnson, A.	Murphy	Rice	Wejzman
Cooper	Johnson, R.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	Nelson, S.	Rukavina	Wenzel
Dawkins	Kalis	O'Connor	Sarna	Winter
Dorn	Kelso	Ogren	Scheid	Spk. Vanasek
Farrell	Kinkel	Olson, E.	Segal	

The motion did not prevail and the amendment was not adopted.

Carruthers and Bodahl moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 88, line 24, after "debt" insert "(i)"

Page 88, line 25, after "1991," insert "(ii)"

Page 88, line 26, after "1991," delete "or bonds" and insert "(iii)"

Page 88, line 27, before the period insert ", or (iv) issued to acquire or construct land, improvements, materials or equipment if binding contracts were entered into for the acquisition or construction before May 20, 1991, or (v) issued for street and related improvements where the land on which all or part of the improvements will be constructed was acquired by the city after January 1, 1989 and before May 20, 1991 and the expenditures for the acquisition exceeded \$2,500,000"

The motion prevailed and the amendment was adopted.

Jennings; Ogren; Bertram; Vanasek; Dempsey; Hartle; Nelson, S.; Welle; Peterson; Schafer; Johnson, V.; Lasley; Cooper; Runbeck; Dorn; Dille; Dauner; Kelso; Bodahl and Olson, K., moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 184, after line 17, insert:

"Sec. 14. [297A.161] [REIMBURSEMENT FOR COSTS OF COMPLYING WITH TAX CHANGES.]

Subdivision 1. [DEFINITION.] As used in this subdivision, "cash register" means a cash register used by the retailer to compute the correct tax on the date the new tax or tax increase took effect and that could not have been used to compute the correct tax on that date unless adjustments or modifications were made to it.

Subd. 2. [APPLICATION FOR REFUND.] Within six months after a tax imposed under chapter 297A takes effect for the first time or the effective date of an increase in the rate of a tax under chapter 297A, a retailer required to collect the tax may apply to the commissioner of revenue for a refund of a portion of the tax required to be paid. The refund is in consideration of the costs incurred by or charges to the retailer for modifications or adjustments that were necessary to enable the correct tax to be computed at the retailer's cash registers.

Subd. 3. [REFUND AMOUNT.] The total refund paid to a retailer under this section shall be determined as follows:

(a) If the retailer has one place of business and one cash register, the refund equals the lesser of (1) \$150 or (2) the actual cost incurred by the retailer in making the modifications or adjustments.

(b) If the retailer has one place of business and more than one cash register at that place of business, the refund equals the lesser of (1) \$100 multiplied by the number of cash registers or (2) the actual cost incurred by the retailer in making the modifications or adjustments.

(c) If the retailer has more than one place of business, each place of business must be considered separately in determining the refund to which the retailer is entitled under this section.

Subd. 4. [ALLOWANCE OF REFUND.] The application must be in the form prescribed by the commissioner by rule. Within nine months of the filing of the application, the commissioner shall certify the amount of the refund allowed to the retailer. The refund shall be treated as payment of sales that the retailer has collected and remitted and paid to the state on a transaction that is not taxable under chapter 297A as provided by section 289A.50, subdivision 2."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sviggum, Stanius, Valento, Frerichs, Limmer, McPherson, Hugoson, Seaberg, Pellow, Omann, Girard, Runbeck, Weaver and Abrams moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 351, after line 31, insert:

"ARTICLE 19 BUDGET RESERVE

Section 1. Minnesota Statutes 1990, section 16A.15, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION.] (a) If the commissioner determines that probable receipts for the general fund will be less than ~~anticipated~~ the amount projected in the prior official forecast, and that the amount available for the ~~remainder of the biennium~~ current budget period will be less than needed, the commissioner shall, with the approval of the governor, and after consulting the legislative advisory commission, reduce the amount in the budget and cash flow

reserve account established in subdivision 6 as needed to balance expenditures with revenue.

(b) An additional deficit shall, with the approval of the governor, and after consulting the legislative advisory commission, be made up by reducing unexpended allotments of any prior appropriation or transfer. Notwithstanding any other law to the contrary, the commissioner is empowered to defer or suspend prior statutorily created obligations which would prevent effecting such reductions.

(c) If the commissioner determines that probable receipts for any other fund, appropriation, or item will be less than anticipated, and that the amount available for the remainder of the term of the appropriation or for any allotment period will be less than needed, the commissioner shall notify the agency concerned and then reduce the amount allotted or to be allotted so as to prevent a deficit.

(d) In reducing allotments, the commissioner may consider other sources of revenue available to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.

(e) In like manner, the commissioner shall reduce allotments to an agency by the amount of any saving that can be made over previous spending plans through a reduction in prices or other cause.

Sec. 2. Minnesota Statutes 1990, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET AND CASH FLOW RESERVE ACCOUNT.] A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part or all of the budgetary balance in the general fund for use as the budget and cash flow reserve account. The commissioner of finance shall transfer to the budget and cash flow reserve account such amounts as are available to bring the total amount, including any existing balance in the account on June 30, ~~1989~~ 1991, to ~~\$550,000,000~~ \$400,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under section 16A.1541."

Renumber the remaining article

Amend the title as follows:

Page 1, line 22, after the first semicolon, insert "setting the budget reserve amount;"

Page 1, line 24, after the second semicolon, insert "16A.15, subdivisions 1 and 6;"

A roll call was requested and properly seconded.

The Speaker called Krueger to the Chair.

The question was taken on the Sviggum et al amendment and the roll was called. There were 53 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Knickerbocker	Olsen, S.	Stanius
Anderson, R. H.	Goodno	Koppendrayner	Omann	Sviggum
Bettermann	Gruenes	Krinkie	Onnen	Swenson
Blatz	Gutknecht	Leppik	Ozment	Tompkins
Boo	Hartle	Limmer	Pauly	Uphus
Davids	Haukoos	Lynch	Pellow	Valento
Dempsey	Heir	Macklin	Runbeck	Waltman
Dille	Henry	Marsh	Schafer	Weaver
Erhardt	Hufnagle	McPherson	Schreiber	Welker
Frederick	Hugoson	Morrison	Seaberg	
Frerichs	Johnson, V.	Newinski	Smith	

Those who voted in the negative were:

Anderson, I.	Garcia	Lasley	Orenstein	Skoglund
Anderson, R.	Greenfield	Lieder	Orfield	Solberg
Battaglia	Hanson	Long	Osthoft	Sparby
Bauerly	Hasskamp	Lourey	Ostrom	Steensma
Beard	Hausman	Mariani	Pelowski	Thompson
Begich	Jacobs	McEachern	Peterson	Trimble
Bertram	Janezich	McGuire	Pugh	Tunheim
Bodahl	Jaros	Milbert	Reding	Vellenga
Brown	Jefferson	Munger	Rest	Wagenius
Carlson	Jennings	Murphy	Rice	Wejcmann
Carruthers	Johnson, A.	Nelson, K.	Rodosovich	Welle
Cooper	Kahn	Nelson, S.	Rukavina	Wenzel
Dauner	Kalis	O'Connor	Sarna	Winter
Dawkins	Kelso	Ogren	Scheid	Spk. Vanasek
Dorn	Kinkel	Olson, E.	Segal	
Farrell	Krueger	Olson, K.	Simoneau	

The motion did not prevail and the amendment was not adopted.

Tunheim, Valento, Boo and Steensma moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Pages 20 and 21, delete section 1

Renumber the sections in article 3 in sequence

Correct internal references

Amend the title as follows:

Page 1, line 15, delete "changing certain"

Page 1, line 16, delete "eminent domain powers;"

Page 3, line 19, delete "117;"

A roll call was requested and properly seconded.

The question was taken on the Tunheim et al amendment and the roll was called. There were 38 yeas and 93 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frederick	Hufnagle	Newinski	Swenson
Anderson, R. H.	Frerichs	Hugoson	Omann	Thompson
Bettermann	Girard	Kalis	Pellow	Tunheim
Boo	Gruenes	Koppendrayner	Schafer	Valento
Dauids	Gutknecht	Krinkie	Seaberg	Waltman
Dempsey	Hanson	Marsh	Stanisus	Welker
Dille	Hartle	McPherson	Steensma	
Erhardt	Haukoos	Murphy	Sviggun	

Those who voted in the negative were:

Abrams	Greenfield	Lieder	Onnen	Segal
Anderson, I.	Hausman	Limmer	Orenstein	Simoneau
Battaglia	Heir	Long	Orfield	Skoglund
Bauerly	Henry	Lourey	Osthoff	Smith
Beard	Jacobs	Lynch	Ostrom	Solberg
Begich	Janezich	Macklin	Ozment	Sparby
Bertram	Jaros	Mariani	Pauly	Tompkins
Blatz	Jefferson	McEachern	Pelowski	Trimble
Bodahl	Jennings	McGuire	Peterson	Uphus
Brown	Johnson, A.	Milbert	Pugh	Vellenga
Carlson	Johnson, R.	Morrison	Reding	Wagenius
Carruthers	Johnson, V.	Munger	Rest	Weaver
Cooper	Kahn	Nelson, K.	Rice	Wejeman
Dauner	Kelso	Nelson, S.	Rodosovich	Welle
Dawkins	Kinkel	O'Connor	Rukavina	Wenzel
Dorn	Knickerbocker	Ogren	Runbeck	Winter
Farrell	Krueger	Olsen, S.	Sarna	Spk. Vanasek
Garcia	Lasley	Olson, E.	Scheid	
Goodno	Leppik	Olson, K.	Schreiber	

The motion did not prevail and the amendment was not adopted.

Runbeck moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 296, after line 10, insert:

"Sec. 6. [STUDY.]

The department of revenue shall study the issue of taxation of manufactured homes and report its specific recommendations to the legislature by January 1, 1992. The department shall include recommendations on the creation and enforcement of tax liens on manufactured homes. The department shall consult with the appropriate committees of the legislature and the Minnesota state bar association in conducting this study.

Page 296, line 16, delete "6" and insert "5, and 7" and after the period insert "Section 6 is effective the day following final enactment."

Renumber the section in article 13 in sequence

The motion prevailed and the amendment was adopted.

Valento; Olsen, S.; Smith; Krinkie; Waltman; McPherson; Goodno; Anderson, R. H.; Sviggum; Hugoson; Johnson, V.; Tompkins; Omann; Erhardt; Gruenes; Henry; Pellow; Limmer; Frerichs; Schaffer; Bettermann; Lynch; Pauly; Heir; Welker; Marsh; Haukoos; Leppik; Newinski; Seaberg; Koppendrayar; Frederick; Hufnagle; Davids and Runbeck moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 14, line 29, delete "two" and insert "1.5"

Page 14, line 33, delete "0.165" and insert "0.124"

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the Valento et al amendment and the roll was called. There were 53 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Knickerbocker	Olsen, S.	Stanius
Anderson, R. H.	Goodno	Koppendrayar	Omann	Sviggum
Bettermann	Gruenes	Krinkie	Onnen	Swenson
Blatz	Gutknecht	Leppik	Ozment	Tompkins
Boo	Hartle	Limmer	Pauly	Uphus
Davids	Haukoos	Lynch	Pellow	Valento
Dempsey	Heir	Macklin	Runbeck	Waltman
Dille	Henry	Marsh	Schafer	Weaver
Erhardt	Hufnagle	McPherson	Schreiber	Welker
Frederick	Hugoson	Morrison	Seaberg	
Frerichs	Johnson, V.	Newinski	Smith	

Those who voted in the negative were:

Anderson, I.	Greenfield	Lasley	Orenstein	Skoglund
Battaglia	Hanson	Lieder	Orfield	Solberg
Bauerly	Hasskamp	Long	Osthoff	Sparby
Beard	Hausman	Lourey	Ostrom	Steensma
Begich	Jacobs	Mariani	Pelowski	Thompson
Bertram	Janezich	McEachern	Peterson	Trimble
Bodahl	Jaros	McGuire	Pugh	Tunheim
Brown	Jefferson	Milbert	Reding	Vellenga
Carlson	Jennings	Munger	Rest	Wagenius
Carruthers	Johnson, A.	Murphy	Rice	Wejzman
Cooper	Johnson, R.	Nelson, K.	Rodovich	Welle
Dauner	Kahn	Nelson, S.	Rukavina	Wenzel
Dawkins	Kalis	O'Connor	Sarna	Winter
Dorn	Kelso	Ogren	Scheid	Spk. Vanasek
Farrell	Kinkel	Olson, E.	Segal	
Garcia	Krueger	Olson, K.	Simoneau	

The motion did not prevail and the amendment was not adopted.

Ogren moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 115, line 22, to page 117, line 3, delete the new language and reinstate the stricken language

Pages 117 and 118, delete section 19

Pages 122 and 123, delete sections 22 and 23

Pages 126 and 127, delete section 26

Pages 127 and 128, delete section 28

Page 136, line 8, delete "nine" and insert "eight"

Page 138, line 5, delete "nine" and insert "eight"

Page 139, line 18, delete "nine" and insert "eight"

Page 140, line 30, delete "nine" and insert "eight"

Page 145, delete section 46

Page 176, lines 29 to 32, delete the new language

Page 178, line 7, after the semicolon insert "and"

Page 178, line 11, delete the semicolon and insert a period

Page 178, delete lines 12 to 19

Page 180, delete section 7

Pages 182 and 183, delete sections 10 to 12

Page 190, delete section 21

Pages 192 and 193, delete section 27

Pages 204 to 207, delete sections 6 to 8

Page 222, delete section 41

Page 327, after line 4, insert:

“ARTICLE 17

CIGARETTE TAX AND SALES

Section 1. Minnesota Statutes 1990, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~49~~ 31 mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~38~~ 62 mills on each such cigarette.

Sec. 2. Minnesota Statutes 1990, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] The commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~1-25~~ .8 percent from the face amount of the stamps for the first \$1,500,000 of such stamps purchased in any fiscal year; and at a discount of ~~75~~ .5 percent on the remainder of such stamps purchased in any fiscal year. The commissioner shall not sell stamps to any other person. The commissioner may prescribe the method of shipment of the stamps to the distributor as well as the quantities of stamps purchased.

Sec. 3. Minnesota Statutes 1990, section 297.32, subdivision 1, is amended to read:

Subdivision 1. A tax is hereby imposed upon all tobacco products in this state and upon any person engaged in business as a distributor thereof, at the rate of ~~35~~ 60 percent of the wholesale sales price of such tobacco products. Such tax shall be imposed at the time the distributor (1) brings, or causes to be brought, into this state from without the state tobacco products for sale; (2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

Sec. 4. Minnesota Statutes 1990, section 297.32, subdivision 2, is amended to read:

Subd. 2. A tax is hereby imposed upon the use or storage by consumers of tobacco products in this state, and upon such consumers, at the rate of ~~35~~ 60 percent of the cost of such tobacco products.

The tax imposed by this subdivision shall not apply if the tax imposed by subdivision 1 on such tobacco products has been paid.

This tax shall not apply to the use or storage of tobacco products in quantities of:

1. not more than 50 cigars;
2. not more than ten oz. snuff or snuff powder;
3. not more than one lb. smoking or chewing tobacco or other tobacco products not specifically mentioned herein, in the possession of any one consumer.

Sec. 5. Minnesota Statutes 1990, section 297.35, subdivision 1, is amended to read:

Subdivision 1. On or before the 18th day of each calendar month every distributor with a place of business in this state shall file a return with the commissioner showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured, or fabricated in this state for sale in this state, during the preceding calendar month. Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may require. Each return shall be accompanied by a remittance for the full tax liability shown therein, less ~~1.5~~ one percent of such liability as compensation to reimburse

the distributor for expenses incurred in the administration of sections 297.31 to 297.39.

Sec. 6. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES.] A floor stocks tax is imposed on every person engaged in business in this state as a distributor, retailer, subjobber, vendor, manufacturer, or manufacturer's representative of cigarettes, on the stamped cigarettes in the person's possession or under the person's control at 12:01 a.m. on July 1, 1991. The tax is imposed at the following rates:

(1) on cigarettes weighing not more than three pounds a thousand, 12 mills on each cigarette;

(2) on cigarettes weighing more than three pounds a thousand, 24 mills on each cigarette.

Each distributor, by July 8, 1991, shall file a report with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1991, and the amount of tax due on them. The tax imposed by this section is due and payable by August 1, 1991, and after that date bears interest at the rate of one percent a month.

Each retailer, subjobber, vendor, manufacturer, or manufacturer's representative shall file a return with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1991, and pay the tax due thereon by August 1, 1991. Tax not paid by the due date bears interest at the rate of one percent a month.

Subd. 2. [AUDIT AND ENFORCEMENT.] The tax imposed by this section is subject to the audit, assessment, and collection provisions applicable to the taxes imposed under chapter 297C. The commissioner may require a distributor to receive and maintain copies of floor stocks tax returns filed by all persons requesting a credit for returned cigarettes.

Subd. 3. [DEPOSIT OF PROCEEDS.] The revenue from the tax imposed under this section shall be deposited by the commissioner in the state treasury and credited to the general fund.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 1991.

ARTICLE 18
ALCOHOLIC BEVERAGE TAX

Section 1. Minnesota Statutes 1990, section 297C.01, is amended by adding a subdivision to read:

Subd. 6. [BARREL.] A "barrel" of fermented malt beverages is equal to 31 gallons.

Sec. 2. Minnesota Statutes 1990, section 297C.01, is amended by adding a subdivision to read:

Subd. 7. [VALUE.] "Value" is the highest gross sales price received by a taxable seller from the sale of a similarly packaged container of the same product during the taxable period, not including the tax imposed by this chapter. No deduction for discounts or any other item is allowed in determining value, except that a deduction is allowed for transportation charges from the taxable seller's location to the buyer's place of business if the transportation charges are separately stated.

Sec. 3. Minnesota Statutes 1990, section 297C.02, is amended to read:

297C.02 [TAX IMPOSED.]

Subdivision 1. [DISTILLED SPIRITS AND WINE.] There is imposed ~~on all~~ an excise tax of 18.2 percent on the value of each container of distilled spirits and wine manufactured, imported, sold, or possessed in this state, the following excise tax:

	Standard	Metric
(a) Distilled spirits, liqueurs, cordials, and specialties regardless of alcohol content (excluding ethyl alcohol)	\$5.03 per gallon	\$1.33 per liter
(b) Wine containing 14 percent or less alcohol by volume	\$.30 per gallon	\$.08 per liter
(c) Wine containing more than 14 percent but not more than 21 percent alcohol by volume	\$.95 per gallon	\$.25 per liter

- | | | |
|---|-------------------|------------------|
| (d) Wine containing more than 21 percent but not more than 24 percent alcohol by volume | \$1.82 per gallon | \$.48 per liter |
| (e) Wine containing more than 24 percent alcohol by volume | \$3.52 per gallon | \$.93 per liter |
| (f) Natural and artificial sparkling wines containing alcohol | \$1.82 per gallon | \$.48 per liter |

The metric tax is imposed on all products taxable under this subdivision when the net contents are stated in metric units of measure.

In computing the tax on a package of distilled spirits or wine a proportional tax at a like rate on all fractional parts of a gallon or liter must be paid, except that the tax on a fractional part of a gallon less than $\frac{1}{16}$ of a gallon is the same as for $\frac{1}{16}$ of a gallon.

The tax on miniatures of two fluid ounces or less or 50 milliliters or less is 14 cents.

The commissioner of revenue may establish by rule a date and procedure for the conversion of excise tax computation and reporting from rates expressed in gallons to rates expressed in metric volumes. The official conversion factor is one liter equals 0.264172 United States gallons.

Subd. 2. [WINE.] There is imposed an excise tax of 5.7 percent on the value of each container of wine imported, sold, or possessed in this state, provided that the tax imposed under this subdivision shall be in an amount that is no less than 26 cents per liter or 99 cents per gallon.

Subd. 3. [FERMENTED MALT BEVERAGES.] There is imposed an excise tax of 15.6 percent on the direct or indirect sale of fermented malt beverages the following excise tax:

(1) On fermented malt beverages containing not more than 3.2 percent alcohol by weight, \$2.40 per barrel of 31 gallons;

(2) On fermented malt beverages containing more than 3.2 percent alcohol by weight, \$4.60 per barrel of 31 gallons.

The tax is at a proportional rate for fractions of a barrel of 31 gallons value of each individual container of fermented malt beverages containing seven or more gallons which is directly or indirectly sold in this state.

There is imposed an excise tax of 7.2 percent on the value of each container of fermented malt beverages containing less than seven gallons which is directly or indirectly sold in this state.

Subd. 3. 4. [TAX CREDIT.] A qualified brewer producing fermented malt beverages is entitled to a tax credit of \$4.60 per barrel equal to the tax payable on the first 25,000 taxable barrels sold in any fiscal year beginning July 1, regardless of the alcohol content of how the product is packaged. Qualified brewers may take the credit on the 18th day of each month, but the total credit allowed may not exceed in any fiscal year the lesser of (a) the liability for tax or (b) \$115,000.

For purposes of this subdivision, a "qualified brewer" means a brewer, whether or not located in this state, manufacturing less than 100,000 barrels of fermented malt beverages in the calendar year immediately preceding the calendar year for which the credit under this subdivision is claimed. In determining the number of barrels, all brands or labels of a brewer must be combined. All facilities for the manufacture of fermented malt beverages owned or controlled by the same person, corporation, or other entity must be treated as a single brewer.

Subd. 4. [BOTTLE TAX.] A tax of one cent is imposed on each bottle or container of distilled spirits and wine. The wholesaler is responsible for the payment of this tax when the bottles of distilled spirits and wine are removed from inventory for sale, delivery, or shipment.

The following are exempt from the tax:

- (1) miniatures of distilled spirits and wines;
- (2) containers of fermented malt beverage;
- (3) containers of intoxicating liquor or wine holding less than 200 milliliters;
- (4) containers of wine intended exclusively for sacramental purposes;
- (5) containers of alcoholic beverages sold to qualified, approved military clubs;
- (6) containers of alcoholic beverages sold to common carriers engaged in interstate commerce;
- (7) containers of alcoholic beverages sold to authorized food processors or pharmaceutical firms for use exclusively in the manufacturing of food products or medicines;

(8) containers of alcoholic beverages sold and shipped to dealers, wineries, or distillers in other states; and

(9) containers of alcoholic beverages sold to other Minnesota wholesalers.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1991."

Renumber the articles and sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Abrams raised a point of order pursuant to section 401 of "Mason's Manual of Legislative Procedure" relating to frivolous and improper amendments. The Speaker ruled the point of order not well taken and the Ogren amendment in order.

CALL OF THE HOUSE

On the motion of Onnen and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Tompkins
Trimble
Tunheim

Uphus
Valento
Vellenga

Wagenius
Waltman
Weaver

Wejzman
Welker
Welle

Wenzel
Winter

Long moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Ogren amendment and the roll was called.

Long moved that those not voting be excused from voting. The motion prevailed.

There were 3 yeas and 129 nays as follows:

Those who voted in the affirmative were:

Gutknecht

Onnen

Sviggum

Those who voted in the negative were:

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

The motion did not prevail and the amendment was not adopted.

CALL OF THE HOUSE LIFTED

Long moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Abrams, Knickerbocker, Smith, Krinkie, Frerichs and Heir moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 115, line 33, delete everything after “\$79,120,” and insert “8.2 percent”

Page 115, line 34, delete the new language

Page 116, line 20, delete everything after “\$44,750,” and insert “8.2 percent”

Page 116, line 21, delete the new language

Page 117, line 2, delete everything after “\$67,390,” and insert “8.2 percent”

Page 117, line 3, delete the new language

Pages 127 and 128, delete section 28

Page 136, line 8, delete “nine” and insert “8.2”

Page 138, line 5, delete “nine” and insert “8.2”

Renumber the sections in article 5 in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Abrams et al amendment and the roll was called. There were 54 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Knickerbocker	Olsen, S.	Smith
Anderson, R. H.	Gruenes	Koppendrayner	Omann	Stanisus
Bettermann	Gutknecht	Krinkie	Onnen	Sviggunn
Blatz	Hanson	Leppik	Osthoff	Swenson
Boo	Hartle	Limmer	Ozment	Tompkins
Davids	Haukoos	Lynch	Pauly	Uphus
Dempsey	Heir	Macklin	Pellow	Valento
Erhardt	Henry	Marsh	Runbeck	Waltman
Frederick	Hufnagle	McPherson	Schafer	Weaver
Frerichs	Hugoson	Morrison	Schreiber	Welker
Girard	Johnson, V.	Newinski	Seaberg	

Those who voted in the negative were:

Anderson, I.	Farrell	Krueger	Olson, K.	Solberg
Anderson, R.	Garcia	Lasley	Orenstein	Sparby
Battaglia	Greenfield	Lieder	Orfield	Steensma
Bauerly	Hasskamp	Long	Pelowski	Thompson
Beard	Hausman	Lourey	Peterson	Trimble
Begich	Jacobs	Mariani	Pugh	Tunheim
Bertram	Janezich	McEachern	Reding	Vellenga
Bodahl	Jaros	McGuire	Rest	Wagenius
Brown	Jefferson	Milbert	Rice	Wejzman
Carlson	Jennings	Munger	Rodosovich	Welle
Carruthers	Johnson, A.	Murphy	Rukavina	Wenzel
Cooper	Johnson, R.	Nelson, K.	Sarna	Winter
Dauner	Kahn	Nelson, S.	Scheid	Spk. Vanasek
Dawkins	Kalis	O'Connor	Segal	
Dille	Kelso	Ogren	Simoneau	
Dorn	Kinkel	Olson, E.	Skoglund	

The motion did not prevail and the amendment was not adopted.

Johnson, R.; Kinkel; Hasskamp and Wenzel moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 21, line 21, before the period insert "or a state trail covered by section 85.015"

The motion prevailed and the amendment was adopted.

Ogren moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 359, line 35, delete "annually appropriated" and insert "available upon appropriation"

The motion prevailed and the amendment was adopted.

Knickerbocker; Olsen, S.; Blatz; Haukoos; Limmer; McPherson; Smith; Waltman; Henry; Frerichs and Krinkie moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 71, after line 9, insert:

"Sec. 49. [RESIDENTIAL HOMESTEADS; NO MARKET VALUE INCREASES.]

(a) Notwithstanding Minnesota Statutes, section 273.11, or any law to the contrary, after determining the market value for the 1991 assessment of property classified class 1, the assessor shall compare the market value with the market value determined in the preceding assessment. Notwithstanding any law to the contrary, the

assessor's estimated market value for taxes levied in 1991, payable in 1992, must not exceed the assessor's estimated market value for taxes levied in 1990, payable in 1992.

(b) Any increase in value in excess of the amount determined in paragraph (a) must be entered equally in the three subsequent assessment years. An excess amount entered under this paragraph is not subject to the limitation in paragraph (a).

(c) This section does not apply to increases in value attributable to improvements made to the property. It does not apply to property becoming subject to taxation since the last assessment.

(d) The limitation contained in this section also applies to the local boards of review under Minnesota Statutes, section 274.01, the county boards of equalization under Minnesota Statutes, section 274.13, and the state board of equalization and the commissioner of revenue under Minnesota Statutes, sections 270.11, 270.12, and 270.16. Increases by the assessor, the boards, and the commissioner must be entered in subsequent years under paragraph (b).

(e) If an assessor has notified owners of property subject to paragraph (a) of an increase in estimated market value for taxes payable in 1992, the assessor must mail notice to the property owners by July 1, 1991. The notice must state that any increase in the estimated market value of residential homesteads for taxes levied in 1991 over that for taxes levied in 1990 has been limited by this section."

Page 72, after line 33, insert:

"Section 49 is effective the day following final enactment."

Renumber the sections in article 3 in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker et al amendment and the roll was called. There were 56 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abrams	Anderson, R. H.	Bishop	Boo	Dempsey
Anderson, R.	Bettermann	Blatz	Davids	Erhardt

Frederick	Henry	Lynch	Pauly	Tompkins
Frerichs	Hufnagle	Macklin	Pellow	Uphus
Girard	Hugoson	Marsh	Runbeck	Valento
Goodno	Johnson, V.	Morrison	Schafer	Waltman
Gruenes	Knickerbocker	Nelson, K.	Seaberg	Weaver
Gutknecht	Koppendrayner	Newinski	Smith	Wenzel
Hanson	Krinkie	Olsen, S.	Stanius	
Hartle	Leppik	Omann	Swiggum	
Haukoos	Limmer	Onnen	Swenson	
Heir	Long	Ozment	Thompson	

Those who voted in the negative were:

Anderson, I.	Dorn	Kinkel	Orenstein	Segal
Battaglia	Farrell	Krueger	Orfield	Simoneau
Bauerly	Garcia	Lasley	Osthoff	Skoglund
Beard	Greenfield	Lieder	Ostrom	Solberg
Begich	Hausman	Lourey	Pelowski	Sparby
Bertram	Jacobs	Mariani	Peterson	Steensma
Bodahl	Janezich	McEachern	Pugh	Trimble
Brown	Jaros	McGuire	Reding	Tunheim
Carlson	Jefferson	Munger	Rest	Vellenga
Carruthers	Jennings	Murphy	Rice	Wagenius
Clark	Johnson, A.	Nelson, S.	Rodosovich	Wejzman
Cooper	Johnson, R.	O'Connor	Rukavina	Welker
Dauner	Kahn	Ogren	Sarna	Welle
Dawkins	Kalis	Olson, E.	Scheid	Winter
Dille	Kelso	Olson, K.	Schreiber	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Hugoson, McPherson, Davids, Gruenes, Bettermann, Frerichs and Haukoos moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Pages 205 to 207, delete section 7

Page 222, delete section 41

Renumber the sections in article 8 in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Hugoson et al amendment and the roll was called. There were 63 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kalis	Olsen, S.	Smith
Anderson, R.	Girard	Knickerbocker	Olson, K.	Stanius
Anderson, R. H.	Goodno	Koppendraye	Omann	Sviggum
Bauerly	Gruenes	Krinkie	Onnen	Swenson
Bettermann	Gutknecht	Leppik	Ozment	Thompson
Bishop	Hartle	Limmer	Pauly	Tompkins
Boo	Haukoos	Lynch	Pellow	Uphus
Dauner	Heir	Macklin	Pelowski	Valento
Dauids	Henry	Marsh	Peterson	Waltman
Dempsey	Hufnagle	McPherson	Runbeck	Weaver
Dille	Hugoson	Morrison	Schafer	Welker
Erhardt	Johnson, R.	Nelson, S.	Schreiber	
Frederick	Johnson, V.	Newinski	Seaberg	

Those who voted in the negative were:

Anderson, I.	Garcia	Lasley	Orenstein	Skoglund
Battaglia	Greenfield	Lieder	Orfield	Solberg
Beard	Hanson	Long	Osthoff	Sparby
Begich	Hausman	Lourey	Ostrom	Steensma
Bertram	Jacobs	Mariani	Pugh	Trimble
Bodahl	Janezich	McEachern	Reding	Tunheim
Brown	Jaros	McGuire	Rest	Vellenga
Carlson	Jefferson	Milbert	Rice	Wagenius
Carruthers	Jennings	Munger	Rodosovich	Wejcman
Clark	Johnson, A.	Murphy	Rukavina	Welle
Cooper	Kahn	Nelson, K.	Sarna	Wenzel
Dawkins	Kelso	O'Connor	Scheid	Winter
Dorn	Kinkel	Ogren	Segal	Spk. Vanasek
Farrell	Krueger	Olson, E.	Simoneau	

The motion did not prevail and the amendment was not adopted.

Schreiber; Olsen, S.; Runbeck; McPherson; Limmer; Anderson, R. H.; Heir; Davids; Frerichs; Henry; Knickerbocker; Hartle; Haukoos and Smith moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 60, after line 5, insert:

"Sec. 33. Minnesota Statutes 1990, section 290A.04, is amended by adding a subdivision to read:

Subd. 2j. Effective beginning for taxes payable in 1992, a claimant who is a homeowner is allowed a refund equal to the excess of the claimant's net property taxes, over the greater of (1) eight percent of the claimant's household income or (2) two percent of the market value of the homestead. The credit under this section must not exceed 25 percent of the claimant's net property taxes. In order to qualify for a refund under this subdivision, the claimant or the spouse of the claimant must be at least 62 years of age on December 31 of the year prior to the year in which the taxes are payable. The commissioner of revenue may require claimants to certify eligibility for the refund in a form the commissioner prescribes. For purposes of this subdivision, "net property taxes" means property taxes payable after reduction for all state paid credits and after deduction

of the refund for which the claimant qualifies under subdivisions 2 and 2h."

Renumber the sections in article 3 in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Schreiber et al amendment and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	Girard	Koppendrayer	Olson, K.	Smith
Anderson, R. H.	Goodno	Krinkie	Omann	Solberg
Battaglia	Greenfield	Krueger	Onnen	Sparby
Bauerly	Gruenes	Lasley	Orenstein	Stanisus
Beard	Gutknecht	Leppik	Orfield	Steensma
Begich	Hanson	Lieder	Osthoff	Svigum
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	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	
Frederick	Kelso	Ogren	Segal	

The motion prevailed and the amendment was adopted.

Wenzel; Bertram; Farrell; Brown; Abrams; Dawkins; Lieder; Pauly; Jaros; Kinkel; Winter; Pelowski; Omann; Dille; Rukavina; Olson, K.; Swenson; Lourey; Krueger; Johnson, R.; Segal; Hasskamp; Bodahl; Peterson; Anderson, I., and Steensma moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 361, lines 20, 22, 24, 30, 33, and 34, after "city" insert "or county"

Page 361, line 26, after "city's" insert "or county's"

Page 361, line 27, after "council" insert "or county board"

Page 362, line 2, after "City" insert "or county"

Page 362, line 13, after "city" insert "or county"

The motion prevailed and the amendment was adopted.

Olsen, S., moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 5, delete lines 11 to 15

Page 24, after line 33, insert:

"Sec. 4. Minnesota Statutes 1990, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] The general education tax rate for fiscal year 1991 is 26.3 percent. Beginning in 1990, the commissioner of revenue shall establish the general education tax rate and certify it to the commissioner of education by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. Notwithstanding the provisions of H. F. No. 700, or any other provision to the contrary, the general education tax rate shall be the rate that raises \$845,000,000 for fiscal year 1992 and not more than \$887,000,000 for fiscal year 1993 and subsequent fiscal years. The general education tax rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been certified."

Page 71, after line 9, insert:

"Sec. 49. [APPROPRIATION.]

There is appropriated from the general fund to the commissioner of education the sums indicated for the designated fiscal years for general and supplemental education aid:

\$1,627,203,0001992

\$1,805,000,0001993

The 1991 appropriation includes \$247,302,000 for 1991 and \$1,379,901,000 for 1992.

The 1993 appropriation includes \$257,848,000 for 1992 and \$1,547,152,000 for 1993."

Page 72, after line 3, insert:

"Sec. 54. [REPEALER.]

Notwithstanding any law to the contrary, the state of Minnesota shall not become obligated to pay debt service equalization aid to school districts. The requirements of this section supersede any inconsistent provisions of H.F. No. 700 notwithstanding the date and time of final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., amendment and the roll was called. There were 31 yeas and 98 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Leppik	Olsen, S.	Tompkins
Blatz	Haukoos	Lynch	Onnen	Valento
Boo	Heir	Macklin	Pauly	Welker
Dauids	Henry	Marsh	Runbeck	
Erhardt	Hufnagle	McGuire	Schreiber	
Frederick	Knickerbocker	Morrison	Smith	
Frerichs	Krinkie	Newinski	Swenson	

Those who voted in the negative were:

Anderson, I.	Dawkins	Jaros	Lourey	Orfield
Anderson, R.	Dempsey	Jefferson	Mariani	Osthoff
Anderson, R. H.	Dille	Jennings	McEachern	Ostrom
Battaglia	Dorn	Johnson, A.	McPherson	Ozment
Bauerly	Farrell	Johnson, R.	Milbert	Pellow
Beard	Girard	Johnson, V.	Munger	Pelowski
Begich	Goodno	Kahn	Murphy	Peterson
Bertram	Greenfield	Kalis	Nelson, K.	Pugh
Bettermann	Gruenes	Kelso	Nelson, S.	Reding
Bodahl	Hanson	Kinkel	O'Connor	Rest
Carlson	Hartle	Koppendrayner	Ogren	Rice
Carruthers	Hausman	Krueger	Olson, E.	Rodosovich
Clark	Hugoson	Lasley	Olson, K.	Rukavina
Cooper	Jacobs	Lieder	Omann	Sarna
Dauner	Janezich	Long	Orenstein	Schafer

Scheid	Solberg	Thompson	Wagenius	Wenzel
Seaberg	Sparby	Trimble	Waltman	Winter
Segal	Stanis	Tunheim	Weaver	Spk. Vanasek
Simoneau	Steensma	Uphus	Wejzman	
Skoglund	Sviggum	Vellenga	Welle	

The motion did not prevail and the amendment was not adopted.

Gutknecht moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 112, after line 20, insert:

"Sec. 17. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; and

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491."

Renumber the sections in article 5 in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Gutknecht amendment and the roll was called. There were 114 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Haukoos	Leppik	Olson, K.
Anderson, I.	Dauids	Heir	Lieder	Omann
Anderson, R.	Dawkins	Henry	Limmer	Onnen
Anderson, R. H.	Dempsey	Hufnagle	Lourey	Orenstein
Battaglia	Dille	Hugoson	Lynch	Orfield
Bauerly	Dorn	Jacobs	Macklin	Osthoff
Beard	Erhardt	Jefferson	Mariani	Ostrom
Begich	Farrell	Jennings	Marsh	Ozment
Bertram	Frederick	Johnson, A.	McEachern	Pauly
Bettermann	Frerichs	Johnson, R.	McGuire	Pellow
Bishop	Garcia	Johnson, V.	McPherson	Pelowski
Blatz	Girard	Kalis	Morrison	Peterson
Bodahl	Goodno	Kelso	Munger	Pugh
Boo	Gruenes	Knickerbocker	Murphy	Reding
Brown	Gutknecht	Koppendraye	Nelson, S.	Rest
Carlson	Hanson	Krinkie	Newinski	Rodosovich
Carruthers	Hartle	Krueger	O'Connor	Runbeck
Cooper	Hasskamp	Lasley	Olsen, S.	Sarna

Schafer	Smith	Svigum	Valento	Welle
Schreiber	Solberg	Swenson	Vellenga	Wenzel
Seaberg	Sparby	Thompson	Waltman	Winter
Segal	Stanius	Tompkins	Weaver	Spk. Vanasek
Simoneau	Steensma	Uphus	Welker	

Those who voted in the negative were:

Greenfield	Jaros	Ogren	Skoglund
Hausman	Kahn	Rukavina	Wagenius
Janezich	Kinkel	Scheid	Wejeman

The motion prevailed and the amendment was adopted.

Morrison, Hartle, Runbeck, Blatz, Weaver, Haukoos, Waltman, McPherson, Frerichs and Anderson, R. H., moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Pages 100 and 101, delete section 2

Page 107, line 2, delete the new language

Page 107, delete line 3

Page 109, after line 4, insert:

“Sec. 14. Minnesota Statutes 1990, section 290.01, subdivision 6, is amended to read:

Subd. 6. [TAXPAYER.] The term “taxpayer” means any person or corporation subject to a tax imposed by this chapter. ~~For purposes of section 290.06, subdivision 23, the term “taxpayer” means an individual eligible to vote in Minnesota under section 201.014.”~~

Pages 120 to 122, delete section 21

Page 146, line 5, before “Minnesota” insert “(a)”

Page 146, after line 6, insert:

“(b) Minnesota Statutes 1990, sections 10A.322, subdivision 4; 10A.43, subdivision 5; and 290.06, subdivision 23, are repealed.”

Page 146, line 12, after the period insert “Sections 14 and 47, paragraph (b), are effective for contributions made after the day of final enactment.”

Renumber the sections in article 5 in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Morrison et al amendment and the roll was called. There were 58 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Johnson, V.	Morrison	Seaberg
Anderson, R. H.	Goodno	Kelso	Nelson, S.	Smith
Bettermann	Gruenes	Knickerbocker	Olsen, S.	Stanius
Blatz	Gutknecht	Koppendrayer	Omann	Sviggum
Dauner	Hartle	Krinkie	Onnen	Tompkins
Davids	Haukoos	Lasley	Ozment	Uphus
Dempsey	Heir	Leppik	Pauly	Valento
Dille	Henry	Limmer	Pellow	Waltman
Dorn	Hufnagle	Lynch	Pelowski	Weaver
Erhardt	Hugoson	Macklin	Runbeck	Welker
Frederick	Jennings	Marsh	Schafer	
Frerichs	Johnson, R.	McPherson	Schreiber	

Those who voted in the negative were:

Anderson, I.	Farrell	Long	Orfield	Solberg
Anderson, R.	Garcia	Lourey	Osthoff	Sparby
Battaglia	Greenfield	Mariani	Ostrom	Steensma
Bauerly	Hanson	McEachern	Peterson	Thompson
Beard	Hausman	McGuire	Pugh	Trimble
Begich	Jacobs	Milbert	Reding	Tunheim
Bertram	Janezich	Munger	Rest	Vellenga
Bishop	Jaros	Murphy	Rice	Wagenius
Bodahl	Jefferson	Nelson, K.	Rodosovich	Wejcmán
Brown	Johnson, A.	Newinski	Rukavina	Welle
Carlson	Kahn	O'Connor	Sarna	Wenzel
Carruthers	Kalis	Ogren	Scheid	Winter
Clark	Kinkel	Olson, E.	Segal	Spk. Vanasek
Cooper	Krueger	Olson, K.	Simoneau	
Dawkins	Lieder	Orenstein	Skoglund	

The motion did not prevail and the amendment was not adopted.

Pauly, Morrison, Knickerbocker, Haukoos, McPherson, Blatz, Frerichs, Olsen, S., and Henry moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 15, after line 3, insert:

“(d) Before the county exercises the authority granted in paragraph (a), an election must be held on the question of imposing the sales and use tax. The election must be held in the manner provided in section 375.20.”

Page 15, line 5, delete “May” and insert “April”

Page 15, line 6, after "and" insert ", upon approval by the voters,"

Page 15, line 19, after the period insert:

"If the tax is not approved by the voters under subdivision 1, paragraph (d), by August 1, 1991, the tax is repealed for sales after August 31, 1991. For purposes of section 273.1381, the county shall be considered to have not imposed the tax under this section, and the proceeds of the tax shall be transferred to or deposited in the general fund."

A roll call was requested and properly seconded.

The question was taken on the Pauly et al amendment and the roll was called. There were 56 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Knickerbocker	Olsen, S.	Sviggum
Anderson, R. H.	Gruenes	Koppendraye	Omann	Swenson
Bettermann	Gutknecht	Krinkie	Onnen	Tompkins
Blatz	Hartle	Leppik	Ozment	Uphus
Boo	Haukoos	Limmer	Pauly	Valento
Davids	Heir	Lynch	Pellow	Waltman
Dempsey	Henry	Macklin	Runbeck	Weaver
Dille	Hufnagle	Marsh	Schafer	Welker
Erhardt	Hugoson	McGuire	Schreiber	
Frederick	Johnson, R.	McPherson	Seaberg	
Frerichs	Johnson, V.	Morrison	Smith	
Girard	Kelso	Newinski	Stanisus	

Those who voted in the negative were:

Anderson, I.	Dorn	Krueger	Orfield	Skoglund
Anderson, R.	Farrell	Lasley	Osthoff	Solberg
Battaglia	Garcia	Lieder	Ostrom	Sparby
Bauerly	Greenfield	Long	Pelowski	Steensma
Beard	Hanson	Lourey	Peterson	Thompson
Begich	Hasskamp	McEachern	Pugh	Trimble
Bertram	Hausman	Milbert	Reding	Tunheim
Bodahl	Jacobs	Murphy	Rest	Vellenga
Brown	Janezich	Nelson, K.	Rice	Wagenius
Carlson	Jefferson	Nelson, S.	Rodosovich	Wejcman
Carruthers	Jennings	O'Connor	Rukavina	Welle
Clark	Johnson, A.	Ogren	Sarna	Wenzel
Cooper	Kahn	Olson, E.	Scheid	Winter
Dauner	Kalis	Olson, K.	Segal	Spk. Vanasek
Dawkins	Kinkel	Orenstein	Simoneau	

The motion did not prevail and the amendment was not adopted.

Ogren offered an amendment to H. F. No. 1086, the first engrossment, as amended.

Swiggum requested a division of the Ogren amendment to H. F. No. 1086, the first engrossment, as amended.

The first portion of the Ogren amendment to H. F. No. 1086, the first engrossment, as amended, reads as follows:

Pages 3 to 20, delete articles 1 and 2

Pages 31 to 47, delete sections 13 to 20 and insert:

"Sec. 13. [273.125] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions listed in subdivisions 2 to 14 must be used in classifying property under section 273.126.

Subd. 2. [RESIDENTIAL PROPERTY.] "Residential property" means a dwelling occupied by one or more persons and includes seasonal recreational property used for either commercial or non-commercial purposes, hospitals defined in section 144.50, subdivision 6, and subsidized housing, but excludes nonsubsidized residential property containing four or more dwelling units.

Subd. 3. [AGRICULTURAL LAND.] "Agricultural land" means land primarily used during the preceding year for agricultural purposes. Agricultural land may include slough, wasteland, and woodland contiguous to or surrounded by agricultural land, if under the same ownership and management, and land included in state or federal farm programs.

Subd. 4. [AGRICULTURAL PURPOSES.] "Agricultural purposes" means the raising or cultivation of agricultural products, including: (1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock described in sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees, and apiary products produced by the owner, (2) fish bred for sale and consumption if the fish breeding occurs on land zoned for agricultural use, and (3) the commercial boarding of horses if the boarding is done in conjunction with the raising or cultivation of agricultural products as defined in clause (1).

Subd. 5. [TIMBERLAND PROPERTY.] "Timberland property" is real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products.

Subd. 6. [SUBSIDIZED HOUSING.] "Subsidized housing" means:

(a) A structure situated on real property that is used for housing for the elderly or for low- and moderate-income families as defined by title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This paragraph applies only to property of a nonprofit or limited dividend entity. Property is classified under this paragraph for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan.

(b) A structure that is:

(1) situated upon real property that is used for housing low-income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended;

(2) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988, or (ii) meets the requirements of that section. Classification under this clause is limited to a term of 15 years.

(c) A parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families of individuals. This paragraph does not apply to any part of the land or improvements used for nonresidential purposes. For purposes of this paragraph, a "lower income family" is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this paragraph, "neighborhood real estate trust" is further defined to mean an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (1) it is a nonprofit corporation organized under chapter 317A; (2) it has as its principal purpose providing housing for lower income families in a specific geographic community

designated in its articles or bylaws; (3) it limits membership with voting rights to residents of the designated community; and (4) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust.

(d) A structure:

(1) situated on real property that is used for housing for the elderly or for low- and moderate-income families as defined by the Farmers Home Administration;

(2) located in a municipality of less than 10,000 population; and

(3) financed by a direct loan or insured loan from the farmers home administration.

Property is classified under this paragraph for 15 years from the date of the completion of the original construction or for the original term of the loan.

This subdivision applies to the property described only in proportion to occupancy of the structure by elderly or handicapped persons or low- and moderate-income families as defined in the applicable laws, unless construction of the structure has been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. This housing is property of a nonprofit or limited dividend entity.

Subd. 7. [SEASONAL RECREATIONAL PROPERTY.] "Seasonal recreational property" is real property devoted to seasonal residential occupancy for recreation purposes for not more than 225 days in the year preceding the year of assessment.

Subd. 8. [COMMERCIAL RECREATIONAL PROPERTY.] "Commercial recreational property" means real property devoted to a commercial purpose that is contiguous to and used in conjunction with seasonal recreational property that is under the same ownership and management.

Subd. 9. [NONPROFIT COMMUNITY SERVICE ORIENTED ORGANIZATION.] A "nonprofit community service oriented organization" means real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization. The property must not be used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment, and the property must not be used for residential purposes on either

a temporary or permanent basis. For purposes of this subdivision, a nonprofit community service oriented organization means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1990. For purposes of this subdivision, "revenue-producing activities" includes but is not limited to property, or that part of the property, that is used as an on-sale intoxicating liquor or nonintoxicating malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization, is not considered a revenue-producing activity.

Subd. 10. [MANUFACTURED HOME PARK.] "Manufactured home park" means any site, lot, field, or tract of land upon which two or more occupied manufactured homes are located, either free of charge or for compensation, and includes any building, structure, tent, vehicle, or enclosure used or intended for use as part of the equipment of the manufactured home park.

Sec. 14. [273.126] [VALUATION AND CLASSIFICATION OF PROPERTY.]

Subdivision 1. [MANNER OF VALUATION AND CLASSIFICATION.] All real and personal property subject to a general property tax and not subject to a gross earnings or other fee in lieu of tax, is classified as provided by this section.

Subd. 2. [CLASS 1.] Class 1 property must be valued at 100 percent of market value, provided that 75 percent of the market value is exempt from valuation for purposes of real estate taxes. Class 1 property includes agricultural land and improvements, and timberland property. The combined market value of each house, garage, and the immediately surrounding one acre of land is class 2 property.

Subd. 3. [CLASS 2.] Class 2 property must be valued at 100 percent of market value, provided that 50 percent of the market value is exempt from valuation for purposes of real estate taxes. Class 2 property includes residential property.

For all types of subsidized housing, the assessor shall determine the market value by using the normal approach to value and using normal unrestricted rents.

Subd. 4. [CLASS 3.] Class 3 property must be valued at 100 percent of market value, with a 25 percent exemption for purposes of valuation for real estate taxes. "Market value" for purposes of this subdivision includes the land and the buildings. Class 3 property includes:

(1) residential real estate with four or more units and used or held for use by the owner, or by the tenants or lessees of the owner, as a residence for rental periods of 30 days or more;

(2) that portion of the market value of commercial, industrial, and utility property that does not exceed \$120,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a 25 percent exemption on the first \$120,000 of market value. In the case of other commercial, industrial, and utility property owned by one person or entity, only one parcel in each county has a 25 percent exemption on the first \$120,000 of market value;

(3) manufactured home parks of four or more units;

(4) commercial recreational property; and

(5) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization.

Subd. 5. [CLASS 4.] Class 4 property must be valued at 100 percent of market value. Class 4 property includes:

(1) that portion of the market value of commercial, industrial, and utility property in excess of \$120,000;

(2) tools, implements, and machinery of an electric generating system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, which are fixtures; and

(3) unmined iron ore and low-grade iron-bearing formations as defined in section 273.14.

Subd. 6. [UNIMPROVED LAND.] Real property that is not improved with a structure and that is not used as part of a commercial or industrial activity must be classified according to its highest and best use permitted under the local zoning ordinance, and consistent with this section. If no ordinance exists, the land must be classified in the same manner as the surrounding land or land in the most immediate proximity to the vacant land.

Subd. 7. [SUBSTANDARD BUILDINGS.] The amount of market

value exempt from property taxes for residential property that is found to be a substandard building under section 273.1316 shall be reduced by 25 percent of the property's market value.

Subd. 8. [MULTI-USE PROPERTY.] In the case of multi-use property, the valuation and classification is apportioned according to the uses of the property.

Sec. 15. Minnesota Statutes 1990, section 273.13, is amended by adding a subdivision to read:

Subd. 33. [PAYABLE 1992 TRANSITION RATES FOR REAL PROPERTY.] For taxes payable in 1992, the following class rates apply to properties, as classified and defined in Minnesota Statutes 1990, section 273.13, subdivisions 21a to 32:

(a) Class 1a and 1b property has a class rate of 1.3 percent for the first \$68,000 of market value, a class rate of 2.0 percent for the portion of market value in excess of \$68,000 but not exceeding \$110,000, and a class rate of 2.7 percent for that portion of market value exceeding \$110,000.

(b) Class 1c property has a class rate of 1.2 percent for the first \$32,000 of market value and a class rate of 1.3 percent for the portion of market value in excess of \$32,000 with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore. The remainder of class 1c property has a class rate of 2.2 percent.

(c) Class 2a agricultural land has the following class rates: the market value of the house and garage and immediately surrounding one acre of land has the same class rates specified in this subdivision for class 1a property. If the market value of the house, garage, and surrounding one acre of land is less than \$110,000, the value of the remaining land including improvements equal to the difference between \$110,000 and the market value of the house, garage, and surrounding one acre of land has a class rate of 0.6 percent. The remaining value of class 2a property over \$110,000 of market value that does not exceed 320 acres has a class rate of 1.2 percent. The remaining property over \$110,000 market value in excess of 320 acres has a class rate of 1.4 percent.

(d) Class 2b timberland has a class rate of 1.4 percent.

(e) Class 2b agricultural land has a class rate of 2.7 percent for the house, garage, and immediately surrounding one acre; the remainder of the land has a class rate of 1.4 percent.

(f) Class 3a property has a class rate of 3.0 percent for the first \$120,000 of market value and a class rate of 4.6 percent for the portion of market value in excess of \$120,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a reduced class rate on the first \$120,000 of market value. In the case of other class 3a property owned by one person or entity, only one parcel in each county has a reduced class rate on the first \$120,000 of market value.

(g) Class 3b property has a class rate of 3.0 percent for the first \$120,000 of market value and a class rate of 4.6 percent for the portion of market value in excess of \$120,000. Class 3b property qualifying for reduced class rates under subdivision 24, paragraph (b), has a class rate of 3.0 percent.

(h) Class 4a property has a class rate of 3.4 percent.

(i) Class 4b property has a class rate of 2.7 percent.

(j) Class 4c property has a class rate of 2.2 percent, except that the land on which structures described in subdivision 25, paragraphs (c), clauses (1) to (3), and (d), are located has the following class rate: 2.7 percent if the structure contains fewer than four units, and 3.1 percent if the structure contains four or more units.

(k) Class 4d property has a class rate of 2.0 percent.

(l) Class 5 property has a class rate of 4.6 percent.

Sec. 16. Minnesota Statutes 1990, section 273.13, is amended by adding a subdivision to read:

Subd. 34. [PAYABLE 1993 TRANSITION RATES FOR REAL PROPERTY.] For taxes payable in 1993, the following class rates apply to properties, as classified and defined in Minnesota Statutes 1990, section 273.13, subdivisions 21a to 32.

(a) Class 1a and 1b property has a class rate of 1.7 percent for the first \$68,000 of market value, class rate of 2.0 percent for the portion of market value in excess of \$68,000 but not exceeding \$110,000, and a class rate of 2.3 percent for that portion of market value exceeding \$110,000.

(b) Class 1c property has a class rate of 1.6 percent for the first \$32,000 of market value and a class rate of 1.7 percent for the portion of market value in excess of \$32,000 with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from

the lakeshore. The remainder of class 1c property has a class rate of 2.1 percent.

(c) Class 2a agricultural land has the following class rates: the market value of the house and garage and immediately surrounding one acre of land has the same class rates specified in this subdivision for class 1a property. If the market value of the house, garage, and surrounding one acre of land is less than \$110,000, the value of the remaining land including improvements equal to the difference between \$110,000 and the market value of the house, garage, and surrounding one acre of land has a class rate of 0.8 percent. The remaining value of class 2a property over \$110,000 of market value that does not exceed 320 acres has a class rate of 1.1 percent. The remaining property over \$110,000 market value in excess of 320 acres has a class rate of 1.2 percent

(d) Class 2b timberland has a class rate of 1.2 percent.

(e) Class 2b agricultural land has a class rate of 2.4 percent for the house, garage, and immediately surrounding one acre; the remainder of the land has a class rate of 1.2 percent.

(f) Class 3a property has a class rate of 3.0 percent for the first \$120,000 of market value and a class rate of 4.3 percent for the portion of market value in excess of \$120,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a reduced class rate on the first \$120,000 of market value. In the case of other class 3a property owned by one person or entity, only one parcel in each county has a reduced class rate on the first \$120,000 of market value.

(g) Class 3b property has a class rate of 3.0 percent for the first \$120,000 of market value and a class rate of 4.3 percent for the portion of market value in excess of \$120,000. Class 3b property qualifying for reduced class rates under subdivision 24, paragraph (b), has a class rate of 3.0 percent.

(h) Class 4a property has a class rate of 3.2 percent

(i) Class 4b property has a class rate of 2.3 percent.

(j) Class 4c property has a class rate of 2.1 percent, except that the land on which structures described in subdivision 25, paragraphs (c), clauses (1) to (3), and (d), are located has the following class rate: 2.3 percent if the structure contains fewer than four units, and 2.5 percent if the structure contains four or more units.

(k) Class 4d property has a class rate of 2.0 percent.

(l) Class 5 property has a class rate of 4.3 percent."

Page 54, after line 26, insert:

"Sec. 27. Minnesota Statutes 1990, section 275.08, is amended by adding a subdivision to read:

Subd. 5. [COMPUTATION OF TAXABLE VALUE; MILL RATE.] For taxes levied in 1993 and payable in 1994 and subsequent years, the county auditor shall compute the taxable value for each parcel according to the classification system described in section 273.126. The taxable value is the parcel's market value, less any exemption. The tax rate is expressed as a mill rate."

Page 72, after line 3, insert:

"Sec. 55. [PROPOSED LEGISLATION.]

The commissioner of revenue shall prepare legislation for introduction in the 1993 legislative session to change references to Minnesota Statutes, section 273.13 to the appropriate section and subdivision and to change references to particular class rates to the appropriate exemption rates. The proposed legislation shall also change "tax capacity" to "taxable value" where it is appropriate to the context of the statute, and change "class rates" to "exemption rates." The revisor of statutes shall assist in the preparation of the legislation as requested by the commissioner. Legislation proposed under this section is not subject to fees under Minnesota Statutes, sections 3C.035, subdivision 2, and 3C.056."

Page 72, line 5, after "sections" insert "273.124, 273.13,"

Renumber the sections in article 3

Correct internal references

Page 98, after line 16, insert:

"ARTICLE 5

INCOME SENSITIVE HOMESTEAD CREDIT

Section 1. Minnesota Statutes 1990, section 289A.18, subdivision 5, is amended to read:

Subd. 5. [PROPERTY TAX REFUND CLAIMS.] A claim for a refund based on property taxes payable must be filed with the commissioner on or before August 15 May 15 of the year in which the property taxes are due and payable. Any claim for refund based on rent paid must be filed on or before August 15 of the year following the year in which the rent was paid.

Sec. 2. Minnesota Statutes 1990, section 289A.56, subdivision 6, is amended to read:

Subd. 6. [PROPERTY TAX REFUNDS UNDER CHAPTER 290A.] (a) When a renter is owed a property tax refund, an unpaid refund bears interest after August 14, or 60 days after the refund claim was made, whichever is later, until the date the refund is paid.

(b) When any other claimant is owed a property tax refund, the unpaid refund bears interest after ~~September 29~~ July 14, or 60 days after the refund claim was made, whichever is later, until the date the refund is paid.

Sec. 3. Minnesota Statutes 1990, section 290A.01, is amended to read:

290A.01 [CITATION.]

This chapter may be cited as the "state of Minnesota ~~property tax refund~~ income sensitive homestead credit act."

Sec. 4. Minnesota Statutes 1990, section 290A.04, subdivision 2, is amended to read:

Subd. 2. [HOMEOWNERS.] A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 999	1.2	22	\$400
	<u>2.0</u> percent	<u>8</u> percent	<u>\$600</u>
1,000 to 1,999	1.3	24	\$400
	<u>2.0</u> percent	<u>10</u> percent	<u>\$600</u>
2,000 to 2,999	1.4	26	\$400
	<u>2.0</u> percent	<u>12</u> percent	<u>\$600</u>
3,000 to 3,999	1.6	28	\$400
	<u>2.0</u> percent	<u>14</u> percent	<u>\$600</u>
4,000 to 4,999	1.7	30	\$400
	<u>2.0</u> percent	<u>16</u> percent	<u>\$600</u>
5,000 to 5,999	1.9	33	\$400

	<u>2.0</u>	percent	<u>20</u>	percent	<u>\$600</u>
6,000 to 6,999	1.9		35		\$400
	<u>2.0</u>	percent	<u>22</u>	percent	<u>\$600</u>
7,000 to 7,999	2.1		38		\$400
	<u>2.0</u>	percent	<u>24</u>	percent	<u>\$600</u>
8,000 to 8,999	2.2		40		\$400
	<u>2.0</u>	percent	<u>26</u>	percent	<u>\$600</u>
9,000 to 9,999	2.3		42		\$400
	<u>2.0</u>	percent	<u>27</u>	percent	<u>\$600</u>
10,000 to 10,999	2.4		45		\$400
<u>14,999</u>	<u>2.1</u>	percent	<u>28</u>	percent	<u>\$600</u>
11,000 to 11,999	2.5	percent	48	percent	\$400
12,000 to 12,999	2.6	percent	48	percent	\$400
14,000 to 14,999	2.8	percent	48	percent	\$400
15,000 to 15,999	3.0		50		\$400
<u>19,999</u>	<u>2.1</u>	percent	<u>30</u>	percent	<u>\$600</u>
16,000 to 16,999	3.2	percent	50	percent	\$400
17,000 to 20,999	3.3	percent	50	percent	\$400
21,000 to 23,999	3.4	percent	50	percent	\$400
24,000 to 24,999	3.5	percent	50	percent	\$400
25,000 to 27,999	3.5	percent	50	percent	\$400
28,000 to 29,999	3.5	percent	50	percent	\$400
30,000 to 34,999	3.5	percent	55	percent	\$400
35,000 to 39,999	3.7	percent	55	percent	\$400
40,000 to 56,999	4.0	percent	55	percent	\$400
<u>20,000 to 45,999</u>	<u>2.2</u>	percent	<u>30</u>	percent	<u>\$600</u>
<u>46,000 to 46,999</u>	<u>2.2</u>	percent	<u>31</u>	percent	<u>\$600</u>
<u>47,000 to 47,999</u>	<u>2.2</u>	percent	<u>32</u>	percent	<u>\$600</u>
<u>48,000 to 48,999</u>	<u>2.2</u>	percent	<u>33</u>	percent	<u>\$600</u>
<u>49,000 to 49,999</u>	<u>2.2</u>	percent	<u>34</u>	percent	<u>\$600</u>
<u>50,000 to 50,999</u>	<u>2.2</u>	percent	<u>35</u>	percent	<u>\$600</u>
<u>51,000 to 51,999</u>	<u>2.2</u>	percent	<u>36</u>	percent	<u>\$600</u>
<u>52,000 to 52,999</u>	<u>2.2</u>	percent	<u>37</u>	percent	<u>\$600</u>
<u>53,000 to 53,999</u>	<u>2.2</u>	percent	<u>38</u>	percent	<u>\$600</u>
<u>54,000 to 54,999</u>	<u>2.2</u>	percent	<u>39</u>	percent	<u>\$600</u>

<u>55,000 to 55,999</u>	<u>2.2 percent</u>	<u>40 percent</u>	<u>\$600</u>
<u>56,000 to 56,999</u>	<u>2.2 percent</u>	<u>42 percent</u>	<u>\$600</u>
<u>57,000 to 57,999</u>	<u>4.0</u>	<u>55</u>	<u>\$300</u>
	<u>2.2 percent</u>	<u>44 percent</u>	<u>\$600</u>
<u>58,000 to 58,999</u>	<u>4.0</u>	<u>55</u>	<u>\$200</u>
	<u>2.2 percent</u>	<u>46 percent</u>	<u>\$600</u>
<u>59,000 to 59,999</u>	<u>4.0</u>	<u>55</u>	<u>\$100</u>
	<u>2.2 percent</u>	<u>48 percent</u>	<u>\$600</u>
<u>60,000 to 60,999</u>	<u>2.4 percent</u>	<u>50 percent</u>	<u>\$550</u>
<u>61,000 to 61,999</u>	<u>2.6 percent</u>	<u>52 percent</u>	<u>\$500</u>
<u>62,000 to 62,999</u>	<u>2.7 percent</u>	<u>54 percent</u>	<u>\$450</u>
<u>63,000 to 63,999</u>	<u>2.8 percent</u>	<u>56 percent</u>	<u>\$450</u>
<u>64,000 to 64,999</u>	<u>3.0 percent</u>	<u>57 percent</u>	<u>\$400</u>
<u>65,000 to 65,999</u>	<u>3.2 percent</u>	<u>57 percent</u>	<u>\$350</u>
<u>66,000 to 66,999</u>	<u>3.4 percent</u>	<u>59 percent</u>	<u>\$300</u>
<u>67,000 to 67,999</u>	<u>3.6 percent</u>	<u>59 percent</u>	<u>\$225</u>
<u>68,000 to 68,999</u>	<u>3.8 percent</u>	<u>60 percent</u>	<u>\$150</u>
<u>69,000 to 69,999</u>	<u>4.0 percent</u>	<u>60 percent</u>	<u>\$100</u>

The payment made to a claimant shall be the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is \$60,000 \$70,000 or more.

Sec. 5. Minnesota Statutes 1990, section 290A.04, is amended by adding a subdivision to read:

Subd. 2j. Effective beginning for taxes payable in 1992, a claimant who is a homeowner is allowed a credit equal to the excess of the claimant's net property taxes, over the greater of (1) eight percent of the claimant's household income or (2) two percent of the market value of the homestead. In order to qualify for a credit under this subdivision, the claimant or the spouse of the claimant must be at least 62 years of age on December 31 of the year prior to the year in which the taxes are payable. The commissioner of revenue may require claimants to certify eligibility for the credit in a form the commissioner prescribes. For purposes of this subdivision, "net property taxes" means property taxes payable after reduction for all state paid credits and after deduction of the refund for which the claimant qualifies under subdivision 2.

Sec. 6. Minnesota Statutes 1990, section 290A.07, subdivision 2a, is amended to read:

Subd. 2a. A claimant who is a renter ~~or a homeowner who occupies a manufactured home, as defined in section 274.19, subdivision 8, paragraph (c),~~ shall receive full payment after August 1 and before August 15 or 60 days after receipt of the application, whichever is later.

Sec. 7. Minnesota Statutes 1990, section 290A.07, subdivision 3, is amended to read:

Subd. 3. A claimant not included in subdivision 2a shall receive full payment after ~~September 15~~ July 1 and before ~~September 30~~ July 15.

Sec. 8. [REPEALER.]

Minnesota Statutes 1990, section 290A.04, subdivisions 2b, 2h, and 2i, are repealed.

Sec. 9. [INSTRUCTIONS TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "income sensitive homestead credit" for the words "property tax refund" wherever those words occur in Minnesota Statutes, chapters 289A and 290A.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 8 are effective beginning for property taxes payable in 1992 and refunds payable in 1992.

ARTICLE 6

PROPERTY TAX PAYMENTS AND DATES

Section 1. Minnesota Statutes 1990, section 274.19, subdivision 3, is amended to read:

Subd. 3. [TAX STATEMENTS; PENALTIES; COLLECTIONS.] Not later than ~~July 15~~ June 1 in the year of assessment the county treasurer shall mail to the taxpayer a statement of tax due on a manufactured home. The taxes are due on ~~the last day of August~~ July 15. Taxes remaining unpaid after the due date are delinquent, and a penalty of eight percent must be assessed and collected as part of the unpaid taxes. On ~~September 30~~ August 15 the county treasurer shall make a list of taxes remaining unpaid and shall certify the list immediately to the court administrator of district court. The court administrator shall issue warrants to the sheriff for collection.

Sec. 2. Minnesota Statutes 1990, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver on or before November 10 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year as required in paragraph (d) ~~or (e)~~ and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in the case of a school district, on the proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. It must state the time and place for the continuation of the hearing if the hearing is not completed on the original date.

(d) ~~Except as provided in paragraph (e),~~ For taxes levied in 1990 and 1991 and thereafter, the notice must state by county, city or town, and school district:

(1) the total proposed or, for a town, final property tax levy for taxes payable the following year after reduction for state aid;

(2) the percentage increase or decrease from the actual property tax levy for taxes payable in the current year; and

(3) for counties, cities, and towns, the increase or decrease in population from the second previous calendar year to the immediately prior calendar year, and for school districts, the increase or decrease in the number of pupils in average daily membership from the second previous school year to the immediately prior school year as determined by the commissioner of education. The data used to determine the increase or decrease in population under this clause must be the data used for purposes of the population adjustment to the levy limit base of the county, city, or town under section 275.51, subdivision 6.

For purposes of this paragraph, "proposed property taxes after reduction for state aid" means the taxing authority's levy certified under section 275.07, subdivision 1.

(c) In the case of a county containing a city of the first class, or taxing authority lying wholly within a county or counties containing a city of the first class, for taxes levied in 1991, and thereafter, and for all counties for taxes levied in 1992 and thereafter, the notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(4) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified; and

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified.

Sec. 3. Minnesota Statutes 1990, section 275.065, subdivision 6, is amended to read:

Subd. 6. [~~PUBLIC HEARING HEARINGS~~; ADOPTION OF BUDGET AND LEVY.] ~~Between November 15 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to adopt its property tax levy for taxes payable in the following year. In three consecutive weeks beginning the second Monday in October, the governing bodies of the city and county shall hold public hearings to adopt their~~

respective final budgets and property tax levies for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to adopt its property tax levy for taxes payable in the following year.

(a) In the week beginning with the second Monday in October, each county shall hold its public hearing.

(b) In the week beginning with the third Monday in October, each school district shall hold its public hearing.

(c) In the week beginning with the fourth Monday in October, each city shall hold its public hearing.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124A.03, subdivision 2, or 124.82, subdivision 3, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters under section ~~275.58~~ 275.581 after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; and

(6) the amount of an increase in levy limits certified to the taxing authority by the ~~commissioner of revenue or the commissioner of education~~ after the proposed levy was certified.

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body school districts, shall adopt its final property tax levy prior to adopting its final budget.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The county auditor shall provide for the coordination of hearing dates for all taxing authorities within the county.

By August 1, the county auditor shall notify the clerk of each school district within the county of the dates that the county board has designated for its hearing and any continuation under subdivision 3. By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations under subdivision 3. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which the county and school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations under subdivision 3. The city must not select dates that conflict with those elected by or assigned to the counties and school districts in which the city is located.

The hearing dates so elected or assigned must be designated on the notices required under subdivision 3.

This subdivision does not apply to towns and special taxing districts.

Sec. 4. Minnesota Statutes 1990, section 275.07, subdivision 1, is amended to read:

Subdivision 1. The taxes voted by cities, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before five working days after December 20 November 15 in each year. A town must certify the levy adopted by the town board to the county auditor by September 1 each year. If the town board modifies the levy at a special town meeting after September 1, the town board must recertify its levy to the county auditor on or before five working days after December 20 November

15. The taxes certified shall not be adjusted by the aid received under sections 273.1398, subdivisions 2 and 3, and 477A.013, subdivision 5. If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

Sec. 5. Minnesota Statutes 1990, section 275.07, subdivision 4, is amended to read:

Subd. 4. [REPORT TO COMMISSIONER.] On or before September 15 for taxes levied in 1990, and thereafter, the county auditor shall report to the commissioner of revenue the proposed levy certified by local units of government under section 275.065, subdivision 1. On or before ~~January 15~~ December 1, for taxes levied in ~~1989~~ 1991 and thereafter, the county auditor shall report to the commissioner of revenue the final levy certified by local units of government under subdivision 1. The levies must be reported in the manner prescribed by the commissioner. The reports must show a total levy and the amount of each special levy.

Sec. 6. Minnesota Statutes 1990, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality and school district must be separately stated. The amounts due other taxing districts, if any, may be aggregated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in boldface print: **"THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."**

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the

right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value as defined in section 272.03, subdivision 8;

(2) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total local tax rate and adding to the result the sum of the aids enumerated in clause (3);

(3) a total of the following aids:

(i) education aids payable under chapters 124 and 124A;

(ii) local government aids for cities, towns, and counties under chapter 477A; and

(iii) disparity reduction aid under section 273.1398;

(4) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by multiplying the total local tax rate by the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit." For purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989;

(5) (2) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10; and

(6) (3) the net tax payable in the manner required in paragraph (a).

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clauses (3) and (4) that local governments will receive in the following year. In the case of a county containing a city of the first class, for taxes levied in 1991, and for all counties for taxes levied in 1992 and thereafter, the commissioner must certify this amount by September 1.

Sec. 7. Minnesota Statutes 1990, section 276.04, subdivision 3, is amended to read:

Subd. 3. [MAILING OF TAX STATEMENTS.] The county treasurer shall mail to taxpayers statements of their personal property taxes due not later than April 15 March 31 for property taxes

payable in ~~1990~~ 1991 and ~~March 31~~ February 1 for property taxes payable in 1992 and thereafter, except in the case of manufactured homes and sectional structures taxed as personal property. Statements of the real property taxes due shall be mailed not later than ~~April 15~~ March 31 for property taxes payable in ~~1990~~ 1991 and ~~March 31~~ February 1 for property taxes payable in 1992 and thereafter. The validity of the tax shall not be affected by failure of the treasurer to mail the statement. The taxpayer is defined as the owner who is responsible for the payment of the tax.

Sec. 8. Minnesota Statutes 1990, section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.]

~~On the settlement day determined in section 276.09 for each year,~~
The county auditor and county treasurer shall distribute all undistributed funds in the treasury. The funds must be apportioned as provided by law, and credited to the state, town, city, school district, special district and each county fund. Within 20 days after the distribution is completed, the county auditor shall report to the state auditor in the form prescribed by the state auditor. The county auditor shall issue a warrant for the payment of money in the county treasury to the credit of the state, town, city, school district, or special districts on application of the persons entitled to receive the payment. The county auditor may apply the local tax rate from the year before the year of distribution when apportioning and distributing delinquent tax proceeds, if the composition of the previous year's local tax rate between taxing districts is not significantly different from the local tax rate that existed for the year of the delinquency.

Sec. 9. Minnesota Statutes 1990, section 276.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] ~~As soon as practical after the settlement day determined in section 276.09, On or before April 30, August 14, and December 15,~~ the county treasurer shall pay to the state treasurer or the treasurer of a town, city, school district, or special district, on the warrant of the county auditor, all receipts of taxes levied by the taxing district and deliver up all orders and other evidences of indebtedness of the taxing district, taking triplicate receipts for them. The treasurer shall file one of the receipts with the county auditor, and shall return one by mail on the day of its receipt to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall keep the receipt in the clerk's office. ~~Upon written request of the taxing district, to the extent practicable, the county treasurer shall make partial payments of amounts collected periodically in advance of the next settlement and distribution.~~ A statement prepared by the county treasurer must accompany each payment. It must state the years for

which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties on the tax. Upon written request of a taxing district, except school districts, the county treasurer shall pay at least 70 percent of the estimated collection within 30 days after the settlement date determined in section 276.09. Within seven business days after the due date, or 28 calendar days after the postmark date on the envelopes containing real or personal property tax statements, whichever is latest, the county treasurer shall pay to the treasurer of the school districts 50 percent of the estimated collections arising from taxes levied by and belonging to the school district, unless the school district elects to receive 50 percent of the estimated collections arising from taxes levied by and belonging to the school district after making a proportionate reduction to reflect any loss in collections as the result of any delay in mailing tax statements. In that case, 50 percent of those adjusted, estimated collections shall be paid by the county treasurer to the treasurer of the school district within seven business days of the due date. The remaining 50 percent of the estimated collections must be paid to the treasurer of the school district within the next seven business days of the later of the dates in the preceding sentence, unless the school district elects to receive the remainder of its estimated collections after a proportionate reduction has been made to reflect any loss in collections as the result of any delay in mailing tax statements. In that case, the remaining 50 percent of those adjusted, estimated collections shall be paid by the county treasurer to the treasurer of the school district within 14 days of the due date. The treasurer shall pay the balance of the any additional amounts collected to the state or to a municipal corporation or other body within 60 45 days after the settlement date determined in section 276.09 distribution dates of April 30, August 14, or December 15. After 45 days the time for payment by the treasurer elapses, interest at an annual rate of eight percent accrues and must be paid to the taxing district. Interest must be paid upon appropriation from the general revenue fund of the county. If not paid, it may be recovered by the taxing district, in a civil action.

Sec. 10. Minnesota Statutes 1990, section 277.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in this subdivision, all unpaid personal property taxes shall be deemed delinquent on May March 16 next after they become due or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach and be charged upon all such taxes. In the case of unpaid personal property taxes due and owing under section 272.01, subdivision 2, or 273.19, the first half shall become delinquent if not paid before May March 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach on the unpaid first half; and the second half shall become delinquent if not paid before October July 16, and

thereupon a penalty of eight percent shall attach on the unpaid second half. ~~This section shall not apply to class 2a property.~~

A county may provide by resolution that in the case of a property owner that has multiple personal property tax statements with the aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 277.011 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 11. Minnesota Statutes 1990, section 278.01, is amended to read:

278.01 [DEFENSE OR OBJECTION TO TAX ON LAND; SERVICE AND FILING.]

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class, the portion of the county excluding the first class city, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor, one copy on the county attorney, and one copy on the county treasurer. In counties where the office of county treasurer has been combined with the office of county auditor, the petitioner must serve the number of copies required by the county. The petitioner must file the copies with proof of service, in the office of the court administrator of the district court before the 16th day of May March of the year in which the tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the

valuation notice required by section 273.121 but prior to May March 16 of the year in which the taxes are payable.

Subd. 2. [HOMESTEADS.] Any person having any estate, right, title or interest in or lien upon any parcel which is classified as homestead under the provisions of section 273.13, subdivision 22 or 23, who claims that said parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class, in that portion of the county in which that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published by the commissioner of revenue, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of such service, in the office of the court administrator of the district court before the 16th day of May March of the year in which such tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court.

Subd. 3. [EXCEPTION.] The procedures established by this section are not available to contest the validity or amount of any special assessment made pursuant to chapters 429, 430, any special law or city charter.

Sec. 12. Minnesota Statutes 1990, section 278.03, is amended to read:

278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the 16th day of May March next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next October 16, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2b(2) agricultural nonhomestead property, November 16, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or

less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the 16th day of ~~May~~ March or the 16th day of ~~October~~, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2b(2) agricultural nonhomestead property, the 16th day of November, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

(1) that the proposed review is to be taken in good faith;

(2) that there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and

(3) that it would work a hardship upon petitioner to pay the taxes due,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The petition shall be automatically reinstated upon payment of the entire tax plus interest and penalty if the payment is made within one year of the dismissal. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 13. Minnesota Statutes 1990, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivision 22 or 23, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or the

petitioner's attorney, and file with the court administrator of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or the attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, the official notified may file the offer with proof of notice, and the court administrator shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2b(2) agricultural nonhomestead property, the 16th day of November, of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2b(2) agricultural nonhomestead property, the 16th day of November, of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 14. Minnesota Statutes 1990, section 279.01, is amended by adding a subdivision to read:

Subd. 1a. [DUE DATES.] All taxes on real property are due in three equal installments, to be paid on March 15 or 20 calendar days after the postmark date on the envelope containing the property tax statement, whichever is later, July 15, and November 15.

Sec. 15. Minnesota Statutes 1990, section 279.01, is amended by adding a subdivision to read:

Subd. 2a. [PENALTIES.] Late payments of real property tax incur a penalty. The rate of the penalty increases with each successive month that the payment is late and is dependent upon the class of property taxed. The following is the schedule of penalties for late payment of property tax:

Property	March 16	April 1	May 1	June 1	July 1	July 16	Aug. 1
Class 1 and class 2:							
1st Installment (March 15)	4%	5%	6%	7%	8%	—	8%
2nd Installment (July 15)						4%	5%

3rd Installment (November 15)

Class 3 and class 4:

1st Installment (March 15)	8%	9%	10%	11%	12%	—	12%
2nd Installment (July 15)						8%	9%
3rd Installment (November 15)							

	Sept. 1	Oct. 1	Nov. 1	Nov. 16	Dec. 1	The first business day in January
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Class 1 and class 2:

1st Installment (March 15)	8%	8%	8%	—	8%	10%
2nd Installment (July 15)	6%	7%	8%	—	8%	10%
3rd Installment (November 15)				4%	8%	10%

Class 3 and class 4:

1st Installment (March 15)	12%	12%	12%	—	12%	14%
2nd Installment (July 15)	10%	11%	12%	—	12%	14%
3rd Installment (November 15)				8%	12%	14%

Sec. 16. Minnesota Statutes 1990, section 279.01, is amended by adding a subdivision to read:

Subd. 3a. [EXTENDED DUE DATES.] Notwithstanding subdivision 2a, if any of the due dates provided in subdivision 1a are extended as a result of a delay in mailing property tax statements, no penalty accrues if the tax is paid by the extended due date. If the tax is not paid by the extended due date, then all penalties that would have accrued if the due date had not been extended must be charged.

Sec. 17. Minnesota Statutes 1990, section 279.01, is amended by adding a subdivision to read:

Subd. 4. [PARTIAL PAYMENTS.] The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 278.03 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 18. Minnesota Statutes 1990, section 469.1763, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES OUTSIDE DISTRICT.] (a) For each tax increment financing district, an amount equal to at least 75 percent of the revenue derived from tax increments paid by properties in the district must be expended on activities in the district or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 25 percent of the revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. The revenue derived from tax increments for the district that are expended on costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating the percentages that must be expended within and without the district.

(b) In the case of a housing district, a housing project, as defined in section 469.174, subdivision 11, is an activity in the district.

(c) If the revenue derived from tax increments of any district is insufficient to expend on activities in the district for which binding contracts were entered into prior to April 30, 1991, or to pay bonds issued prior to April 30, 1991, increments from within the defined geographic area of the project may be expended on the activities or bonds for the district. If the revenue derived from tax increments of one district is insufficient to pay bonds issued under section 469.178, the authority must, in the next levy year, levy in an amount to pay the insufficiency.

Sec. 19. Minnesota Statutes 1990, section 469.177, is amended by adding a subdivision to read:

Subd. 1b. [LOCAL TAX RATE; CONVERSION TO MILLS.] The county auditor shall ensure that the calculations of local tax rates for tax increment districts certified after April 30, 1988, are made consistent with the provisions of section 273.126.

Sec. 20. Minnesota Statutes 1990, section 469.177, subdivision 7, is amended to read:

Subd. 7. [PROPERTY CLASSIFICATION CHANGES.] When any law governing the classification of real property and determining the percentage of market value to be assessed for ad valorem taxation purposes is amended, the increase or decrease in ~~net tax capacity~~ taxable values resulting therefrom shall be applied proportionately to original net ~~tax capacity~~ taxable value and captured net ~~tax capacity~~ taxable value of any tax increment financing district in each year thereafter. This subdivision applies to tax increment districts created pursuant to sections 469.174 to 469.178 or any prior tax increment law.

Sec. 21. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall change the headnote of Minnesota Statutes, section 469.1763, from "Restrictions on Pooling; Five-Year Limit" to "Restrictions and Requirements Regarding Pooling; Five-Year Limit."

Sec. 22. [REPEALER.]

Minnesota Statutes 1990, sections 276.09; 276.11, subdivisions 2 and 3; 276.111; and 279.01, subdivisions 1, 2, and 3, are repealed.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 17 and 22 are effective for taxes levied in 1991, payable in 1992. Sections 18 and 20 are effective on the day following final enactment. Section 19 is effective for taxes levied in 1993, payable in 1994, and thereafter."

Renumber the sections and articles in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Svigum raised a point of order pursuant to rule 3.10 that the first portion of the Ogren amendment was not in order. The Speaker ruled the point of order well taken and the first portion of the amendment out of order.

Ogren withdrew the second portion of his amendment to H. F. No. 1086, the first engrossment, as amended.

Stanius; Olsen, S.; Hartle; McPherson; Knickerbocker and Haukoos moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 222, after line 24, insert:

"Sec. 41. Minnesota Statutes 1990, section 349.212, subdivision 4, is amended to read:

Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor. The rate of the tax is ~~two~~ 1.8 percent of the ideal gross of the pull-tab or tipboard deal. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the customer, to a common or contract carrier for delivery to the customer, or when received by the customer's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

The tax imposed by this subdivision is imposed on all sales of pull-tabs and tipboards, except the following:

(1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;

(2) sales to distributors licensed under this chapter;

(3) sales to distributors licensed under the laws of another state or of a province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and

(4) sales of promotional tickets as defined in section 349.12.

(c) Pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards under the exemption from licensing in section ~~349.214~~ 349.166, subdivision 2, ~~paragraph (b)~~, are exempt from the tax imposed by this subdivision. A distributor must require an organization conducting exempt gambling to show proof of its

exempt status before making a tax-exempt sale of pull-tabs or tipboards to such an organization. A distributor shall identify, on all reports submitted to the commissioner, all sales of pull-tabs and tipboards that are exempt from tax under this subdivision."

Renumber the sections in article 8 in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Osthoff raised a point of order pursuant to rules 5.09 and 5.10 that the Stanius et al amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

POINT OF ORDER

Osthoff raised a point of order pursuant to rule 3.09 that the Stanius et al amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

The question recurred on the Stanius et al amendment and the roll was called. There were 65 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Jennings	McPherson	Schreiber
Anderson, R.	Frederick	Johnson, R.	Morrison	Seaberg
Anderson, R. H.	Frerichs	Johnson, V.	Newinski	Smith
Beard	Girard	Kinkel	Olsen, S.	Stanius
Bettermann	Goodno	Knickerbocker	Omann	Sviggum
Bishop	Gruenes	Koppendrayner	Onnen	Swenson
Blatz	Gutknecht	Krinkie	Ostrom	Thompson
Boo	Hartle	Leppik	Ozment	Tompkins
Carlson	Haukoos	Limmer	Pauly	Uphus
Davids	Heir	Lynch	Pellow	Valento
Dempsey	Henry	Macklin	Pelowski	Waltman
Dille	Hufnagle	Marsh	Runbeck	Weaver
Dorn	Hugoson	McEachern	Schafer	Welker

Those who voted in the negative were:

Anderson, I.	Bodahl	Dawkins	Hausman	Kahn
Battaglia	Brown	Farrell	Jacobs	Kalis
Bauerly	Carruthers	Garcia	Janezich	Kelso
Begich	Clark	Greenfield	Jaros	Krueger
Bertram	Cooper	Hanson	Jefferson	Lasley

Lieder	Nelson, K.	Peterson	Scheid	Tunheim
Long	O'Connor	Pugh	Segal	Vellenga
Lourey	Ogren	Reding	Simoneau	Wagenius
Mariani	Olson, E.	Rest	Skoglund	Wejzman
McGuire	Olson, K.	Rice	Solberg	Welle
Milbert	Orenstein	Rodosovich	Sparby	Wenzel
Munger	Orfield	Rukavina	Steensma	Winter
Murphy	Osthoff	Sarna	Trimble	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Girard moved to amend H. F. No. 1086, the first engrossment, as amended, as follows:

Page 14, delete lines 31 to 36

Page 15, line 1, delete "(c)" and insert "(b)"

Page 182, delete section 10

Renumber the sections in article 7 in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Girard amendment and the roll was called. There were 54 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Newinski	Stanius
Anderson, R.	Frerichs	Koppendrayner	Olsen, S.	Steensma
Bettermann	Girard	Krinkie	Omann	Swenson
Bishop	Goodno	Leppik	Onnen	Thompson
Blatz	Gruenes	Limmer	Ozment	Tompkins
Boo	Gutknecht	Lynch	Pauly	Uphus
Dauner	Heir	Macklin	Runbeck	Valento
Davids	Henry	Marsh	Schafer	Weaver
Dempsey	Hufnagle	McPherson	Schreiber	Welker
Dille	Hugoson	Morrison	Seaberg	Wenzel
Erhardt	Johnson, V.	Nelson, S.	Smith	

Those who voted in the negative were:

Anderson, I.	Bodahl	Dawkins	Hartle	Jaros
Anderson, R. H.	Brown	Dorn	Hasskamp	Jefferson
Battaglia	Carlson	Farrell	Haukoos	Johnson, A.
Beard	Carruthers	Garcia	Hausman	Johnson, R.
Begich	Clark	Greenfield	Jacobs	Kahn
Bertram	Cooper	Hanson	Janezich	Kelso

Kinkel	Murphy	Ostrom	Sarna	Tunheim
Krueger	Nelson, K.	Pelowski	Scheid	Vollenga
Lasley	O'Connor	Peterson	Segal	Wagenius
Lieder	Ogren	Pugh	Simoneau	Waltman
Lourey	Olson, E.	Reding	Skoglund	Wejcman
Mariani	Olson, K.	Rest	Solberg	Welle
McEachern	Orenstein	Rice	Sparby	Winter
McGuire	Orfield	Rodosovich	Svigum	Spk. Vanasek
Milbert	Osthoff	Rukavina	Trimble	

The motion did not prevail and the amendment was not adopted.

Ogren offered an amendment to H. F. No. 1086, the first engrossment, as amended.

Schreiber requested a division of the Ogren amendment to H. F. No. 1086, the first engrossment, as amended.

The first portion of the Ogren amendment to H. F. No. 1086, the first engrossment, as amended, reads as follows:

Page 98, after line 16, insert:

“ARTICLE 5

INCOME SENSITIVE HOMESTEAD CREDIT

Section 1. Minnesota Statutes 1990, section 289A.18, subdivision 5, is amended to read:

Subd. 5. [PROPERTY TAX REFUND CLAIMS.] A claim for a refund based on property taxes payable must be filed with the commissioner on or before ~~August 15~~ May 15 of the year in which the property taxes are due and payable. Any claim for refund based on rent paid must be filed on or before August 15 of the year following the year in which the rent was paid.

Sec. 2. Minnesota Statutes 1990, section 289A.56, subdivision 6, is amended to read:

Subd. 6. [PROPERTY TAX REFUNDS UNDER CHAPTER 290A.] (a) When a renter is owed a property tax refund, an unpaid refund bears interest after August 14, or 60 days after the refund claim was made, whichever is later, until the date the refund is paid.

(b) When any other claimant is owed a property tax refund, the unpaid refund bears interest after ~~September 29~~ July 14, or 60 days after the refund claim was made, whichever is later, until the date the refund is paid.

Sec. 3. Minnesota Statutes 1990, section 290A.01, is amended to read:

290A.01 [CITATION.]

This chapter may be cited as the "state of Minnesota ~~property tax refund~~ income sensitive homestead credit act."

Sec. 4. Minnesota Statutes 1990, section 290A.04, subdivision 2, is amended to read:

Subd. 2. [HOMEOWNERS.] A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 999	1.2	22	\$400
	<u>2.0</u> percent	<u>8</u> percent	<u>\$600</u>
1,000 to 1,999	1.3	24	\$400
	<u>2.0</u> percent	<u>10</u> percent	<u>\$600</u>
2,000 to 2,999	1.4	26	\$400
	<u>2.0</u> percent	<u>12</u> percent	<u>\$600</u>
3,000 to 3,999	1.6	28	\$400
	<u>2.0</u> percent	<u>14</u> percent	<u>\$600</u>
4,000 to 4,999	1.7	30	\$400
	<u>2.0</u> percent	<u>16</u> percent	<u>\$600</u>
5,000 to 5,999	1.9	33	\$400
	<u>2.0</u> percent	<u>20</u> percent	<u>\$600</u>
6,000 to 6,999	1.9	35	\$400
	<u>2.0</u> percent	<u>22</u> percent	<u>\$600</u>
7,000 to 7,999	2.1	38	\$400
	<u>2.0</u> percent	<u>24</u> percent	<u>\$600</u>
8,000 to 8,999	2.2	40	\$400
	<u>2.0</u> percent	<u>26</u> percent	<u>\$600</u>
9,000 to 9,999	2.3	42	\$400
	<u>2.0</u> percent	<u>27</u> percent	<u>\$600</u>
10,000 to 10,999 <u>14,999</u>	2.4	45	\$400
	<u>2.1</u> percent	<u>28</u> percent	<u>\$600</u>
11,000 to 11,999	2.5 percent	48 percent	\$400
12,000 to 13,999	2.6 percent	48 percent	\$400
14,000 to 14,999	2.8 percent	48 percent	\$400

15,000 to 15,999 <u>19,999</u>	3.0 <u>2.1</u> percent	50 <u>30</u> percent	\$400 <u>\$600</u>
16,000 to 16,999	3.2 percent	50 percent	\$400
17,000 to 20,999	3.3 percent	50 percent	\$400
21,000 to 23,999	3.4 percent	50 percent	\$400
24,000 to 24,999	3.5 percent	50 percent	\$400
25,000 to 27,999	3.5 percent	50 percent	\$400
28,000 to 29,999	3.5 percent	50 percent	\$400
30,000 to 34,999	3.5 percent	55 percent	\$400
35,000 to 39,999	3.7 percent	55 percent	\$400
40,000 to 56,999	4.0 percent	55 percent	\$400
<u>20,000</u> to <u>45,999</u>	<u>2.2</u> percent	<u>30</u> percent	<u>\$600</u>
<u>46,000</u> to <u>46,999</u>	<u>2.2</u> percent	<u>31</u> percent	<u>\$600</u>
<u>47,000</u> to <u>47,999</u>	<u>2.2</u> percent	<u>32</u> percent	<u>\$600</u>
<u>48,000</u> to <u>48,999</u>	<u>2.2</u> percent	<u>33</u> percent	<u>\$600</u>
<u>49,000</u> to <u>49,999</u>	<u>2.2</u> percent	<u>34</u> percent	<u>\$600</u>
<u>50,000</u> to <u>50,999</u>	<u>2.2</u> percent	<u>35</u> percent	<u>\$600</u>
<u>51,000</u> to <u>51,999</u>	<u>2.2</u> percent	<u>36</u> percent	<u>\$600</u>
<u>52,000</u> to <u>52,999</u>	<u>2.2</u> percent	<u>37</u> percent	<u>\$600</u>
<u>53,000</u> to <u>53,999</u>	<u>2.2</u> percent	<u>38</u> percent	<u>\$600</u>
<u>54,000</u> to <u>54,999</u>	<u>2.2</u> percent	<u>39</u> percent	<u>\$600</u>
<u>55,000</u> to <u>55,999</u>	<u>2.2</u> percent	<u>40</u> percent	<u>\$600</u>
<u>56,000</u> to <u>56,999</u>	<u>2.2</u> percent	<u>42</u> percent	<u>\$600</u>
57,000 to 57,999	4.0 <u>2.2</u> percent	55 <u>44</u> percent	\$300 <u>\$600</u>
58,000 to 58,999	4.0 <u>2.2</u> percent	55 <u>46</u> percent	\$200 <u>\$600</u>
59,000 to 59,999	4.0 <u>2.2</u> percent	55 <u>48</u> percent	\$100 <u>\$600</u>
<u>60,000</u> to <u>60,999</u>	<u>2.4</u> percent	<u>50</u> percent	<u>\$550</u>
<u>61,000</u> to <u>61,999</u>	<u>2.6</u> percent	<u>52</u> percent	<u>\$500</u>
<u>62,000</u> to <u>62,999</u>	<u>2.7</u> percent	<u>54</u> percent	<u>\$450</u>
<u>63,000</u> to <u>63,999</u>	<u>2.8</u> percent	<u>56</u> percent	<u>\$450</u>
<u>64,000</u> to <u>64,999</u>	<u>3.0</u> percent	<u>57</u> percent	<u>\$400</u>

<u>65,000 to 65,999</u>	<u>3.2 percent</u>	<u>57 percent</u>	<u>\$350</u>
<u>66,000 to 66,999</u>	<u>3.4 percent</u>	<u>59 percent</u>	<u>\$300</u>
<u>67,000 to 67,999</u>	<u>3.6 percent</u>	<u>59 percent</u>	<u>\$225</u>
<u>68,000 to 68,999</u>	<u>3.8 percent</u>	<u>60 percent</u>	<u>\$150</u>
<u>69,000 to 69,999</u>	<u>4.0 percent</u>	<u>60 percent</u>	<u>\$100</u>

The payment made to a claimant shall be the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is \$60,000 \$70,000 or more.

Sec. 5. Minnesota Statutes 1990, section 290A.04, is amended by adding a subdivision to read:

Subd. 2j. Effective beginning for taxes payable in 1992, a claimant who is a homeowner is allowed a credit equal to the excess of the claimant's net property taxes, over the greater of (1) eight percent of the claimant's household income or (2) two percent of the market value of the homestead. In order to qualify for a credit under this subdivision, the claimant or the spouse of the claimant must be at least 62 years of age on December 31 of the year prior to the year in which the taxes are payable. The commissioner of revenue may require claimants to certify eligibility for the credit in a form the commissioner prescribes. For purposes of this subdivision, "net property taxes" means property taxes payable after reduction for all state paid credits and after deduction of the refund for which the claimant qualifies under subdivision 2.

Sec. 6. Minnesota Statutes 1990, section 290A.07, subdivision 2a, is amended to read:

Subd. 2a. A claimant who is a renter or a homeowner who occupies a manufactured home, as defined in section 274.10, subdivision 8, paragraph (c), shall receive full payment after August 1 and before August 15 or 60 days after receipt of the application, whichever is later.

Sec. 7. Minnesota Statutes 1990, section 290A.07, subdivision 3, is amended to read:

Subd. 3. A claimant not included in subdivision 2a shall receive full payment after September 15 July 1 and before September 30 July 15.

Sec. 8. [REPEALER.]

Minnesota Statutes 1990, section 290A.04, subdivisions 2b, 2h, and 2i, are repealed.

Sec. 9. [INSTRUCTIONS TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "income sensitive homestead credit" for the words "property tax refund" wherever those words occur in Minnesota Statutes, chapters 289A and 290A.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 8 are effective beginning for property taxes payable in 1992 and refunds payable in 1992."

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the first portion of the Ogren amendment and the roll was called. There were 56 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krinkie	Omann	Sviggum
Anderson, R. H.	Goodno	Lasley	Onnen	Swenson
Bettermann	Gruenes	Leppik	Ozment	Uphus
Blatz	Hartle	Limmer	Pauly	Valento
Boo	Haukoos	Lynch	Pellow	Waltman
Davids	Heir	Macklin	Runbeck	Weaver
Dempsey	Henry	Marsh	Schafer	Welker
Dille	Hufnagle	McGuire	Schreiber	Wenzel
Erhardt	Hugoson	McPherson	Seaberg	
Frederick	Johnson, V.	Morrison	Smith	
Frerichs	Knickerbocker	Newinski	Stanisus	
Garcia	Koppendraye	Olsen, S.	Steensma	

Those who voted in the negative were:

Anderson, I.	Dorn	Kelso	Olson, E.	Scheid
Anderson, R.	Farrell	Kinkel	Olson, K.	Segal
Battaglia	Greenfield	Krueger	Orenstein	Skoglund
Bauerly	Gutknecht	Lieder	Orfield	Solberg
Beard	Hanson	Long	Osthoff	Sparby
Begich	Hausman	Lourey	Ostrom	Thompson
Bertram	Jacobs	Mariani	Pelowski	Tompkins
Bodahl	Janezich	McEachern	Peterson	Trimble
Brown	Jaros	Milbert	Pugh	Tunheim
Carlson	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, K.	Rice	Wejcman
Cooper	Johnson, R.	Nelson, S.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Winter
Dawkins	Kalis	Ogren	Sarna	Spk. Vanasek

The motion did not prevail and the first portion of the Ogren amendment was not adopted.

The second portion of the Ogren amendment to H. F. No. 1086, the first engrossment, as amended, reads as follows:

Pages 3 to 20, delete articles 1 and 2

Pages 31 to 47, delete sections 13 to 20 and insert:

"Sec. 13. [273.125] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions listed in subdivisions 2 to 14 must be used in classifying property under section 273.126.

Subd. 2. [RESIDENTIAL PROPERTY.] "Residential property" means a dwelling occupied by one or more persons and includes seasonal recreational property used for either commercial or non-commercial purposes, hospitals defined in section 144.50, subdivision 6, and subsidized housing, but excludes nonsubsidized residential property containing four or more dwelling units.

Subd. 3. [AGRICULTURAL LAND.] "Agricultural land" means land primarily used during the preceding year for agricultural purposes. Agricultural land may include slough, wasteland, and woodland contiguous to or surrounded by agricultural land, if under the same ownership and management, and land included in state or federal farm programs.

Subd. 4. [AGRICULTURAL PURPOSES.] "Agricultural purposes" means the raising or cultivation of agricultural products, including: (1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock described in sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees, and apiary products produced by the owner, (2) fish bred for sale and consumption if the fish breeding occurs on land zoned for agricultural use, and (3) the commercial boarding of horses if the boarding is done in conjunction with the raising or cultivation of agricultural products as defined in clause (1).

Subd. 5. [TIMBERLAND PROPERTY.] "Timberland property" is real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products.

Subd. 6. [SUBSIDIZED HOUSING.] "Subsidized housing" means:

(a) A structure situated on real property that is used for housing for the elderly or for low- and moderate-income families as defined

by title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This paragraph applies only to property of a nonprofit or limited dividend entity. Property is classified under this paragraph for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan.

(b) A structure that is:

(1) situated upon real property that is used for housing low-income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended;

(2) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988, or (ii) meets the requirements of that section. Classification under this clause is limited to a term of 15 years.

(c) A parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families of individuals. This paragraph does not apply to any part of the land or improvements used for nonresidential purposes. For purposes of this paragraph, a "lower income family" is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this paragraph, "neighborhood real estate trust" is further defined to mean an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (1) it is a nonprofit corporation organized under chapter 317A; (2) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws; (3) it limits membership with voting rights to residents of the designated community; and (4) it

has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust.

(d) A structure:

(1) situated on real property that is used for housing for the elderly or for low- and moderate-income families as defined by the Farmers Home Administration;

(2) located in a municipality of less than 10,000 population; and

(3) financed by a direct loan or insured loan from the farmers home administration.

Property is classified under this paragraph for 15 years from the date of the completion of the original construction or for the original term of the loan.

This subdivision applies to the property described only in proportion to occupancy of the structure by elderly or handicapped persons or low- and moderate-income families as defined in the applicable laws, unless construction of the structure has been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. This housing is property of a nonprofit or limited dividend entity.

Subd. 7. [SEASONAL RECREATIONAL PROPERTY.] "Seasonal recreational property" is real property devoted to seasonal residential occupancy for recreation purposes for not more than 225 days in the year preceding the year of assessment.

Subd. 8. [COMMERCIAL RECREATIONAL PROPERTY.] "Commercial recreational property" means real property devoted to a commercial purpose that is contiguous to and used in conjunction with seasonal recreational property that is under the same ownership and management.

Subd. 9. [NONPROFIT COMMUNITY SERVICE ORIENTED ORGANIZATION.] A "nonprofit community service oriented organization" means real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization. The property must not be used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment, and the property must not be used for residential purposes on either a temporary or permanent basis. For purposes of this subdivision, a nonprofit community service oriented organization means any cor-

poration, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1990. For purposes of this subdivision, "revenue-producing activities" includes but is not limited to property, or that part of the property, that is used as an on-sale intoxicating liquor or nonintoxicating malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization, is not considered a revenue-producing activity.

Subd. 10. [MANUFACTURED HOME PARK.] "Manufactured home park" means any site, lot, field, or tract of land upon which two or more occupied manufactured homes are located, either free of charge or for compensation, and includes any building, structure, tent, vehicle, or enclosure used or intended for use as part of the equipment of the manufactured home park.

Sec. 14. [273.126] [VALUATION AND CLASSIFICATION OF PROPERTY.]

Subdivision 1. [MANNER OF VALUATION AND CLASSIFICATION.] All real and personal property subject to a general property tax and not subject to a gross earnings or other fee in lieu of tax, is classified as provided by this section.

Subd. 2. [CLASS 1.] Class 1 property must be valued at 100 percent of market value, provided that 75 percent of the market value is exempt from valuation for purposes of real estate taxes. Class 1 property includes agricultural land and improvements, and timberland property. The combined market value of each house, garage, and the immediately surrounding one acre of land is class 2 property.

Subd. 3. [CLASS 2.] Class 2 property must be valued at 100 percent of market value, provided that 50 percent of the market value is exempt from valuation for purposes of real estate taxes. Class 2 property includes residential property.

For all types of subsidized housing, the assessor shall determine the market value by using the normal approach to value and using normal unrestricted rents.

Subd. 4. [CLASS 3.] Class 3 property must be valued at 100

percent of market value, with a 25 percent exemption for purposes of valuation for real estate taxes. "Market value" for purposes of this subdivision includes the land and the buildings. Class 3 property includes:

(1) residential real estate with four or more units and used or held for use by the owner, or by the tenants or lessees of the owner, as a residence for rental periods of 30 days or more;

(2) that portion of the market value of commercial, industrial, and utility property that does not exceed \$120,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a 25 percent exemption on the first \$120,000 of market value. In the case of other commercial, industrial, and utility property owned by one person or entity, only one parcel in each county has a 25 percent exemption on the first \$120,000 of market value;

(3) manufactured home parks of four or more units;

(4) commercial recreational property; and

(5) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization.

Subd. 5. [CLASS 4.] Class 4 property must be valued at 100 percent of market value. Class 4 property includes:

(1) that portion of the market value of commercial, industrial, and utility property in excess of \$120,000;

(2) tools, implements, and machinery of an electric generating system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, which are fixtures; and

(3) unmined iron ore and low-grade iron-bearing formations as defined in section 273.14.

Subd. 6. [UNIMPROVED LAND.] Real property that is not improved with a structure and that is not used as part of a commercial or industrial activity must be classified according to its highest and best use permitted under the local zoning ordinance, and consistent with this section. If no ordinance exists, the land must be classified in the same manner as the surrounding land or land in the most immediate proximity to the vacant land.

Subd. 7. [SUBSTANDARD BUILDINGS.] The amount of market value exempt from property taxes for residential property that is

found to be a substandard building under section 273.1316 shall be reduced by 25 percent of the property's market value.

Subd. 8. [MULTI-USE PROPERTY.] In the case of multi-use property, the valuation and classification is apportioned according to the uses of the property.

Sec. 15. Minnesota Statutes 1990, section 273.13, is amended by adding a subdivision to read:

Subd. 33. [PAYABLE 1992 TRANSITION RATES FOR REAL PROPERTY.] For taxes payable in 1992, the following class rates apply to properties, as classified and defined in Minnesota Statutes 1990, section 273.13, subdivisions 21a to 32:

(a) Class 1a and 1b property has a class rate of 1.3 percent for the first \$68,000 of market value, a class rate of 2.0 percent for the portion of market value in excess of \$68,000 but not exceeding \$110,000, and a class rate of 2.7 percent for that portion of market value exceeding \$110,000.

(b) Class 1c property has a class rate of 1.2 percent for the first \$32,000 of market value and a class rate of 1.3 percent for the portion of market value in excess of \$32,000 with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore. The remainder of class 1c property has a class rate of 2.2 percent.

(c) Class 2a agricultural land has the following class rates: the market value of the house and garage and immediately surrounding one acre of land has the same class rates specified in this subdivision for class 1a property. If the market value of the house, garage, and surrounding one acre of land is less than \$110,000, the value of the remaining land including improvements equal to the difference between \$110,000 and the market value of the house, garage, and surrounding one acre of land has a class rate of 0.6 percent. The remaining value of class 2a property over \$110,000 of market value that does not exceed 320 acres has a class rate of 1.2 percent. The remaining property over \$110,000 market value in excess of 320 acres has a class rate of 1.4 percent.

(d) Class 2b timberland has a class rate of 1.4 percent.

(e) Class 2b agricultural land has a class rate of 2.7 percent for the house, garage, and immediately surrounding one acre; the remainder of the land has a class rate of 1.4 percent.

(f) Class 3a property has a class rate of 3.0 percent for the first

\$120,000 of market value and a class rate of 4.6 percent for the portion of market value in excess of \$120,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a reduced class rate on the first \$120,000 of market value. In the case of other class 3a property owned by one person or entity, only one parcel in each county has a reduced class rate on the first \$120,000 of market value.

(g) Class 3b property has a class rate of 3.0 percent for the first \$120,000 of market value and a class rate of 4.6 percent for the portion of market value in excess of \$120,000. Class 3b property qualifying for reduced class rates under subdivision 24, paragraph (b), has a class rate of 3.0 percent.

(h) Class 4a property has a class rate of 3.4 percent.

(i) Class 4b property has a class rate of 2.7 percent.

(j) Class 4c property has a class rate of 2.2 percent, except that the land on which structures described in subdivision 25, paragraphs (c), clauses (1) to (3), and (d), are located has the following class rate: 2.7 percent if the structure contains fewer than four units, and 3.1 percent if the structure contains four or more units.

(k) Class 4d property has a class rate of 2.0 percent.

(l) Class 5 property has a class rate of 4.6 percent.

Sec. 16. Minnesota Statutes 1990, section 273.13, is amended by adding a subdivision to read:

Subd. 34. [PAYABLE 1993 TRANSITION RATES FOR REAL PROPERTY.] For taxes payable in 1993, the following class rates apply to properties, as classified and defined in Minnesota Statutes 1990, section 273.13, subdivisions 21a to 32.

(a) Class 1a and 1b property has a class rate of 1.7 percent for the first \$68,000 of market value, class rate of 2.0 percent for the portion of market value in excess of \$68,000 but not exceeding \$110,000, and a class rate of 2.3 percent for that portion of market value exceeding \$110,000.

(b) Class 1c property has a class rate of 1.6 percent for the first \$32,000 of market value and a class rate of 1.7 percent for the portion of market value in excess of \$32,000 with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore. The remainder of class 1c property has a class rate of 2.1 percent.

(c) Class 2a agricultural land has the following class rates: the market value of the house and garage and immediately surrounding one acre of land has the same class rates specified in this subdivision for class 1a property. If the market value of the house, garage, and surrounding one acre of land is less than \$110,000, the value of the remaining land including improvements equal to the difference between \$110,000 and the market value of the house, garage, and surrounding one acre of land has a class rate of 0.8 percent. The remaining value of class 2a property over \$110,000 of market value that does not exceed 320 acres has a class rate of 1.1 percent. The remaining property over \$110,000 market value in excess of 320 acres has a class rate of 1.2 percent

(d) Class 2b timberland has a class rate of 1.2 percent.

(e) Class 2b agricultural land has a class rate of 2.4 percent for the house, garage, and immediately surrounding one acre; the remainder of the land has a class rate of 1.2 percent.

(f) Class 3a property has a class rate of 3.0 percent for the first \$120,000 of market value and a class rate of 4.3 percent for the portion of market value in excess of \$120,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a reduced class rate on the first \$120,000 of market value. In the case of other class 3a property owned by one person or entity, only one parcel in each county has a reduced class rate on the first \$120,000 of market value.

(g) Class 3b property has a class rate of 3.0 percent for the first \$120,000 of market value and a class rate of 4.3 percent for the portion of market value in excess of \$120,000. Class 3b property qualifying for reduced class rates under subdivision 24, paragraph (b), has a class rate of 3.0 percent.

(h) Class 4a property has a class rate of 3.2 percent

(i) Class 4b property has a class rate of 2.3 percent.

(j) Class 4c property has a class rate of 2.1 percent, except that the land on which structures described in subdivision 25, paragraphs (c), clauses (1) to (3), and (d), are located has the following class rate: 2.3 percent if the structure contains fewer than four units, and 2.5 percent if the structure contains four or more units.

(k) Class 4d property has a class rate of 2.0 percent.

(l) Class 5 property has a class rate of 4.3 percent."

"Sec. 27. Minnesota Statutes 1990, section 275.08, is amended by adding a subdivision to read:

Subd. 5. [COMPUTATION OF TAXABLE VALUE; MILL RATE.] For taxes levied in 1993 and payable in 1994 and subsequent years, the county auditor shall compute the taxable value for each parcel according to the classification system described in section 273.126. The taxable value is the parcel's market value, less any exemption. The tax rate is expressed as a mill rate."

Page 72, after line 3, insert:

"Sec. 55. [PROPOSED LEGISLATION.]

The commissioner of revenue shall prepare legislation for introduction in the 1993 legislative session to change references to Minnesota Statutes, section 273.13 to the appropriate section and subdivision and to change references to particular class rates to the appropriate exemption rates. The proposed legislation shall also change "tax capacity" to "taxable value" where it is appropriate to the context of the statute, and change "class rates" to "exemption rates." The revisor of statutes shall assist in the preparation of the legislation as requested by the commissioner. Legislation proposed under this section is not subject to fees under Minnesota Statutes, sections 3C.035, subdivision 2, and 3C.056."

Page 72, line 5, after "sections" insert "273.124, 273.13,"

Renumber the sections in article 3

Correct internal references

Pages 73 to 98, delete article 4 and insert:

"ARTICLE 4

STATE AIDS

Section 1. Minnesota Statutes 1990, section 273.138, subdivision 5, is amended to read:

Subd. 5. The commissioner of revenue shall calculate the aids pursuant to ~~subdivisions 2 and subdivision 3~~, basing all necessary calculations on the abstracts of assessment of real property for assessment year 1972 transmitted to the commissioner of revenue pursuant to section 270.11 as equalized by the state board of equalization pursuant to sections 270.11 and 270.12, and the 1973 abstracts of tax lists transmitted by the county auditors pursuant to section 275.29. The commissioner shall pay directly to the affected

taxing authorities their total payment for the year at the time distributions are made pursuant to section 273.13, subdivision 15a.

Sec. 2. Minnesota Statutes 1990, section 273.1391, subdivision 2, is amended to read:

Subd. 2. For taxes payable in ~~1990~~ 1992 and subsequent years, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the school district tax on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed the maximum amounts specified in clause (c); ~~and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate.~~ In no case will the reduction for each homestead resulting from this credit be less than \$10. The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the school district tax, but not to exceed the maximums specified in clause (c); ~~and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate.~~ In no case will the reduction for each homestead resulting from this credit be less than \$10.

(c) The maximum reduction of the tax is ~~\$200-10~~ \$100 for taxes payable in ~~1985~~ 1992. This maximum amount shall increase by ~~\$15 multiplied by the quantity one minus the homestead credit equivalency percentage~~ \$5 per year for taxes payable in ~~1986~~ 1993 and subsequent years.

For the purposes of this subdivision, "homestead credit equiva-

loney percentage" means one minus the ratio of the net class rate to the gross class rate applicable to the first \$68,000 of the market value of residential homesteads; and "effective tax rate" means tax divided by the market value of a property; and the "base year effective tax rate" means the payable 1988 tax on a property with an identical market value to that of the property receiving the credit in the current year after application of the credits payable under Minnesota Statutes 1988, section 273.13, subdivisions 22 and 23, and this section, divided by the market value of the property.

Sec. 3. Minnesota Statutes 1990, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Gross tax capacity" means the product of the gross class rates and estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located; (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2; and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of (i) the appropriate net class rates for the year in which the aid is payable, except that for aids payable in 1991 the class rate applied to class 3 utility real and personal property shall be 5.38 percent; the class rate applied to class 4c property and that portion of class 3 property with an actual net class rate of 2.3 percent shall be 2.4 percent; the class rates applied to class 2a agricultural homestead property excluding the house, garage, and one acre shall be .4 percent for the first \$100,000 of value reduced by the value of the house, garage, and one acre, 1.3 percent for the remaining value of the first 320 acres, and 1.7 percent for the remaining value of any acreage in excess of 320 acres; the class rate applied to class 2b property shall be 1.7 percent; the class rate applied to class 1b property shall be .4 percent; and the class rate for the portion of class 1 property and the house, garage, and one acre portion of class 2a property with a market value in excess of \$100,000 shall be 3.0 percent, and (ii) estimated market values for the assessment two years prior to that in which aid is

payable. The reclassification of mobile home parks as class 4e shall not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1991 or 1992. The reclassification of fraternity and sorority houses as class 4e shall not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1991. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(e) (c) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction school district. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's school district's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction school district is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's school district's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(f) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(g) "1989 local tax rate" means the quotient derived by dividing the gross taxes levied within a unique taxing jurisdiction for taxes payable in 1989 by the gross tax capacity of the unique taxing jurisdiction for taxes payable in 1989. For computation of the local tax rate for aid payable in 1991 and subsequent years, gross taxes for taxes payable in 1989 exclude equalized levies as defined in subdivision 2a. For purposes of computation of the local tax rate only, gross taxes shall not be adjusted by inflation or household growth.

(d) "Net tax capacity" means the product of the appropriate net class rates for the year in which aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total net tax capacity" means the net tax capacities for all property within the school district. The total net tax capacity shall be reduced by the sum of (1) the school district's net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the school district is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a school district's total net tax capacity under section 273.425. Net tax capacity cannot be less than zero.

(h) (e) "Current local tax rate" means the quotient derived by dividing the school district taxes levied within a ~~unique taxing jurisdiction~~ school district for taxes payable in the year prior to that for which aids are being calculated by the net tax capacity of the ~~unique taxing jurisdiction~~ school district reduced by the sum of (1) the school district's net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the school district is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a school district's total net tax capacity under section 273.425. Net tax capacity cannot be less than zero.

(i) For purposes of calculating the homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's 1989 local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.

(j) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total taxes levied on all properties except that levied on the captured

value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. Gross taxes levied on all properties or gross taxes are before reduction by any credits for taxes payable in 1989. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

For homestead and agricultural credit aid payable in 1991, "gross taxes" or "gross taxes levied on all properties" shall mean gross taxes payable in 1989, excluding actual amounts levied for the purposes listed in subdivision 2a, multiplied by the cost-of-living adjustment factor and the household adjustment factor.

"Taxes levied" excludes actual amounts levied for purposes listed in subdivision 2a.

(k) (f) "Human services aids" means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants under section 256B.091;

(9) work readiness services under section 256D.051;

(10) case management services under section 256.736, subdivision 13;

(11) general assistance claims processing, medical transportation and related costs; and

(12) medical assistance, medical transportation and related costs.

(l) "Cost of living adjustment factor" means the greater of one or one plus the percentage increase in the consumer price index minus .36 percent. In no case may the cost of living adjustment factor exceed 1.0304.

(m) The percentage increase in the consumer price index means the percentage, if any, by which:

(1) the consumer price index for the calendar year preceding that in which aid is payable, exceeds

(2) the consumer price index for calendar year 1989.

(n) "Consumer price index for any calendar year" means the average of the consumer price index as of the close of the 12-month period ending on May 31 of such calendar year.

(o) "Consumer price index" means the last consumer price index for all urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1989 shall be used.

(p) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(q) (g) "Growth adjustment factor" means the household adjustment factor in the case of counties, cities, and towns. In the case of school districts the growth adjustment factor means the average daily membership of the school district under section 124.17, subdivision 2, for the school year ending in the second most recent year preceding that in which the aids are payable divided by the average daily membership for the third most recent year. In the case of special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(r) (h) "Homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 plus, for aid payable in 1992, fiscal disparity homestead and agricultural credit aid under subdivision 2b.

(s) (i) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2)

the unique taxing jurisdiction's school district's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(b) (i) "Fiscal disparity adjustment" means the difference between (1) a taxing jurisdiction's fiscal disparity distribution levy under section 473F.08, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, and (2) the same distribution levy multiplied by the ratio of the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies as defined in subdivision 2a.

Sec. 4. Minnesota Statutes 1990, section 273.1398, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD AND AGRICULTURAL CREDIT AID.]

(a) For aid payable in 1991, homestead and agricultural credit aid for each unique taxing jurisdiction equals the total gross taxes levied on all properties, minus the unique taxing jurisdiction's subtraction factor. The commissioner of revenue may, in computing the amount of the homestead and agricultural credit aid paid in 1990 and subsequent years, adjust the gross tax capacity, net tax capacity, and gross taxes of a taxing jurisdiction for taxes payable in 1989 to reflect auditor's errors in computing taxes payable for 1989 in unique taxing jurisdictions within independent school district Nos. 720 and 792. Homestead and agricultural credit aid cannot be less than zero.

(b)(1) The 1990 and 1991 homestead and agricultural credit aid is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's gross taxes bears to the total gross taxes levied within the unique taxing jurisdiction. The net tax capacity adjustment is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's taxes levied bears to the total taxes levied in the unique taxing jurisdiction.

(2) The 1990 homestead and agricultural credit aid so determined for school districts for purposes of general education levies pursuant to section 124A.23, subdivisions 2 and 2a, and transportation levies pursuant to section 275.125, subdivisions 5 and 5e, shall be multiplied by the ratio of the adjusted gross tax capacity based upon the 1988 adjusted gross tax capacity to the estimated 1987 adjusted gross tax capacity based upon the 1987 adjusted assessed value.

(c) The calendar year 1990 homestead and agricultural credit aid shall be adjusted by the adjustment factor.

(d) Payments under this subdivision to counties in 1990 and 1991 shall be reduced by the amount provided in section 477A.012, subdivisions 3, paragraph (d), 4, paragraph (d), and 5.

(e) Payments under this subdivision to towns in 1990 and 1991 shall be reduced by the amount of the homestead and agricultural credit aid adjustment, if any, determined for 1990 under section 477A.013, subdivision 6.

(f) Payments under this subdivision to cities in 1990 and 1991 shall be reduced by the amount of the homestead and agricultural credit aid adjustment, if any, determined for 1990 under section 477A.013, subdivisions 6 and 7.

(g) Payments under this subdivision to special taxing districts, excluding hospital districts and the regional transit board defined in section 473.373, in 1990 and 1991 shall be reduced by an amount equal to 2.35 percent of the amount levied for taxes payable in 1990, before reduction for homestead and agricultural credit aid and disparity reduction aid. Payments under this subdivision to the regional transit board in 1990 and 1991 shall be reduced by \$450,000.

(h) Payments under this subdivision to all taxing jurisdictions school districts in 1992 and subsequent years are equal to the product of (1) the homestead and agricultural credit aid base, and (2) the growth adjustment factor, plus the net tax capacity adjustment and the fiscal disparity adjustment.

Sec. 5. Minnesota Statutes 1990, section 273.1398, subdivision 3, is amended to read:

Subd. 3. [DISPARITY REDUCTION AID.] (a) For taxes payable in 1990, and subsequent years, the amount of school district disparity aid originally certified for each unique taxing jurisdiction for taxes payable in the prior year shall be multiplied by the ratio of (1) the jurisdiction's tax capacity using the class rates for taxes payable in the year for which aid is being computed, to (2) its tax capacity using the class rates for taxes payable in the year prior to that for which aid is being computed, both based upon market values for taxes payable in the year prior to that for which aid is being computed.

(b) The disparity reduction aid is allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's payable gross taxes bears to the total payable gross taxes levied within the unique taxing jurisdiction.

Sec. 6. Minnesota Statutes 1990, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2, 2b, 3, and 5 before December 1, 1989, and October 1 thereafter of the year preceding the distribution year to the county auditor of the affected local government and pay them to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions. The disparity reduction credit provided in subdivision 4 must be paid to taxing jurisdictions other than school districts at the time provided in section 473H.10, subdivision 3. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. Except for education districts and secondary cooperatives that receive revenue according to section 124.2721 or 124.575, payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax.

Sec. 7. Minnesota Statutes 1990, section 275.07, subdivision 3, is amended to read:

Subd. 3. The county auditor shall adjust each local government's school district's levy certified under subdivision 1, except for the equalization levies defined in section 273.1398, subdivision 2a, paragraph (a), by the amount of homestead and agricultural credit aid certified by section 273.1398, subdivision 2, reduced by the amount under section 273.1398, subdivision 5a; fiscal disparity homestead and agricultural credit aid under section 273.1398, subdivision 2b; and equalization aid certified by section 477A.013, subdivision 5.

Sec. 8. Minnesota Statutes 1990, section 275.08, is amended to read:

275.08 [AUDITOR TO FIX RATE.]

Subdivision 1. [GENERALLY.] The rate percent of all taxes, except the state tax and taxes the rate of which may be fixed by law, shall be calculated and fixed by the county auditor according to the limitations in this chapter hereinafter prescribed; provided, that if any county, city, town, or school district shall return a greater amount than the prescribed rates will raise, the auditor shall extend only such amount of tax as the limited rate will produce.

Subd. 1a. For taxes payable in 1989, the county auditor shall compute the gross tax capacity for each parcel according to the class rates specified in section 273.13. The gross tax capacity will be the appropriate class rate multiplied by the parcel's market value. For taxes payable in 1990 and subsequent years to 1993, the county auditor shall compute the net tax capacity for each parcel according to the class rates specified in section 273.13. The net tax capacity will be the appropriate class rate multiplied by the parcel's market value.

Subd. 1b. The amounts certified under section 275.07 after adjustment under section 275.07, subdivision 3, by an individual local government unit shall be divided by the total gross tax capacity of all taxable properties within the local government unit's taxing jurisdiction for tax payable in 1989 and by the total net tax capacity of all taxable properties within the local government unit's taxing jurisdiction, for taxes payable in 1990 ~~and thereafter to 1993~~. The resulting ratio, the local government's local tax rate, multiplied by each property's gross tax capacity for taxes payable in 1989 and net tax capacity for taxes payable in 1990 ~~and subsequent years to 1993~~ shall be each property's total tax for that local government unit before reduction by any credits.

For taxes payable in 1994 and thereafter, the amounts certified under section 275.07, after adjustment under section 275.07, subdivision 3, by an individual local government unit shall be divided by the total taxable value of all taxable properties within the local government unit's taxing jurisdiction. The resulting ratio, the local government's mill rate, multiplied by each property's taxable value, shall be each property's total tax for that local government before reduction for any credits.

Subd. 1c. After the local tax rate of a local government has been determined pursuant to subdivision 1b, the auditor shall adjust the local government's local tax rate within each unique taxing jurisdiction as defined in section 273.1398, subdivision 1, in which the local government exercises taxing authority. The adjustment shall equal the unique taxing jurisdiction's disparity reduction aids allocated to the local government pursuant to section 273.1398, subdivision 3, divided by the total ~~tax capacity~~ taxable value of all taxable property within the unique taxing jurisdiction. The adjustment shall reduce the local tax rate of the local government within the unique taxing jurisdiction for which the adjustment was calculated.

Subd. 1d. If, after computing each local government's adjusted local tax rate within a unique taxing jurisdiction pursuant to subdivision 1c, the auditor finds that the total adjusted local tax rate of all local governments combined is less than 90 percent of gross tax capacity for taxes payable in 1989 and 90 percent of net tax capacity for taxes payable in 1990 to 1993, and mills equivalent to 90 percent of total taxable value for taxes payable in 1994 and thereafter, the auditor shall increase each local government's adjusted local tax rate proportionately so the total adjusted local tax rate of all local governments combined equals 90 percent. The total amount of the increase in tax resulting from the increased local tax rates must not exceed the amount of disparity aid allocated to the unique taxing district under section 273.1398. The auditor shall certify to the department of revenue the difference between the disparity aid originally allocated under section 273.1398, subdivision 3, and the amount necessary to reduce the total adjusted local tax rate of all local governments combined to 90 percent. Each local government's

disparity reduction aid payment under section 273.1398, subdivision 6, must be reduced accordingly.

Subd. 2. [ESTIMATES.] If, by January 15 of any year, the county auditor has not received from another county auditor the local tax rate ~~or gross tax capacity~~ applicable to any taxing district lying in two or more counties, the county auditor who has not received the necessary information may levy taxes for the overlapping district by estimating the local tax rate ~~or the gross tax capacity~~.

Subd. 3. [ASSISTANCE OF COUNTY AUDITOR.] A county auditor who has not furnished the local tax rate ~~or gross tax capacity~~ taxable value of property in the county by January 15 shall, on request, furnish the county auditor of a county in the overlapping district an estimate of the ~~tax capacities~~ total taxable values or the local tax rate. The auditor may request the assistance of the county assessor in determining the estimate.

Subd. 4. [SUBSEQUENT ADJUSTMENT.] After the correct local tax rate ~~or net tax capacity~~ taxable value has been certified, the amount of taxes over or under levied shall be computed and notice sent to each affected taxing district. If the estimated tax levy exceeds the correct tax levy based on ~~actual net tax capacity and the~~ local tax rate, the county treasurer shall remit any amount of excess collected to the affected taxing district. In the following levy year, the estimating county auditor shall adjust the levy of the affected taxing district to compensate for the amount of variance.

In the event that the estimated tax levy is less than the correct tax levy based on actual net tax capacity and local tax rate, the auditor shall adjust the levy of the affected taxing district as provided in section 275.075. For taxes payable in 1994 and thereafter, the adjustment must be made if the tax levy is less than the correct tax levy based on taxable value and local tax rate.

Sec. 9. [275.581] [ELECTIONS TO INCREASE LEVY.]

Subdivision 1. Subject only to any law or charter provisions establishing per capita, mill, local tax rate, or other limitations on the amount of taxes that may be levied, the levy of a taxing authority may be increased in any per capita or dollar amount which is approved by the majority of voters of the taxing authority voting on the question at a general or special election. When the governing body of the taxing authority resolves to increase the levy of the taxing authority pursuant to this section, it shall provide for submission of the proposition of an increase in the levy per capita or the proposition of an additional levy, as the case may be, at a general or special election. The election must be held on the first Tuesday after the first Monday in the month of November. Notice of the election must be given in the manner required by law. If the proposition is for an adjustment to the taxing authority's levy per

capita, increasing the levy per capita over the per capita amount indicated pursuant to section 275.065, the notice must state the purpose of the per capita adjustment and the per capita amount of the adjustment. If the proposition is for an additional levy, the notice must state the purpose and maximum yearly amount of the additional levy.

Subd. 2. Notwithstanding any statute, special law, ordinance or charter provision to the contrary, a referendum pursuant to subdivision 1 requires approval of a majority of those voting on the question to pass.

Subd. 3. Notwithstanding any statute, special law, ordinance or charter provision to the contrary, the governing body of a governmental subdivision may call and hold special elections pursuant to this section.

Subd. 4. "Taxing authority" means towns, cities, school districts, special districts, and counties as defined in section 275.065, subdivision 1.

Subd. 5. This section applies to levy increases permitted under sections 124A.03 and section 205A.10.

Sec. 10. Minnesota Statutes 1990, section 477A.011, subdivision 1a, is amended to read:

Subd. 1a. [**LARGE CITY.**] ~~Large city means a statutory or home rule charter city. City also means a town having a population of 5,000 2,500 or more for purposes of the aid payable under section 477A.013, subdivision 3 477A.0136. Towns are not eligible to be treated as cities for purposes of aid payable under section 477A.013, subdivision 5, or the aid adjustment under section 477A.013, subdivision 7.~~

Sec. 11. Minnesota Statutes 1990, section 477A.011, subdivision 1b, is amended to read:

Subd. 1b. [**TOWN SMALL CITY.**] ~~"Town" "Small city" means a statutory or home rule charter city with a population less than 2,500 or means a township with a population of less than 5,000.~~

Sec. 12. Minnesota Statutes 1990, section 477A.011, subdivision 27, as amended by Laws 1991, chapter 2, article 8, section 2, is amended to read:

Subd. 27. [**REVENUE BASE.**] (a) "Revenue base" means the amount levied for taxes payable in 1991, including the levy on the fiscal disparity distribution under section 473F.08, subdivision 3, paragraph (a), and before reduction for the homestead and agricul-

tural credit aid under section 273.1398, subdivision 2, equalization aid under section 477A.013, subdivision 5, and disparity reduction aid under section 273.1398, subdivision 3; plus the local government aid under sections 477A.011; 477A.012, subdivisions 1, 3, and 5, determined without regard to subdivision 2; and 477A.013, subdivisions 1, 3, 6, and 7; and the estimated taconite aids used to determine levy limits for taxes payable in 1991 under section 275.51, subdivision 3i. This definition of "revenue base" applies only to small cities effective for aids payable in 1992.

(b) Notwithstanding paragraph (a), the revenue base of a county used to calculate the reduction required by subdivision 28, for aids payable December 15, 1991, excludes the amount levied as a special levy under section 275.50, subdivision 5, clause (a).

Sec. 13. Minnesota Statutes 1990, section 477A.011, subdivision 28, as amended by Laws 1991, chapter 2, article 8, section 3, is amended to read:

Subd. 28. [REDUCTION PERCENTAGE.] (1) "Reduction percentage" means the equal percentage reduction in each county and city revenue base that was necessary to reduce 1990 aid payments by \$28,000,000 under sections 477A.012, subdivision 5, and 477A.013, subdivision 7, and, in addition, the equal percentage reduction in each county, city, town, and special taxing district revenue base that is was necessary to reduce 1991 aid payments under sections 477A.012, subdivisions 1, 3, and 5; 477A.013, subdivisions 1, 3, 5, 6, and 7; and 273.1398, subdivisions 2 and 3, by a combined amount of \$50,000,000 on July 20, 1991; and, in addition, the equal percentage reduction in each county, city, town, and special taxing district revenue base that is necessary to further reduce 1991 aid payments under sections 477A.012, subdivisions 1, 3, and 5; 477A.013, subdivisions 1, 3, 5, 6, and 7; and 273.1398, subdivisions 2 and 3, by a combined amount of \$50,000,000 on December 15, 1991.

(2) For aids payable in 1992 and thereafter, the reduction percentage of each small city's aid as defined in section 477A.011, subdivision 1b, means the equal percentage reduction in each small city's revenue base as described in paragraph (1) and, in addition, the equal percentage reduction in each small city's revenue base that is necessary to further reduce 1991 aid payments to small cities by a combined amount of \$31,000,000. In no case shall the amount paid exceed the amount appropriated under section 477A.0137, subdivision 2.

Sec. 14. Minnesota Statutes 1990, section 477A.011, is amended by adding a subdivision to read:

Subd. 29. [CITY FISCAL ABILITY.] For aids payable in calendar year 1992 and subsequent calendar years, the commissioner of revenue shall, for purposes of distributing local government aid,

utilize the "need-capacity gap" approach of the study entitled "Measuring the Fiscal Condition of Cities in Minnesota," (hereinafter, the FCCS report), as submitted to the legislative commission on planning and fiscal policy, March 1991, as provided under Laws 1989, First Special Session chapter 1, article 1, section 11.

Each city's fiscal ability means the need-capacity gap as determined by the methodology used in the FCCS report, and as modified by the commissioner of revenue, as follows:

(1) a city's revenue-raising capacity is determined using the tax base approach outlined in the FCCS report and the average property tax rate for large cities is recalculated by excluding special assessment revenues from a city's property tax amount. The actual amount of special assessment revenues is added to the revenue-raising capacity of each city imposing special assessments;

(2) the calculation of a city's nonschool tax increment financing revenues is modified to restrict the increment amount to greater than or equal to zero;

(3) a city's total expenditure need includes the sum of public safety, transportation, and economic and social services expenditures needs as calculated in the FCCS report, but does not include expenditures for administration and miscellaneous.

Sec. 15. Minnesota Statutes 1990, section 477A.012, subdivision 6, as added by Laws 1991, chapter 2, article 8, section 5, is amended to read:

Subd. 6. [1991 COUNTY AID ADJUSTMENT.] (a) A county's July 20, 1991 payment of local government aid and homestead and agricultural credit aid is reduced by the product of its revenue base and the reduction percentage. The aid reduction is first applied to a county's local government aid in its scheduled July 20, 1991 aid payment. If the aid reduction is greater than the local government aid amount in its scheduled July 20, 1991 aid payment, the remaining amount is then applied to the county's homestead and agricultural credit aid, and then, if necessary, to its disparity reduction aid. The July 20, 1991 local government aid, homestead and agricultural credit aid, and disparity reduction aid payment to a county after this reduction cannot be less than \$0.

(b) A county's December 15, 1991, payment of local government aid, homestead and agricultural credit aid, and disparity reduction aid is reduced by the product of its revenue base and the reduction percentage as determined in section 477A.011, subdivision 28. The aid reduction is first applied to a county's local government aid in its scheduled December 15, 1991, aid payment. If the aid reduction is greater than the local government aid amount in its scheduled December 15, 1991, aid payment, the remaining amount is then

applied to the county's homestead and agricultural credit aid, and then, if necessary, to its disparity reduction aid. The December 15, 1991, local government aid, homestead and agricultural credit aid, and disparity reduction aid payment to a county after this reduction cannot be less than \$0.

Sec. 16. Minnesota Statutes 1990, section 477A.013, subdivision 8, as added by Laws 1991, chapter 2, article 8, section 8, is amended to read:

Subd. 8. [1991 CITY, OR TOWN AID ADJUSTMENT.] (a) A city or town's July 20, 1991 payment of local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid is reduced by the product of its revenue base, and the reduction percentage, as determined in section 477A.011, subdivision 28. The aid reduction is first applied to a city or town's local government aid amount in its scheduled July 20, 1991 aid payment. If the aid reduction is greater than the local government aid amount in its scheduled July 20, 1991 aid payment, the remaining amount is then applied to the city or town's equalization aid, and then, if necessary, to its homestead and agricultural credit aid, and then, if necessary, to its disparity reduction aid. The July 20, 1991 local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid payment to a city or town after this reduction cannot be less than \$0.

(b) A city's or town's December 15, 1991, payment of local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid is reduced by the product of its revenue base, and the reduction percentage, as determined in section 477A.011, subdivision 28. The aid reduction is first applied to a city's or town's local government aid amount in its scheduled December 15, 1991, aid payment. If the aid reduction is greater than the local government aid amount in its scheduled December 15, 1991, aid payment, the remaining amount is then applied to the city's or town's equalization aid, and then, if necessary, to its homestead and agricultural credit aid, and then, if necessary, to its disparity reduction aid. The December 15, 1991, local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid payment to a city or town after this reduction cannot be less than \$0.

Sec. 17. Laws 1991, chapter 2, article 8, section 9, is amended to read:

Sec. 9. [477A.0135] [SPECIAL TAXING DISTRICTS; 1991 AID REDUCTION.]

(a) A special taxing district's July 20, 1991 payment of homestead and agricultural credit aid, and disparity reduction aid is reduced by the product of its revenue base and the reduction percentage, as

determined in section 477A.011, subdivision 28. The aid reduction is first applied to a special taxing district's homestead and agricultural credit aid amount in its scheduled July 20, 1991 aid payment. If the aid reduction is greater than the homestead and agricultural credit aid amount in its scheduled July 20, 1991 aid payment, the remaining amount is then applied to the special taxing district's disparity reduction aid. The July 20, 1991 homestead and agricultural credit aid and disparity reduction aid payment to a special taxing district after this reduction cannot be less than \$0.

(b) A special taxing district's December 15, 1991, payment of homestead and agricultural credit aid, and disparity reduction aid is reduced by the product of its revenue base and the reduction percentage, as determined in section 477A.011, subdivision 28. The aid reduction is first applied to a special taxing district's homestead and agricultural credit aid amount in its scheduled December 15, 1991, aid payment. If the aid reduction is greater than the homestead and agricultural credit aid amount in its scheduled December 15, 1991, aid payment, the remaining amount is then applied to the special taxing district's disparity reduction aid. The December 15, 1991, homestead and agricultural credit aid and disparity reduction aid payment to a special taxing district after this reduction cannot be less than \$0.

Sec. 18. [477A.0136] [LARGE CITY LOCAL GOVERNMENT AID.]

Subdivision 1. [BASIC LOCAL GOVERNMENT AID.] The commissioner of revenue shall annually distribute the amount of large city basic local government aid appropriated, by calculating each large city's aid in the following manner:

(a) determine each large city's fiscal ability, representing the difference between the city's total expenditure need and the city's revenue raising capacity, based upon the FCCS report, as modified;

(b) determine an average distribution ratio by dividing the annual appropriation by the total sum of all large cities with a fiscal ability of greater than \$0; and

(c) multiply each large city's fiscal ability by the distribution ratio to obtain the amount of aid to be paid each large city.

Subd. 2. [RESTRICTIONS.] The amount of local government aid paid to each large city shall not exceed a fixed percentage of each city's fiscal ability based upon the average distribution ratio as determined in subdivision 1, paragraph (b). Each city with a fiscal ability of less than \$0 shall not receive local government aid.

Subd. 3. [ADJUSTMENT FOR SUPPLEMENTAL AID TO FIRST

CLASS CITIES. | In addition to the aid distributed under subdivision 1, each first class city shall receive an adjustment equal to the amount appropriated for this adjustment multiplied by the appropriate proportion of each city's fiscal ability in relation to the sum of the fiscal abilities of all first class cities.

Subd. 4. [ADJUSTMENT FOR TEMPORARY TRANSITIONAL LOCAL AID.] The 1992 revenue base for each large city cannot be reduced from the 1991 revenue base by more than a fixed percentage, to be determined by the 1992 appropriation for temporary transitional local aid. Temporary transitional local government aid is the amount of additional aid necessary to increase each large city's 1992 revenue base to equal the fixed percentage of the city's 1991 revenue base as determined in subdivision 2. The 1992 appropriation shall be reduced by 25 percent for aids payable in 1993, 50 percent for aids payable in 1994, 75 percent for aids payable in 1995, and 100 percent for aids payable in 1996. The fixed percentage must be recalculated each year based on the annual appropriation for aids payable in 1993 through 1995. For purposes of this subdivision, "1992 revenue base" means the sum of the city's taxes levied in 1990, payable in 1991, and the city's basic and supplemental local government aid paid to the city in 1992 under this section. The "1991 revenue base" means the sum of the city's taxes levied in 1990, payable in 1991, and local government aid paid to the city in 1991 after reductions under Laws 1991, chapter 2, article 8, and under this article, including equalization aid, under section 477A.013, homestead and agricultural credit aid under section 273.1398, subdivision 2, and disparity reduction aid under section 273.1398, subdivision 3.

Subd. 5. [FINAL ADJUSTMENT.] The total amount of local government aid paid to all large cities, under subdivisions 1 to 4, shall not exceed 90 percent of all large cities 1991 revenue base. If a city's 1992 revenue base exceeds 90 percent of the city's 1991 revenue base, then the amount of the city's basic local government aid shall be reduced until the 1992 revenue base equals 90 percent of the 1991 revenue base. The aid reduction shall first be applied to a city's supplemental aid, and then to the city's basic aid. Amounts resulting from this reduction shall be redistributed the following year to all large cities through the basic local government aid formula. If a city's 1992 revenue base is less than 80 percent of the 1991 revenue base, the city shall receive an adjustment under subdivision 4.

Subd. 6. [APPROPRIATION.] A sum sufficient to pay the basic local government aid, including the adjustments for first class cities, and temporary transitional local aid is annually appropriated from the general fund to the commissioner of revenue, subject to the limitations in subdivisions 1 to 5. For aids payable in 1992, the amount appropriated for basic local government aid is \$97,000,000, the amount appropriated for supplemental aid to first class cities is

\$30,000,000, and the amount appropriated for temporary transitional aid is \$138,000,000.

Sec. 19. [477A.0137] [SMALL CITY LOCAL GOVERNMENT AID.]

Subdivision 1. [DISTRIBUTION AMOUNT.] In calendar year 1992, and thereafter, each small city shall receive a distribution equal to the amount appropriated for small cities in 1991, after reductions under Laws 1991, chapter 2, article 8, and this article, including equalization aid under section 477A.013, homestead and agricultural credit aid under section 273.1398, subdivision 2, and disparity reduction aid under section 273.1398, subdivision 3, as adjusted by the reduction percentage determined in section 477A.011, subdivision 28.

Subd. 2. [APPROPRIATION.] A sum sufficient to pay the small city local government aid is annually appropriated from the general fund to the commissioner of revenue. For aids payable in 1992, the amount appropriated is \$49,000,000.

Sec. 20. Minnesota Statutes 1990, section 477A.014, subdivision 1, as amended by Laws 1991, chapter 2, article 8, section 10, is amended to read:

Subdivision 1. [CALCULATIONS AND PAYMENTS.] The commissioner of revenue shall make all necessary calculations and make payments pursuant to sections 477A.012, 477A.013, and 477A.03 directly to the affected taxing authorities annually. In addition, the commissioner shall notify the authorities of their aid amounts, as well as the computational factors used in making the calculations for their authority, and those statewide total figures that are pertinent, before August 15 of the year preceding the aid distribution year, except that for aid payable in 1990 the commissioner of revenue must notify the authorities of their aid amounts as well as the computational factors used in the calculation before October 23, 1989. The commissioner shall reduce the July 20, 1991, payment of local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid to counties, cities, towns, and special taxing districts by a combined amount of \$50,000,000. In addition to the reduction to be made on July 20, 1991, the commissioner shall reduce the December 15, 1991 payment of local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid to counties, cities, towns, and special taxing districts by a combined amount of \$50,000,000.

Sec. 21. Minnesota Statutes 1990, section 477A.014, is amended by adding a subdivision to read:

Subd. 5. [SUPPLEMENTAL SOCIAL SERVICE AID.] The sum of

\$20,000,000 is appropriated from the general fund as supplemental social service aid to the commissioner of revenue to distribute to counties in the same proportion that the counties receive aid in the calendar year from the commissioner of human services under section 256E.07. The commissioner of revenue shall pay these amounts in two equal installments on July 20 and December 15. No later than June 1, the commissioner of human services shall provide the commissioner of revenue with sufficient information to determine the amount of aid payable to each county.

Sec. 22. Minnesota Statutes 1990, section 477A.014, is amended by adding a subdivision to read:

Subd. 6. [LARGE CITY LOCAL GOVERNMENT AID; PAYMENTS.] As required by section 477A.0136, the commissioner of revenue shall pay a sum not to exceed \$100,000,000 as basic local government aid to large cities for aids payable in 1992. In addition, the commissioner shall pay a sum not to exceed \$40,000,000 as supplemental aid and an additional \$111,000,000 as temporary transitional local government aid under section 477A.0136. The payments must be made as required by section 477A.015.

Sec. 23. Minnesota Statutes 1990, section 477A.014, is amended by adding a subdivision to read:

Subd. 7. [SMALL CITY LOCAL GOVERNMENT AID; PAYMENTS.] The commissioner of revenue shall pay a sum not to exceed \$31,000,000 to small cities for aids payable in 1992 as local government aid pursuant to section 477A.0137. The payments must be made as required by section 477A.015.

Sec. 24. [477A.05] [SUPPLEMENTAL TOWN ROAD AID.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the following terms have the meanings given in paragraphs (b) to (m).

(b) "Population" means the population established by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the metropolitan council, or a population estimate of the state demographer pursuant to section 116K.04, subdivision 4, clause (10), whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year. The term "per capita" refers to population as defined by this paragraph.

(c) "Current expenditures for roads" means a town's fiscal year expenditures for street maintenance as reported in the February 28, 1990, fiscal year publication of the state auditor on the revenues, expenditures, and debt of the towns in Minnesota.

(d) "State highway aid" means a town's fiscal year distribution of state grants for highway purposes as reported in the February 28, 1990, fiscal year publication of the state auditor on the revenues, expenditures, and debt of the towns in Minnesota.

(e) "Current total expenditures" means a town's fiscal year total expenditures as reported in the February 28, 1990, fiscal year publication of the state auditor on the revenues, expenditures, and debt of the towns in Minnesota.

(f) "Local government aid" means the local government aid paid to a town pursuant to section 477A.014 in the same fiscal year that is the basis for the February 28, 1990, fiscal year publication of the state auditor on the revenues, expenditures, and debt of the towns of Minnesota.

(g) "Homestead credit" means the homestead credit paid to a town pursuant to Minnesota Statutes 1987 Supplement, section 273.13, subdivision 15a, in the same fiscal year that is the basis for the February 28, 1990, fiscal year publication of the state auditor on the revenues, expenditures, and debt of the towns in Minnesota.

(h) "Taconite aids" means the aids paid to a town pursuant to sections 298.28 and 298.282 in the same fiscal year that is the basis for the February 28, 1990, fiscal year publication of the state auditor on the revenues, expenditures, and debt of the towns in Minnesota.

(i) "Sales ratio" means the aggregate assessment sales ratio determined for a town in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 for the assessment year applicable to the property taxes that were payable in the same fiscal year that is the basis for the February 28, 1990, fiscal year publication of the state auditor on the revenues, expenditures, and debt of the towns in Minnesota.

(j) "Taxable value" means gross tax capacity after deduction of (1) fiscal disparity contribution value as defined in chapter 473F, (2) tax increment financing captured value as defined in section 469.177, subdivision 2, and (3) transmission line credit value as defined in section 273.425 for taxes payable in 1989.

(k) "Adjusted gross tax capacity" means a town's gross tax capacity divided by its sales ratio.

(l) "General aid offset adjustment" means the sum of a town's local government aid, homestead credit, and taconite aids, multiplied by the ratio of the town's current expenditures for roads to its current total expenditures.

(m) "Statewide weighted average local tax rate for current road

expenditures" means (1) the total current expenditures for roads minus the total state highway aid and minus the total general aid offset adjustment for all of the towns in Minnesota, divided by (2) the total adjusted taxable value for all of the towns in Minnesota. This rate shall be determined using the information available that is reported in the February 28, 1990, fiscal year publication of the state auditor on the revenues, expenditures, and debt of the towns in Minnesota.

Subd. 2. [AID AMOUNT.] In calendar year 1992, each town shall receive a distribution equal to (1) its current expenditure for roads minus its state highway aid and minus its general aid offset adjustment, minus (2) the statewide weighted average local tax rate for current road expenditures multiplied by the town's adjusted taxable value.

A town's supplemental road aid amount determined under this subdivision cannot exceed \$65 per capita using the town's population. If the calculated aid amount for a town exceeds \$65 per capita, the town's supplemental road aid amount shall be reduced to \$65 per capita.

The supplemental town road aid amount determined for a town under this subdivision cannot be less than zero.

For calendar year 1993 and each year thereafter, each town shall receive the same amount of supplemental town road aid as it received in calendar year 1992.

Sec. 25. [477A.06] [PAYMENT DATES.]

The commissioner of revenue shall make the payments of supplemental town road aid to the affected towns in two equal installments on July 20 and December 15 annually beginning in 1992.

Sec. 26. [477A.07] [APPROPRIATION.]

Subdivision 1. [ANNUAL APPROPRIATION.] A sum sufficient to pay the supplemental town road aids determined under section 477A.05 is annually appropriated from the general fund to the commissioner of revenue, subject to the limitation in subdivision 2.

Subd. 2. [LIMITATION; DISTRIBUTION REDUCTION.] For supplemental town road aids payable in calendar year 1992 and thereafter, the total annual appropriation is limited to \$8,000,000. If the sum of the supplemental town road aids determined for all towns in a calendar year exceeds \$8,000,000, the commissioner of revenue shall reduce the distribution amounts determined under section 477A.05 proportionately to stay within the \$8,000,000 appropriation limit.

Sec. 27. Laws 1989, First Special Session chapter 1, article 5, section 52, as amended by Laws 1990, chapter 604, article 3, section 47, is amended to read:

Sec. 52. [EFFECTIVE DATE.]

Except as otherwise provided, sections 12 to 19, 27, 35, 45, and 47 are effective for taxes levied in 1989, payable in 1990 and subsequent years. Section 49 is effective upon approval by the Itasca county board for taxes levied in 1988, payable in 1989 only. Sections 1, 5, 6, 20, 31, 34, 41, 44, and 51 are effective for taxes levied in 1992 1991, payable in 1993 1992 and thereafter. Sections 2, 4, 7, 9 to 11, 21 to 26, 28 to 30, 32, 33, 36 to 40, 42, and 43 are effective for taxes levied in 1992 1991, payable in 1993 1992, and thereafter. Sections 3 and 8 are effective for taxes levied in 1992 1991, payable in 1993 1992 and thereafter. Nothing in this section is intended to repeal or limit the intended purposes of the levies described or affected by the above sections. Section 50 is effective for taxes payable in 1989 and 1990 only.

Sec. 28. [REPEALER.]

(a) Minnesota Statutes 1990, sections 273.138, subdivision 2; 477A.011, subdivisions 2, 3a, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25, and 26; and 477A.013, are repealed.

(b) Minnesota Statutes 1990, sections 121.15; 273.1398, subdivisions 2a, 2b, and 5; and 275.58, are repealed.

Sec. 29. [EFFECTIVE DATES.]

Sections 1 to 6, 10, 11, 14, 18, 19, 21 to 26, and 28, are effective for aids payable in 1992, and thereafter. Sections 12, 13, 15 to 17, and 20, are effective the day following final enactment, unless otherwise specified. Sections 9 and 27 are effective for taxes levied in 1991, payable in 1992. Sections 7 and 8 are effective for taxes levied in 1993, payable in 1994, and thereafter.

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the second portion of the Ogren amendment and the roll was called. There was 1 yea and 133 nays as follows:

Those who voted in the affirmative were:

Schreiber

Those who voted in the negative were:

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

The motion did not prevail and the second portion of the Ogren amendment was not adopted.

CALL OF THE HOUSE

On the motion of Abrams and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Dempsey	Janezich	Macklin	Orfield
Anderson, I.	Dille	Jaros	Mariani	Osthoff
Anderson, R. H.	Dorn	Jefferson	Marsh	Ostrom
Battaglia	Farrell	Jennings	McEachern	Ozment
Bauerly	Frederick	Johnson, A.	McGuire	Pauly
Beard	Frerichs	Johnson, R.	McPherson	Pellow
Begich	Garcia	Johnson, V.	Milbert	Pelowski
Bertram	Girard	Kahn	Morrison	Peterson
Bettermann	Goodno	Kalis	Munger	Pugh
Bishop	Greenfield	Kinkel	Murphy	Reding
Blatz	Gruenes	Knickerbocker	Nelson, K.	Rest
Bodahl	Gutknecht	Koppendrayer	Nelson, S.	Rice
Boo	Hanson	Krinkie	Newinski	Rodosovich
Brown	Hasskamp	Krueger	O'Connor	Rukavina
Carlson	Haukoos	Lasley	Ogren	Runbeck
Carruthers	Hausman	Leppik	Olsen, S.	Sarna
Clark	Heir	Lieder	Olson, E.	Schafer
Cooper	Henry	Limmer	Olson, K.	Scheid
Dauner	Hufnagle	Long	Omann	Schreiber
Davids	Hugoson	Lourey	Onnen	Seaberg
Dawkins	Jacobs	Lynch	Orenstein	Segal

Skoglund	Steensma	Trimble	Wagenius	Welle
Smith	Sviggum	Tunheim	Waltman	Wenzel
Solberg	Swenson	Uphus	Weaver	Winter
Sparby	Thompson	Valento	Wejcman	Spk. Vanasek
Stanius	Tompkins	Vellenga	Welker	

Bauerly moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

H. F. No. 1086, A bill for an act relating to the financing and operation of government in Minnesota; establishing a homestead credit trust fund; allowing the imposition of certain local taxes and fees; modifying the administration, computation, collection, and enforcement of taxes and assessments; imposing taxes; changing tax classes, rates, bases, credits, exemptions, withholding, and payments; modifying levy limits and aids to local governments; updating references to the Internal Revenue Code; modifying tax increment financing laws; changing definitions; changing certain bonding provisions; providing for suspension of mandate requirements; providing for certain fund transfers; changing provisions for light rail transit; changing certain eminent domain powers; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, watershed districts, and independent school districts; requiring studies; imposing a fee; imposing a surtax; changing certain provisions relating to certain ambulance and emergency services personnel plans; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 13.51, subdivision 2; 14.03, subdivision 3; 18.022, subdivision 2; 43A.316, subdivision 9; 60A.19, subdivision 8; 69.011, subdivisions 1 and 3; 69.021, subdivisions 4, 6, 7, 8, and 9; 69.54; 84.82, by adding a subdivision; 115B.24, subdivision 2; 116.07, subdivision 4h; 124A.03, subdivision 2, and by adding a subdivision; 138.17, subdivision 1a; 171.06, by adding a subdivision; 268.161, subdivision 1; 270.067, subdivisions 1 and 2; 270.11, subdivision 6; 270.12, subdivision 2, and by adding a subdivision; 270.274, subdivision 1; 270.60; 270.66, subdivision 3; 270.68, subdivision 1; 270.69, subdivisions 2, 8, 9, and by adding a subdivision; 270.70, subdivision 10; 270.75, subdivision 4; 270A.03, subdivision 7; 270B.09; 272.02, subdivision 4; 272.025, subdivision 1; 272.31; 272.479; 272.482; 272.483; 272.485; 272.486; 272.67, subdivision 6; 273.11, subdivision 1, and by adding subdivisions; 273.111, subdivision 6; 273.112, subdivisions 1, 2, 3, and 4; 273.12; 273.124, subdivisions 1, 7, 13, and 14; 273.13, subdivisions 22, 23, 24, 25, 31, 32, and by adding a subdivision; 273.1398, subdivisions 6 and 7; 273.1399, subdivisions 1 and 3; 275.065, subdivisions 1a, 3, 5a, and 6; 275.08, subdivision 1b; 275.125, by adding a subdivision; 275.50, subdivisions 5, 5a, and 5b; 275.51, subdivisions 3f, 3h, and 3j; 275.54, subdivision 3; 276.04, subdivision 2; 276.041; 277.01; 278.01; 279.01, subdivisions 1 and 2; 279.03, subdivision 1a; 279.06;

281.17; 282.01, subdivision 1; 287.22; 289A.01; 289A.02, by adding a subdivision; 289A.08, by adding a subdivision; 289A.11, subdivision 1; 289A.12, by adding a subdivision; 289A.18, subdivisions 1, 2, and 4; 289A.19, subdivisions 1 and 2; 289A.20, subdivisions 1, 2, 4, and by adding a subdivision; 289A.25, subdivision 10; 289A.26, subdivisions 1, 6, and by adding a subdivision; 289A.30, subdivision 1; 289A.31, subdivision 1; 289A.35; 289A.37, subdivision 1; 289A.38, subdivisions 9, 10, and 12; 289A.42, subdivisions 1 and 2; 289A.50, subdivision 1; 289A.56, subdivision 2; 289A.60, subdivisions 2, 4, 12, 15, and by adding a subdivision; 290.01, subdivisions 19, 19a, 19b, and 19d; 290.014, subdivisions 2, 3, 4, and 5; 290.05, subdivision 3; 290.06, subdivisions 2c, 2d, 21, 22, 23, and by adding subdivisions; 290.067, subdivisions 1 and 2a; 290.068, subdivisions 1, 2, and 5; 290.0802, subdivisions 1 and 2; 290.091, subdivisions 1 and 2; 290.0921, subdivision 8; 290.0922, subdivision 1, and by adding a subdivision; 290.17, subdivisions 1, 2, and 5; 290.191, subdivisions 6, 8, and 11; 290.35, subdivision 3; 290.431; 290.611, subdivision 1; 290.92, subdivisions 1, 4b, 4c, 12, 26, 27, and by adding a subdivision; 290.923, by adding a subdivision; 290.927, subdivisions 1, 3, and by adding subdivisions; 290A.03, subdivisions 3 and 7; 290A.04, by adding a subdivision; 290A.05; 290A.091; 295.01, subdivision 10; 295.34, subdivision 1; 296.026, subdivisions 2, 7, and by adding subdivisions; 296.14, subdivision 1; 297.01, subdivision 7; 297.03, subdivisions 1, 2, 4, and 6; 297.07, subdivision 5; 297.08, subdivision 1; 297.11, subdivision 1, and by adding subdivisions; 297.35, subdivision 1; 297.43, by adding a subdivision; 297A.01, subdivisions 3, 8, 10, 15, and by adding a subdivision; 297A.02, subdivisions 1, 2, 3, and by adding subdivisions; 297A.14, by adding a subdivision; 297A.15, by adding a subdivision; 297A.21, subdivisions 1 and 4; 297A.211, subdivision 2; 297A.24; 297A.25, subdivisions 1, 10, 11, 12, and by adding a subdivision; 297A.255, subdivision 5; 297A.257, subdivisions 2 and 2a; 297A.259; 297A.44, subdivision 1, and by adding a subdivision; 297B.02, by adding a subdivision; 297B.09, by adding a subdivision; 297C.03, subdivisions 1 and 6; 297C.04; 297C.10, by adding a subdivision; 297D.01, subdivision 3; 297D.02; 297D.04; 297D.05; 297D.07; 297D.09, subdivisions 1 and 1a; 297D.11; 297D.12, subdivision 1; 297D.13, subdivisions 1 and 3; 297D.14; 298.01, subdivisions 3, 4, and by adding subdivisions; 298.015, subdivision 1; 298.16; 298.21; 298.27; 325D.32, subdivision 10, and by adding a subdivision; 325D.415; 336.9-411; 349.212, subdivision 4; 353D.01; 353D.02; 353D.03; 353D.05; 353D.06; 357.18, subdivision 2; 375.192, subdivision 2; 386.46; 398A.04, subdivision 8; 414.031, subdivision 6; 414.0325, subdivision 4; 414.033, subdivision 7; 414.06, subdivision 4; 414.061, subdivision 3; 430.102, subdivisions 3 and 4; 462C.03, subdivision 10; 469.012, subdivision 8; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; 469.190, subdivision 7; 473.3994, by adding a subdivision; 473.843, subdivision 3; 473F.01; 473F.02, subdivisions 3, 8, 12, and 13; 473F.05; 473F.06; 473F.07; 473F.08, subdivisions 2, 5, and 6; 473F.09; 473F.13, subdivision 1; 477A.011, subdivisions 27, as amended, and 28, as amended; 477A.012, subdivision 6, as added,

and by adding a subdivision; 477A.013, subdivision 8, as added; 477A.0135, as added; 477A.014, subdivisions 1, as amended, 4, and by adding subdivisions; 477A.015; 477A.03, subdivision 1; 508.25; 508A.25; 515A.1-105, subdivision 1; Laws 1974, chapter 285, section 4, as amended; Laws 1980, chapter 511, section 1, subdivision 2; Laws 1986, chapter 462, section 31; Laws 1987, chapter 268, article 11, section 12; Laws 1989, First Special Session chapter 1, article 14, section 16; Laws 1990, chapter 604, article 2, section 22; article 3, section 46, subdivision 1; and article 6, section 11; proposing coding for new law in Minnesota Statutes, chapters 16A; 117; 268; 270; 272; 273; 275; 276; 277; 290; 295; 296; 297; 297A; 325D; 353D; 373; 451; and 471; repealing Minnesota Statutes 1990, sections 272.487; 272.50; 272.51; 272.52; 272.53; 273.137; 273.1398; 277.02; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; 277.13; 289A.19, subdivision 6; 290.068, subdivision 6; 290.069, subdivisions 2a, 4a, and 4b; 290.17, subdivision 7; 290.191, subdivision 7; 290.48, subdivisions 5 and 8; 296.028; 297A.257, subdivisions 1, 2b, and 3; 297A.39, subdivision 9; 298.05; 298.06; 298.07; 298.08; 298.09; 298.10; 298.11; 298.12; 298.13; 298.14; 298.15; 298.19; 298.20; 473F.02, subdivisions 9, 11, 16, 17, 18, 19, and 20; 473F.12; 473F.13, subdivisions 2 and 3; 477A.011; 477A.012; 477A.013; 477A.014; 477A.015; 477A.016; 477A.017; and 477A.03; Laws 1986, chapter 399, article 1, section 5; and Laws 1989, chapter 277, article 4, section 2.

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.

Long moved that those not voting be excused from voting. The motion prevailed.

There were 79 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dorn	Kalis	Nelson, S.	Rodosovich
Battaglia	Farrell	Kelso	O'Connor	Rukavina
Bauerly	Greenfield	Kinkel	Ogren	Sarna
Beard	Gutknecht	Krueger	Olson, E.	Scheid
Begich	Hanson	Lasley	Olson, K.	Segal
Bertram	Hasskamp	Lieder	Orenstein	Simoneau
Bishop	Hausman	Long	Orfield	Skoglund
Bodahl	Jacobs	Lourey	Osthoft	Solberg
Brown	Janezich	Mariani	Ostrom	Sparby
Carlson	Jaros	McEachern	Pelowski	Steensma
Carruthers	Jefferson	McGuire	Peterson	Trimble
Clark	Jennings	Milbert	Pugh	Tunheim
Cooper	Johnson, A.	Munger	Reding	Vellenga
Dauner	Johnson, R.	Murphy	Rest	Wagenius
Dawkins	Kahn	Nelson, K.	Rice	Wejczman

Welle Wenzel Winter Spk. Vanasek

Those who voted in the negative were:

Abrams	Frerichs	Johnson, V.	Newinski	Smith
Anderson, R.	Garcia	Knickerbocker	Olsen, S.	Stanisus
Anderson, R. H.	Girard	Koppendraye	Omann	Sviggum
Bettermann	Goodno	Krinkie	Onnen	Swenson
Blatz	Gruenes	Leppik	Ozment	Thompson
Boo	Hartle	Limmer	Pauly	Tompkins
Davids	Haukoos	Lynch	Pellow	Valento
Dempsey	Heir	Macklin	Runbeck	Waltman
Dille	Henry	Marsh	Schafer	Weaver
Erhardt	Hufnagle	McPherson	Schreiber	Welker
Frederick	Hugoson	Morrison	Seaberg	

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

The Speaker called Krueger to the Chair.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 719, A bill for an act relating to human services; clarifying and establishing requirements for implementing the Minnesota family investment plan; appropriating money; amending Minnesota Statutes 1990, sections 256.031; 256.032; 256.033; 256.034; 256.035; and 256.036, subdivisions 1, 2, 4, and 5; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1990, sections 256.032, subdivisions 5 and 9; 256.035, subdivisions 6 and 7; 256.036, subdivision 10; Laws 1989, chapter 282, article 5, section 130.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE 1 APPROPRIATIONS

Section 1. [HUMAN RESOURCES; APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are

appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1992" and "1993" where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1992, or June 30, 1993, respectively.

SUMMARY BY FUND

	1992	1993	TOTAL
General	\$1,788,615,000	\$1,897,735,000	\$3,686,350,000
State Government			
Special Revenue	1,814,000	1,638,000	3,452,000
Metropolitan Landfill	168,000	168,000	336,000
Trunk Highway	1,487,000	1,486,000	2,973,000
Total	1,792,084,000	1,901,027,000	3,693,111,000

APPROPRIATIONS Available for the Year Ending June 30 1992 1993

Sec. 2. COMMISSIONER OF HUMAN SERVICES

Subdivision 1. Appropriation by Fund

General Fund	1,496,946,000	1,597,525,000
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The amounts that may be spent from this appropriation for each program and activity are more specifically described in the following subdivisions.

Federal money received in excess of the estimates shown in the 1991-1993 department of human services budget

document reduces the state appropriation by the amount of the excess receipts, unless otherwise directed by the governor, after consulting with the legislative advisory commission.

For the biennium ending June 30, 1993, federal receipts as shown in the biennial budget document to be used for financing activities, programs, and projects under the supervision and jurisdiction of the commissioner must be credited to and become a part of the appropriations provided for in this section.

Positions and administrative money may be transferred within the department of human services as the commissioner considers necessary, with the advance approval of the commissioner of finance.

If federal money anticipated is less than that shown in the biennial budget document, the commissioner of finance shall reduce the amount available from the direct appropriation a corresponding amount. The reductions must be noted in the budget document submitted to the 78th legislature in addition to an estimate of similar federal money anticipated for the biennium ending June 30, 1995.

The commissioner of human services, with the approval of the commissioner of finance and by direction of the governor after consulting with the legislative advisory commission, may transfer unencumbered appropriation balances among the aid to families with dependent children, AFDC child care, general assistance, general assistance medical care, medical assistance, Minnesota supplemental aid, and work readiness programs, and the entitlement portion of the chemical dependency consolidated treatment fund, and between fiscal years of the biennium.

For the biennium ending June 30, 1993, information system project appropriations for development and federal receipts for the alien verification entitlement system must be deposited in the special systems account authorized in Minnesota Statutes, section 256.014. Money appropriated for computer projects approved by the Information Policy Office, funded by the legislature, and approved by the commissioner of finance may be transferred from one project to another and from development to operations as the commissioner considers necessary. Any unexpended balance in the appropriation for these projects does not cancel in the first year but is available for the second year of the biennium.

Subd. 2. Human Services Administration

14,394,000 14,376,000

\$178,000 the first year and \$178,000 the second year are appropriated from the special project account created in Minnesota Statutes, section 256.01, subdivision 2, paragraph (15) for attorney general costs incurred in the resolution of long-term care appeals.

Subd. 3. Legal and Intergovernmental Programs

4,351,000 4,340,000

Subd. 4. Economic Support and Transition Services for Families and Individuals

263,700,000 267,088,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Aid to Families with Dependent Children, General Assistance, Work Readiness, Minnesota Supplemental Aid

206,533,000 205,945,000

During the biennium ending June 30, 1993, the commissioner of human services shall provide supplementary grants not to exceed \$200,000 a year for

aid to families with dependent children and include the following costs in determining the amount of the supplementary grants: major home repairs; repair of major home appliances; utility recaps; supplementary dietary needs not covered by medical assistance; replacement of essential household furnishings and essential major appliances; and employment-related transportation and educational expenses.

For the biennium ending June 30, 1993, any federal money remaining from receipt of state legalization impact assistance grants, after reimbursing the department of education for actual expenditures, must be deposited in the aid to families with dependent children account.

\$120,000 of the federal child care funds received by the department of human services is allocated to Minnesota early childhood care and education council for the biennium ending June 30, 1993, for general operation of the council to enable the council to provide coordination, training outreach, and technical assistance to child care providers.

Money appropriated for the Minnesota family investment plan in the biennium ending June 30, 1993, must be base-adjusted in the 1994-1995 biennium to reflect the annual cost of operating the newly enacted program.

The commissioner shall set the monthly standard of assistance for general assistance and work readiness assistance units consisting of an adult recipient who is childless and unmarried or living apart from the parents or a legal guardian at \$203.

(b) Child Care

(1) AFDC Child Care Program

12,182,000	15,932,000
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(2) Sliding Fee Child Care Program

10,672,000 10,805,000

**(c) Economic Support and Transition
Services for Families and Individuals
Administration**

34,313,000 34,406,000

Chisago and Isanti counties shall be added to the list of counties in which the commissioner shall require establishment and operation of fraud prevention investigation programs.

By January 1, 1993, the commissioner shall report to the legislature on the fraud prevention investigation projects. The report shall include a comparison of the effectiveness of the fraud prevention investigation projects with other proposals to reduce fraud in public income assistance programs, including client reporting requirements.

For the biennium ending June 30, 1993, federal food stamp employment and training funds received for the work readiness program are appropriated to the commissioner to reimburse counties for work readiness service expenditures.

For the biennium ending June 30, 1993, federal JOBS funds received for direct employment services provided to refugees and immigrants is appropriated to the commissioner to provide bicultural employment service case managers to STRIDE-eligible refugees and immigrants. The commissioner of human services shall review expenditures of bilingual case management funds at the end of the third quarter of the second year of the biennium and may reallocate unencumbered funds to those counties that can demonstrate a need for additional funds. Funds shall be reallocated according to the same formula used initially to allocate funds to counties.

Any balance remaining in the first year for the Minnesota family investment plan appropriation does not cancel but is available for the second year of the biennium.

Any balance remaining in the first year for the fraud prevention initiative appropriation does not cancel but is available for the second year of the biennium.

Any balance remaining in the first year for the job opportunities and basic skills (JOBS) automated system appropriation does not cancel but is available for the second year of the biennium.

For the biennium ending June 30, 1993, the commissioner of jobs and training shall certify as STRIDE employment and training service providers under Minnesota Statutes, section 268.871, the providers who provided services under the AFDC self-employment demonstration project. The commissioner of human services shall seek federal authority to renew or extend the waivers that are necessary to continue the demonstration project.

For the child support enforcement activity, during the biennium ending June 30, 1993, money received from the counties for providing data processing services must be deposited in that activity's account. The money is appropriated to the commissioner for the purposes of the child support enforcement activity.

For the biennium ending June 30, 1993, federal money received for the operating costs of the statewide MAXIS automated eligibility information system is appropriated to the commissioner to pay for the development and operation of the MAXIS system and the counties' share of the operating costs.

Notwithstanding Minnesota Statutes, section 237.701, subdivision 1, the reimbursement of telephone assistance plan administrative expenses incurred shall not exceed \$422,000 in the first year of the biennium.

Subd. 5. Economic Support and Services to Elderly

25,408,000 30,181,000

Money is appropriated to the board on aging to supplement the state funding for senior congregate and home-delivered meal programs to area agencies on aging where service providers are required, as a condition of receiving federal funds, to maintain the local level of funding for senior meals. The increased funding shall be distributed by area agencies on aging to nutrition programs serving counties where congregate and home-delivered meals were locally financed prior to participation in the nutrition program of the Older Americans Act. Supplemental funds for affected areas may be awarded in amounts up to the level of prior county financial participation less any local match as required by the Older Americans Act.

Preadmission Screening and Non-MA Alternative Care Grants

20,816,000 25,511,000

For the biennium ending July 1, 1993, nonmedical assistance alternative care grants money, if unspent, shall be transferred to the medical assistance account. Up to \$2,820,000 of unspent money shall be transferred in the first year and up to \$3,640,000 in the second year of the biennium.

Subd. 6. Services to Special Needs Adults

120,704,000 121,591,000

\$30,000 is for hearing interpreter services contracts.

\$10,000 is for camping activities for people with mental illness. This appro-

priation is from the mental health special project account.

\$100,000 of the funds transferred from the director of the state lottery to the commissioner of human services, for the biennium ending June 30, 1993, for programs authorized by Minnesota Statutes, section 245.98, shall be used to develop a pilot project at the Cambridge regional treatment center for the treatment of compulsive gambling.

All of the fees paid to the commissioner for interpreter referral services for people with hearing impairments shall be used for direct client referral activities. None of the fees shall be used to pay for state agency administrative and support costs.

During the biennium ending June 30, 1993, the commissioner may transfer money from rule 12 residential program grants to rule 14 housing support program grants. Funds shall be transferred only if agreement is reached between the participating county and rule 12 provider volunteering to convert to rule 14 services. The commissioner shall consider past utilization of the residential program in determining which counties to include in the transferred housing support funding.

Any unspent money appropriated in the first year for the nonentitlement portion of the consolidated chemical dependency treatment fund shall be carried forward to the second year of the biennium for that purpose.

Money appropriated in fiscal year 1992 for the Dakota county mental health pilot planning grant is available until spent.

By January 31, 1992, the commissioner of human services shall present to the legislature a report, prepared in cooperation with the commissioner of

health, containing recommendations on the standards and procedures to be used in the licensing of chemical dependency professionals. In preparing this report, the commissioners shall consult with an advisory group that includes a representative of each of the boards established under Minnesota Statutes, chapter 148B and at least six individuals representing chemical dependency professionals and service providers. The report shall contain recommended legislation, to be implemented beginning July 1, 1992, for licensure of chemical dependency professionals.

Funds shall be allocated to counties for statewide detoxification services under Minnesota Statutes, section 254A.17, subdivision 3, in proportion to each county's average number of detoxification admissions for the prior two years, except that no county shall receive less than \$400. Unless a county has approved a grant of funds under this section, the commissioner shall make quarterly payments of detoxification funds to a county only after receiving an invoice describing the number of persons transported and the cost of transportation services for the previous quarter.

The commissioner of human services, after consultation with professional treatment experts, service providers, and the families of victims, shall develop recommendations on special residential and other treatment programs for persons suffering from Prader-Willi syndrome. A report with the recommendations shall be provided to the legislature by February 15, 1992.

Subd. 7. Services to Special Needs Children

14,976,000	17,406,000
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The department of human services shall develop recommended standards for counties to use when conducting

child protection investigations of child care providers. The standards, while maintaining the safety of children as a first priority, shall also ensure that child care providers under investigation are accorded adequate due process protections. The agency shall develop the recommendations through a process of public hearings and report back to the legislature by January 1992.

Money appropriated for child care incentive grants in the first year does not cancel but is available for the second year of the biennium.

\$100,000 the first year and \$100,000 the second year are to provide a grant to the New Chance demonstration project that provides comprehensive services to young AFDC recipients who became pregnant as teenagers and dropped out of high school. The commissioner of human services shall provide an annual report on the progress of the demonstration project, including specific data on participant outcomes in comparison to a control group that received no services. The commissioner shall also include recommendations on whether strategies or methods that have proven successful in the demonstration project should be incorporated into the STRIDE employment program for AFDC recipients.

Subd. 8. State-Operated Residential Care For Special Needs Populations	239,962,000	230,113,000
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The amounts that may be spent from this appropriation for each activity are as follows:

(a) Residential Facilities

Approved Complement	
1992	1993
5,002.7	4,896.7

(1) Salaries

213,543,000	206,166,000
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(2) Current Expense

20,647,000	20,079,000
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(3) Repairs and Betterments

3,150,000	1,994,000
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(4) Special Equipment

746,000	-0-
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For the biennium ending June 30, 1993, the commissioner may determine the need for conversion of a state-operated home and community-based service program to an intermediate care facility for people with mental retardation if the conversion is cost-effective and the people receiving home- and community-based services choose to receive services in an intermediate care facility for people with mental retardation. After the commissioner has determined the need to convert the program, the commissioner of health shall certify the program as an intermediate care facility for people with mental retardation if the program meets applicable certification standards.

Federal receipts received for the state-operated community services program are appropriated to the commissioner for that purpose.

Notwithstanding the provisions of Minnesota Statutes, section 245.18, receipts collected for state-operated community services are appropriated to the commissioner and are dedicated to the operation of state-operated community services that are converted in this section. Any balance remaining in this account at the end of the first year does not cancel and is available for the second year of the biennium. The commissioner may, after consultation with

the legislative advisory commission and approval of the governor, transfer funds from the Minnesota supplemental aid program to the medical assistance program to fund services converted under this section.

During the biennium ending June 30, 1993, the commissioner of human services shall establish an on-site child care facility at the Ah-Gwah-Ching state nursing home. State employees must receive priority for child care services at the Ah-Gwah-Ching site. The commissioner shall contract with a nonprofit child care provider by August 1, 1991, that can demonstrate knowledge of the child care needs at the site and that has a commitment to maximizing the salaries and benefits of its direct child care workers. The commissioner shall provide support to the center, including renovation expenses to meet and maintain all relevant building codes and ongoing building expenses including rent, maintenance, and utilities. The commissioner shall consult with the commissioner of administration regarding the establishment and operation of the on-site program. The child care contractor chosen by the commissioner shall become accredited by the National Academy of Early Childhood Programs within one year of beginning operation. The commissioner shall report to the chairs of the human resources division of the house appropriations committee and the senate finance committee on the status of the Ah-Gwah-Ching child care center by September 1, 1991.

During the biennium ending June 30, 1993, regional treatment center and state-operated nursing home employees, except temporary or emergency employees, affected by changes in the department of human services delivery system must receive, along with other options, priority consideration in order to transfer to vacant or newly created

positions at the Minneapolis and Hastings veterans homes and at facilities operated by the commissioner of corrections. The veterans homes board, in cooperation with the commissioners of human services and corrections, shall develop procedures to facilitate these transfers.

The commissioner of human services shall maintain the 35 skilled nursing facility (SNF) beds for developmentally disabled residents at the Faribault regional treatment center. The transfer of the hospital building at the Faribault regional treatment center to the department of corrections may take place only after alternative, state-operated SNF facility space has been developed for residents on the campus of Faribault regional treatment center.

For the biennium ending June 30, 1993, and notwithstanding Minnesota Statutes, section 144A.071, the commissioner of human services shall transfer the licenses for 252 nursing home beds remaining at Oak Terrace nursing home at the time of its closure as follows: 70 beds shall be transferred to the Cambridge regional treatment center, 85 beds shall be transferred to the Fergus Falls regional treatment center, and 97 beds shall be transferred to the Brainerd regional treatment center. When they are relocated to new or existing buildings operated by the department, application for certification shall be accepted by the department of health. For the biennium ending June 30, 1993, and notwithstanding Minnesota Statutes, section 144A.071, the commissioner of human services is permitted to hold the license for 322 nursing home beds remaining at Oak Terrace nursing home at the time of its closure. When they are relocated to new or existing buildings operated by the department, the application for certification shall be accepted by the department of health.

The chemical dependency treatment programs at the regional treatment centers shall not be required to repay any advances received in fiscal years 1990 and 1991 from the consolidated chemical dependency treatment fund in accordance with the provisions of Minnesota Statutes, section 246.18, subdivision 3, for chemical dependency services provided under sections 254B.02 to 254B.09. Notwithstanding Minnesota Statutes, section 246.18, subdivision 3, no money shall be transferred from the chemical dependency fund to the regional treatment centers' chemical dependency accounts after June 30, 1991.

For purposes of restructuring the chemical dependency and developmental disabilities programs at the regional treatment centers during the biennium ending June 30, 1993, any regional treatment center employee whose position is to be eliminated shall be afforded the options provided in applicable collective bargaining agreements. Provided there is no conflict with any collective bargaining agreement, any regional treatment center position reduction must only be accomplished through mitigation, attrition, transfer, and other measures as provided in state or applicable collective bargaining agreements and Minnesota Statutes, section 252.50, subdivision 11, and not through layoff. However, if the commissioner proceeds with construction of 13 additional state-operated community residences for persons with developmental disabilities during the biennium ending June 30, 1993, and begins siting and constructing 24 additional state-operated community residential facilities for persons with developmental disabilities, then the commissioner may use a mitigated layoff procedure to reduce unnecessary staff at the regional treatment centers, as negotiated with respective collective bargaining agents. Affected employees must be offered alternative employ-

ment, severance pay, retraining, transfers, and other options that do not conflict with collective bargaining agreements.

The commissioner shall consolidate both program and support functions at each of the regional centers and state nursing homes to ensure efficient and effective space utilization that is consistent with applicable licensing and certification standards. The commissioner may transfer residents and positions between the regional center and state nursing home system as necessary to promote the most efficient use of available state buildings. Surplus buildings shall be reported to the commissioner of administration for appropriate disposition according to Minnesota Statutes, section 16B.24.

Any unencumbered balances in special equipment and repairs and betterments remaining in the first year do not cancel but are available for the second year of the biennium.

(b) Other Residential Facilities Administration

1,876,000 1,874,000

Subd. 9. Health Care for Families and Individuals

813,451,000 912,430,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Medical Assistance and General Assistance Medical Care

773,991,000 865,916,000

For the biennium ending June 30, 1993, medical assistance and general assistance medical care payments for mental health services provided by masters-prepared licensed psychologists or psychological practitioners will

be 75 percent of the rate paid to doctoral-prepared licensed psychologists.

By October 1, 1991, the drug formulary committee shall review legend and nonlegend drug classes and advise the commissioner of formulary changes and prior authorization requirements necessary to provide a \$1,300,000 savings in medical assistance and general assistance medical care drug expenditures for the biennium ending June 30, 1993. A percentage of the saving achieved by the state as a result of the federal drug rebate program may be applied towards this \$1,300,000 reduction target.

The drug formulary committee shall review the department of human services drug utilization review program and drug utilization review programs that are available from other vendors to determine which program best ensures the appropriate use of pharmaceutical products for quality medical care for persons in the medical assistance, GAMC, and children's health plan programs. The committee shall report its findings to the commissioner by December 31, 1991.

Implementation of the reduced rate for therapy services provided by a physical or occupational therapy assistant, to 65 percent of the rate paid for services provided by a physical or occupational therapist, will be implemented in conjunction with the department's complete therapy code conversion project, or January 1, 1992, whichever occurs first.

For the biennium ending June 30, 1993, all receipts for services provided by community health clinics operated by the department of human services in accordance with Minnesota Statutes, sections 256B.04, subdivision 2, and 256B.0625, subdivision 4, and as enrolled medical assistance providers

under Minnesota Rules, part 9505.0255, shall be dedicated to the commissioner of human services for operation and expansion of the clinics. Any balances remaining in the clinic accounts at the end of the first year do not cancel but are available until spent.

Notwithstanding Minnesota Statutes, section 256B.0641, and Minnesota Rules, part 9505.0465, the commissioner of human services shall not be required to recover nonallowable federal medical assistance payments made between October 1, 1986, and December 31, 1988, from nursing facilities declared on January 1, 1989, as institutions for mental diseases.

(b) Children's Health Plan

6,555,000	11,195,000
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(c) Health Care For Families and Individuals; Administration

32,905,000	35,319,000
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The nonfederal share of the costs of case management services provided to persons with mental retardation or related conditions receiving home and community-based services funded through the waiver granted under section 1915(c)(7)(B) of the Social Security Act shall be provided from state-appropriated medical assistance grant funds for the biennium ending June 30, 1993. The division of cost is subject to Minnesota Statutes, section 256B.19, and the services are included as covered programs and services under Minnesota Statutes, section 256.025, subdivision 2.

\$80,000 the first year is for a regional demonstration project under Minnesota Statutes, section 256B.73, to provide health coverage to uninsured persons. The commissioner shall contract with the coalition formed for the nine counties named in Minnesota

Statutes, section 256B.73, subdivision 2.

Recoveries obtained by the provider appeals unit shall be dedicated to the medical assistance account during the biennium ending June 30, 1993.

Sec. 3. OMBUDSMAN FOR MENTAL HEALTH AND MENTAL RETARDATION

1,033,000 1,031,000

Sec. 4. VETERANS NURSING HOMES BOARD

24,409,000 26,681,000

The amounts that may be spent from this appropriation for each program are more specifically described in the following subdivisions.

Subdivision 1. Veterans Nursing Homes

23,711,000 26,179,000

Any unencumbered balances in the first year do not cancel but are available for the second year of the biennium within the programs overseen by the veterans homes board of directors.

For the biennium ending June 30, 1993, the veterans homes board of directors may transfer unencumbered appropriation balances and positions from Luverne and Silver Bay nursing homes among all programs.

For the biennium ending June 30, 1993, the board may set costs of care at the Silver Bay and Luverne facilities based on costs from average skilled nursing care provided to residents of the Minneapolis veterans home.

Until the end of the 1994 licensure year, the commissioner of health shall not apply Minnesota Statutes, section 144.55, subdivision 6, paragraph (b), to the Minnesota veterans home at Hastings.

The department of health shall not reduce the licensed bed capacity for the Minneapolis veterans home for the biennium ending June 30, 1993, in lieu of presentation to the legislature of building needs and options by the veterans nursing homes board.

The veterans nursing homes board shall evacuate all residents and programs from building 6 of the Minneapolis veterans home by October 1, 1991, and secure the building.

Any funds encumbered for use in repairing building 6 are available for unrestricted use in the fiscal year 1991 operations for the Minneapolis veterans home.

Subd. 2. Veterans Nursing Homes Board

698,000 502,000

\$200,000 is for development of a long-range planning report by the board to conduct a physical plant and environmental assessment of the Minneapolis and Hastings campuses to determine how to best meet the present and future needs of the board in delivering services to veterans. In developing this report, the board shall consider cost estimates and systemwide objectives for serving veterans as well as alternate siting options for the Minneapolis veterans home. The board shall present the report to the legislature by February 15, 1992. Any part of this appropriation not expended does not cancel but must be used to increase the appropriation for the Minneapolis veterans nursing home.

The veterans nursing homes board and the department of veterans affairs shall review current alternatives to long-term care for veterans and report to the legislature by February 15, 1992, with their review and proposals to en-

hance the availability and use of these options by veterans. This study must be done with existing resources.

**Sec. 5. COMMISSIONER OF JOBS
AND TRAINING**

35,639,000 34,626,000

The amounts that may be spent from this appropriation for each program are more specifically described in the following subdivisions.

Subdivision 1. Rehabilitation Services

18,412,000 18,237,000

For the biennium ending June 30, 1993, at least 35 percent in the first year and 38 percent in the second year of the vocational rehabilitation activity budget must be directed toward grants, which are budgeted as aid to individuals and local assistance categories of expense.

The commissioner of jobs and training shall develop a plan for staffing adjustments and organizational restructuring in the vocational rehabilitation activity. The goal of the plan must be to lower administrative costs and redirect resources to direct services to clients. The commissioner shall present the plan to the legislature by February 15, 1992.

\$100,000 shall be directed toward developing a plan for rehabilitation services programs provided by the state departments of jobs and training and human services. The plan shall be directed toward the goals of supporting the delivery of services to citizens with disabilities through a single point of entry at the community level, allowing greater consumer control, and ensuring greater coordination of services among the public and private agencies currently involved in providing services. The development of this plan

shall be done in cooperation with centers for independent living.

Subd. 2. Services for the Blind

3,611,000	3,576,000
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This appropriation may be supplemented by funds provided by the Friends of the Communication Center, for support of Services for the Blind's Communication Center which serves all blind and visually handicapped Minnesotans. The commissioner shall report to the legislature on a biennial basis the funds provided by the Friends of the Communication Center.

Subd. 3. Economic Opportunity Office

8,289,000	8,287,000
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For the biennium ending June 30, 1993, the commissioner shall transfer to the community services block grant program ten percent of the money received under the low-income home energy assistance block grant in each year of the biennium and shall spend all of the transferred money during the year of the transfer or the year following the transfer. Up to 3.75 percent of the transferred money may be used by the commissioner for administrative purposes.

For the biennium ending June 30, 1993, the commissioner shall transfer to the low-income home weatherization program at least five percent of money received under the low-income home energy assistance block grant in each year of the biennium and shall spend all of the transferred money during the year of the transfer or the year following the transfer. Up to 1.63 percent of the transferred money may be used by the commissioner for administrative purposes.

For the biennium ending June 30, 1993, no more than 1.63 percent of money remaining under the low-income home energy assistance program after transfers to the community services block grant program and the weatherization program may be used by the commissioner for administrative purposes.

For the biennium ending June 30, 1993, discretionary money from the community services block grant program (regular) must be used to supplement the appropriation for local storage, transportation, processing, and distribution of United States Department of Agriculture surplus commodities to the extent supplemental funding is required. Any remaining money must be allocated to state-designated and state-recognized community action agencies, Indian reservations, and the Minnesota migrant council.

The state appropriation for the temporary emergency food assistance program may be used to meet the federal match requirements.

Subd. 4. Employment and Training

5,327,000	4,526,000
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Of the money appropriated for the summer youth employment programs for fiscal year 1992, \$750,000 is immediately available. Any remaining balance of the immediately available money is available for the year in which it is appropriated. If the appropriation for either year of the biennium is insufficient, money may be transferred from the appropriation for the other year.

During the biennium ending June 30, 1993, and notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer from the dislocated worker fund to the general fund \$5,000,000 of

the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

MEED service providers may retain 75 percent of outstanding payback funds they collect to be used for the cost of collection and for program closeout activities without regard to existing cost category requirements. MEED service providers may continue to operate the program until all activities are closed out, financial reports are finalized, and participants are terminated.

Of this appropriation, \$50,000 is available in 1992 as start-up grants for the employment and education pilot program.

For the biennium ending June 30, 1993, the commissioner shall hold harmless the allocations to any program receiving funding for the displaced homemaker program that would be reduced due to any change in funding formula. In the event of increased appropriations, increases may be used in accordance with a needs-based formula.

Sec. 6. COMMISSIONER OF CORRECTIONS

163,835,000 170,779,000

The amounts that may be spent from the appropriation for each program and activity are more specifically described in the following subdivisions.

Positions and administrative money may be transferred within the department of corrections as the commissioner considers necessary, upon the advance approval of the commissioner of finance.

Any unencumbered balances remaining from fiscal year 1992 do not cancel but are available for the second year of the biennium.

For the biennium ending June 30, 1993, the commissioner of corrections may, with the approval of the commissioner of finance and upon notification of the chairs of the human resources division of the house appropriations committee and the human development division of the senate finance committee, transfer funds to or from salaries.

For the biennium ending June 30, 1993, and notwithstanding Minnesota Statutes, section 243.51, the commissioner of corrections may enter into agreements with the appropriate officials of any state, political subdivision, or the United States, for housing prisoners in Minnesota correctional facilities. Money received under the agreements is appropriated to the commissioner for correctional purposes.

The commissioner of corrections may delay filling any new department positions in order to operate within this appropriation.

The commissioner of corrections may transfer to the commissioner of human services unencumbered funds from fiscal year 1991 to accomplish the conversion of the Faribault regional treatment center to a shared campus with the department of corrections for a medium security correctional facility. The commissioner of corrections may use any additional unencumbered funds from fiscal year 1991 to renovate buildings at Faribault for the correctional facility. These funds do not cancel but are available to the commissioners of corrections and human services for both years of the biennium.

Subdivision 1. Correctional Institutions

112,941,000	119,769,000
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Subd. 2. Community Services

40,298,000 40,443,000

\$900,000 the first year and \$600,000 the second year is for the juvenile detention services program for the following purposes.

\$200,000 the first year and \$140,000 the second year are for a 24-hour temporary holdover facility subsidy (includes administrative start-up funds, operational, construction/remodeling, training, and furnishings).

\$240,000 the first year is for an eight-day temporary holdover facility subsidy (includes operational, construction/remodeling, training, and furnishings).

\$260,400 the first year and \$260,400 the second year are for 217 secure juvenile detention center beds with appropriation based on \$1,200 subsidy per bed, per year.

\$199,600 the first year and \$198,716 the second year are for administration, training, rulemaking funds, clearing-house services (requires an increase of 3.5 staff to the department of corrections, community services division; one director, one inspector, one secretary, and one half-time fiscal accounting officer).

The commissioner of corrections may transfer funds appropriated for the juvenile detention services program from one program category to another. Any unexpended money in the appropriation in the first year does not cancel but is available for the second year of the biennium.

The commissioner of finance shall adjust the base for the county probation reimbursement program, described in Minnesota Statutes, section 260.311, subdivision 5, to a level that allows the state to maintain a 50 percent reim-

bursement level to counties for the biennium beginning July 1, 1993.

During the biennium ending June 30, 1993, whenever offenders are assigned for the purpose of work under agreement with a state department or agency, local unit of government, or other government subdivision, the state department or agency, local unit of government, or other government subdivision must certify to the appropriate bargaining agent that the work performed by inmates will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits.

During the biennium ending June 30, 1993, notwithstanding Minnesota Statutes, section 609.105 or other law to the contrary, a felony offender sentenced in a community corrections act county may not be committed to the custody of the commissioner of corrections under an executed sentence of imprisonment if the time remaining in the offender's sentence, minus credit for prior imprisonment, is six months or less unless the offender's sentence was presumptively executed under the sentencing guidelines. Notwithstanding any law to the contrary, these offenders may be sentenced to imprisonment in a local jail or workhouse. The limitations of this paragraph apply to offenders whose sentences were executed at the time of sentencing and to offenders whose sentences were executed after revocation of a stayed felony sentence.

Subd. 3. Management Services

10,596,000	10,567,000
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Sec. 7. SENTENCING GUIDELINES COMMISSION

287,000	302,000
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Sec. 8. CORRECTIONS OMBUDSMAN

439,000 461,000

Sec. 9. COMMISSIONER OF HEALTH

Subdivision 1. Appropriation by Fund

General Fund 48,927,000 49,026,000

Metropolitan Landfill Contingency Fund 168,000 168,000

State Government Special Revenue Fund 505,000 563,000

Trunk Highway Fund 1,487,000 1,486,000

The appropriation from the metropolitan landfill contingency fund is for monitoring well water supplies and conducting health assessments in the metropolitan area.

The appropriation from the trunk highway fund is for emergency medical services activities.

The commissioner of health, with the approval of the commissioner of finance, may transfer appropriated funds between fiscal years and from supply and expense categories to the salary account in order to avoid layoffs.

The amounts that may be spent from this appropriation for each program and activity are more specifically described in the following subdivisions.

Subd. 2. Protective Health Services

General Fund

16,109,000 16,263,000

Metropolitan Landfill Contingency Fund

146,000 146,000

Subd. 3. Health Delivery Systems

General Fund

28,619,000	28,507,000
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State Government Special
Revenue Fund

505,000	563,000
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Trunk Highway Fund

1,401,000	1,400,000
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Notwithstanding any law to the contrary, general fund appropriations for the women, infants and children food supplement program (WIC) are available for either year of the biennium. A transfer of appropriations between fiscal years must be for the purpose of maximizing federal funds, minimizing fluctuations in the number of participants, or both.

\$500,000 of the fiscal year 1991 appropriation for the women, infants and children (WIC) program provided for in Laws 1989, chapter 282, article 1, section 9, subdivision 3, must not be encumbered, and must be allowed to cancel.

Money is appropriated from the state government special revenue fund to the commissioner of health for the costs of establishing and implementing the administrative provisions of Minnesota Statutes, sections 148B.61 to 148B.71. The costs shall be recovered through a percentage of the indirect costs charged to each and every health-related licensing board, the formula to be determined by the commissioner of health.

If the state is required to comply with United States Code, title 42, section 705, subsection (a), paragraph (3), federal funds allocated to the commissioner of health under Minnesota Statutes, section 145.882, subdivision

2, may be transferred to the commissioner of human services to purchase covered services under Minnesota Statutes, section 256.936. The commissioner of human services shall transfer an equal amount of funds appropriated for covered services under Minnesota Statutes, section 256.936 to the commissioner of health to ensure access to quality child health services under Minnesota Statutes, section 145.88.

General fund appropriations for treatment services in the services for children with handicaps program are available for either year of the biennium.

During the biennium ending June 30, 1993, and notwithstanding Minnesota Statutes, section 144A.48, subdivision 2, clause (9), the commissioner of health may issue a hospice license to a freestanding residential facility that was registered and was providing hospice services as of March 1, 1990, if that facility is licensed as a board and lodging facility, provides services to no more than six residents, meets group R, division 3 occupancy requirements and meets the fire protection provisions of chapter 21 of the 1985 Life Safety Code, NFPA 101, of the National Fire Protection Association, for facilities housing persons with impractical evacuation capabilities. Continued licensure as a hospice must be contingent on the facility's compliance with the department of health rules for hospices and for residential care facilities upon adoption of those rules.

Notwithstanding Minnesota Statutes, sections 144A.46 and 144A.49, during the biennium ending June 30, 1993, the commissioner of health shall not collect a registration fee from or charge a licensure fee to a home care provider operated by a statutory or home rule charter city, county, town, or other governmental agency. Notwithstanding

Minnesota Statutes, sections 16A.128 and 144.122, during the biennium ending June 30, 1993, the commissioner of health is not required to recover, through registration or licensure fees, the costs for the development and ongoing implementation of the home care licensure program that could be recovered through fees charged to home care providers operated by city, county, or other governmental entities.

The commissioner shall fund a statewide family planning hotline grant and shall allocate remaining family planning special project grant funds to eight regions according to a needs-based distribution formula.

The increased funding for family planning special project grants may be used only to provide grants to special projects that make available, either directly or through referral, all of the methods of contraception approved by the federal department of health and human services.

Subd. 4. Health Support Services

General Fund

4,237,000	4,286,000
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Metropolitan Landfill Contingency Fund

22,000	22,000
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Trunk Highway Fund

86,000	86,000
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Sec. 10. HEALTH-RELATED BOARDS

Subdivision 1. Total Appropriation

State Government Special Revenue Fund	5,791,000	5,913,000
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Fees generated by the health-related licensing boards or the commissioner of health under Minnesota Statutes, section 214.06, must be credited to the health occupations licensing account within the state government special revenue fund.

The commissioner of finance shall not permit the allotment, encumbrance, or expenditure of money appropriated in this section in excess of the anticipated biennial revenues from fees collected by the boards. Neither this provision nor Minnesota Statutes, section 214.06, applies to transfers from the general contingent account, if the amount transferred does not exceed the amount of surplus revenue accumulated by the transferee during the previous five years.

Unless otherwise designated, all appropriations in this section are from the state government special revenue fund.

Subd. 2. Board of Chiropractic Examiners	283,000	291,000
Subd. 3. Board of Dentistry	586,000	586,000
Subd. 4. Board of Medical Examiners	1,958,000	1,951,000

For the biennium ending June 30, 1993, fees set by the board of medical examiners pursuant to Minnesota Statutes, section 214.06, must be fixed by rule. The procedure for noncontroversial rules in Minnesota Statutes, sections 14.22 to 14.28 may be used except that, notwithstanding the requirements of Minnesota Statutes, section 14.22, paragraph (3), no public hearing may be held. The notice of intention to adopt the rules must state that no hearing will be held. This procedure may be used only when the total fees estimated for the biennium do not exceed the sum of direct appropriations, indirect costs, transfers in, and salary supplements for that purpose. A public hearing is required for adjustments of

fees spent under open appropriations of dedicated receipts.

Subd. 5. Board of Nursing	1,341,000	1,380,000
Subd. 6. Board of Examiners for Nursing Home Administrators	165,000	193,000
Subd. 7. Board of Optometry	69,000	71,000
Subd. 8. Board of Pharmacy	544,000	599,000

Deficiency: \$16,000 is appropriated for fiscal year 1991 to the board of pharmacy from the state government special revenue fund.

Subd. 9. Board of Podiatry	28,000	28,000
Subd. 10. Board of Psychology	237,000	206,000

Deficiency: \$30,000 is appropriated for fiscal year 1991 to the board of psychology from the state government special revenue fund.

Subd. 11. Board of Marriage and Family Therapy	94,000	94,000
Subd. 12. Board of Social Work	406,000	406,000
Subd. 13. Board of Veterinary Medi- cine	110,000	108,000
Sec. 11. COUNCIL ON DISABILITY	568,000	583,000
Sec. 12. COUNCIL ON BLACK MIN- NESOTANS	195,000	200,000
State Government Special Revenue Fund	22,000	23,000
Sec. 13. COUNCIL ON AFFAIRS OF SPANISH-SPEAKING PEOPLE	213,000	220,000
State Government Special Revenue Fund	22,000	23,000

During the biennium ending June 30, 1993, council publications may contain advertising. Funds derived from advertising are appropriated to the council for purposes of council publications.

For the biennium ending June 30, 1993, the council shall report to the

legislature on the revenues and expenditures from advertising by February 15 each year.

Sec. 14. COUNCIL ON ASIAN-PACIFIC MINNESOTANS	170,000	174,000
State Government Special Revenue Fund	22,000	23,000
Sec. 15. INDIAN AFFAIRS COUNCIL	354,000	365,000
State Government Special Revenue Fund	22,000	23,000
Sec. 16. COMMISSIONER OF HUMAN RIGHTS	3,214,000	3,361,000
General –	

The department of human rights may not be charged by the attorney general for legal representation on behalf of complaining parties who have filed a charge of discrimination with the department. This provision is effective retroactive to July 1, 1989. The department does not have an obligation to pay for any services rendered by the attorney general since July 1, 1985, in excess of the amounts already paid for those services.

Sec. 17. COMMISSIONER OF HOUSING FINANCE AGENCY

Subdivision 1. Total Appropriation	12,409,000	12,409,000
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Approved Complement – 139

Spending limit on cost of general administration of agency programs:

1992	1993
8,305,000	8,686,000

This appropriation is for transfer to the housing development fund for the programs specified.

\$250,000 the first year and \$250,000 the second year are for housing programs for the elderly under Minnesota

Statutes, section 462A.05, subdivision 24.

\$375,000 the first year and \$375,000 the second year are for home ownership assistance under Minnesota Statutes, section 462A.21, subdivision 8.

\$1,488,000 the first year and \$1,487,000 the second year are for tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14.

\$225,000 the first year and \$225,000 the second year are for urban Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 15, to be distributed by the agency without regard to any allocation formula.

\$4,300,000 the first year and \$4,300,000 the second year are for housing rehabilitation and accessibility loans under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a.

\$875,000 the first year and \$875,000 the second year are for special needs housing for homeless persons under Minnesota Statutes, sections 462A.05, subdivision 20, and 462A.21.

\$187,000 the first year and \$188,000 the second year are for rural and urban homesteading grants under Minnesota Statutes, sections 462A.057 and 462A.21.

\$2,084,000 the first year and \$2,084,000 the second year are for low-income rental housing under Minnesota Statutes, section 462A.21, subdivisions 8b and 8c.

\$100,000 the first year and \$100,000 the second year are for capacity build-

ing grants under Minnesota Statutes, section 462A.21, subdivision 3b.

\$25,000 the first year and \$25,000 the second year are for the home equity conversion loan counseling program under Minnesota Statutes, section 462A.28.

Any state appropriations used to meet match requirements under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, 104 Stat. 4079, must be repaid, to the extent required by federal law, to the HOME Investment Trust Fund established by the department of housing and urban development pursuant to Title II of the National Affordable Housing Act of 1990 for the state of Minnesota or for the appropriate participating jurisdiction.

\$2,500,000 the first year and \$2,500,000 the second year are for the rent assistance for the shallow rent subsidy program.

State appropriations to the Minnesota housing finance agency may be granted by the agency to cities or nonprofit organizations to the extent necessary to meet match requirements under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625, 104 Stat. 4079, provided that other program requirements are met.

Sec. 18. COMMISSIONER OF FINANCE

During the biennium ending June 30, 1993, the commissioner of finance shall forward to the chairs of the human resources division of the house appropriations committee and the human development division of the senate finance committee all reports of projected funding deficiencies in programs operated or supervised by the departments of human services, human

rights, health, jobs and training, and corrections, the housing finance agency, the councils listed in sections 11 to 15, and the offices of ombudsman for corrections and for mental health and mental retardation, the sentencing guidelines commission, the health-related boards, and the department of veterans affairs. If no deficiency funding recommendations are made by the governor, the commissioner shall notify the legislature of any projected deficiencies by February 1 of each year.

Sec. 19. TRANSFERS OF MONEY

Subdivision 1. Governor's Approval Required

For the biennium ending June 30, 1993, the commissioners of human services, human rights, corrections, jobs and training, and health, the housing finance agency, the councils listed in sections 11 to 15, and the veterans nursing homes board shall not transfer money to or from the object of expenditure "personal services" to or from the object of expenditure "grants and aid," except for services for the blind, basic client rehabilitation services, and rehabilitation services for workers' compensation recipients, and upon the written approval of the governor after consulting with the legislative advisory commission. For purposes of this subdivision, the object of expenditures are those identified in the biennial budget system, to the extent that the expenditure identified in the budget, or a modified form of it, is contained in an appropriation in this act.

Subd. 2. Transfers of Unencumbered Appropriations

For the biennium ending June 30, 1993, the commissioners of human services, human rights, corrections, health, and jobs and training, the housing finance agency, the councils listed

in sections 11 to 15, and the veterans nursing homes board, by direction of the governor after consulting with the legislative advisory commission, may transfer unencumbered appropriation balances and positions among all programs.

For the biennium ending June 30, 1993, wages for project labor may be paid by the commissioners of human services and corrections out of repairs and betterment funds if the individual is to be engaged in a construction project or repair project of a short-term and nonrecurring nature. Compensation for project labor shall be based on the prevailing wage rates, as defined in Minnesota Statutes, section 177.42, subdivision 6. Project laborers are excluded from the provisions of Minnesota Statutes, sections 43A.22 to 43A.30, and shall not be eligible for state-paid insurance and benefits.

Sec. 20. PROVISIONS

For the biennium ending June 30, 1993, money appropriated to the commissioner of corrections, the commissioner of human services, and the veterans nursing home board in this act for the purchase of provisions within the item "current expense" must be used solely for that purpose. Money provided and not used for purchase of provisions must be canceled into the fund from which appropriated, except that money provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of medical and hospital supplies with the written approval of the governor after consulting with the legislative advisory commission.

The allowance for food may be adjusted annually according to the United States Department of Labor, Bureau of Labor Statistics publication, producer

price index, with the approval of the commissioner of finance. Adjustments for fiscal year 1992 and fiscal year 1993 must be based on the June 1991 and June 1992 producer price index respectively, but the adjustment must be prorated if the wholesale food price index adjustment would require money in excess of this appropriation.

ARTICLE 2

HEALTH DEPARTMENT

Section 1. Minnesota Statutes 1990, section 15.46, is amended to read:

15.46 [PREVENTIVE HEALTH SERVICES FOR STATE EMPLOYEES.]

The commissioner of the department of employee relations may establish and operate a program of preventive health services for state employees, and shall provide such staff, equipment, and facilities as are necessary therefor. The commissioner shall develop these services in accordance with the accepted practices of and standards for occupational preventive health services in the state of Minnesota. Specific services shall be directed to the work environment and to the health of the employee in relation to the job. The commissioner shall cooperate with the department of health as well as other private and public community agencies providing health, safety, employment, and welfare services. A county may establish and operate a program of preventive health and employee recognition services for county employees and may provide necessary staff, equipment, and facilities and may expend funds as necessary to achieve the objectives of the program.

Sec. 2. Minnesota Statutes 1990, section 103I.235, is amended to read:

103I.235 [SALE OF PROPERTY WHERE WELLS ARE LOCATED.]

Subdivision 1. [DISCLOSURE OF WELLS TO BUYER.] (a) Before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer information about the status and location of all known wells on the property, by delivering to the buyer either a statement by the seller that the seller does not know of any wells on the property, or a disclosure statement indicating the legal description and county, and a map drawn from available information showing the location of each well to the extent

practicable. In the disclosure statement, the seller must indicate, for each well, whether the well is in use, not in use, or sealed.

(b) At the time of closing of the sale, the disclosure statement information and the quartile, section, township, and range in which each well is located must be provided on a well disclosure certificate signed by the seller or a person authorized to act on behalf of the seller. A well certificate need not be provided if the closing occurs before November 1, 1990, or the seller does not know of any wells on the property and, a well disclosure certificate is not required; however, the deed or other instrument of conveyance contains must contain the statement: "The Seller certifies that the Seller does not know of any wells on the described real property."

If a deed is given pursuant to a contract for deed, the well disclosure certificate required by this subdivision shall be signed by the buyer or a person authorized to act on behalf of the buyer. If the buyer knows of no wells on the property, a well disclosure certificate is not required; however, the deed or other instrument of conveyance must contain the statement: "The purchaser certifies the purchaser does not know of any wells on the property."

(c) This subdivision does not apply to the sale, exchange, or transfer of real property:

(1) that consists solely of a sale or transfer of severed mineral interests; or

(2) that consists of an individual condominium unit as described in chapters 515 and 515A.

(d) For an area owned in common under chapter 515 or 515A the association or other responsible person must report to the commissioner by January 1, 1992, the location and status of all wells in the common area. The association or other responsible person must notify the commissioner within 30 days of any change in the reported status of wells.

(e) (e) If the seller fails to provide a required well disclosure certificate, the buyer, or a person authorized to act on behalf of the buyer, may sign a well disclosure certificate based on the information provided on the disclosure statement required by this section or based on other available information.

(d) (f) A county recorder or registrar of titles may not record a deed or other instrument of conveyance dated after October 31, 1990, for which a certificate of value is required under section 272.115, or any deed or other instrument of conveyance dated after October 31, 1990, from a governmental body exempt from the payment of state deed tax, unless the deed or other instrument of conveyance either

contains the statement "The Seller certifies that the Seller does not know of any wells on the described real property," or is accompanied by the well disclosure certificate required by this subdivision. The county recorder or registrar of titles shall note on each deed or other instrument of conveyance accompanied by a well disclosure certificate that the well disclosure certificate was received. The well disclosure certificate shall not be filed or recorded in the records maintained by the county recorder or registrar of titles. The county recorder or registrar of titles shall transmit the well disclosure certificate to the commissioner of health within 15 days after receiving the well disclosure certificate. The commissioner shall maintain the well disclosure certificate for at least six years. The commissioner may store the certificate as an electronic image. A copy of that image shall be as valid as the original. The commissioner shall charge the buyer of the property a fee of \$10 for the processing of the well disclosure certificate.

(e) (g) The commissioner in consultation with county recorders shall prescribe the form for a well disclosure certificate and provide well disclosure certificate forms to county recorders and registrars of titles and other interested persons.

(f) (h) Failure to comply with a requirement of this subdivision does not impair:

(1) the validity of a deed or other instrument of conveyance as between the parties to the deed or instrument or as to any other person who otherwise would be bound by the deed or instrument; or

(2) the record, as notice, of any deed or other instrument of conveyance accepted for filing or recording contrary to the provisions of this subdivision.

Subd. 2. [LIABILITY FOR FAILURE TO DISCLOSE.] Unless the buyer and seller agree to the contrary, in writing, before the closing of the sale, a seller who fails to disclose the existence or known status of a well at the time of sale and knew or had reason to know of the existence or known status of the well, is liable to the buyer for costs relating to sealing of the well and reasonable attorney fees for collection of costs from the seller, if the action is commenced within six years after the date the buyer closed the purchase of the real property where the well is located.

Sec. 3. [144.99] [SPECIAL ACCOUNT; PURPOSE.]

A special account is created within the department of health, to be known as the special account for pediatric access and training. The purpose of this account is to meet the changing health needs of Minnesota infants, children, and adolescents through the comprehensive training of pediatricians, with emphasis on those medical and psychosocial conditions encountered in outpatient practice,

where most care is provided today. All money in the account is annually appropriated to the department of pediatrics, University of Minnesota school of medicine. Money in the account is to be used by the department of pediatrics to implement section 4.

Sec. 4. [144.991] [PROGRAM FOR PEDIATRIC ACCESS AND TRAINING.]

Subdivision 1. [GOALS.] The department of pediatrics in the University of Minnesota school of medicine shall administer a program for pediatric access and training. The goals of this program shall be to graduate pediatricians who:

(1) have the expertise necessary to supervise the health maintenance of infants, children, and adolescents, and treat their illnesses and disabilities in both outpatient and inpatient settings;

(2) have an interest in practicing in rural and small urban areas of the state where they are able to serve as consultants for family physicians; and

(3) as part of their practice in rural, or small urban areas, can manage conditions that are currently referred to pediatricians in large urban settings.

Subd. 2. [PROGRAM COMPONENTS.] (a) Components of the program shall include, but are not limited to:

(1) specialized training in a variety of outpatient settings;

(2) recruitment of individuals with a high probability of establishing a pediatric practice in a rural or small urban, nonmetropolitan, setting;

(3) rural training rotations; and

(4) development of peer support mechanisms for rural pediatric practitioners.

(b) The specialized training must provide pediatric trainees with substantial experience in the evaluation and management of the following conditions:

(1) disability due to birth defects and other severe illnesses of early infancy;

(2) chronic childhood disease and disability;

(3) child neglect and abuse;

(4) health problems prevalent among underserved infants and youth;

(5) physical and intellectual impairments;

(6) educational and behavioral disabilities;

(7) adolescent nutrition, pregnancy, and substance abuse; and

(8) childhood and adolescent disease and injury prevention.

Sec. 5. Minnesota Statutes 1990, section 144A.51, subdivision 5, is amended to read:

Subd. 5. "Health facility" means a facility or that part of a facility which is required to be licensed pursuant to sections 144.50 to 144.58, ~~and~~ a facility or that part of a facility which is required to be licensed under any law of this state which provides for the licensure of nursing homes, and a residential care home licensed under sections 144B.10 to 144B.17.

Sec. 6. Minnesota Statutes 1990, section 144A.53, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] The director may:

(a) Promulgate by rule, pursuant to chapter 14, and within the limits set forth in subdivision 2, the methods by which complaints against health facilities, health care providers, home care providers, or administrative agencies are to be made, reviewed, investigated, and acted upon; provided, however, that a fee may not be charged for filing a complaint.

(b) Recommend legislation and changes in rules to the state commissioner of health, legislature, governor, administrative agencies or the federal government.

(c) Investigate, upon a complaint or upon initiative of the director, any action or failure to act by a health care provider, home care provider, or a health facility.

(d) Request and receive access to relevant information, records, incident reports, or documents in the possession of an administrative agency, a health care provider, a home care provider, or a health facility, and issue investigative subpoenas to individuals and facilities for oral information and written information, including privileged information which the director deems necessary for the discharge of responsibilities. For purposes of investigation and securing information to determine violations, the director need not present a release, waiver, or consent of an individual. The identities

of patients or residents must be kept private as defined by section 13.02, subdivision 12.

(e) Enter and inspect, at any time, a health facility and be permitted to interview staff; provided that the director shall not unduly interfere with or disturb the provision of care and services within the facility or the activities of a patient or resident unless the patient or resident consents.

(f) Issue a correction order pursuant to section 144.653 or any other law which provides for the issuance of correction orders to health care facilities or home care provider, or under section 144A.45. A facility's refusal to cooperate in providing lawfully requested information may also be grounds for a correction order.

(g) Recommend the certification or decertification of health facilities pursuant to Title XVIII or XIX of the United States Social Security Act.

(h) Assist patients or residents of health facilities in the enforcement of their rights under Minnesota law.

(i) Work with administrative agencies, health facilities, home care providers, and health care providers and organizations representing consumers on programs designed to provide information about health facilities to the public and to health facility residents.

Sec. 7. [144B.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 144B.01 to 144B.17, the following terms have the meanings given them in this section.

Subd. 2. [ADULT.] "Adult" means a person who has attained the age of 18 years.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of health or the commissioner's designee.

Subd. 4. [DEPARTMENT.] "Department" means the Minnesota department of health.

Subd. 5. [RESIDENTIAL CARE HOME OR HOME.] "Residential care home" or "home" means an establishment with a minimum of five beds, 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.

Subd. 6. [SUPPORTIVE SERVICES.] "Supportive services" means the provision of supervision and minimal assistance with independent living skills. Supportive services include assistance with transportation, arranging for meetings and appointments, arranging for medical and social services, help with laundry, managing money, and personal shopping assistance. In addition, supportive services include, if needed, assistance with walking, grooming, dressing, eating, bathing, toileting, and providing reminders to residents to take medications. Supportive services also include other health-related support services identified by the commissioner in rule.

Sec. 8. [144B.02] [LICENSE REQUIRED.]

No person, partnership, association, or corporation, nor any state, county, or local governmental units, nor any division, department, board, or agency shall establish, operate, conduct, or maintain in the state any residential care home without first obtaining a license as required in sections 144B.01 to 144B.17. No person or entity shall advertise a home providing services required to be licensed under sections 144B.01 to 144B.17 without first obtaining a license. A violation of this section is a misdemeanor punishable by a fine of not more than \$300. The commissioner may seek an injunction in the district court against the continuing operation of the unlicensed home. Proceedings for securing an injunction may be brought by the attorney general or by the appropriate county attorney. The sanctions in this section do not restrict other available sanctions.

Sec. 9. [144B.03] [LICENSE APPLICATION.]

Subdivision 1. [LICENSE PROCEDURES.] The commissioner shall by rule establish forms and procedures for processing residential care home license applications. An application for a residential care home license shall include:

(1) the name and address of the licensee and the manager of the home to be licensed;

(2) the address of the home; and

(3) any other relevant information which the commissioner by rule may determine is necessary to properly evaluate an application for license.

An applicant for licensure which is a corporation shall submit copies of its articles of incorporation and bylaws and any amendments as they occur, together with the names and addresses of its officers and directors. An applicant for licensure which is a foreign corporation shall furnish the commissioner with a copy of its certificate of authority to do business in this state. The application of a corporation, association, or a governmental unit or instrumentality shall be signed by at least two officers or managing agents of that entity.

Subd. 2. [AGENTS IDENTIFIED.] Each application for a residential care home license or for renewal of a residential care home license shall specify one or more individuals or employees as agents:

(1) who shall be responsible for dealing with the commissioner on all matters provided for in sections 144B.01 to 144B.17; and

(2) on whom personal service of all notices and orders shall be made, and who shall be authorized to accept service on behalf of the licensee.

Notwithstanding any law to the contrary, personal service on the designated person or persons named in an application shall be deemed to be service on the licensee, and it shall not be a defense to any action arising, that personal service was not made on each individual. The designation of one or more individuals pursuant to this subdivision shall not affect the legal responsibility of the licensee under sections 144B.01 to 144B.17.

Sec. 10. [144B.04] [FEES.]

Each application for a license to operate a residential care home, or for a renewal of license, shall be accompanied by a fee established by the commissioner according to section 144.122. No fee shall be refunded. The fee established must include an amount necessary to recover, over a five-year period, the commissioner's direct expenditures for adoption of the residential care home rules.

Sec. 11. [144B.05] [QUALIFICATIONS FOR LICENSE.]

Subdivision 1. [COMPLIANCE REQUIRED.] No license shall be

issued to a home unless the commissioner of health determines that the home complies with the requirements of this chapter.

Subd. 2. [APPLICATION REQUIRED.] The applicant for a license under sections 144B.01 to 144B.17 must comply with the application requirements specified by section 144B.03.

Subd. 3. [HEALTH; SAFETY STANDARDS.] The home must meet the minimum health, safety, comfort, and well-being standards prescribed by the rules of the commissioner with respect to the construction, equipment, maintenance, and operation of a residential care home.

Subd. 4. [LICENSURE CONDITIONS OR LIMITATIONS.] The commissioner may attach to the license any conditions or limitations necessary to assure compliance with the laws or rules governing the operation of the home or to protect the health, safety, comfort, or well-being of the residents. A condition or limitation may be attached to the license when first issued, when renewed, or during the course of the licensure year. The commissioner shall adopt rules governing the procedures for issuing conditions or limitations.

Sec. 12. [144B.06] [LICENSE RENEWAL.]

Unless the license is suspended or revoked according to section 144B.08, a residential care home license is effective for one year from the date of its issuance. The commissioner shall by rule establish forms and procedures for the processing of license renewals. The commissioner shall approve a license renewal application if the home continues to satisfy the requirements, standards, and conditions of sections 144B.01 to 144B.17, and the rules adopted under those sections.

Sec. 13. [144B.07] [TRANSFERABILITY OF LICENSE.]

Subdivision 1. [TRANSFERS PROHIBITED; CHANGE OF OWNERSHIP.] A license shall be issued only for the premise identified in the application for license and may not be transferred or assigned to another party. Prior to any change of licensee of a home, the prospective licensee must apply for a license according to subdivision 2. "Change of licensee" means a transfer of the legal responsibility to operate the home to a different individual or entity.

Subd. 2. [NOTIFICATION.] At least 60 days prior to the final change of license, the prospective licensee shall notify the department of the intended change of licensee and shall file an application for a license. The original licensee shall notify the department of the intended change at least 90 days prior to the change. The original licensee remains responsible for the operation of the home until the

date a new license is issued by the department. The original licensee is liable for all penalties assessed against the home and for all violations occurring prior to the transfer of operation. The commissioner may not issue a license to the prospective licensee if, at the time of the requested transfer, there are any uncorrected violations of sections 144B.01 to 144B.17 or rules adopted under those sections unless the commissioner determines that the violations will not create an imminent risk of harm to the residents and that the prospective licensee has submitted an acceptable plan of correction to the commissioner.

Sec. 14. [144B.08] [LICENSE SUSPENSION, REVOCATION, OR REFUSAL TO ISSUE; HEARING; RELICENSING.]

Subdivision 1. [PROCEEDINGS.] The commissioner may institute proceedings to suspend or revoke a residential care home license, or may refuse to grant or renew the license of a residential care home if any action by a licensee or employee of the residential care home:

(1) violates any of the provisions of sections 144B.01 to 144B.17, or the rules adopted under those sections;

(2) permits, aids, or abets the commission of any illegal act in the residential care home or relating to the operation of the home;

(3) performs any act contrary to the welfare of the residential care home; or

(4) obtains, or attempts to obtain, a license by fraudulent means or misrepresentation.

Subd. 2. [HEARING.] No residential care home license may be suspended or revoked, and renewal may not be denied, without a hearing held as a contested case in accordance with chapter 14. If the individual designated under section 144B.03, subdivision 2, as an agent to accept service on behalf of the licensee has been notified by the commissioner that the home will not receive an initial license or that a license renewal has been denied, the licensee or a legal representative on behalf of the residential care home may request and receive a hearing on the denial. This hearing shall be held as a contested case in accordance with chapter 14.

Subd. 3. [MANDATORY REVOCATION OR REFUSAL TO ISSUE A LICENSE.] Notwithstanding subdivision 2, the commissioner shall revoke or refuse to issue a residential care home license if the applicant, licensee, or manager of the licensed home is convicted of a felony or gross misdemeanor that is punishable by a term of imprisonment of not more than 90 days and that relates to operation of the residential care home or directly affects resident safety or

care. The commissioner shall notify the residential care home 30 days before the date of revocation.

Subd. 4. [RELICENSING.] If a residential care home license is revoked, a new application for license may be considered by the commissioner when the conditions upon which revocation was based have been corrected and satisfactory evidence of this fact has been furnished to the commissioner. A new license may be granted after an inspection has been made and the home has been found to comply with all provisions of sections 144B.01 to 144B.17, and the rules adopted under those sections.

Sec. 15. [144B.09] [RULES.]

The commissioner shall establish by rule minimum standards for the construction, maintenance, equipping, and operation of residential care homes. To the extent possible, the rules shall assure the health, safety, comfort, and well-being of residential care home residents. The rules shall include, but not be limited to the following provisions:

- (1) the supportive services that can be provided;
- (2) special service permit requirements for medication or other supportive services;
- (3) staffing requirements;
- (4) training and qualifications of staff;
- (5) criteria for admission and continued stay of a resident;
- (6) resident rights;
- (7) fire safety and physical plant requirements that are based on the size of the home, and the resident's ability to ambulate, taking into consideration the need for differing standards for existing physical plants and for new construction; and
- (8) procedures for granting variances or waivers from the rules.

Sec. 16. [144B.10] [INSPECTIONS; ENFORCEMENT.]

Subdivision 1. [ENFORCEMENT.] The department is the exclusive state agency charged with the responsibility and duty of inspecting all homes required to be licensed under sections 144B.01 to 144B.17. The commissioner shall enforce its rules subject only to the authority of the department of public safety respecting the enforcement of fire and safety standards in licensed residential care homes.

Subd. 2. [PERIODIC INSPECTION.] (a) All homes required to be licensed under sections 144B.01 to 144B.17 shall be periodically inspected by the commissioner to ensure compliance with rules and standards. Inspections shall occur at different times throughout the calendar year.

(b) Within the limits of the resources available to the commissioner, the commissioner shall conduct inspections and reinspections with a frequency and in a manner calculated to produce the greatest benefit to residents. In performing this function, the commissioner may devote proportionately more resources to the inspection of those homes in which conditions present the most serious concerns with respect to resident health, safety, comfort, and well-being, including: (1) change in ownership; (2) frequent change in management or staff; (3) complaints about care, safety, or rights; (4) previous inspections or reinspections which have resulted in correction orders related to care, safety, or rights; and (5) indictment of persons involved in ownership or operation of the home for alleged criminal activity.

(c) A home that does not have any of the conditions in paragraph (b) or any other condition established by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years.

Subd. 3. [AUTHORITY.] The commissioner may request and must be given access to relevant information, records, incident reports, or other documents in the possession of a home if the commissioner considers them necessary for the discharge of responsibilities. For the purposes of inspections and securing information to determine compliance with the licensure laws and rules, the commissioner need not present a release, waiver, or consent of the individual. The identities of patients or residents must be kept private as defined by section 13.02, subdivision 12.

Subd. 4. [INSPECTIONS WITHOUT NOTICE.] No prior notice shall be given of an inspection or reinspection conducted under this section.

Subd. 5. [CORRECTION ORDERS.] Whenever a duly authorized representative of the commissioner determines that a home is not in compliance with the provisions of this chapter or the rules adopted under it, a correction order shall be issued to the home. The correction order shall state the deficiency, cite the specific law or rule violated, and specify the time allowed for correction.

Subd. 6. [REINSPECTIONS; FINES.] If, upon reinspection, it is found that the home has not corrected deficiencies specified in the correction order, a notice of noncompliance shall be issued stating all deficiencies not corrected. Unless a hearing is requested under subdivision 8, the home shall forfeit to the state, within 15 days

after receiving the notice of noncompliance, up to \$1,000 for each deficiency not corrected. For each subsequent reinspection, the home may be fined an additional amount for each deficiency which has not been corrected. All forfeitures shall be paid into the general fund. The commissioner shall adopt by rule a schedule of fines applicable for each type of uncorrected deficiency.

Subd. 7. [RECOVERY.] Any unpaid forfeitures may be recovered by the attorney general.

Subd. 8. [HEARINGS.] A licensee is entitled to a hearing on any notice of noncompliance provided that the licensee makes a written request within 15 days after receiving the notice of noncompliance. Failure to request a hearing shall result in the forfeiture of a penalty as determined by the commissioner according to subdivision 6. During the hearing and review process a request for a hearing shall operate as a stay of the payment of any forfeiture provided for in this section. The hearing shall be conducted as a contested case proceeding under the provisions of chapter 14.

Subd. 9. [RECORDS OF INSPECTIONS.] After each inspection or reinspection required or authorized by this section, the commissioner shall, by certified mail, send copies of any correction order or notice of noncompliance to the home. A copy of each correction order and notice of noncompliance shall be kept on file at the home and shall be made available for viewing by any person upon request.

Subd. 10. [POWERS NOT LIMITED.] Nothing in this section shall be construed to limit the powers granted to the commissioner in this chapter.

Sec. 17. [144B.11] [INJUNCTIVE RELIEF; SUBPOENAS.]

Subdivision 1. [INJUNCTIVE RELIEF.] In addition to any other remedy provided by law, the commissioner may bring an action in the district court in Ramsey or Hennepin county or in the district in which a home is located to enjoin the licensee or an employee of the home from illegally engaging in activities regulated by sections 144B.01 to 144B.17. A temporary restraining order may be granted by the court in the proceeding if continued activity by the licensee or employee would create an imminent risk of harm to a resident of the facility.

Subd. 2. [SUBPOENAS.] In all matters pending before the commissioner under sections 144B.01 to 144B.17, the commissioner shall have the power to issue subpoenas, and to compel the attendance of witnesses and the production of all necessary papers, books, records, documents, and other evidentiary material. Any person failing or refusing to appear or testify regarding any matter about which that person may be lawfully questioned or refusing to produce any papers, books, records, documents, or evidentiary materials in

the matter to be heard, after having been required by order of the commissioner or by a subpoena of the commissioner to do so may, upon application by the commissioner to the district court in any district, be ordered by the court to comply with the subpoena or order. The commissioner may issue subpoenas and may administer oaths to witnesses, or take their affirmation. Depositions may be taken within or without the state in the manner provided by law for the taking of depositions in civil actions, with the same fees and mileage and in the same manner as prescribed by law for process issued out of the district court of this state. Fees and mileage and other costs for persons subpoenaed by the commissioner shall be paid in the same manner as for proceedings in district court.

Sec. 18. [144B.12] [PLACEMENT OF A MONITOR.]

Subdivision 1. [AUTHORITY.] The commissioner may place a person to act as a monitor in a residential care home when the commissioner determines that violations of this chapter, or the rules adopted under it, require extended surveillance to enforce compliance or to protect the health, safety, or welfare of the residents.

Subd. 2. [DUTIES OF THE MONITOR.] The monitor shall observe the operation of the home, provide advice to the home on methods of complying with state law and rules, where documented deficiencies for the regulations exist, and periodically shall submit a written report to the commissioner on the ways in which the home meets or fails to meet state rules.

Subd. 3. [SELECTION OF THE MONITOR.] The commissioner may select as monitor an employee of the department or may contract with any other individual to serve as a monitor. The commissioner shall publish a notice in the State Register that requests proposals from individuals who wish to be considered for placement as monitors and that sets forth the criteria for selecting individuals as monitors. The commissioner shall maintain a list of individuals who are not employees of the department who are interested in serving as monitors. The commissioner may contract with those individuals determined to be qualified.

Subd. 4. [PAYMENT OF THE MONITOR.] A residential care home in which a monitor is placed shall pay to the department the actual costs associated with the placement, unless the payment would create an undue hardship for the home.

Sec. 19. [144B.13] [FREEDOM FROM ABUSE AND NEGLECT.]

Residents shall be free from abuse and neglect as defined in section 626.557, subdivision 2. The commissioner shall by rule develop procedures for the reporting of alleged incidents of abuse or neglect in residential care homes. The office of health facility

complaints shall investigate reports of alleged abuse or neglect according to sections 144A.51 to 144A.54.

Sec. 20. [144B.14] [CESSATION OF OPERATIONS.]

If a residential care home voluntarily plans to cease operations or to curtail operations to the extent that relocation of residents is necessary, the licensee of the home shall notify the commissioner at least 90 days prior to the scheduled cessation or curtailment. The commissioner shall cooperate with and advise the licensee of the home in the resettlement of residents. Failure to comply with this section shall be subject to the issuance of a correction order and fine under section 144B.10.

Sec. 21. [144B.15] [HUMAN SERVICES LICENSURE EXCLUSION.]

Notwithstanding section 245A.03, subdivision 2, board and lodging establishments licensed by the commissioner and registered under section 157.031, subdivision 2, that provide services for five or more persons whose primary diagnosis is mental illness and who have refused a residential program offered by a county agency are exempt from licensure under sections 245A.01 to 245A.16, until one year after the residential care home licensure rules required under sections 144B.01 to 144B.17 are adopted by the commissioner of health. At that time, these establishments shall be licensed under sections 245A.01 to 245A.16, or as residential care homes.

Sec. 22. [144B.16] [TRANSITIONAL PERIOD.]

Except as provided for in section 157.031, subdivision 4, the requirement to obtain a residential care home license is effective as of the effective date of the rules adopted by the commissioner. Until that time, board and lodging establishments that are required to be registered under the provisions of section 157.031 shall continue to meet the requirements contained in that section.

Sec. 23. [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 144B.01 to 144B.16. The work group must include consumers and providers of the services described in sections 144B.01 to 144B.16 and other interested parties.

Sec. 24. Minnesota Statutes 1990, section 144.335, subdivision 1, is amended to read:

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

(a) "Patient" means a natural person who has received health care services from a provider for treatment or examination of a medical, psychiatric, or mental condition, the surviving spouse and parents of a deceased patient, or a person the patient designates in writing as a representative. Except for minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, patient includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) "Provider" means (1) any person who furnishes health care services and is licensed to furnish the services pursuant to chapter 147, 148, 148B, 150A, 151, or 153; (2) a home care provider licensed under section 144A.46; ~~and~~ (3) a health care facility licensed pursuant to this chapter or chapter 144A; and (4) an unlicensed mental health practitioner regulated pursuant to sections 148B.60 to 148B.71.

Sec. 25. Minnesota Statutes 1990, section 145.925, is amended by adding a subdivision to read:

Subd. 9. Notwithstanding any rules to the contrary, including rules proposed in the State Register on April 1, 1991, the commissioner, in allocating grant funds for family planning special projects, shall not limit the total amount of funds that can be allocated to an organization that has submitted applications from more than one region, except that no more than \$75,000 may be allocated to any grantee within a single region. For two or more organizations who have submitted a joint application, that limit is \$75,000 for each organization. This subdivision does not affect any procedure established in rule for allocating special project money to the different regions. The commissioner shall revise the rules for family planning special project grants so that they conform to the requirements of this subdivision. In adopting these revisions, the commissioner is not subject to the rulemaking provisions of chapter 14, but is bound by section 14.38, subdivision 7.

Sec. 26. Minnesota Statutes 1990, section 148B.01, subdivision 7, is amended to read:

Subd. 7. **[REGULATED INDIVIDUAL LICENSEE.]** "Regulated individual Licensee" means a person licensed by the board of social work or the board of marriage and family therapy, ~~or required to file with the board of unlicensed mental health service providers.~~

Sec. 27. Minnesota Statutes 1990, section 148B.03, is amended to read:

148B.03 [APPLICABILITY.]

Sections 148B.04 to 148B.17 apply to all of the social work and mental health boards the board of social work and the board of marriage and family therapy, and the regulated individuals licensees within their respective jurisdictions, unless superseded by an inconsistent law that relates specifically to a particular board.

Sec. 28. Minnesota Statutes 1990, section 148B.04, subdivision 4, is amended to read:

Subd. 4. [EXCHANGE OF INFORMATION.] The boards shall exchange information with other boards, agencies, or departments within the state, as required under section 214.10, subdivision 8, paragraph (d), and may release information in the reports required under section 148B.02.

Sec. 29. Minnesota Statutes 1990, section 148B.05, subdivision 1, is amended to read:

Subdivision 1. [ADVERSE ACTION BY A BOARD.] A suspension, revocation, condition, limitation, qualification, or restriction of a regulated an individual's license, filing, or right to practice is in effect pending determination of an appeal unless the court, upon petition and for good cause shown, orders otherwise. The right to provide services is automatically suspended if (1) a guardian of the person of a regulated individual licensee is appointed by order of a probate court pursuant to sections 525.54 to 525.61, for reasons other than the minority of the individual licensee, or (2) the individual licensee is committed by order of a probate court pursuant to chapter 253B or sections 526.09 to 526.11. The right to provide services remains suspended until the individual licensee is restored to capacity by a court and, upon petition by the individual licensee, the suspension is terminated by the board after a hearing. In its discretion, a board may restore and reissue permission to provide services, but as a condition thereof may impose any disciplinary or corrective measure that it might originally have imposed.

Sec. 30. Minnesota Statutes 1990, section 148B.06, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE REQUIRED.] A board may not issue or renew a filing license if the commissioner of revenue notifies the board and the regulated individual licensee or applicant for a license or filing that the individual licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. A board may issue or renew a license or filing only if the commissioner of revenue issues a tax clearance certificate and the commissioner of revenue or the individual licensee or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the individual licensee or applicant does not owe

the state any uncontested delinquent taxes. For purposes of this section, "taxes" means all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes. "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the ~~regulated individual~~ licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

Sec. 31. Minnesota Statutes 1990, section 148B.06, subdivision 3, is amended to read:

Subd. 3. [INFORMATION REQUIRED.] The boards shall require all ~~regulated individuals~~ licensees or applicants to provide their social security number and Minnesota business identification number on all license or ~~filing~~ applications. Upon request of the commissioner of revenue, the board of social work and the board of marriage and family therapy must provide to the commissioner of revenue a list of all ~~regulated individuals~~ licensees and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the individuals licensees and applicants no more than once each calendar year.

Sec. 32. Minnesota Statutes 1990, section 148B.07, subdivision 1, is amended to read:

Subdivision 1. [PERMISSION TO REPORT.] A person who has knowledge of any conduct constituting grounds for discipline or adverse action relating to licensure or ~~filing unlicensed practice~~ under this chapter may report the violation to the appropriate board.

Sec. 33. Minnesota Statutes 1990, 148B.07, subdivision 3, is amended to read:

Subd. 3. [PROFESSIONAL SOCIETIES.] A state or local professional society for ~~regulated individuals~~ licensees shall report to the appropriate board any termination, revocation, or suspension of membership or any other disciplinary or adverse action taken against a ~~regulated individual~~ licensee. If the society has received a complaint that might be grounds for discipline under this chapter against a member on which it has not taken any disciplinary or adverse action, the society shall report the complaint and the reason why it has not taken action on it or shall direct the complainant to the appropriate board.

Sec. 34. Minnesota Statutes 1990, section 148B.07, subdivision 4, is amended to read:

Subd. 4. ~~[REGULATED INDIVIDUALS AND LICENSED PROFESSIONALS.] A regulated individual or a~~ licensed health professional shall report to the appropriate board personal knowledge of any conduct that the ~~regulated individual or~~ licensed health professional reasonably believes constitutes grounds for disciplinary or adverse action under this chapter by any ~~regulated individual~~ licensee, including conduct indicating that the ~~individual~~ licensee may be medically incompetent, or may be medically or physically unable to engage safely in the provision of services. ~~If the information was obtained in the course of a client relationship, the client is another regulated individual licensee, and the treating individual successfully counsels the other individual to limit or withdraw from practice to the extent required by the impairment, the board may deem this limitation of or withdrawal from practice to be sufficient disciplinary action.~~

Sec. 35. Minnesota Statutes 1990, section 148B.07, subdivision 7, is amended to read:

Subd. 7. ~~[SELF-REPORTING.] A regulated individual licensee shall report to the appropriate board or to the office of mental health practice any personal action that would require that a report be filed with the board by any person, health care facility, business, or organization pursuant to subdivisions 2 to 6.~~

Sec. 36. Minnesota Statutes 1990, section 148B.07, subdivision 8, is amended to read:

Subd. 8. ~~[DEADLINES; FORMS.] Reports required by subdivisions 2 to 7 must be submitted not later than 30 days after the occurrence of the reportable event or transaction. The boards and the office of mental health practice may provide forms for the submission of reports required by this section, may require that reports be submitted on the forms provided, and may adopt rules necessary to assure prompt and accurate reporting.~~

Sec. 37. Minnesota Statutes 1990, 148B.07, subdivision 9, is amended to read:

Subd. 9. ~~[SUBPOENAS.] The boards and the office of mental health practice may issue subpoenas for the production of any reports required by subdivisions 2 to 7 or any related documents.~~

Sec. 38. Minnesota Statutes 1990, section 148B.08, is amended to read:

148B.08 [IMMUNITY.]

Subdivision 1. ~~[REPORTING.] Any person, health care facility, business, or organization is immune from civil liability or criminal~~

prosecution for submitting a report to a board under section 148B.07 or for otherwise reporting to the board violations or alleged violations of this chapter. All the reports are confidential and absolutely privileged communications.

Subd. 2. [INVESTIGATION.] Members of the boards of social work, and marriage and family therapy, and ~~unlicensed mental health professionals~~, and persons employed by the ~~office~~ boards or engaged in the investigation of violations and in the preparation and management of charges of violations of this chapter on behalf of the ~~office or~~ boards, are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.

Sec. 39. Minnesota Statutes 1990, section 148B.12, is amended to read:

148B.12 [MALPRACTICE HISTORY.]

Subdivision 1. [SUBMISSION.] ~~Regulated individuals~~ Licensees or applicants for licensure who have previously practiced in another state shall submit with their filing or application the following information:

(1) number, date, and disposition of any malpractice settlement or award made to the plaintiff or other claimant relating to the quality of services provided by the ~~regulated individual licensee or applicant~~; and

(2) number, date, and disposition of any civil litigations or arbitrations relating to the quality of services provided by the ~~regulated individual licensee or applicant~~ in which the party complaining against the ~~individual licensee or applicant~~ prevailed or otherwise received a favorable decision or order.

Subd. 2. [BOARD ACTION.] The board shall give due consideration to the information submitted under this section. A ~~regulated individual~~ licensee or applicant for licensure who willfully submits incorrect information is subject to disciplinary action under this chapter.

Sec. 40. Minnesota Statutes 1990, section 148B.17, is amended to read:

148B.17 [FEES.]

Each board shall by rule establish fees, including late fees, for licenses ~~or filings~~ and renewals so that the total fees collected by the board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128, ~~plus the~~

~~prorated costs of the office of social work and mental health boards.~~
Fees must be credited to accounts in the special revenue fund.

Sec. 41. [148B.175] [COMPLAINTS; INVESTIGATION AND HEARING.]

Subdivision 1. [FORMS OF DISCIPLINARY ACTION.] When grounds for disciplinary action exist under section 214.10, or statute or rule enforced by the board, it may take one or more of the following disciplinary actions:

- (1) deny the right to practice;
- (2) revoke the right to practice;
- (3) suspend the right to practice;
- (4) impose limitations on the practice of the licensee;
- (5) impose conditions on the practice of the licensee;

(6) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the licensee of any economic advantage gained by reason of the violation charged, or to discourage repeated violations;

(7) impose a fee to reimburse the board for all or part of the cost of the proceedings resulting in disciplinary action including, but not limited to, the amount paid by the board for services from the office of administrative hearings, attorney fees, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and expense incurred by board members and staff;

(8) censure or reprimand the licensee; or

(9) take any other action justified by the facts of the case.

Subd. 2. [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the board may, acting through its designated board member and without a hearing, temporarily suspend the right of a licensee to practice if the board member finds that the licensee has violated a statute or rule that the board is empowered to enforce and that continued practice by the licensee would create a serious risk of harm to others. The suspension is in effect upon service of a written order on the licensee specifying the statute or rule violated. The order remains in effect until the board issues a final order in the matter after a hearing or upon agreement between the board and the licensee. Service of the order is effective if the order is served on the licensee or counsel of record personally or by first class mail to the most recent address provided to the board for

the licensee or the counsel of record. Within ten days of service of the order, the board shall hold a hearing before its own members on the sole issue of whether there is a reasonable basis to continue, modify, or lift the suspension. Evidence presented by the board or licensee shall be in affidavit form only. The licensee or the counsel of record may appear for oral argument. Within five working days after the hearing, the board shall issue its order and, if the suspension is continued, schedule a contested case hearing within 45 days after issuance of the order. The administrative law judge shall issue a report within 30 days after closing of the contested case hearing record. The board shall issue a final order within 30 days after receipt of that report.

Subd. 3. [AUTOMATIC SUSPENSION.] The right to practice is automatically suspended if (1) a guardian of a licensee is appointed by order of a probate court under sections 525.54 to 525.61, or (2) the licensee is committed by order of a probate court pursuant to chapter 253B or sections 526.09 to 526.11. The right to practice remains suspended until the licensee is restored to capacity by a court and, upon petition by the licensee, the suspension is terminated by the board after a hearing or upon agreement between the board and the licensee.

Sec. 42. Minnesota Statutes 1990, section 148B.18, subdivision 10, is amended to read:

Subd. 10. [QUALIFIED MENTAL HEALTH PROFESSIONAL.] "Qualified mental health professional" means a psychiatrist, board-certified or eligible for board certification, and licensed under chapter 147; a psychologist licensed under sections 148.88 to 148.98; an independent clinical social worker who has the qualifications in section 148B.21, subdivision 6; ~~or~~ a psychiatric registered nurse with a master's degree from an accredited school of nursing, licensed under section 148.211, with at least two years of postmaster's supervised experience in direct clinical practice; or a marriage and family therapist who is licensed under sections 148B.29 to 148B.39.

Sec. 43. Minnesota Statutes 1990, section 148B.33, subdivision 1, is amended to read:

Subdivision 1. [DOCUMENTARY EVIDENCE OF QUALIFICATIONS.] An applicant for a license shall furnish evidence that the applicant:

- (1) has attained the age of majority;
- (2) is of good moral character;
- (3) is a citizen of the United States, or is lawfully entitled to remain and work in the United States;

(4) has at least two years of supervised postgraduate experience in marriage and family ~~counseling~~ therapy satisfactory to the board;

(5)(i) has completed a master's or doctoral degree in marriage and family therapy from a program in a regionally accredited educational institution or from a program accredited by the commissioner on accreditations for marriage and family therapy education of the American association for marriage and family ~~therapists~~ therapy; or
(ii) has completed a master's or doctoral degree from a regionally accredited educational institution in a related field for which the course work is considered by the board to be equivalent to that provided in clause (5)(i);

(6) will agree to conduct all professional activities as a licensed marriage and family ~~counselor~~ therapist in accordance with a code of ethics for marriage and family therapists to be adopted by the board; and

(7) has passed an examination approved by the board by rule.

Sec. 44. Minnesota Statutes 1990, section 148B.38, subdivision 3, is amended to read:

Subd. 3. [FEDERALLY RECOGNIZED TRIBES AND PRIVATE NONPROFIT AGENCIES WITH A MINORITY FOCUS.] The licensure of marriage and family therapists who are employed by federally recognized tribes and private nonprofit agency marriage and family therapists, whose primary service focus addresses ethnic minority populations and who are themselves members of ethnic minority populations within said agencies, shall be voluntary for a period of five years at which time the legislature will review the need for mandatory licensure for all marriage and family therapists under this subdivision.

Sec. 45. [148B.421] [FILING FEES NONREFUNDABLE.]

Filing fees paid to the board of unlicensed mental health service providers by unlicensed mental health service providers prior to June 30, 1991, are nonrefundable. Any balance held by the board of unlicensed mental health service providers as of June 30, 1991, shall be transferred to the department of health for the operation of the office of mental health practice no later than June 30, 1991.

Sec. 46. [148B.60] [DEFINITIONS.]

Subdivision 1. [TERMS.] As used in sections 148B.60 to 148B.71, the following terms have the meanings given them in this section.

Subd. 2. [OFFICE OF MENTAL HEALTH PRACTICE OR OF-

FICE.] "Office of mental health practice" or "office" means the office of mental health practice established in section 148B.61.

Subd. 3. [UNLICENSED MENTAL HEALTH PRACTITIONER OR PRACTITIONER.] "Unlicensed mental health practitioner" or "practitioner" means a person who provides or purports to provide, for remuneration, mental health services as defined in subdivision 4. It does not include persons licensed by the board of medical examiners under chapter 147; the board of nursing under sections 148.171 to 148.285; the board of psychology under sections 148.88 to 148.98; the board of social work under sections 148B.18 to 148B.28; the board of marriage and family therapy under sections 148B.29 to 148B.39; or another licensing board if the person is practicing within the scope of the license; or members of the clergy who are providing pastoral services in the context of performing and fulfilling the salaried duties and obligations required of a member of the clergy by a religious congregation. For the purposes of complaint investigation, the term includes hospital and nursing home social workers exempt from licensure by the board of social work under section 148B.28, subdivision 6, including hospital and nursing home social workers acting within the scope of their employment by the hospital or nursing home; persons employed by a program licensed by the commissioner of human services who are acting as mental health practitioners within the scope of their employment; persons employed by a program licensed by the commissioner of human services who are providing chemical dependency counseling services; persons who are providing chemical dependency counseling services in private practice; and clergy who are providing mental health services that are equivalent to those defined in subdivision 4.

Subd. 4. [MENTAL HEALTH SERVICES.] "Mental health services" means psychotherapy and the professional assessment, treatment, or counseling of another person for a cognitive, behavioral, emotional, social, or mental condition, symptom, or dysfunction, including intrapersonal or interpersonal dysfunctions. The term does not include pastoral services provided by members of the clergy to members of a religious congregation in the context of performing and fulfilling the salaried duties and obligations required of a member of the clergy by that religious congregation.

Subd. 5. [MENTAL HEALTH CLIENT OR CLIENT.] "Mental health client" or "client" means a person who receives or pays for the services of a mental health practitioner.

Subd. 6. [MENTAL HEALTH PRACTITIONER ADVISORY COUNCIL OR COUNCIL.] "Mental health practitioner advisory council" or "council" means the mental health practitioner advisory council established in section 148B.62.

Subd. 7. [COMMISSIONER.] "Commissioner" means the commissioner of health or the commissioner's designee.

Subd. 8. [DISCIPLINARY ACTION.] "Disciplinary action" means an adverse action taken by the commissioner against an unlicensed mental health practitioner relating to the person's right to provide mental health services.

Sec. 47. [148B.61] [OFFICE OF MENTAL HEALTH PRACTICE.]

Subdivision 1. [CREATION.] The office of mental health practice is created in the department of health to investigate complaints and take and enforce disciplinary actions against all unlicensed mental health practitioners for violations of prohibited conduct, as defined in section 148B.68. The office shall also serve as a clearinghouse on mental health services and both licensed and unlicensed mental health professionals, through the dissemination of objective information to consumers and through the development and performance of public education activities, including outreach, regarding the provision of mental health services and both licensed and unlicensed mental health professionals who provide these services.

Subd. 2. [RULEMAKING.] The commissioner of health shall adopt rules necessary to implement, administer, or enforce provisions of sections 148B.60 to 148B.71 pursuant to chapter 14. The commissioner may not adopt rules that restrict or prohibit persons from providing mental health services on the basis of education, training, experience, or supervision. The commissioner may consult with the mental health practitioner advisory council, established in section 148B.62, during the rulemaking process. Rules adopted pursuant to this authority are exempt from section 14.115.

Subd. 3. [EMERGENCY RULES.] The commissioner may adopt emergency rules under sections 14.29 to 14.385 to carry out the provisions of sections 148B.60 to 148B.71.

Sec. 48. [148B.62] [MENTAL HEALTH PRACTITIONER ADVISORY COUNCIL.]

Subdivision 1. [CREATION.] The mental health practitioner advisory council is created to serve in an advisory capacity to the commissioner of health and staff of the office of mental health practice in the development of rules and procedures necessary to enforce sections 148B.60 to 148B.71 and in the enforcement of section 148B.68 on prohibited conduct and sections 148B.69 and 148B.70 on disciplinary action and remedies for violations of prohibited conduct. The council shall also serve in an advisory capacity in the development of public education materials and activities, including outreach activities.

Subd. 2. [COMPOSITION.] The advisory council consists of seven members, including five individuals who are providing mental health services and two public members, as defined in section 214.02. The initial appointments of the first members of the council

must include at least four members who were members of the board of unlicensed mental health service providers on June 30, 1991.

Subd. 3. [APPOINTMENT.] Members of the advisory council are appointed by the commissioner of health and serve pursuant to requirements under section 15.059. Members are appointed to serve terms of four years.

Subd. 4. [COUNCIL ADMINISTRATION.] Members of the council shall elect from among its members a chair and a vice-chair to serve for one year or until a successor is elected and qualifies.

Sec. 49. [148B.63] [REPORTING OBLIGATIONS.]

Subdivision 1. [PERMISSION TO REPORT.] A person who has knowledge of any conduct constituting grounds for disciplinary action relating to unlicensed practice under this chapter may report the violation to the office of mental health practice.

Subd. 2. [INSTITUTIONS.] A state agency, political subdivision, agency of a local unit of government, private agency, hospital, clinic, prepaid medical plan, or other health care institution or organization located in this state shall report to the office of mental health practice any action taken by the agency, institution, or organization or any of its administrators or medical or other committees to revoke, suspend, restrict, or condition an unlicensed mental health practitioner's privilege to practice or treat patients or clients in the institution, or as part of the organization, any denial of privileges, or any other disciplinary action for conduct that might constitute grounds for disciplinary action by the office under this chapter. The institution, organization, or governmental entity shall also report the resignation of any unlicensed mental health practitioners prior to the conclusion of any disciplinary action proceeding for conduct that might constitute grounds for disciplinary action under this chapter, or prior to the commencement of formal charges but after the practitioner had knowledge that formal charges were contemplated or were being prepared.

Subd. 3. [PROFESSIONAL SOCIETIES.] A state or local professional society for unlicensed mental health practitioners shall report to the office of mental health practice any termination, revocation, or suspension of membership or any other disciplinary action taken against an unlicensed practitioner. If the society has received a complaint that might be grounds for discipline under this chapter against a member on which it has not taken any disciplinary action, the society shall report the complaint and the reason why it has not taken action on it or shall direct the complainant to the office of mental health practice.

Subd. 4. [LICENSED PROFESSIONALS.] A licensed health professional shall report to the office of mental health practice personal

knowledge of any conduct that the licensed health professional reasonably believes constitutes grounds for disciplinary action under this chapter by any unlicensed mental health practitioner, including conduct indicating that the individual may be medically incompetent, or may be medically or physically unable to engage safely in the provision of services. If the information was obtained in the course of a client relationship, the client is an unlicensed mental health practitioner, and the treating individual successfully counsels the other practitioner to limit or withdraw from practice to the extent required by the impairment, the office may deem this limitation of or withdrawal from practice to be sufficient disciplinary action.

Subd. 5. [INSURERS.] Four times each year as prescribed by the commissioner, each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), and providing professional liability insurance to unlicensed mental health practitioners or the medical joint underwriting association under chapter 62F, shall submit to the office of mental health practice a report concerning the unlicensed mental health practitioners against whom malpractice settlements or awards have been made. The response must contain at least the following information:

- (1) the total number of malpractice settlements or awards made;
- (2) the date the malpractice settlements or awards were made;
- (3) the allegations contained in the claim or complaint leading to the settlements or awards made;
- (4) the dollar amount of each malpractice settlement or award;
- (5) the regular address of the practice of the unlicensed practitioner against whom an award was made or with whom a settlement was made; and
- (6) the name of the unlicensed practitioner against whom an award was made or with whom a settlement was made.

The insurance company shall, in addition to the above information, submit to the office of mental health practice any information, records, and files, including clients' charts and records, it possesses that tend to substantiate a charge that an unlicensed mental health practitioner may have engaged in conduct violating this chapter.

Subd. 6. [SELF-REPORTING.] An unlicensed mental health practitioner shall report to the office of mental health practice any personal action that would require that a report be filed with the office by any person, health care facility, business, or organization pursuant to subdivisions 2 to 5. The practitioner shall also report

the revocation, suspension, restriction, limitation, or other disciplinary action against the mental health practitioner's license, certificate, registration, or right of practice in another state or jurisdiction, for offenses that would be subject to disciplinary action in this state and also report the filing of charges regarding the practitioner's license, certificate, registration, or right of practice in another state or jurisdiction.

Subd. 7. [DEADLINES; FORMS.] Reports required by subdivisions 2 to 4, 5, and 6 must be submitted not later than 30 days after the reporter learns of the occurrence of the reportable event or transaction. The office of mental health practice may provide forms for the submission of reports required by this section, may require that reports be submitted on the forms provided, and may adopt rules necessary to assure prompt and accurate reporting.

Sec. 50. [148B.64] [IMMUNITY.]

Subdivision 1. [REPORTING.] Any person, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting a report to the office of mental health practice, for otherwise reporting to the office violations or alleged violations of this chapter, or for cooperating with an investigation of a report, except as provided in this subdivision. The report or statement or any statement made in cooperation with an investigation or as part of a disciplinary proceeding is privileged except in an action brought under this subdivision.

Subd. 2. [INVESTIGATION.] The commissioner and employees of the department of health, members of the advisory council on mental health practice, and other persons engaged in the investigation of violations and in the preparation, presentation, and management of and testimony pertaining to charges of violations of this chapter are absolutely immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.

Sec. 51. [148B.65] [DISCIPLINARY RECORD ON JUDICIAL REVIEW.]

Upon judicial review of any disciplinary action taken by the commissioner under this chapter, the reviewing court shall seal the administrative record, except for the commissioner's final decision, and shall not make the administrative record available to the public.

Sec. 52. [148B.66] [PROFESSIONAL COOPERATION.]

Subdivision 1. [COOPERATION.] An unlicensed mental health practitioner who is the subject of an investigation, or who is

questioned in connection with an investigation, by or on behalf of the office of mental health practice shall cooperate fully with the investigation. Cooperation includes responding fully and promptly to any question raised by or on behalf of the office relating to the subject of the investigation and providing copies of client records, as reasonably requested by the office, to assist the office in its investigation, and appearing at conferences or hearings scheduled by the commissioner. If the office does not have a written consent from a client permitting access to the client's records, the unlicensed mental health practitioner shall delete any data in the record that identifies the client before providing it to the board. The office shall maintain any records obtained pursuant to this section as investigative data pursuant to section 13.41. If an unlicensed mental health practitioner refuses to give testimony or produce any documents, books, records, or correspondence on the basis of the fifth amendment to the Constitution of the United States, the commissioner may compel the unlicensed mental health practitioner to provide the testimony or information; however, the testimony or evidence may not be used against the practitioner in any criminal proceeding. Challenges to requests of the office may be brought before the appropriate agency or court.

Subd. 2. [TRANSFER OF DATA AND RECORDS.] All data and records obtained by the board of unlicensed mental health service providers, pursuant to section 148B.09, subdivision 1, as investigative data pursuant to chapter 13 shall be transferred to the office of mental health practice no later than June 30, 1991. All other data gathered by the board of unlicensed mental health service providers shall also be transferred no later than June 30, 1991.

Sec. 53. [148B.67] [PROFESSIONAL ACCOUNTABILITY.]

The office of mental health practice shall maintain and keep current a file containing the reports and complaints filed against unlicensed mental health practitioners within the commissioner's jurisdiction. Each complaint filed with the office must be investigated. If the files maintained by the office show that a malpractice settlement or award has been made against an unlicensed mental health practitioner, as reported by insurers under section 148B.63, subdivision 5, the commissioner may authorize a review of the practitioner's practice by the staff of the office of mental health practice.

Sec. 54. [148B.68] [PROHIBITED CONDUCT.]

Subdivision 1. [PROHIBITED CONDUCT.] The commissioner may impose disciplinary action as described in section 148B.69 against any unlicensed mental health practitioner. The following conduct is prohibited and is grounds for disciplinary action:

(a) Conviction of a crime, including a finding or verdict of guilt, an

admission of guilt, or a no contest plea, in any court in Minnesota or any other jurisdiction in the United States, reasonably related to the provision of mental health services. Conviction, as used in this subdivision, includes a conviction of an offense which, if committed in this state, would be deemed a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered.

(b) Conviction of crimes against persons. For purposes of this chapter, a crime against a person means violations of the following: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.221; 609.222; 609.223; 609.224; 609.23; 609.231; 609.235; 609.24; 609.245; 609.25; 609.255; 609.26, subdivision 1, clause (1) or (2); 609.265; 609.342; 609.343; 609.344; 609.345; 609.365; 609.498, subdivision 1; 609.50, clause (1); 609.561; 609.562; and 609.595.

(c) Failure to comply with the self-reporting requirements of section 148B.63, subdivision 6.

(d) Engaging in sexual contact with a client or former client as defined in section 148A.01, or engaging in contact that may be reasonably interpreted by a client as sexual, or engaging in any verbal behavior that is seductive or sexually demeaning to the patient, or engaging in sexual exploitation of a client or former client.

(e) Advertising that is false, fraudulent, deceptive, or misleading.

(f) Conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a client; or any other practice that may create unnecessary danger to any client's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(g) Adjudication as mentally incompetent, or as a person who has a psychopathic personality as defined in section 526.09, or who is dangerous to self, or adjudication pursuant to chapter 253B, as chemically dependent, mentally ill, mentally retarded, or mentally ill and dangerous to the public.

(h) Inability to provide mental health services with reasonable safety to clients by reason of physical, mental, or emotional illness.

(i) The habitual overindulgence in the use of or the dependence on intoxicating liquors.

(j) Improper or unauthorized personal or other use of any legend drugs as defined in chapter 151, any chemicals as defined in chapter 151, or any controlled substance as defined in chapter 152.

(k) Revealing a communication from, or relating to, a client except when otherwise required or permitted by law.

(l) Failure to comply with a client's request made under section 144.335, or to furnish a client record or report required by law.

(m) Splitting fees or promising to pay a portion of a fee to any other professional other than for services rendered by the other professional to the client.

(n) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(o) Failure to make reports as required by section 148B.63, or cooperate with an investigation of the office.

(p) Obtaining money, property, or services from a client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud.

(q) Undertaking or continuing a professional relationship with a client in which the objectivity of the professional would be impaired.

(r) Failure to provide the client with a copy of the client bill of rights or violation of any provision of the client bill of rights.

(s) Violating any order issued by the commissioner.

(t) Failure to comply with sections 148B.60 to 148B.71, and the rules adopted under those sections.

(u) Failure to comply with any additional disciplinary grounds established by the commissioner by rule.

Subd. 2. [EVIDENCE.] In disciplinary actions alleging a violation of subdivision 1, paragraph (a), (b), (c), or (g), a copy of the judgment or proceeding under the seal of the court administrator or of the administrative agency that entered the same shall be admissible into evidence without further authentication and shall constitute prima facie evidence of its contents.

Subd. 3. [EXAMINATION; ACCESS TO MEDICAL DATA.] (a) If the commissioner has probable cause to believe that an unlicensed mental health practitioner has engaged in conduct prohibited by subdivision 1, paragraph (g), (h), (i), or (j), the commissioner may issue an order directing the practitioner to submit to a mental or physical examination or chemical dependency evaluation. For the purpose of this subdivision, every unlicensed mental health practitioner is deemed to have consented to submit to a mental or physical

examination or chemical dependency evaluation when ordered to do so in writing by the commissioner of health and further to have waived all objections to the admissibility of the testimony or examination reports of the health care provider performing the examination or evaluation on the grounds that the same constitute a privileged communication. Failure of an unlicensed mental health practitioner to submit to an examination or evaluation when ordered, unless the failure was due to circumstances beyond the practitioner's control, constitutes an admission that the unlicensed mental health practitioner violated subdivision 1, paragraph (g), (h), (i), or (j), based on the factual specifications in the examination or evaluation order and may result in a default and final disciplinary order being entered after a contested case hearing. An unlicensed mental health practitioner affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the practitioner can resume the provision of mental health services with reasonable safety to clients. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the commissioner shall be used against a mental health practitioner in any other proceeding.

(b) In addition to ordering a physical or mental examination or chemical dependency evaluation, the commissioner may, notwithstanding section 13.42, 144.651, 595.02, or any other law limiting access to medical or other health data, obtain medical data and health records relating to an unlicensed mental health practitioner without the practitioner's consent if the commissioner has probable cause to believe that a practitioner has engaged in conduct prohibited by subdivision 1, paragraph (g), (h), (i), or (j). The medical data may be requested from a health care professional, as defined in section 144.335, subdivision 1, paragraph (b), an insurance company, or a government agency, including the department of human services. A health care professional, insurance company, or government agency shall comply with any written request of the commissioner under this subdivision and is not liable in any action for damages for releasing the data requested by the commissioner if the data are released pursuant to a written request under this subdivision, unless the information is false and the person or organization giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is private data under section 13.41.

Sec. 55. [148B.69] [DISCIPLINARY ACTIONS.]

Subdivision 1. [FORMS OF DISCIPLINARY ACTION.] When the commissioner finds that an unlicensed mental health practitioner has violated a provision or provisions of this chapter, the commissioner may take one or more of the following actions, only against the individual practitioner:

- (1) revoke the right to practice;

(2) suspend the right to practice;

(3) impose limitations or conditions on the practitioner's provision of mental health services, the imposition of rehabilitation requirements, or the requirement of practice under supervision;

(4) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the practitioner of any economic advantage gained by reason of the violation charged or to reimburse the office of mental health practice for all costs of the investigation and proceeding;

(5) order the practitioner to provide unremunerated professional service under supervision at a designated public hospital, clinic, or other health care institution;

(6) censure or reprimand the practitioner;

(7) impose a fee on the practitioner to reimburse the office for all or part of the cost of the proceedings resulting in disciplinary action including, but not limited to, the amount paid by the office for services from the office of administrative hearings, attorney fees, court reports, witnesses, reproduction of records, advisory council members' per diem compensation, staff time, and expense incurred by advisory council members and staff of the office of mental health practice; or

(8) any other action justified by the case.

Subd. 2. [REINSTATEMENT.] The commissioner may at the commissioner's discretion reinstate the right to practice and may impose any disciplinary measure listed under subdivision 1.

Subd. 3. [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the commissioner may, acting through a person to whom the commissioner has delegated this authority and without a hearing, temporarily suspend the right of an unlicensed mental health practitioner to practice if the commissioner's delegate finds that the practitioner has violated a statute or rule that the commissioner is empowered to enforce and continued practice by the practitioner would create a serious risk of harm to others. The suspension is in effect upon service of a written order on the practitioner specifying the statute or rule violated. The order remains in effect until the commissioner issues a final order in the matter after a hearing or upon agreement between the commissioner and the practitioner. Service of the order is effective if the order is served on the practitioner or counsel of record personally or by first class mail. Within ten days of service of the order, the commissioner shall hold a hearing on the sole issue of whether there is a reasonable basis to continue, modify, or lift the suspension.

Evidence presented by the office or practitioner shall be in affidavit form only. The practitioner or the counsel of record may appear for oral argument. Within five working days after the hearing, the commissioner shall issue the commissioner's order and, if the suspension is continued, schedule a contested case hearing within 45 days after issuance of the order. The administrative law judge shall issue a report within 30 days after closing of the contested case hearing record. The commissioner shall issue a final order within 30 days after receipt of that report.

Subd. 4. [AUTOMATIC SUSPENSION.] The right to practice is automatically suspended if (1) a guardian of an unlicensed mental health practitioner is appointed by order of a probate court under sections 525.54 to 525.61, or (2) the practitioner is committed by order of a probate court pursuant to chapter 253B or sections 526.09 to 526.11. The right to practice remains suspended until the practitioner is restored to capacity by a court and, upon petition by the practitioner, the suspension is terminated by the commissioner after a hearing or upon agreement between the commissioner and the practitioner.

Subd. 5. [PUBLIC EMPLOYEES.] Notwithstanding subdivision 1, the commissioner must not take disciplinary action against an employee of the state or a political subdivision of the state. If, after an investigation conducted in compliance with and with the authority granted under sections 148B.60 to 148B.71, the commissioner determines that the employee violated a provision or provisions of this chapter, the commissioner shall report to the employee's employer the commissioner's findings and the actions the commissioner recommends that the employer take. The commissioner's recommendations are not binding on the employer.

Sec. 56. [148B.70] [MENTAL HEALTH CLIENT BILL OF RIGHTS.]

Subdivision 1. [SCOPE.] All unlicensed mental health practitioners other than those providing services in a facility regulated under section 144.651 or a government agency shall provide to each client prior to providing treatment a written copy of the mental health client bill of rights. A copy must also be posted in a prominent location in the office of the mental health practitioner. Reasonable accommodations shall be made for those clients who cannot read or who have communication impairments and those who do not read or speak English. The mental health client bill of rights shall include the following:

(a) the name, title, business address, and telephone number of the practitioner;

(b) the degrees, training, experience, or other qualifications of the practitioner, followed by the following statement in bold print:

"THE STATE OF MINNESOTA HAS NOT ADOPTED UNIFORM EDUCATIONAL AND TRAINING STANDARDS FOR ALL MENTAL HEALTH PRACTITIONERS. THIS STATEMENT OF CREDENTIALS IS FOR INFORMATION PURPOSES ONLY."

(c) the name, business address, and telephone number of the practitioner's supervisor, if any;

(d) notice that a client has the right to file a complaint with the practitioner's supervisor, if any, and the procedure for filing complaints;

(e) the name, address, and telephone number of the office of mental health practice and notice that a client may file complaints with the office;

(f) the practitioner's fees per unit of service, the practitioner's method of billing for such fees, the names of any insurance companies that have agreed to reimburse the practitioner, or health maintenance organizations with whom the practitioner contracts to provide service, whether the practitioner accepts Medicare, medical assistance, or general assistance medical care, and whether the practitioner is willing to accept partial payment, or to waive payment, and in what circumstances;

(g) a statement that the client has a right to reasonable notice of changes in services or charges;

(h) a brief summary, in plain language, of the theoretical approach used by the practitioner in treating patients;

(i) notice that the client has a right to complete and current information concerning the practitioner's assessment and recommended course of treatment, including the expected duration of treatment;

(j) a statement that clients may expect courteous treatment and to be free from verbal, physical, or sexual abuse by the practitioner;

(k) a statement that client records and transactions with the practitioner are confidential, unless release of these records is authorized in writing by the client, or otherwise provided by law;

(l) a statement of the client's right to be allowed access to records and written information from records in accordance with section 144.335;

(m) a statement that other services may be available in the community, including where information concerning services is available;

(n) a statement that the client has the right to choose freely among available practitioners, and to change practitioners after services have begun, within the limits of health insurance, medical assistance, or other health programs;

(o) a statement that the client has a right to coordinated transfer when there will be a change in the provider of services;

(p) a statement that the client may refuse services or treatment, unless otherwise provided by law; and

(q) a statement that the client may assert the client's rights without retaliation.

Subd. 2. [ACKNOWLEDGMENT BY CLIENT.] Prior to the provision of any service, the client must sign a written statement attesting that the client has received the client bill of rights.

Sec. 57. [148B.71] [EXPENSES.]

The expenses required by the office of mental health practice for sections 148B.60 to 148B.71 shall be funded through a percentage of the indirect costs charged to each and every health-related licensing board, the formula to be determined by the commissioner of health.

Sec. 58. Minnesota Statutes 1990, section 157.031, subdivision 2, is amended to read:

Subd. 2. [REGISTRATION.] A board and lodging establishment that provides supportive services or health supervision services must register with the commissioner by September 1, 1989. The registration must include the name, address, and telephone number of the establishment, the types of services that are being provided, a description of the residents being served, the type and qualifications of staff in the facility, and other information that is necessary to identify the needs of the residents and the types of services that are being provided. The commissioner shall develop and furnish to the board and lodging establishment the necessary form for submitting the registration. The requirement for registration is effective until the special license rules required by ~~subdivision 5~~ sections 144B.01 to 144B.17 are effective.

Sec. 59. Minnesota Statutes 1990, section 157.031, subdivision 3, is amended to read:

Subd. 3. [RESTRICTION ON THE PROVISION OF SERVICES.] Effective September 1, 1989, and until one year after the rules required under ~~subdivision 5~~ sections 144B.01 to 144B.17 are adopted, a board and lodging establishment registered under subdivision 2 may provide health supervision services only if a licensed

nurse is on site in the facility for at least four hours a week to provide supervision and health monitoring of the residents. A board and lodging facility that admits or retains residents using wheelchairs or walkers must have the necessary clearances from the office of the state fire marshal.

Sec. 60. Minnesota Statutes 1990, section 157.031, subdivision 4, is amended to read:

Subd. 4. ~~[SPECIAL LICENSE RESIDENTIAL CARE HOME LICENSE REQUIRED.]~~ Upon adoption of the rules required by ~~subdivision 5~~ sections 144B.01 to 144B.17, a board and lodging establishment registered under subdivision 2, that provides either supportive care or health supervision services must obtain a special residential care home license from the commissioner within one year from the adoption of those rules. ~~The special license is required until rules resulting from the recommendations made in accordance with Laws 1989, chapter 282, article 2, section 213, are implemented.~~

Sec. 61. Minnesota Statutes 1990, section 157.031, subdivision 9, is amended to read:

Subd. 9. [VIOLATIONS.] The commissioner may revoke ~~both the special service license, when issued, and the establishment license,~~ if the establishment is found to be in violation of this section. Violation of this section is a gross misdemeanor.

Sec. 62. Minnesota Statutes 1990, section 214.04, subdivision 3, is amended to read:

Subd. 3. The executive director of each health-related board and the executive secretary of each non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive director or executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive directors, executive secretaries, and other employees of the following boards shall be hired by the board, and the executive directors or executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) dentistry;
- (2) medical examiners;
- (3) nursing;
- (4) pharmacy;

(5) accountancy;

(6) architecture, engineering, land surveying, and landscape architecture;

(7) barber examiners;

(8) cosmetology;

(9) electricity;

(10) teaching;

(11) peace officer standards and training;

(12) social work; and

(13) marriage and family therapy;

(14) ~~unlicensed mental health service providers; and~~

(15) ~~office of social work and mental health boards.~~

The executive directors or executive secretaries serving the boards are hired by those boards and are in the unclassified civil service, except for part-time executive directors or executive secretaries, who are not required to be in the unclassified service. Boards not requiring full-time executive directors or executive secretaries may employ them on a part-time basis. To the extent practicable, the sharing of part-time executive directors or executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive directors or executive secretaries of the boards and employees of the attorney general, are classified civil service employees of the department servicing the board. To the extent practicable, the commissioner shall ensure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

Sec. 63. Minnesota Statutes 1990, section 256L.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. 64. [TRANSFER OF JURISDICTION FOR DISCIPLINARY ACTIONS TAKEN AGAINST UNLICENSED MENTAL HEALTH PRACTITIONERS.]

During the transition period prior to the sunset of the board of unlicensed mental health service providers on June 30, 1991, and the establishment of the office of mental health practice on July 1, 1991, members of the board and staff persons employed by the board and the office of social work and mental health boards shall provide all necessary assistance to the office of the attorney general to complete as many investigations and disciplinary actions on pending complaints as possible prior to the sunset of the board. Such action shall be undertaken to ensure that complaints and investigations against unlicensed mental health practitioners pending before the board continue to receive attention during the transition period prior to the sunset of the board on June 30, 1991, and the establishment of the office of mental health practice on July 1, 1991. As of July 1, 1991, jurisdiction of all open complaints still pending before the board as of June 30, 1991, shall transfer to the commissioner of health who shall have the right to proceed on them under the authority granted to the commissioner in Minnesota Statutes, sections 148B.60 to 148B.71.

Jurisdiction for all new complaints brought against unlicensed mental health practitioners on or after July 1, 1991, will rest with the office of mental health practice, established under Minnesota Statutes, section 148B.61. Prior to July 1, 1991, board members and staff employed by the board of unlicensed mental health service providers and the office of social work and mental health shall consult with and offer all necessary assistance to the department of health in transferring pending complaints to the office of mental health practice and in implementing all other aspects of Minnesota Statutes, sections 148B.60 to 148B.71. The transfer of records, pending complaints, and other data shall be completed no later than June 30, 1991.

Sec. 65. [REPORT TO THE LEGISLATURE.]

By February 1, 1992, the commissioner shall report to the legislature on the implementation of Minnesota Statutes, sections 144B.01 to 144B.16. This report must include a description of the provisions included in rules required under those sections and an estimate of the expected fiscal impact to the state of adopting those rules.

Sec. 66. [REVISOR INSTRUCTION.]

In the next edition of Minnesota Statutes, the revisor shall delete the terms "individual," "individuals," "regulated individual," "regulated individuals," and "regulated individual's" wherever found in Minnesota Statutes, sections 148B.04, subdivision 3; 148B.05, subdivision 2; 148B.06, subdivision 2; 148B.07, subdivisions 2, 3, 5, and 6; 148B.09; 148B.11; 148B.13; and 148B.15, and insert the term "licensee," "licensees," or "licensee's" as appropriate.

Sec. 67. [REPEALER.]

Subdivision 1. Minnesota Statutes 1990, section 157.031, subdivision 5, is repealed effective the day following final enactment.

Subd. 2. Minnesota Statutes 1990, sections 148B.01, subdivisions 2, 5, and 6; 148B.02; 148B.16; 148B.171; 148B.40; 148B.41; 148B.42; 148B.43; 148B.44; 148B.45; 148B.46; 148B.47; and 148B.48, are repealed effective July 1, 1991.

Sec. 68. [EFFECTIVE DATES.]

Subdivision 1. Sections 7 to 18, 20 to 23, 58 to 61, and 63 to 65 are effective the day after final enactment. Sections 5, 6, and 19 are effective upon the effective date of rules adopted by the commissioner of health for licensure of residential care homes.

Subd. 2. Sections 45; 52, subdivision 2; and 64 are effective the day following final enactment.

ARTICLE 3

MISCELLANEOUS SOCIAL SERVICES PROGRAMS

Section 1. Minnesota Statutes 1990, section 3.922, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION; EXPENSES; EXPIRATION.] Compensation of nonlegislator members is as provided in section 15.059. Expenses of the council shall be approved by two of any three members of the council designated by the council and then be paid in the same manner as other state expenses. The executive secretary shall inform the commissioner of finance in writing of the names of

the persons authorized to approve expenses. ~~The council expires on June 30, 1993.~~

Sec. 2. Minnesota Statutes 1990, section 3.922, subdivision 8, is amended to read:

Subd. 8. [ADVISORY COUNCIL.] An advisory council on urban Indians is created to advise the board on the unique problems and concerns of Minnesota Indians who reside in urban areas of the state. The council shall be appointed by the board and consist of five Indians residing in the vicinity of Minneapolis, St. Paul, and Duluth. At least one member of the council shall be a resident of each city. The terms, compensation, and removal of members are as provided in section 15.059. ~~The council expires on June 30, 1993.~~

Sec. 3. Minnesota Statutes 1990, section 3.9223, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] A state council on affairs of Spanish-speaking people is created to consist of seven members appointed by the governor. The demographic composition of the council members shall accurately reflect the demographic composition of Minnesota's Spanish-speaking community, including migrant workers, as determined by the state demographer. Membership, terms, removal of members and filling of vacancies are as provided in section 15.0575. Compensation of members is as provided in section 15.059, subdivision 3. The council shall annually elect from its membership a chair and other officers it deems necessary. ~~The council expires on June 30, 1993.~~

Sec. 4. Minnesota Statutes 1990, section 3.9225, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] A state council on Black Minnesotans is created to consist of seven members appointed by the governor. The members of the council shall be broadly representative of the Black community of the state and include at least three males and at least three females. Membership terms, compensation, removal of members, and filling of vacancies for nonlegislative members are as provided in section 15.059. Two members of the house of representatives appointed by the speaker and two members of the senate appointed by the subcommittee on committees of the committee on rules and administration shall serve as ex officio, nonvoting members of the council. The council shall annually elect from its membership a chair and other officers it deems necessary. ~~The council expires on June 30, 1993.~~

Sec. 5. Minnesota Statutes 1990, section 3.9226, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] The state council on Asian-Pacific Minnesotans consists of 15 members. Eleven members are appointed by the governor and must be broadly representative of the Asian-Pacific community of the state. Terms, compensation, removal, and filling of vacancies for appointed members are as provided in section 15.059. Two members of the house of representatives appointed under the rules of the house of representatives and two members of the senate appointed under the rules of the senate shall serve as nonvoting members of the council. The council shall annually elect from its membership a chair and other officers it deems necessary. ~~The council expires on June 30, 1993.~~

Sec. 6. [16B.185] [PROCUREMENTS FROM REHABILITATION FACILITIES AND DAY TRAINING AND HABILITATION FACILITIES.]

Subdivision 1. [REHABILITATION FACILITY AND DAY TRAINING AND HABILITATION FACILITY PROCUREMENTS.] The commissioner shall, for each fiscal year, ensure that certified rehabilitation facilities, as defined in section 268A.01, subdivision 6, and licensed day training and habilitation facilities, as defined in section 252.41, subdivision 3, receive at least one-tenth of one percent of the value of anticipated procurement of products and services by the legislature and state agencies with 50 or more employees. The purpose of this section is to enhance employment opportunities for persons with severe disabilities, including persons with developmental disabilities, serious and persistent mental health disabilities, brain injuries, sensory impairments, and multiple physical disabilities.

Subd. 2. [STATE AGENCY DESIGNATION REQUIRED.] The legislature and every state agency with 50 or more employees shall, for each fiscal year, designate for awarding to certified rehabilitation facilities and licensed day training and habilitation facilities at least one-tenth of one percent of the value of anticipated procurements of that agency for products and services provided by such facilities as identified in the list required in subdivision 3.

Subd. 3. [LIST OF PRODUCTS AND SERVICES.] The commissioner in consultation with the commissioners of jobs and training and human services shall prepare and issue a list containing products and services of rehabilitation facilities and day training and habilitation facilities for procurement by state agencies according to subdivision 2.

Sec. 7. Minnesota Statutes 1990, section 43A.191, subdivision 2, is amended to read:

Subd. 2. [AGENCY AFFIRMATIVE ACTION PLANS.] (a) The head of each agency in the executive branch shall prepare and

implement an agency affirmative action plan consistent with this section and rules issued under section 43A.04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified disabled persons. The reasonable accommodation plan must consist of at least the following:

(1) procedures for compliance with section 363.03 and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended;

(2) methods and procedures for providing reasonable accommodation for disabled job applicants, current employees, and employees seeking promotion; and

(3) provisions for funding reasonable accommodations.

(c) The agency plan must be prepared by the agency head with the assistance of the agency affirmative action officer and the director of equal employment opportunity. The council on disability shall provide assistance with the agency reasonable accommodation plan.

(d) For the legislature and state agencies with 50 or more employees, the agency plan must state that it has filled at least two supported employment positions as defined in section 268A.01, subdivision 13, with persons with severe disabilities.

(e) An agency affirmative action plan may not be implemented without the commissioner's approval.

Sec. 8. Minnesota Statutes 1990, section 120.183, is amended to read:

120.183 [INTERAGENCY OFFICE ON TRANSITION SERVICES.]

The commissioner of education shall establish an interagency office on transition services to:

(1) gather and coordinate data on transition services for secondary age handicapped pupils;

(2) provide information, consultation, and technical assistance to state and local agencies involved in the delivery of services to handicapped pupils in transition from secondary school programs to employment and post-secondary training programs;

(3) assist agencies in establishing local interagency agreements to assure the necessary services for efficient and appropriate transition from school to work or post-secondary training programs; ~~and~~

(4) assist regions and local areas in planning interagency in-service training to develop and improve transition services; and

(5) establish and manage the interagency school-to-work transition demonstration project according to section 120.591.

Sec. 9. Minnesota Statutes 1990, section 252.40, is amended to read:

252.40 [SERVICE PRINCIPLES AND RATE-SETTING PROCEDURES FOR DAY TRAINING AND HABILITATION SERVICES FOR ADULTS WITH MENTAL RETARDATION AND RELATED CONDITIONS.]

Sections 252.40 to 252.47 apply to day training and habilitation services for adults with mental retardation and related conditions when the services are authorized to be funded by a county and provided under a contract between a county board and a vendor as defined in section 252.41.

Nothing in sections 252.40 to 252.47 absolves intermediate care facilities for persons with mental retardation or related conditions of the responsibility for providing active treatment and habilitation under federal regulations with which those facilities must comply to be certified by the Minnesota department of health.

To maximize federal participation in the provision of equal access to employment opportunities to persons with severe disabilities, all persons who reside in intermediate care facilities for persons with mental retardation and related conditions and who are currently receiving extended employment program services shall have the opportunity to be served in day training and habilitation services.

Sec. 10. Minnesota Statutes 1990, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner. Administration and supervision of human services activities or services includes, but is not limited to, assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to admin-

istering and supervising human services activities vested by law in the department, the commissioner shall have the authority to:

(a) require county agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations, and policies governing human services;

(b) monitor, on an ongoing basis, the performance of county agencies in the operation and administration of human services, enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services and promote excellence of administration and program operation;

(c) develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(d) require county agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(e) delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 256.017; and

(f) make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using appropriated funds.

(2) Inform county agencies, on a timely basis, of changes in statute, rule, federal law, regulation, and policy necessary to county agency administration of the programs.

(3) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(4) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located

and available at state hospitals when it is not feasible to provide the service in state hospitals.

(5) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(6) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(7) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(8) Act as designated guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded.

(9) Act as *coordinating referral and informational center* on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by county agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver

shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan, including estimated project costs and the proposed order establishing the waiver, shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements, establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For the medical assistance and AFDC programs, disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for the AFDC and medical assistance programs. For the food stamp program, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for food stamps are to the total of all food stamp administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of food stamp benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disal-

lowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches ~~\$400,000~~ \$1,000,000. When the balance in the account exceeds ~~\$400,000~~ \$1,000,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(16) Have the authority to make direct payments to facilities providing shelter to women and their children pursuant to section 256D.05, subdivision 3. Upon the written request of a shelter facility that has been denied payments under section 256D.05, subdivision 3, the commissioner shall review all relevant evidence and make a determination within 30 days of the request for review regarding issuance of direct payments to the shelter facility. Failure to act within 30 days shall be considered a determination not to issue direct payments.

(17) Have the authority to establish and enforce the following county reporting requirements:

(a) The commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for human services programs. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced.

(b) The county board shall submit monthly or quarterly reports to the department as required by the commissioner. Monthly reports are due no later than 15 working days after the end of the month. Quarterly reports are due no later than 30 calendar days after the end of the quarter, unless the commissioner determines that the deadline must be shortened to 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss of federal funding. Only reports that are complete, legible, and in the required format shall be accepted by the commissioner.

(c) If the required reports are not received by the deadlines established in clause (b), the commissioner may delay payments and withhold funds from the county board until the next reporting period. When the report is needed to account for the use of federal funds and the late report results in a reduction in federal funding, the commissioner shall withhold from the county boards with late reports an amount equal to the reduction in federal funding until full federal funding is received.

(d) A county board that submits reports that are late, illegible, incomplete, or not in the required format for two out of three consecutive reporting periods is considered noncompliant. When a county board is found to be noncompliant, the commissioner shall notify the county board of the reason the county board is considered noncompliant and request that the county board develop a corrective action plan stating how the county board plans to correct the problem. The corrective action plan must be submitted to the commissioner within 45 days after the date the county board received notice of noncompliance.

(e) The final deadline for fiscal reports or amendments to fiscal reports is one year after the date the report was originally due. If the commissioner does not receive a report by the final deadline, the county board forfeits the funding associated with the report for that reporting period and the county board must repay any funds associated with the report received for that reporting period.

(f) The commissioner may not delay payments, withhold funds, or require repayment under paragraph (c) or (e) if the county demonstrates that the commissioner failed to provide appropriate forms, guidelines, and technical assistance to enable the county to comply with the requirements. If the county board disagrees with an action taken by the commissioner under paragraph (c) or (e), the county board may appeal the action according to sections 14.57 to 14.69.

(g) Counties subject to withholding of funds under paragraph (c) or forfeiture or repayment of funds under paragraph (e) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under paragraph (c) or (e).

(18) Allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample for the foster care program under title IV-E of the Social Security Act, United States Code, title 42, in direct proportion to each county's title IV-E foster care maintenance claim for that period.

Sec. 11. Minnesota Statutes 1990, section 256.482, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERS.] There is hereby established the council on disability which shall consist of 21 members appointed by the governor. Members shall be appointed from the general public and from organizations which provide services for persons who have a disability. A majority of council members shall be persons with a disability or parents or guardians of persons with a disability. There shall be at least one member of the council appointed from each of the state development regions. The commissioners of the departments of education, human services, health, jobs and training, and human rights and the directors of the division of rehabilitation services and state services for the blind or their designees shall serve as ex officio members of the council without vote. In addition, the council may appoint ex officio members from other bureaus, divisions, or sections of state departments which are directly concerned with the provision of services to persons with a disability.

Notwithstanding the provisions of section 15.059, each member of the council appointed by the governor shall serve a three-year term and until a successor is appointed and qualified. The compensation and removal of all members shall be as provided in section 15.059. The governor shall appoint a chair of the council from among the members appointed from the general public or who are persons with a disability or their parents or guardians. Vacancies shall be filled by the authority for the remainder of the unexpired term. ~~The council expires on June 30, 1993.~~

Sec. 12. [256.992] [DEPOSITS INTO THE GENERAL FUND.]

All money collected under section 256.994 shall be deposited in the general fund and is appropriated to the commissioner of human services for the purposes of section 256B.83.

Sec. 13. [256.994] [PAYMENTS TO COMMISSIONER.]

Subdivision 1. [NURSING FACILITY LICENSE SURCHARGE.] Effective July 1, 1991, each nursing facility subject to the reimbursement principles in Minnesota Rules, parts 9549.0010 to 9549.0080, shall pay to the commissioner an annual surcharge of \$230 per bed licensed as of July 1 of that year, according to the schedule in subdivision 4.

Subd. 2. [HOSPITAL SURCHARGE.] Effective July 1, 1991, each hospital shall pay to the commissioner a monthly surcharge equal to 7.2 percent of medical assistance payments received for inpatient services according to the schedule in subdivision 4, excluding payments made under section 256B.83 and Medicare crossovers.

Subd. 3. [HEALTH PLAN SURCHARGE.] Each health plan under contract with the commissioner shall pay to the commissioner a monthly surcharge equal to the equivalent value of the surcharges

described in subdivision 2 for each medical assistance rate cell payment. These payments must be made according to the schedule in subdivision 4.

Subd. 4. [PAYMENT SCHEDULE; TRANSFER.] Payments to the commissioner under subdivisions 1 to 3 must be paid in monthly installments. The first payment is due September 15, 1991 subsequent payments due on the fifth of each succeeding month. The payment under subdivision 1 must be equal to the annual surcharge divided by 12. The payment under subdivisions 2 and 3 shall be the amount of medical assistance payments received by each provider in the month that is three months prior to the month in which the payment is due, multiplied by the percentage surcharge for each provider.

Subd. 5. [NOT ALLOWABLE COST.] Provider payments to the commissioner under this section are not an allowable cost for purposes of the medical assistance program.

Subd. 6. [NOTICE; APPEALS.] The commissioner shall give each provider at least 30 days advance written notice of each payment due. A provider may request a contested case hearing under chapter 14 within 30 days of receipt of the notice. Payment of the amount established under subdivision 4 must be made pending the appeal decision.

Subd. 7. [ENFORCEMENT.] The commissioner shall bring action in district court to collect provider payments due under subdivisions 1 to 4 that are more than 30 days in arrears.

Sec. 14. [256B.83] [EXPENDITURES.]

Subdivision 1. [PHYSICIAN REIMBURSEMENT.] The commissioner shall make payments for the additional cost of increasing payments for physician services rendered on or after July 1, 1992, to the following levels:

(a) Payments for office, outpatient, obstetrical, and preventive care state-specified health care common procedural coding system (HCPCS) codes and medication management provided to psychiatric patients must be calculated at the lower of (1) submitted charges, or (2) the median charges in 1989 minus 20 percent.

(b) Payments for critical care and hospital medical state-specified HCPCS codes must be calculated at the lower of (1) submitted charges, or (2) the median charges in 1989 minus 30 percent.

(c) Payments for all other services must be calculated at the lower of (1) the submitted charges or (2) the median charges in 1989 minus 40 percent.

Subd. 2. [NURSING FACILITY REIMBURSEMENT.] Effective October 1, 1991, the commissioner shall pay nursing facilities participating in the medical assistance program a capital allowance of \$.66 per day per bed.

Subd. 3. [DENTISTS.] The commissioner shall make payments for the additional costs of reimbursing dentists for services rendered on or after July 1, 1992, at the lower of (1) submitted charges, or (2) the median charges in 1989 minus 20 percent.

Subd. 4. [HOSPITAL REIMBURSEMENT.] (a) Effective for inpatient services provided on or after July 1, 1991, the commissioner shall make indigent care payments to hospitals. These payments are in addition to all other payments made to hospitals. The indigent care payment is 7.2 percent of each hospital's inpatient medical assistance payments, excluding payments made under this section and Medicare crossovers.

Subd. 5. [HEALTH PLAN RATES.] Effective July 1, 1991, the commissioner shall increase the monthly medical assistance capitation rate cell established in contract by the amount necessary to accommodate the equivalent value of the reimbursement increase established under subdivision 4.

This subdivision is repealed, effective July 1, 1993.

Subd. 6. [ADMINISTRATIVE COST.] The commissioner may expend up to \$600,000 for the administrative costs associated with this section and sections 256.992, 256.994, and 256B.84 to 256B.86.

Sec. 15. [256B.84] [CONTINGENT ON FEDERAL FINANCIAL PARTICIPATION.]

The commissioner shall implement and administer the provisions of sections 256.992, 256.994, and 256B.83 to 256B.86, only as long as federal financial participation under Title XIX of the Social Security Act is available for payments made under section 256B.82. In the event federal financial participation is denied: (1) the commissioner shall, effective immediately, discontinue collections from providers and eliminate payments to providers under section 256B.83; and (2) sections 18 to 23 shall become effective immediately.

Sec. 16. [256B.85] [NO REDUCTIONS WHILE FEES IN EFFECT.]

The commissioner shall not reduce the payments under section 256B.83 as long as the surcharges under section 256.994 remain in effect. The commissioner shall report to the legislature annually on January 15 regarding the amount of actual and anticipated surcharge collections and provider payments. The report shall include

recommendations for improving the operation of sections 256.992, 256.994, and 256B.83 to 256B.86 including any changes in surcharges or payments necessary to ensure that payments under section 256B.83 do not exceed collections under section 256.994.

Sec. 17. [256B.86] [IMPLEMENTATION; RULEMAKING.]

The commissioner shall implement sections 256.992, 256.994, and 256B.83 to 256B.85 on July 1, 1991, without complying with the rulemaking requirements of the administrative procedure act. The commissioner shall adopt permanent rules to implement sections 12 to 23 by June 30, 1993.

Sec. 18. [HOSPITAL COST INDEX; CONTINGENT BUDGET REDUCTIONS.]

Notwithstanding section 256.9695, subdivision 3, paragraph (c), the hospital cost index established in section 256.969, subdivision 1, shall not be effective under the general assistance medical care program for admissions occurring during the biennium ending June 30, 1993.

Sec. 19. [ADMISSION AFTER TRANSITION PERIOD; RATES; CONTINGENT BUDGET REDUCTIONS.]

For admissions occurring after the transition period specified in section 256.9695, subdivision 3, operating payment rates of each hospital shall be limited to the operating payment rates within its peer group so that the statewide operating payment level is reduced by 4.5 percent. For subsequent rate years, the limits shall be adjusted by the hospital cost index. The commissioner shall contract for the development of criteria for and the establishment of the peer groups. Peer groups must be established based on variables that affect medical assistance cost such as scope and intensity of services, acuity of patients, location, and capacity. Rates shall be standardized by the case mix index and adjusted, if applicable, for the variable outlier percentage. The peer groups may exclude and have separate limits or be standardized for operating cost differences that are not common to all hospitals in order to establish a minimum number of groups. The criteria and establishment of the peer groups is not subject to the requirements of chapter 14, the administrative procedures act.

Sec. 20. [TRANSPORTATION COSTS; CONTINGENT BUDGET REDUCTIONS.]

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 two rates must not exceed \$17 for nonambulatory and \$11 for ambulatory 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 reimbursed at a lower rate than special transportation provided to persons who need a wheelchair lift van or stretcher-equipped vehicle.

Sec. 21. [NURSING HOME OPERATING COSTS AFTER JULY 1, 1991; CONTINGENT BUDGET REDUCTIONS.]

(a) [OTHER OPERATING COST LIMITS.] For the rate year beginning July 1, 1991, the commissioner, in conjunction with the rebasing for the reporting year September 30, 1990, shall establish the other operating cost limits in Minnesota Rules, part 9549.0055, subpart 2, item E, at 108 percent of the median of the array of allowable historical other operating cost per diems. The limits must be established according to Minnesota Statutes, section 256B.431, subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1992, the adjusted other operating cost limits must be indexed as in subdivision 2l.

(b) [CARE-RELATED OPERATING COST LIMITS.] For the rate year beginning July 1, 1991, the commissioner, in conjunction with the rebasing for the reporting year September 30, 1990, shall establish the care-related operating cost limits in Minnesota Rules, part 9549.0055, subpart 2, items A and B, at 122 percent of the median of the array of the allowable historical case mix operating cost standardized per diems and the allowable historical other care-related operating cost per diems. The limits must be established according to Minnesota Statutes, section 256B.431, subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1992, the adjusted care-related limits must be indexed as in subdivision 2l.

(c) [ADMINISTRATIVE COST LIMITS.] For rate years beginning on or after July 1, 1991, the cost limitation for costs in the general and administrative cost category in Minnesota Rules, part 9549.0055, subpart 2, item D, shall be modified as in clauses (1) to (4):

(1) the percentage limitation for nursing homes with 60 or fewer licensed beds shall be 14 percent;

(2) the percentage limitation for nursing homes with 61 to 100 licensed beds shall be 13 percent;

(3) the percentage limitation for nursing homes with 101 to 200 licensed beds shall be 12 percent; and

(4) the percentage limitation for nursing homes with more than 200 licensed beds shall be 11 percent.

(d) [EFFICIENCY INCENTIVE.] For rate years beginning on or after July 1, 1991, a nursing home's maximum efficiency incentive shall be \$1.

Sec. 22. [PROPERTY COSTS FOR THE RATE YEAR BEGINNING JULY 1, 1991; CONTINGENT BUDGET REDUCTIONS.]

Notwithstanding Minnesota Rules, part 9549.0060, subpart 13, item H, the commissioner shall determine property-related payment rates for nursing homes for the rate year beginning July 1, 1991, as follows:

(a) Nursing homes shall be grouped according to the type of property-related payment rate the commissioner determined for the rate year beginning July 1, 1989. A nursing home whose property-related payment rate was determined under Minnesota Rules, part 9549.0060, subpart 13, item A (full rental reimbursement), shall be considered group A. A nursing home whose property-related payment rate was determined under Minnesota Rules, part 9549.0060, subpart 13, item B (phase-down to full rental reimbursement), shall be considered group B. A nursing home whose property-related payment rate was determined under Minnesota Rules, part 9549.0060, subpart 13, item C or D (phase-up to full rental reimbursement), shall be considered group C.

(b) For the rate year beginning July 1, 1991, the property-related payment rate for a group A nursing home shall be the lesser of the nursing home's property-related payment rate in effect on July 1, 1990; or the sum of 115 percent of the nursing home's allowable principal and interest expense, plus its equipment allowance multiplied by the resident days for the reporting year ending September 30, 1990, divided by the nursing home's capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by Minnesota Statutes, section 256B.431, subdivision 3f, paragraph (c); but not less than the lesser of \$3.25 or the nursing home's July 1, 1990, property-related payment rate.

(c) For the rate year beginning July 1, 1991, a group B nursing home shall receive the greater of 90 percent of its property-related payment rate in effect on July 1, 1990; or the sum of 115 percent of the nursing home's allowable principal and interest expense, plus its equipment allowance multiplied by the resident days for the reporting year ending September 30, 1990, divided by the nursing home's capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by Minnesota Statutes, section

256B.431, subdivision 3f, paragraph (c); except that the nursing home's property-related payment rate must not exceed the property-related payment rate in effect on July 1, 1990.

(d) For the rate year beginning July 1, 1991, a group C nursing home shall receive the greater of 85 percent of its property-related payment rate in effect on July 1, 1990; or the sum of 115 percent of the nursing home's allowable principal and interest expense, plus its equipment allowance multiplied by the resident days for the reporting year ending September 30, 1990, divided by the nursing home's capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by Minnesota Statutes, section 256B.431, subdivision 3f, paragraph (c); except that the nursing home's property-related payment rate must not exceed the property-related payment rate in effect on July 1, 1990.

Sec. 23. [INFLATION ADJUSTMENT: HOME AND COMMUNITY-BASED WAIVERS.]

Notwithstanding Minnesota Statutes, section 256B.49 and any other law or rule to the contrary, the commissioner shall not provide annual inflation adjustments under medical assistance, for the biennium ending June 30, 1993, for home and community-based waived services.

Sec. 24. Minnesota Statutes 1990, section 256C.24, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITIES.] The regional service center shall:

(a) serve as the central entry point for hearing impaired persons in need of human services and make referrals to the services needed;

(b) employ staff trained to work with hearing impaired persons;

(c) provide to all hearing impaired persons access to interpreter services which are necessary to help them obtain human services;

~~(d) assist the central interpreter referral agency with local and regional interpreter referrals;~~

(e) implement a plan to provide loan equipment and resource materials to hearing impaired persons; and

~~(f)~~ (e) cooperate with responsible departments and administrative authorities to provide access for hearing impaired persons to services provided by state, county, and regional agencies.

Sec. 25. Minnesota Statutes 1990, section 256C.25, is amended to read:

256C.25 [INTERPRETER SERVICES.]

Subdivision 1. [ESTABLISHMENT.] ~~The commissioner of human services shall supervise the development and implementation of a maintain and coordinate statewide interpreter referral service services for use by any public or private agency or individual in the state. The commissioner of human services shall~~ Within the seven-county metro area, the commissioner shall contract for these services; outside the metro area, the commissioner shall directly coordinate these services but may contract with an appropriate agency to provide this centralized service. The commissioner may collect a \$3 fee per referral for interpreter referral services and the actual costs of interpreter services provided by department staff. Fees and payments collected shall be deposited in the general fund. The \$3 referral fee shall not be collected from state agencies or local units of government or hearing-impaired consumers or interpreters.

Subd. 2. [DUTIES.] ~~The central Interpreter referral agency shall services must include:~~

(a) ~~Establish and maintain a statewide access to interpreter referral service services, maintain statistics related to interpreter referral services, and maintain coordinated with the regional service centers;~~

(b) maintenance of a statewide directory of qualified interpreters;

(b) ~~Cooperate with the regional service centers in providing interpreter referral service; and~~

(c) Cooperate assessment of the present and projected supply and demand for interpreter services statewide; and

(d) coordination with the regional service centers on projects to train interpreters and advocate for and evaluate interpreter services.

Sec. 26. 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 resolving 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. 27. 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. 28. 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. 29. 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. 30. Minnesota Statutes 1990, section 256F.05, is amended to read:

256F.05 [DISTRIBUTION OF GRANTS.]

Subd. 2. [MONEY AVAILABLE.] Money appropriated for permanent 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. 4a. [SPECIAL INCENTIVE BONUS FOR EARLY INTERVENTION SERVICES.] In addition to the funds which are provided to counties under subdivision 2 and distributed according to the formula in subdivision 3, the commissioner shall, within the limit of available appropriations, and as part of each quarterly payment made under subdivision 4, provide an incentive bonus payment to counties as provided in this subdivision. If a county, in expending funds received under this section during a given calendar year, elects to increase the amount of its permanency planning grant money allocated for early intervention family-based services, the commissioner shall provide the county with a bonus equal to 25 percent of the increased county allocation for the early intervention services. A county may not reduce the amount of permanency planning grant funds which it makes available for other services, in order to earn the bonus incentive.

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. 31. 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. 32. 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. 33. 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. 34. 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 and including early intervention services designed to assist families at risk in avoiding crisis situations.

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. 35. [256F.10] [GRANTS FOR CHILDREN'S SAFETY CENTERS.]

The commissioner shall issue a request for proposals from governmental nonprofit, or nongovernmental organizations, to design and implement at least four pilot children's safety centers. The purpose of the centers shall be to reduce children's vulnerability to violence and trauma related to family visitation, where there has been documented history of domestic violence or abuse within the family. At least one of the pilot projects shall be located in the seven-county metropolitan area. The commissioner, after exploring the feasibility of regional treatment centers as service center sites, shall locate the other children's safety centers at any of the following campus locations: Moose Lake, Fergus Falls, Cambridge, Faribault, and Willmar.

Each children's safety center shall be designed to provide a healthy interactive environment for parents who are separated or divorced to visit with their children and to facilitate parental visits with children living in foster homes as a result of child abuse or neglect. The centers shall be available for use by district courts who may order visitation to occur at a safety center. The centers can also be used as drop-off sites, so that parents who are under court order to have no contact with each other can exchange children for visitation at a neutral site.

Each center must have an educational team which shall provide parenting and child development classes to participating parents and hold regular classes designed to assist children who have experienced domestic violence and abuse.

Each center must provide sufficient security to ensure a safe visitation environment for children and their parents.

The commissioner may award grants to eligible providers for the establishment of the metro area safety center, and for outstate

projects as required. If private matching funds are available to metro grantees, then the commissioner shall establish two metro area projects. For safety centers developed by the commissioner at the regional treatment centers, the commissioner may contract with eligible providers for program services. Grants shall be awarded and contracts issued beginning July 1, 1992. The commissioner shall evaluate the operation of the pilot projects and the statewide administration of the children's safety centers and report back to the legislature by February 1, 1993, with recommendations.

Sec. 36. Minnesota Statutes 1990, section 257.071, subdivision 1a, is amended to read:

Subd. 1a. [PROTECTION OF HERITAGE OR BACKGROUND.] The authorized child placing agency shall ensure that the child's best interests are met by giving due consideration of the child's race or ethnic heritage in making a family foster care placement. The authorized child placing agency shall place a child, released by court order or by voluntary release by the parent or parents, in a family foster home selected by following the preferences described in section 260.181, subdivision 3. In instances where a child from a family of color is placed in a family foster home of a different racial or ethnic background, the local social service agency shall review the placement after 30 days and each 30 days thereafter for the first six months to determine if there is another available placement that would better satisfy the requirements of this subdivision.

Sec. 37. [257.0755] [OFFICE OF OMBUDSPERSON; CREATION; QUALIFICATIONS; FUNCTION.]

An ombudsperson for families shall be appointed to operate independently but under the auspices of each of the following groups: the Indian Affairs Council, the Spanish-Speaking Affairs Council, the Council on Black Minnesotans, and the Council on Asian-Pacific Minnesotans. Each of these groups shall select its own ombudsperson subject to final approval by the advisory board established under section 257.0768. Each ombudsperson shall serve at the pleasure of the advisory board, shall be in the unclassified service, shall be selected without regard to political affiliation, and shall be a person highly competent and qualified to analyze questions of law, administration, and public policy regarding the protection and placement of children from families of color. In addition, the ombudsperson must be experienced in dealing with communities of color and knowledgeable about the needs of those communities. No individual may serve as ombudsperson while holding any other public office. The ombudsperson shall have the authority to investigate decisions, acts, and other matters of an agency, program, or facility providing protection or placement services to children of color.

Sec. 38. [257.076] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 257.0755 to 257.0768, the following terms shall have the meanings given them in this section.

Subd. 2. [AGENCY.] "Agency" means the divisions, officials, or employees of the state departments of human services and health and local district courts or a designated county social service agency as defined in section 256G.02, subdivision 7, engaged in providing child protection and placement services for children. "Agency" also means any individual, service, or program providing child protection or placement services in coordination with or under contract to any other entity specified in this subdivision.

Subd. 3. [COMMUNITIES OF COLOR.] "Communities of color" means the following: American Indian, Hispanic-Latino, Asian-Pacific, African, and African-American communities.

Subd. 4. [COMPADRAZGO.] "Compadrazgo" is a kinship institution within the Hispanic-Latino community used as a means of parenting and caring for children from birth to adulthood.

Subd. 5. [FAMILY OF COLOR.] "Family of color" means any family with a child under the age of 18 who is identified by one or both parents or another trusted adult to be of American Indian, Hispanic-Latino, Asian-Pacific, African, or African-American descent.

Subd. 6. [FACILITY.] "Facility" means any entity required to be licensed under chapter 245A.

Subd. 7. [TRUSTED ADULT.] "Trusted adult" means an individual recognized by the child's parent or legal guardian, the child's community, or both, as speaking for the child's best interest. The term includes compadrazgo and other individuals with a kinship or community relationship with the child.

Sec. 39. [257.0761] [ORGANIZATION OF OFFICE OF OMBUDSPERSON.]

Subdivision 1. [STAFF; UNCLASSIFIED STATUS; RETIREMENT.] The ombudsperson for each group specified in section 257.0755 may select, appoint, and compensate out of available funds the assistants and employees as deemed necessary to discharge responsibilities. All employees, except the secretarial and clerical staff, shall serve at the pleasure of the ombudsperson in the unclassified service. The ombudsperson and full-time staff shall be members of the Minnesota state retirement association.

Subd. 2. [DELEGATION TO STAFF.] The ombudsperson may delegate to staff members any of the ombudsperson's authority or

duties except the duty of formally making recommendations to an administrative agency or reports to the office of the governor, or to the legislature.

Sec. 40. [257.0762] [DUTIES AND POWERS.]

Subdivision 1. [DUTIES.] (a) Each ombudsperson shall monitor agency compliance with all laws governing child protection and placement, as they impact on children of color. In particular, the ombudsperson shall monitor agency compliance with sections 256F.07, subdivision 3a; 256F.08; 257.072; 257.075; 257.35 to 257.3579; and 260.181, subdivision 3.

(b) The ombudsperson shall work with local state courts to ensure that:

(1) court officials, public policymakers, and service providers are trained in cultural diversity. The ombudsperson shall document and monitor court activities in order to heighten awareness of diverse belief systems and family relationships;

(2) experts from the appropriate community of color including tribal advocates are used as court advocates and are consulted in placement decisions that involve children of color;

(3) guardians ad litem and other individuals from communities of color are recruited, trained, and used in court proceedings to advocate on behalf of children of color; and

(4) training programs for bilingual workers are provided.

Subd. 2. [POWERS.] In carrying out the duties in subdivision 1, each ombudsperson has the power to:

(1) determine the scope and manner of investigations to be made;

(2) investigate, upon a complaint or upon personal initiative, any action of any agency;

(3) request and be given access to any information in the possession of any agency deemed necessary for the discharge of responsibilities. The ombudsperson is authorized to set reasonable deadlines within which an agency must respond to requests for information. Data obtained from any agency under this clause shall retain the classification which it had under section 13.02 and shall be maintained and disseminated by the ombudsperson according to chapter 13;

(4) examine the records and documents of an agency;

(5) enter and inspect, during normal business hours, premises within the control of an agency; and

(6) subpoena any agency personnel to appear, testify, or produce documentary or other evidence which the ombudsperson deems relevant to a matter under inquiry, and may petition the appropriate state court to seek enforcement with the subpoena; provided, however, that any witness at a hearing or before an investigation as herein provided, shall possess the same privileges reserved to such a witness in the courts or under the laws of this state. The ombudsperson may compel nonagency individuals to testify or produce evidence according to procedures developed by the advisory board.

Sec. 41. [257.0763] [MATTERS APPROPRIATE FOR REVIEW.]

(a) In selecting matters for review, an ombudsperson should give particular attention to actions of an agency, facility, or program that:

(1) may be contrary to law or rule;

(2) may be unreasonable, unfair, oppressive, or inconsistent with a policy or order of an agency, facility, or program;

(3) may result in abuse or neglect of a child;

(4) may disregard the rights of a child or other individual served by an agency or facility; or

(5) may be unclear or inadequately explained, when reasons should have been revealed.

(b) An ombudsperson shall, in selecting matters for review, inform other interested agencies in order to avoid duplicating other investigations or regulatory efforts, including activities undertaken by a tribal organization under the authority of sections 257.35 to 257.3579.

Sec. 42. [257.0764] [COMPLAINTS.]

An ombudsperson may receive a complaint from any source concerning an action of an agency, facility, or program. After completing a review, the ombudsperson shall inform the complainant, agency, facility, or program. Services to a child shall not be unfavorably altered as a result of an investigation or complaint. An agency, facility, or program shall not retaliate or take adverse action, as defined in section 626.556, subdivision 4a, paragraph (c), against an individual who, in good faith, makes a complaint or assists in an investigation.

Sec. 43. [257.0765] [RECOMMENDATIONS TO AGENCY.]

(a) If, after reviewing a complaint or conducting an investigation and considering the response of an agency, facility, or program and any other pertinent material, the ombudsperson determines that the complaint has merit or the investigation reveals a problem, the ombudsperson may recommend that the agency, facility, or program:

- (1) consider the matter further;
- (2) modify or cancel its actions;
- (3) alter a rule, order, or internal policy;
- (4) explain more fully the action in question; or
- (5) take other action as authorized under section 257.0762.

(b) At the ombudsperson's request, the agency, facility, or program shall, within a reasonable time, inform the ombudsperson about the action taken on the recommendation or the reasons for not complying with it.

Sec. 44. [257.0766] [RECOMMENDATIONS AND PUBLIC REPORTS.]

Subdivision 1. [SPECIFIC REPORTS.] An ombudsperson may send conclusions and suggestions concerning any matter reviewed to the governor and shall provide copies of all reports to the advisory board and to the groups specified in section 257.0768, subdivision 1. Before making public a conclusion or recommendation that expressly or implicitly criticizes an agency, facility, program, or any person, the ombudsperson shall inform the governor and the affected agency, facility, program, or person concerning the conclusion or recommendation. When sending a conclusion or recommendation to the governor that is adverse to an agency, facility, program, or any person, the ombudsperson shall include any statement of reasonable length made by that agency, facility, program, or person in defense or mitigation of the ombudsperson's conclusion or recommendation.

Subd. 2. [GENERAL REPORTS.] In addition to whatever conclusions or recommendations the ombudsperson may make to the governor on an ad hoc basis, the ombudsperson shall at the end of each year report to the governor concerning the exercise of the ombudsperson's functions during the preceding year.

Sec. 45. [257.0767] [CIVIL ACTIONS.]

The ombudsperson and his designees are not civilly liable for any action taken under sections 257.0755 to 257.0768 if the action was taken in good faith, was within the scope of the ombudsperson's authority, and did not constitute willful or reckless misconduct.

Sec. 46. [257.0768] [OMBUDSPERSON'S ADVISORY BOARD.]

Subdivision 1. [MEMBERSHIP.] The appointment of each ombudsperson is subject to approval by an advisory board consisting of no more than 17 members. Members of the advisory board shall be appointed by the following groups: the Indian Affairs Council; the Spanish-Speaking Affairs Council; the Council on Black Minnesotans; and the Council on Asian-Pacific Minnesotans. Each council shall appoint four members to the board. The board shall provide advice and counsel to each ombudsperson.

Subd. 2. [COMPENSATION; CHAIR.] Members do not receive compensation but are entitled to receive reimbursement for reasonable and necessary expenses incurred. The members shall designate four rotating chairpersons to serve annually at the pleasure of the members.

Subd. 3. [MEETINGS.] The board shall meet at least four times a year at the request of its chair or the ombudspersons.

Subd. 4. [DUTIES.] The board shall advise and assist the ombudspersons in selecting matters for attention; developing policies, plans, and programs to carry out the ombudspersons' functions and powers; establishing protocols for working with the communities of color; developing procedures for the ombudspersons' use of the subpoena power to compel testimony and evidence from nonagency individuals; and making reports and recommendations for changes designed to improve standards of competence, efficiency, justice, and protection of rights. The board shall function as an advisory body.

Subd. 5. [TERMS, REMOVAL, AND EXPIRATION.] The membership terms, and removal of members of the board and the filling of membership vacancies are governed by section 15.0575.

Sec. 47. [257.0769] [FUNDING FOR THE OMBUDSPERSON PROGRAM.]

(a) Money is appropriated from the special fund authorized by section 256.01, subdivision 2, clause (15), to the Indian Affairs Council for the purposes of sections 257.0755 to 257.0768.

(b) Money is appropriated from the special fund authorized by section 256.01, subdivision 2, clause (15), to the Spanish-speaking Affairs Council for the purposes of sections 257.0755 to 257.0768.

(c) Money is appropriated from the special fund authorized by section 256.01, subdivision 2, clause (15), to the Council of Black Minnesotans for the purposes of sections 257.0755 to 257.0768.

(d) Money is appropriated from the special fund authorized by section 256.01, subdivision 2, clause (15), to the Council on Asian-Pacific Minnesotans for the purposes of sections 257.0755 to 257.0768.

Sec. 48. Minnesota Statutes 1990, section 257.352, subdivision 2, is amended to read:

Subd. 2. [AGENCY NOTICE OF POTENTIAL OUT-OF-HOME PLACEMENT.] When a local social service agency or private child placing agency determines that an Indian child is in a dependent or other condition that could lead to an out-of-home placement and requires the continued involvement of the agency with the child for a period in excess of 30 days, the agency shall send notice of the condition and of the initial steps taken to remedy it to the Indian child's tribal social service agency within seven days of the determination. At this and any subsequent stage of its involvement with an Indian child, the agency shall, upon request, give the tribal social service agency full cooperation including access to all files concerning the child. If the files contain confidential or private data, the agency may require execution of an agreement with the tribal social service agency that the tribal social service agency shall maintain the data according to statutory provisions applicable to the data. This subdivision applies whenever the court transfers legal custody of an Indian child under section 260.185, subdivision 1, paragraph (c), clause (1), (2), or (3) following an adjudication for a misdemeanor-level delinquent act.

Sec. 49. Minnesota Statutes 1990, section 268.022, subdivision 2, is amended to read:

Subd. 2. [DISBURSEMENT OF SPECIAL ASSESSMENT FUNDS.] (a) The money collected under this section shall be deposited in the state treasury and credited to a dedicated fund to provide for the dislocated worker programs established under sections 268.975 to 268.98; including vocational guidance, training, placement, and job development.

(b) All money in the dedicated fund is appropriated to the commissioner who must act as the fiscal agent for the money and must disburse the money for the purposes of this section, not allowing the money to be used for any other obligation of the state. All money in the dedicated fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other dedicated funds in the state treasury, except that all interest or net income

resulting from the investment or deposit of money in the fund shall accrue to the fund for the purposes of the fund.

(c) No more than five percent of the dedicated funds collected in each fiscal year may be used by the department of jobs and training for its administrative costs.

(d) The dedicated funds, less amounts under paragraph (c), must be allocated as follows:

(1) 50 percent to be allocated according to paragraph (e) to the substate grantees under subchapter III of the Job Training Partnership Act, United States Code, title 29, section 1661a in proportion to each substate area's share of the federal allocated funds, to be used to assist dislocated workers under the standards in section 268.98;

(2) 50 percent to fund specific programs proposed under the state plan request for proposal process and recommended by the governor's job training council. This fund shall be used for state plan request for proposal programs addressing plant closings or layoffs regardless of size; and

(3) in fiscal year 1991, 1992, and 1993, any amounts transferred to the general fund or obligated before the effective date of this section shall be excluded from the calculation under this paragraph.

(e) In the event that a substate grantee has obligated 100 percent of its formula allocated federal funds under subchapter III of the Job Training Partnership Act, United States Code, title 29, section 1651 et seq., the substate grantee may request and the commissioner shall provide additional funds to the substate area in an amount equal to the federal formula allocated funds. When a substate grantee has obligated 100 percent of the additional funds provided under this section, the substate grantee may request and the commissioner shall provide further additional funds in amounts equal to the federal formula allocated funds until the substate area receives its proportionate share of funds under paragraph (d), clause (1).

(f) By December 31 of each fiscal year each substate grantee and the governor's job training council shall report to the commissioner on the extent to which funds under this section are committed and the anticipated demand for funds for the remainder of the fiscal year. The commissioner shall reallocate those funds that the substate grantees and the council do not anticipate expending for the remainder of the fiscal year to be available for requests from other substate grantees or other dislocated worker projects proposed to the governor's job training council which demonstrate a need for additional funding.

(g) The amounts allocated under paragraph (d) must be based on estimated collections for the fiscal year. Any adjustments for actual collections shall be made in the following fiscal year.

Sec. 50. Minnesota Statutes 1990, section 268.914, is amended to read:

268.914 [DISTRIBUTION OF APPROPRIATION.]

Subdivision 1. [STATE SUPPLEMENT FOR FEDERAL GRANT-EES.] (a) The commissioner of jobs and training shall distribute money appropriated for that purpose to head start program grantees to expand services to additional low-income children. Money must be allocated to each project head start grantee in existence on the effective date of Laws 1989, chapter 282. Migrant and Indian reservation grantees must be initially allocated money based on the grantees' share of federal funds. The remaining money must be initially allocated to the remaining local agencies based equally on the agencies' share of federal funds and on the proportion of eligible children in the agencies' service area who are not currently being served. A head start grantee must be funded at a per child rate equal to its contracted, federally funded base level for program accounts 20 to 26 at the start of the fiscal year. The commissioner may provide additional funding to grantees for start-up costs incurred by grantees due to the increased number of children to be served. Before paying money to the grantees, the commissioner shall notify each grantee of its initial allocation, how the money must be used, and the number of low-income children that must be served with the allocation. Each grantee must notify the commissioner of the number of additional low-income children it will be able to serve. For any grantee that cannot serve additional children to its full allocation, the commissioner shall reduce the allocation proportionately. Money available after the initial allocations are reduced must be redistributed to eligible grantees.

(b) Up to 11 percent of the funds appropriated annually may be used to provide grants to local head start agencies to provide funds for innovative programs designed either to target head start resources to particular at-risk groups of children or to provide services in addition to those currently allowable under federal head start regulations. The commissioner shall award funds for innovative programs under this paragraph on a competitive basis.

Subd. 2. [SERVICE EXPANSION GRANTS.] One-third of any biennial increase in the state appropriations for head start programs shall be allocated by the commissioner of jobs and training, under a request for proposal system, to existing head start grantees for service expansion.

Priority for state-funded service expansion grants must be given to applicants who propose to:

(1) coordinate or co-locate the services through an existing community-based, family-oriented program such as a family resource center;

(2) minimize the amount of state funding that is needed for initial construction or remodeling costs by using an existing facility, by sharing a facility with a school or other program, or by obtaining contributions for these costs from private or local sources;

(3) reduce the costs and time of transportation by enabling children to attend a program closer to their home communities;

(4) increase services in an area where less than 15 percent of eligible children are enrolled; and

(5) expand programs within a city where no center-based program exists.

The additional funds provided to a grantee under this subdivision shall be considered part of the grantees funding base for future formula allocations of state or federal funds.

Sec. 51. Minnesota Statutes 1990, section 268.975, subdivision 3, is amended to read:

Subd. 3. [DISLOCATED WORKER.] "Dislocated worker" means an individual who:

(1) has been terminated or who has received a notice of termination of from employment as a result of a plant closing or any substantial layoff at a plant, facility, or enterprise located in the state, is eligible for or has exhausted entitlement to unemployment compensation, and is unlikely to return to the previous industry or occupation;

(2) was a resident of the state at the time has been terminated or has received a notice of termination of employment or at the time of receiving the notification of termination of employment as a result of any plant closing or any substantial layoff at a plant, facility, or enterprise; and

(3) is eligible for or has exhausted unemployment compensation and is unlikely to return to the previous industry or occupation has been long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age;

(4) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the

community in which the individual resides or because of natural disasters, subject to rules to be adopted by the commissioner; or

(5) has been terminated or who has received a notice of termination from employment with a public or nonprofit employer.

A dislocated worker must have been working in Minnesota at the time employment ceased.

Sec. 52. Minnesota Statutes 1990, section 268.975, is amended by adding a subdivision to read:

Subd. 3a. [ADDITIONAL DISLOCATED WORKER.] "Additional dislocated worker" means an individual who was a full-time homemaker for a substantial number or years and derived the substantial share of his or her support from:

(1) a spouse and no longer receives such support due to the death, divorce, permanent disability of, or permanent separation from the spouse; or

(2) public assistance on account of dependents in the home and no longer receives such support.

An additional dislocated worker must have resided in Minnesota at the time the support ceased.

Sec. 53. Minnesota Statutes 1990, section 268.977, is amended to read:

268.977 [RAPID RESPONSE PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHMENT.] (a) The commissioner shall establish a rapid response program to (1) assist employees, employers, business organizations or associations, labor organizations, local government units, and community organizations to quickly and effectively respond to announced or actual plant closings and substantial layoffs and (2) assist dislocated workers and additional dislocated workers. Grant recipients and substate grantees may, but shall not be required to, subcontract with the department for readjustment services.

(b) The program must include or address at least the following:

(1) within five working days after becoming aware of an announced or actual plant closing or substantial layoff, establish on-site contact with the employer, employees, labor organizations if there is one representing the employees, and leaders of the local government units and community organizations to provide coordination of efforts to formulate a communitywide response to the plant

closing or substantial layoff, provide information on the public and private service and programs that might be available, inform the affected parties of the prefeasibility study grants under section 268.978, and collect any information required by the commissioner to assist in responding to the plant closing or substantial layoff;

(2) provide ongoing technical assistance to employers, employees, business organizations or associations, labor organizations, local government units, and community organizations to assist them in reacting to or developing responses to plant closings or substantial layoffs;

(3) establish and administer the prefeasibility study grant program under section 268.978 to provide an initial assessment of the feasibility of alternatives to plant closings or substantial layoffs;

(4) work with employment and training service providers, employers, business organizations or associations, labor organizations, local government units, dislocated workers, and community organizations in providing training, education, community support service, job search programs, job clubs, and other services to address the needs of potential or actual dislocated workers;

(5) coordinate with providers of economic development related financial and technical assistance services so that communities that are experiencing plant closings or substantial layoffs have immediate access to economic development related services; **and**

(6) collect and make available information on programs that might assist dislocated workers and the communities affected by plant closings or substantial layoffs; and

(7) when they can be provided without adversely affecting delivery of services to dislocated workers, the services under clause (4) shall be available to additional dislocated workers as defined in section 268.975, subdivision 3a.

Subd. 2. [APPLICABILITY.] Notwithstanding section 268.975, subdivisions 6 and 8, the commissioner may waive the threshold requirements for finding a plant closing or substantial layoff in special cases where the governor's job training council recommends waiver to the commissioner following a finding by the council that the number of workers dislocated as a result of a plant closing or substantial layoff would have a substantial impact on the community or labor market where the closure or layoff occurs and, in the absence of intervention through the rapid response program, would overwhelm the capacity of other programs to provide effective assistance. A proposal for a program recommended for funding by the governor's job training council shall not be denied based upon the increased funding and resources of substate areas.

Sec. 54. Minnesota Statutes 1990, section 268.98, is amended to read:

268.98 [PERFORMANCE STANDARDS.]

(a) The commissioner shall establish performance standards for the programs and activities administered or funded through the rapid response program under section 268.977. The commissioner may use existing federal performance standards or, if the commissioner determines that the federal standards are inadequate or not suitable, may formulate new performance standards to ensure that the programs and activities of the rapid response program are effectively administered.

(b) Not less than 20 percent of the funds expended under this section must be used to provide needs-related payments and other supportive services as those terms are used in subchapter III of the Job Training Partnership Act, United States Code, title 29, section 1661d(b). This requirement does not apply to the extent that a program proposal requests less than 20 percent of such funds. At the end of the fiscal year, each substate grantee and each grant recipient shall report to the commissioner on the types of services funded under this paragraph and the amounts expended for such services. By January 15 of each year, the commissioner shall provide a summary report to the legislature.

Sec. 55. Minnesota Statutes 1990, section 268A.08, subdivision 2, is amended to read:

Subd. 2. Subject to the provisions of sections 268A.06 to 268A.09 and the rules of the department, each rehabilitation facility board shall:

(a) Review and evaluate the need for extended employment programs offered by the rehabilitation facility provided pursuant to sections 268A.06 to 268A.09 and report thereon to the commissioner and, when indicated, the public, together with recommendations for additional extended employment programs. Extended employment program services shall be targeted to persons with brain injuries, serious and persistent mental health disabilities, and persons who are not otherwise eligible for day training and habilitation services under chapter 252 that are reimbursed by medical assistance;

(b) Recruit and promote local financial support for the extended employment programs from private sources such as community chests, business, industrial and private foundations, voluntary agencies and other lawful sources and promote public support for municipal and county appropriations;

(c) Promote, arrange, and implement working agreements with

other educational and social service agencies both public and private and any other allied agencies;

(d) Advise the commissioner on the adoption and implementation of policies to stimulate effective community relations;

(e) Review the annual plan and budget and make recommendations thereon;

(f) When the extended employment program offered by the rehabilitation facility is certified, act as the administrator of the rehabilitation facility and its programs for purposes of this chapter.

Sec. 56. Minnesota Statutes 1990, section 268A.09, subdivision 2, is amended to read:

Subd. 2. [EVALUATION; STATE FUNDING.] At the beginning of each fiscal year, the commissioner shall allocate available funds to extended employment programs for disbursement during the fiscal year in accordance with approved plans or budgets. The commissioner shall study and recommend to the legislature by March 1, 1985, new allocation formulas which take into consideration effectiveness of the rehabilitation facility extended employment programs. In its recommendation the commissioner shall calculate the fiscal impact of the various formulas on each rehabilitation facility and the extent to which a rehabilitation facility can utilize new allocation formulas. The commissioner shall develop forms to assist the rehabilitation facilities in collecting data necessary to complete the program evaluation. Information needed to conduct the evaluations must be submitted by the rehabilitation facilities along with the annual requests for funding. Failure to submit documentation requested by the commissioner shall result in the withdrawal of all state funding for the extended employment programs offered by the rehabilitation facility.

The commissioner shall provide an annual cost-of-living adjustment to extended employment program grants for supported employment, long-term employment, work activity, and work component services beginning July 1, 1993. The annual cost-of-living adjustment shall be a percentage amount equal to the percent increase, if any, in the consumer price index (CPI-V-US) city average as published by the Bureau of Labor Statistics, United States Department of Labor, during the last calendar year.

The commissioner shall from time to time during the fiscal year review the budgets and expenditures of the rehabilitation facilities and programs. If funds are not needed for the program to which they were allocated, the commissioner may, after reasonable notice and opportunity for hearing, withdraw such funds as are unencumbered and reallocate them to other programs. The commissioner may withdraw funds from any rehabilitation facility or program which is

not being administered in accordance with its approved plan and budget unless a modified plan and budget is submitted to and approved by the commissioner, and implemented within a reasonable time.

The commissioner shall also withdraw funds from a rehabilitation facility or program not being administered according to department rules, or not meeting mandatory standards for certification, unless a plan bringing the rehabilitation facility or program into compliance with the rules and standards is submitted to and approved by the commissioner and implemented within a reasonable time.

Sec. 57. [LAND CONVEYANCE TO CITY OF CAMBRIDGE.]

Notwithstanding Minnesota Statutes, sections 94.09 to 94.16; for the purposes of this section and Laws 1990, chapter 610, article 1, section 12, subdivision 5; on behalf of the Cambridge regional human services center; and in cooperation with the city of Cambridge, the commissioner of administration may transfer to the city of Cambridge the real properties, consisting of 68 acres, more or less, described as follows:

Government Lot 2, Section 6, Township 35, Range 23, Isanti county, Minnesota.

ALSO: that part of the West Half of the Northeast Quarter, that part of the East Half of the Northwest Quarter, that part of Government Lot 4, and that part of Government Lot 5, all in Section 5, Township 35, Range 23, Isanti county, Minnesota, described jointly as follows:

Commencing at the intersection of the North line of the said Section 5 and the center line of state trunk highway No. 65 as laid out and constructed, said point being 786.27 feet West from the northeast corner of said Section 5; thence South 15 degrees 39 minutes 50 seconds West, along the center line of said state trunk highway No. 65 and the tangent line of a curve to the right, a distance of 573.03 feet; thence on a bearing of West, a distance of 80.63 feet to a point to be hereinafter known as point "A", said point being the intersection of the westerly right-of-way line of said state trunk highway No. 65 with a line drawn parallel with and distant 50 feet South, as measured at right angles thereto, from the center line of state highway No. 293, as laid out and constructed; thence continuing on a bearing of West and parallel with the center line of said state highway No. 293, said center line being parallel with the North line of said Section 5, a distance of 1484.50 feet to a point to be hereinafter known as point "B"; thence on a bearing of South, a distance of 714.00 feet; thence on a bearing of West, a distance of 545.64 feet; thence North 6 degrees 13 minutes 06 seconds East, a distance of 591.12 feet to the point of beginning

of the land to be herein described; thence South 6 degrees 13 minutes 06 seconds West, retracing the last described course, a distance of 591.12 feet; thence on a bearing of East, a distance of 545.64 feet; thence on a bearing of South, a distance of 70.57 feet; thence South 89 degrees 15 minutes 02 seconds West, a distance of 957.32 feet; thence South 1 degree 37 minutes 42 seconds East, a distance of 133.27 feet to the south line of the North 102.5 feet of the Southeast Quarter of Northwest Quarter of Section 5, as measured along the west line of said Southeast Quarter of Northwest Quarter; thence South 89 degrees 24 minutes 15 seconds West, along said south line, a distance of 2040.05 feet to the west line of said Section 5; thence northerly, along said west line of Section 5 to the southerly shoreline of the Rum River; thence easterly and northeasterly along the southerly and southeasterly shoreline of the Rum River to the north line of the Northwest Quarter of said Section 5; thence North 89 degrees 47 minutes 10 seconds East, along said north line of the Northwest Quarter of Section 5 to a point distant 646.00 feet west of the northeast corner of said Northwest Quarter of Section 5, as measured along the north line of said Northwest Quarter; thence South 0 degrees 03 minutes 35 seconds East, a distance of 134.02 feet; thence North 89 degrees 56 minutes 25 seconds East, a distance of 238.29 feet to the westerly line of an easement for highway purposes for state highway No. 293, by Transfer of Custodial Control, dated June 15, 1959; thence South 0 degrees 04 minutes 00 seconds East, along said westerly line, a distance of 7.77 feet; thence southeasterly along a tangential curve in the westerly line of said easement for highway purposes, said curve is concave to the northeast, radius 381.10 feet, central angle 58 degrees 44 minutes 37 seconds, 390.73 feet to the point of intersection with a line that bears North 30 degrees 00 minutes 00 seconds East from the point of beginning; thence South 30 degrees 00 minutes 00 seconds West, along said line, a distance of 240.68 feet to the point of beginning.

That part of Lot 30 of Auditor's Subdivision No. 9, Isanti county, Minnesota, described as follows:

Commencing at the East quarter corner of Section 32, Township 36, Range 23, Isanti county, Minnesota; thence South 89 degrees 44 minutes 35 seconds West, assumed bearing, along the east-west quarter line of said Section 32, a distance of 2251.43 feet; thence South 1 degree 48 minutes 40 seconds East, a distance of 344.47 feet to the south line of Lot 30 of Auditor's Subdivision No. 9; thence South 89 degrees 35 minutes 05 seconds West along said south line, a distance of 205.34 feet to the west line of the East 1098 feet of said Lot 30 and the point of beginning of the parcel to be herein described; thence continuing South 89 degrees 35 minutes 05 seconds West along the south line of said Lot 30, a distance of 534.66

feet; thence North 45 degrees 24 minutes 55 seconds West, a distance of 180 feet, more or less, to the shoreline of the Rum River; thence northeasterly along said shoreline, a distance of 252 feet, more or less, to the east-west quarter line of said Section 32; thence North 89 degrees 44 minutes 35 seconds East along said east-west quarter line, a distance of 524 feet, more or less, to the west line of the East 1098 feet of said Lot 30; thence South 2 degrees 40 minutes 50 seconds East along said west line, a distance of 345.21 feet to the point of beginning.

That part of the North half of the Northeast Quarter and that part of the Northeast Quarter of the Northwest Quarter, both in said Section 5, lying northerly of the following described line "C" and lying southerly of a line drawn parallel with and distant 32 feet northerly of said line "C" (as measured at right angles to said line "C"). Said line "C" is described as follows:

Beginning at the previously described point "A"; thence on a bearing of West, a distance of 1484.50 feet to the previously described point "B"; thence continuing on a bearing of West, a distance of 164.52 feet to a point to be hereinafter known as point "D".

The northerly line of the strip of land described herein is to extend easterly to terminate on the westerly right-of-way line of said state trunk highway No. 65.

That part of the Northeast Quarter of the Northwest Quarter of said Section 5, lying northerly of the following described line "E" and lying southerly of a line drawn parallel with and distant 27 feet northerly of said line "E" (as measured at right angles to said line "E"). Said line "E" is described as follows:

Beginning at the previously described point "D", said point is on a curve, the tangent of said curve bears East from said point; thence westerly, along said curve, concave to the north, radius 408.10 feet, central angle 31 degrees 02 minutes 09 seconds, a distance of 221.06 feet and there terminating.

All of the land described herein is subject to easements, restrictions and reservations of record, if any.

In accordance with this section and Laws 1990, chapter 610, article 1, section 12, subdivision 5, the department of human services and the city may attach to the transfer the conditions that they agree are appropriate, including conditions that relate to water and sewer service at the center and in the city. If the transfer requires the conveyance of any interest in real estate, the attorney general shall prepare appropriate instruments of conveyance. The deeds to convey the properties must contain a clause that the

property will revert to the state if the property ceases to be used for a public purpose.

The city of Cambridge shall use the land to preserve flood plain open space, to construct a wastewater treatment facility, to construct a trail system, to access the regional treatment center cemetery, to access existing infrastructure, and other public purposes. Economic development is a public purpose within the meaning of the term in Laws 1990, chapter 610, article 1, section 12, subdivision 5, and sales or conveyances to private parties shall be deemed as economic development. Property conveyed by the state under this section shall not revert to the state if it is conveyed or otherwise encumbered by the city as part of a city economic development activity. The appropriation in Laws 1990, chapter 610, article 1, section 12, subdivision 5, expires upon the accomplishment or abandonment of its purpose and the purposes of this section.

Sec. 58. [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 256F.03, subdivision 5. 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. 59. [CITATION.]

Sections 6 to 9, 55, and 56 may be cited as the "act for equal access to employment opportunities for persons with severe disabilities."

Sec. 60. [REPEALER.]

Laws 1990, chapter 568, article 6, section 4, is repealed effective the day following final enactment.

Sec. 61. [EFFECTIVE DATE.]

Sections 51 to 53 are effective the day following final enactment. Sections 18 to 23 become effective only under the requirements of section 15.

ARTICLE 4
HEALTH CARE

Section 1. Minnesota Statutes 1990, section 144A.071, is amended by adding a subdivision to read:

Subd. 3a. [CERTIFICATION OF LICENSED BEDS IN A CERTIFIED FACILITY.] Nothing in this section prohibits the commissioner of health from certifying licensed nursing home beds in a facility certified for medical assistance provided that these beds meet the certification requirements and the facility enters into a written agreement with the commissioner of human services specifying that medical assistance reimbursement shall not be requested for a greater number of residents than the facility had medical assistance certified beds on April 1, 1991.

Sec. 2. Minnesota Statutes 1990, section 246.64, subdivision 3, is amended to read:

Subd. 3. [RESPONSIBILITIES OF COMMISSIONER.] The commissioner shall credit all receipts from billings for rates set in subdivision 1, except those credited according to subdivision 2, to the chemical dependency fund. This money must not be used for a regional treatment center activity that is not a chemical dependency service or an allocation of expenditures that are included in the base for computation of the rates under subdivision 1. The commissioner may expand chemical dependency services so long as expenditures are recovered by patient fees, transfer of funds, or supplementary appropriations. The commissioner may expand or reduce chemical dependency staff complement as long as expenditures are recovered by patient fees, transfer of funds, or supplementary appropriations. ~~An increase or decrease in chemical dependency staff shall not result in an increase or decrease in staff in any facility or unit not providing chemical dependency services.~~ Notwithstanding chapters 176 and 268, the commissioner shall provide for the self-insurance of regional treatment center chemical dependency programs for the costs of unemployment compensation and workers' compensation claims. The commissioner shall provide a biennial report to the chairs of the senate finance subcommittee on health and human services, the house of representatives human services division of appropriations, and the senate and house of representatives health and human services committees.

Sec. 3. 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. The commissioner shall not provide an annual inflation adjustment for the fiscal year ending June 30, 1993.

Sec. 4. Minnesota Statutes 1990, section 252.46, subdivision 6, is amended to read:

Subd. 6. [VARIANCES.] A variance from the minimum or maximum payment rates in subdivisions 2 and 3 may be granted by the commissioner when the vendor requests and the county board submits to the commissioner a written variance request with the recommended payment rates. The commissioner shall develop by October 1, 1989, a uniform format for submission of documentation for the variance requests. This format shall be used by each vendor requesting a variance. The form shall be developed by the commissioner and shall be reviewed by representatives of advocacy and provider groups and counties. A variance may be utilized for costs associated with compliance with state administrative rules, compliance with court orders, capital costs required for continued licensure, increased insurance costs, start-up and conversion costs for supported employment, direct service staff salaries and benefits, and transportation. The county board shall review all vendors' payment rates that are ten or more than ten percent lower than the statewide median payment rates. If the county determines that the payment rates do not provide sufficient revenue to the vendor for authorized service delivery the county must recommend a variance under this section. When the county board contracts for increased services from any vendor for some or all individuals receiving services from the vendor, the county board shall review the vendor's payment rates to determine whether the increase requires that a variance to the minimum rates be recommended under this section to reflect the vendor's lower per unit fixed costs. The written variance request must include documentation that all the following criteria have been met:

(1) The commissioner and the county board have both conducted a review and have identified a need for a change in the payment rates and recommended an effective date for the change in the rate.

(2) The proposed changes are required for the vendor to deliver authorized individual services in an effective and efficient manner.

(3) The proposed changes are necessary to demonstrate compliance with minimum licensing standards; ~~or to provide community-integrated and supported employment services after a change in the vendor's existing services has been approved as provided in section 252.28.~~

(4) The vendor documents that the changes cannot be achieved by reallocating current staff or by reallocating financial resources.

(5) The county board submits evidence that the need for additional staff cannot be met by using temporary special needs rate exceptions under Minnesota Rules, parts 9510.1020 to 9510.1140.

(6) The county board submits a description of the nature and cost of the proposed changes, and how the county will monitor the use of money by the vendor to make necessary changes in services.

(7) The county board's recommended payment rates do not exceed 125 percent of the current calendar year's statewide median payment rates.

The commissioner shall have 60 calendar days from the date of the receipt of the complete request to accept or reject it, or the request shall be deemed to have been granted. If the commissioner rejects the request, the commissioner shall state in writing the specific objections to the request and the reasons for its rejection.

Sec. 5. Minnesota Statutes 1990, section 252.46, subdivision 14, is amended to read:

Subd. 14. [PILOT STUDY.] The commissioner may initiate a pilot payment rate system under section 252.47. The pilot project may establish training and demonstration sites. The pilot payment rate system must include actual transfers of funds, not simulated transfers. The pilot payment rate system may involve ~~up to four counties and four vendors~~ representing different geographic regions and rates of reimbursement. Participation in the pilot project is voluntary. Selection of participants by the commissioner is based on the vendor's submission of a complete application form provided by the commissioner. The application must include letters of agreement from the host county, counties of financial responsibility, and residential service providers. Evaluation of the pilot project must include consideration of the effectiveness of procedures governing establishment of equitable payment rates. Implementation of the pilot payment rate system is contingent upon federal approval and systems feasibility. The policies and procedures governing administration, participation, evaluation, service utilization, and payment for services under the pilot payment rate system are not subject to the rulemaking requirements of chapter 14.

Sec. 6. Minnesota Statutes 1990, section 252.478, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF PROGRAM METRO TRANSPORTATION SUPPORT GRANTS.] The commissioner of human services shall establish and operate a metro transportation

support grants program to provide reimbursement for client transportation by metro mobility, or cost-effective alternatives, to day training and habilitation services for which client transportation is a required and funded component, and to maximize use of federal funds for this reimbursement. A metro transportation support grants account shall be established in the department of human services chart of accounts.

Sec. 7. Minnesota Statutes 1990, section 252.478, subdivision 3, is amended to read:

Subd. 3. [COUNTY SHARE.] The county share of the metro transportation support grants program costs will be distributed by the department to all metropolitan counties from the metro transportation support grants account. ~~For state fiscal year 1991, the funds transferred from the regional transit board to this account shall be distributed to: Ramsey county, 48 percent; Hennepin county, 46 percent; Dakota county, five percent; and Anoka county, one percent. For subsequent fiscal years, funds shall be distributed annually based on each county's percentage of total expenses incurred for trips provided on metro mobility to and from day training and habilitation services during the preceding 12-month period; in amounts not to exceed those received by the counties and used for increased expenses incurred for trips provided on metro mobility during fiscal year 1991. Counties must recommend decreases to the payment rates for vendors whose transportation costs decrease with use of cost-effective alternatives. Counties should deposit these funds into the program accounts that will incur the transportation expenses.~~

Sec. 8. Minnesota Statutes 1990, section 254B.04, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, persons eligible for medical assistance benefits under sections 256B.055 and 256B.056 or who meet the income standards of section 256B.056, subdivision 4, and persons eligible for general assistance medical care under section 256D.03, subdivision 3, are entitled to chemical dependency fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) A person not entitled to services under paragraph (a), but with family income that is less than 60 percent of the state median income for a family of like size and composition, shall be eligible to receive chemical dependency fund services within the limit of funds available after persons entitled to services under paragraph (a) have been served. A county may spend money from its own sources to serve persons under this paragraph.

(c) Persons whose income is between 60 percent and 115 percent of the state median income shall be eligible for chemical dependency services on a sliding fee basis, within the limit of funds available, after persons entitled to services under paragraph (a) and persons eligible for services under paragraph (b) have been served. Persons eligible under this paragraph must contribute to the cost of services according to the sliding fee scale established under subdivision 3. A county may spend money from its own sources to provide services to persons under this paragraph. State money appropriated for paragraphs (b) and (c) must be placed in a separate account established for the purposes of paragraphs (b) and (c).

(d) Notwithstanding paragraphs (b) and (c), state money appropriated to serve persons who are not entitled to services under paragraph (a) must be expended for chemical dependency treatment services for persons who are eligible for services but not entitled to services under paragraph (a) and who have children in their household, are pregnant, or are younger than 19 years old. These persons may have household incomes up to 115 percent of the state median income. State money appropriated for this paragraph must be placed in a separate account established for this purpose. Any money in addition to the amounts necessary to serve the persons identified in this paragraph must be expended according to the provisions of paragraphs (b) and (c).

Sec. 9. 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. 10. 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. 11. 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. 12. 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. 13. 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 commissioner 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. 14. 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. 15. 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. 16. 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 fiscal year ending June 30, 1993.

Sec. 17. 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. 18. 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. 19. 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. 20. 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 14 exist:

(1) Subd. 7. [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. 8. [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. 9. [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. 10. [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. 11. [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 13~~, 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 14.

(6) Subd. 12. [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. 13. [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 14~~. 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 14.

(8) Subd. 14. [TRANSFERS.] Except as provided in ~~paragraphs (5) subdivisions 11 and (7) 13,~~ 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 13.~~

(b) Subd. 15. [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. 16. [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. 17. [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 18, 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. 18. [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. 19. [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. 20. [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.

(4) Subd. 21. [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 14, 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. 21. 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. 22. 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. 23. 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. 24. 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. 25. 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. 26. 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. 27. 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. 28. 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. 29. 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. 30. 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. 31. 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. 32. 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. 33. 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. 34. 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~~ shall 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,~~ drug formulary committee 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. 35. 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 80 cents per mile. Special transportation provided to nonambulatory persons who do not need a wheelchair lift van or stretcher-equipped vehicle, may be reimbursed at a lower rate than special transportation provided to persons who need a wheelchair lift van or stretcher-equipped vehicle.

Sec. 36. 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. The commissioner shall not provide an annual inflation adjustment for the fiscal year ending June 30, 1993.

Sec. 37. 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 chemical dependency treatment programs or primary treatment or extended care treatment units in hospitals that are covered under Laws 1986, chapter 304, 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 304, 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. 38. 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. 39. 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. 40. 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. 41. 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. 42. 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 alloca-

tion 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 fiscal year 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 avail-

able 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 admission 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. 43. Minnesota Statutes 1990, section 256B.19, subdivision 1, is amended to read:

Subdivision 1. [DIVISION OF COST.] ~~The cost state and county share of medical assistance paid by each county of financial responsibility costs not paid by federal funds shall be borne~~ as follows:

(1) ~~ninety percent of the expense of assistance not paid by federal funds available for that purpose shall be paid by the state funds and~~

ten percent shall be paid by the county of financial responsibility funds, unless otherwise provided below;

(2) beginning January 1, 1992, zero percent state funds and 100 percent county funds for the cost of placement of severely emotionally disturbed children in regional treatment centers.

For counties that participate in a Medicaid demonstration project under sections 256B.69 and 256B.71, the division of the nonfederal share of medical assistance expenses for payments made to prepaid health plans or for payments made to health maintenance organizations in the form of prepaid capitation payments, this division of medical assistance expenses shall be 95 percent by the state and five percent by the county of financial responsibility.

~~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. Payment to counties under this subdivision is subject to the provisions of section 256.017.~~

In counties where prepaid health plans are under contract to the commissioner to provide services to medical assistance recipients, the cost of court ordered treatment ordered without consulting the prepaid health plan that does not include diagnostic evaluation, recommendation, and referral for treatment by the prepaid health plan is the responsibility of the county of financial responsibility.

Sec. 44. Minnesota Statutes 1990, section 256B.19, is amended by adding a subdivision to read:

Subd. 1a. [STATE REIMBURSEMENT OF COUNTIES.] 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 on and after January 1, 1991, except for costs described in subdivision 1, clause (2). Payment to counties under this subdivision is subject to the provisions of section 256.017.

Sec. 45. 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. 46. Minnesota Statutes 1990, section 256B.431, subdivision 2l, is amended to read:

Subd. 2l. [INFLATION ADJUSTMENTS AFTER JULY 1, 1990.] For rate years beginning on or after July 1, 1990, the forecasted composite price index for a nursing home's allowable operating cost per diems shall be determined using Data Resources, Inc., forecast for change in the Nursing Home Market Basket. The commissioner of human services shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the calendar year preceding the rate year.

(b) For rate years beginning on or after July 1, 1992, the commissioner shall index the prior year's operating cost limits by the percentage change in the Data Resources Inc. Nursing home Market Basket between the midpoint of the current report year and the midpoint of the previous report year. The commissioner of human services shall use the indices as forecasted by Data Resources Inc., in the fourth quarter of the calendar year preceding the rate year.

Sec. 47. Minnesota Statutes 1990, section 256B.431, subdivision 3e, is amended to read:

Subd. 3e. [HOSPITAL-ATTACHED CONVALESCENT AND NURSING CARE FACILITIES.] If a nonprofit or community-operated hospital and attached convalescent and nursing care facility suspend operation of the hospital, the surviving nursing care facility must be allowed to continue its status as a hospital-attached convalescent and nursing care facility for reimbursement purposes in three subsequent rate years. A community-operated hospital and attached convalescent and nursing care facility with 40 beds as of April 21, 1991, that suspended operation of the hospital in April 1986, may continue its status as a hospital-attached convalescent and nursing care facility for reimbursement purposes, for rate years beginning on or after July 1, 1991, provided that group 3 limits are used for purposes of determining any efficiency incentive.

Sec. 48. Minnesota Statutes 1990, section 256B.431, subdivision 3f, is amended to read:

Subd. 3f. [PROPERTY COSTS AFTER JULY 1, 1988.] (a) [INVESTMENT PER BED LIMIT.] For the rate year beginning July 1, 1988, the replacement-cost-new per bed limit must be \$32,571 per licensed bed in multiple bedrooms and \$48,857 per licensed bed in a single bedroom. For the rate year beginning July 1, 1989, the replacement-cost-new per bed limit for a single bedroom must be \$49,907 adjusted according to Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1). Beginning January 1, 1990, the replacement-cost-new per bed limits must be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1). Beginning January 1, 1991, the replacement-cost-new per bed limits will be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1), except that the index utilized will be the Bureau of the Census: Composite fixed-weighted price index as published in the Survey of Current Business.

(b) [RENTAL FACTOR.] For the rate year beginning July 1, 1988, the commissioner shall increase the rental factor as established in Minnesota Rules, part 9549.0060, subpart 8, item A, by 6.2 percent rounded to the nearest 100th percent for the purpose of reimbursing nursing homes for soft costs and entrepreneurial profits not included in the cost valuation services used by the state's contracted appraisers. For rate years beginning on or after July 1, 1989, the rental factor is the amount determined under this paragraph for the rate year beginning July 1, 1988.

(c) [OCCUPANCY FACTOR.] For rate years beginning on or after July 1, 1988, in order to determine property-related payment rates under Minnesota Rules, part 9549.0060, for all nursing homes except those whose average length of stay in a skilled level of care

within a nursing home is 180 days or less, the commissioner shall use 95 percent of capacity days. For a nursing home whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use the greater of resident days or 80 percent of capacity days but in no event shall the divisor exceed 95 percent of capacity days.

(d) [EQUIPMENT ALLOWANCE.] For rate years beginning on July 1, 1988, and July 1, 1989, the commissioner shall add ten cents per resident per day to each nursing home's property-related payment rate. The ten-cent property-related payment rate increase is not cumulative from rate year to rate year. For the rate year beginning July 1, 1990, the commissioner shall increase each nursing home's equipment allowance as established in Minnesota Rules, part 9549.0060, subpart 10, by ten cents per resident per day. For rate years beginning on or after July 1, 1991, the adjusted equipment allowance must be adjusted annually for inflation as in Minnesota Rules, part 9549.0060, subpart 10, item E.

(e) [POST CHAPTER 199 RELATED-ORGANIZATION DEBTS AND INTEREST EXPENSE.] For rate years beginning on or after July 1, 1990, Minnesota Rules, part 9549.0060, subpart 5, item E, shall not apply to outstanding related organization debt incurred prior to May 23, 1983, provided that the debt was an allowable debt under Minnesota Rules, parts 9510.0010 to 9510.0480, the debt is subject to repayment through annual principal payments, and the nursing home demonstrates to the commissioner's satisfaction that the interest rate on the debt was less than market interest rates for similar arms-length transactions at the time the debt was incurred. If the debt was incurred due to a sale between family members, the nursing home must also demonstrate that the seller no longer participates in the management or operation of the nursing home. Debts meeting the conditions of this paragraph are subject to all other provisions of Minnesota Rules, parts 9549.0010 to 9549.0080.

(f) [BUILDING CAPITAL ALLOWANCE FOR NURSING HOMES WITH OPERATING LEASES.] For rate years beginning on or after July 1, 1990, a nursing home with operating lease costs incurred for the nursing home's buildings shall receive its building capital allowance computed in accordance with Minnesota Rules, part 9549.0060, subpart 8.

Sec. 49. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 3k. [PROPERTY COSTS FOR THE RATE YEARS BEGINNING JULY 1, 1991 AND JULY 1, 1992.] Notwithstanding Minnesota Rules, part 9549.0060, subpart 13, item H, for rate years beginning July 1, 1991 and July 1, 1992, the commissioner shall determine property-related payment rates for nursing homes as provided under subdivision 3i.

Sec. 50. Minnesota Statutes 1990, section 256B.49, is amended by adding a subdivision to read:

Subd. 4. [INFLATION ADJUSTMENT.] For the fiscal year ending June 30, 1993, the commissioner of human services shall not provide an annual inflation adjustment for home and community-based waived services.

Sec. 51. Minnesota Statutes 1990, section 256B.50, subdivision 1d, is amended to read:

Subd. 1d. [EXPEDITED APPEAL REVIEW PROCESS.] (a) Within 120 days of the date an appeal is due according to subdivision 1b, the department shall review an appealed adjustment equal to or less than \$100 annually per licensed bed of the provider, make a determination concerning the adjustment, and notify the provider of the determination. Except as allowed in paragraph (g), this review does not apply to an appeal of an adjustment made to, or proposed on, an amount already paid to the provider. In this subdivision, an adjustment is each separate disallowance, allocation, or adjustment of a cost item or part of a cost item as submitted by a provider according to forms required by the commissioner.

(b) For an item on which the provider disagrees with the results of the determination of the department made under paragraph (a), the provider may, within 60 days of the date of the review notice, file with both the office of administrative hearings and the department its written argument and documents, information, or affidavits in support of its appeal. If the provider fails to make a submission timely submissions in accordance with this paragraph, the department's determinations on the disputed items must be upheld.

(c) Within 60 days of the date the department received the provider's submission under paragraph (b), the department may file with the office of administrative hearings and serve upon the provider its written argument and documents, information, and affidavits in support of its determination. If the department fails to make a submission in accordance with this paragraph, the administrative law judge shall proceed pursuant to paragraph (d) based on the provider's submission.

(d) Upon receipt by the office of administrative hearings of the department's submission made under paragraph (c) or upon the expiration of the 60-day filing period, whichever is earlier, the chief administrative law judge shall assign the matter to an administrative law judge. The administrative law judge shall consider the submissions of the parties and all relevant rules, statutes, and case law. The administrative law judge may request additional argument from the parties if it is deemed necessary to reach a final decision, but shall not allow witnesses to be presented or discovery to be made in the proceeding. Within 60 days of receipt by the office of

administrative hearings of the department's submission or the expiration of the 60-day filing period in paragraph (c), whichever is earlier, the administrative law judge shall make a final decision on the items in issue, and shall notify the provider and the department by first-class mail of the decision on each item. The decision of the administrative law judge is the final administrative decision, is not appealable, and does not create legal precedent, except that the department may make an adjustment contrary to the decision of the administrative law judge based upon a subsequent cost report amendment or field audit that reveals information relating to the adjustment that was not known to the department at the time of the final decision.

(e) For a disputed item otherwise subject to the review set forth in this subdivision, the department and the provider may mutually agree to bypass the expedited review process and proceed to a contested case hearing at any time prior to the time for the department's submission under paragraph (c).

(f) When the department determines that ~~the appeals of two or more providers otherwise an appeal item~~ present presents the same or substantially the same adjustment, presented in another appeal filed pursuant to this chapter, the department may remove the disputed items from the review in this subdivision, and the disputed items shall proceed in accordance with subdivision 1c. The department's decision to remove the appealed adjustments to contested case proceeding is final and is not reviewable.

(g) For a disputed item otherwise subject to the review in this subdivision, the department or a provider may petition the chief administrative law judge to issue an order allowing the petitioning party to bypass the expedited review process. If the petition is granted, the disputed item must proceed in accordance with subdivision 1c. In making the determination, the chief administrative law judge shall consider the potential impact and precedential and monetary value of the disputed item. A petition for removal to contested case hearing must be filed with the chief administrative law judge and the opposing party on or before the date on which its submission is due under paragraph (b) or (c). Within 20 days of receipt of the petition, the opposing party may submit its argument opposing the petition. Within 20 days of receipt of the argument opposing the petition, or if no argument is received, within 20 days of the date on which the argument was due, the chief administrative law judge shall issue a decision granting or denying the petition. If the petition is denied, the petitioning party has 60 days from the date of the denial to make a submission under paragraph (b) or (c).

(h) The department and a provider may mutually agree to use the procedures set forth in this subdivision for any disputed item not otherwise subject to this subdivision.

(i) Nothing shall prevent either party from making its submissions and arguments under this subdivision through a person who is not an attorney.

(j) This subdivision applies to all appeals for rate years beginning after June 30, 1988.

Sec. 52. 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. 53. Minnesota Statutes 1990, section 256B.501, subdivision 8, is amended to read:

Subd. 8. [PAYMENT FOR PERSONS WITH SPECIAL NEEDS.] The commissioner shall establish by December 31, 1983, procedures to be followed by the counties to seek authorization from the commissioner for medical assistance reimbursement for very dependent persons with special needs in an amount in excess of the rates

allowed pursuant to subdivisions 2 and 4, including rates established under section 252.46 when they apply to services provided to residents of intermediate care facilities for persons with mental retardation or related conditions, and procedures to be followed for rate limitation exemptions for intermediate care facilities for persons with mental retardation or related conditions. No excess payment ~~or limitation exemption~~ approved by the commissioner after June 30, 1991, shall be authorized unless the need for the service is documented in the individual service plan of the person or persons to be served, the type and duration of the services needed are stated, and there is a basis for estimated cost of the services.;

(1) the need for specific level of service is documented in the individual service plan of the person to be served;

(2) the level of service needed can be provided within the rates established under section 252.46 and Minnesota Rules, parts 9553.0010 to 9553.0080, without a rate exception within 12 months;

(3) staff hours beyond those available under the rates established under section 252.46 and Minnesota Rules, parts 9553.0010 to 9553.0080, necessary to deliver services do not exceed 720 hours within six months;

(4) there is a basis for the estimated cost of services;

(5) the provider requesting the exception documents that current per diem rates are insufficient to support needed services;

(6) estimated costs, when added to the costs of current medical assistance-funded residential and day training and habilitation services and calculated as a per diem, do not exceed the per diem established for the regional treatment centers for persons with mental retardation and related conditions on July 1, 1990, indexed annually by the urban consumer price index, all items, published by the United States Department of Labor, for the next fiscal year over the current fiscal year;

(7) any contingencies for an approval as outlined in writing by the commissioner are met; and

(8) any commissioner orders for use of preferred providers are met.

The commissioner shall evaluate the services provided pursuant to this subdivision through program and fiscal audits.

The commissioner may terminate the rate exception at any time under any of the conditions outlined in Minnesota Rules, part 9510.1120, subpart 3, for county termination, or by reason of information obtained through program and fiscal audits which

indicate the criteria outlined in this subdivision have not been, or are no longer being, met. The commissioner may approve no more than two consecutive six-month rate exceptions for an eligible client whose first application for funding occurs after June 30, 1991.

Sec. 54. 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) and Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (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), except that the index utilized will be the Bureau of the Census: Composite fixed-weighted price index as published in the Survey of Current Business.

(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. 55. 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 three months prior to application if the person was eligible 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. 56. 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 other products recommended through the process established in section 256B.0625, subdivision 13;

(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;

(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;

(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;

(16) day treatment services for mental illness provided under contract with the county board;

(17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;

(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;

(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

(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 exception of special transportation services.

~~(b)~~ (c) 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)~~ (d) 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) (e) Any county may, from its own resources, provide medical payments for which state payments are not made.

(e) (f) 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)~~ (g) 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)~~ (h) 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. 57. Minnesota Statutes 1990, section 256D.06, subdivision 1b, is amended to read:

Subd. 1b. [EARNED INCOME SAVINGS ACCOUNT.] In addition to the \$50 disregard required under subdivision 1, the county agency shall disregard an additional earned income up to a maximum of \$150 per month for persons residing in a negotiated rate residence, as that term is defined in section 256I.03, subdivision 2, or in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690 and 9530.2500 to 9530.4000, and for whom discharge and work are part of a treatment plan and for persons living in supervised apartments with services funded under Minnesota Rules, parts 9535.0100 to 9535.1600, and for whom discharge and work are part of a treatment plan and for persons residing in a negotiated rate residence, as that term is defined in section 256I.03, subdivision 3, who are receiving advocacy and support services for the purpose of independent living. The additional amount disregarded must be placed in a separate savings account by the eligible individual, to be used upon discharge from the residential facility into the community. A maximum of \$1,000, including interest, of the money in the savings account must be excluded from the resource limits established by section 256D.08, subdivision 1, clause (1). Amounts in that account in excess of \$1,000 must be applied to the resident's cost of care. If excluded money is removed from the savings account by the eligible individual at any time before the individual is discharged from the facility into the community, the money is income to the individual in the month of receipt and a resource in subsequent months. If an eligible individual moves from a community facility to an inpatient hospital setting, the separate savings account is an excluded asset for up to 18 months. During that time, amounts that accumulate in excess of the \$1,000 savings limit must be applied to the patient's cost of care. If the patient continues to be hospitalized at the conclusion of the 18-month period, the entire account must be applied to the patient's cost of care.

Sec. 58. 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 nego-

tiated 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. 59. 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) The maximum negotiated rate does not apply to 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. Effective January 1, 1989, the actual documented cost rate 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 continues until June 30, 1992. 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.

(d) The commissioner of human services shall take the following action in relation to certified boarding care facilities and nursing homes that have been declared institutions for mental diseases, excluding those facilities exempt under paragraph (a):

(1) All mental health and placement screenings and diagnostic assessments required under the federal Omnibus Budget Reconciliation Act (OBRA) must be completed by July 1, 1991, for all residents in institutions for mental diseases admitted before June 1, 1991. Residents determined to need relocation under the preadmission screening and annual resident review must be relocated to a more appropriate placement in accordance with the timelines established in the state's alternative disposition plan.

(2) By October 1, 1991, all institutions for mental diseases must be reviewed again by the commissioner to determine if they are still institutions for mental diseases, and the commissioner shall immediately revoke a declaration that a facility is an institution for mental diseases if the commissioner determines that the facility is not an institution for mental diseases.

(3) The commissioner shall provide to institutions for mental diseases training in the criteria used in assessing residents for determination of institutions for mental diseases status and the numbers of residents in each category.

(4) For facilities whose status as an institution for mental diseases is not revoked by the commissioner by October 1, 1991, a facility-specific plan must be developed by the commissioner and the facility, in consultation with the appropriate consumer groups, to offer alternative services to enough residents by July 1, 1992, to allow the commissioner to revoke the facility's status as an institution for mental diseases.

Sec. 60. Minnesota Statutes 1990, section 256I.05, is amended by adding a subdivision to read:

Subd. 7a. [RATE INCREASES FOR THE 1993 FISCAL YEAR.]

For the fiscal year ending June 30, 1993, no inflationary increase shall be provided in rates for negotiated rate settings under subdivision 7.

Sec. 61. [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 waived services fund, the costs of waived 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.

Sec. 62. [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.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>256.969, subd. 3a</u>	<u>256.969, subd. 6a, paragraph (a), clause (5) or (6)</u>	<u>256.969, subds. 10 and 11</u>
<u>256.9695, subd. 3</u>	<u>256.969, subd. 6a, paragraph (a), clause (3)</u>	<u>256.969, subd. 8</u>
<u>256.9695, subd. 3, paragraph (a)</u>	<u>256.969, subd. 6a, paragraph (a), clauses (1), (2), (4), (5), (6), and (8)</u>	<u>256.969, subds. 7, 9, 10, 11, and 13</u>
<u>256.9695, subd. 3, paragraph (a)</u>	<u>256.969, subd. 6a, paragraph (a), clause (7), and paragraph (i)</u>	<u>256.969, subds. 12 and 20</u>
<u>256.9695, subd. 3, paragraph (c)</u>	<u>256.969, subd. 6a, paragraphs (g) and (h)</u>	<u>256.969, subd. 19, paragraphs (a) and (b)</u>

Sec. 63. [EFFECTIVE DATES.]

Subdivision 1. [SPECIAL CATEGORIES OF ELIGIBILITY.] (a) Those portions of sections 26, 27, and 29 regarding publication of federal poverty guidelines are effective retroactive to the date the 1991 change in the federal poverty guidelines became effective.

(b) Sections 28 and 30 are effective retroactive to January 1, 1991.

Subd. 2. [AVAILABILITY OF INCOME.] The deduction for reparation payments in section 31 is effective retroactive to January 1, 1991. The deduction for veterans pensions in section 31 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; GAMC.] The amendments relating to services covered by general assistance medical care in section 56 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 5

ASSISTANCE PAYMENTS

Section 1. Minnesota Statutes 1990, section 256.01, subdivision 11, is amended to read:

Subd. 11. [CENTRALIZED DISBURSEMENT SYSTEM.] The state agency may establish a system for the centralized disbursement of (1) assistance payments to recipients of aid to families with dependent children, (2) emergency assistance payments to needy families with dependent children as defined in Minnesota Statutes 1976, section 256.12, and (3) the benefit documents for food stamp recipients food coupons, assistance payments, and related documents. The state agency shall adopt rules and set guidelines for the operation of the statewide system. If required by federal law or regulations promulgated thereunder, or by state law, or by rule of the state agency, each county shall pay to the state treasurer that portion of assistance for which the county is responsible. Benefits shall be issued by the state or county and funded under this section according to section 256.025, subdivision 3, and subject to section 256.017.

Sec. 2. Minnesota Statutes 1990, section 256.01 is amended by adding a subdivision to read:

Subd. 11a. [CONTRACTING WITH FINANCIAL INSTTU-

TIONS.] The state agency may contract with banks or other financial institutions to provide services associated with the processing of public assistance checks and may pay a service fee for these services, provided the fee charged does not exceed the fee charged to other customers of the institution for similar services.

Sec. 3. [256.023] [ONE HUNDRED PERCENT COUNTY ASSISTANCE.]

The commissioner of human services may maintain client records and issue public assistance benefits that are over state and federal standards or that are not required by state or federal law, providing the cost of benefits is paid by the counties to the department of human services. Payment methods for this section shall be according to section 256.025, subdivision 3.

Sec. 4. Minnesota Statutes 1990, section 256.025, subdivision 1, is amended to read:

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

(b) "Base amount" means the calendar year 1990 county share of county agency expenditures for all of the programs specified in subdivision 2.

(c) "County agency expenditure" means the total expenditure or cost incurred by the county of financial responsibility for the benefits and services for each of the programs specified in subdivision 2. The term includes the federal, state, and county share of costs for programs in which there is federal financial participation. For programs in which there is no federal financial participation, the term includes the state and county share of costs. The term excludes county administrative costs, unless otherwise specified.

(d) "Nonfederal share" means the sum of state and county shares of costs of the programs specified in subdivision 2.

(e) The "county share of county agency expenditures growth amount" is the amount by which the county share of county agency expenditures in calendar years 1991 to 1997 2000 has increased over the base amount.

Sec. 5. Minnesota Statutes 1990, section 256.025, subdivision 3, is amended to read:

Subd. 3. [PAYMENT METHODS.] The state shall pay counties, according to the reporting cycle established by the commissioner, all federal funds available for the services and benefits distributed under subdivision 2 together with an amount of state funds equal to

the state share of expenditures, except as provided for in section 256.017. (a) Beginning July 1, 1991, the state will reimburse counties for the county share of county agency expenditures for benefits and services distributed under subdivision 2 and funded by the human services account established under section 273.1392, except as follows:

(1) beginning January 1, 1992, the county shall pay 25 percent of the costs of the growth in emergency general assistance payments which exceed expenditures during the base year of calendar year 1990;

(2) beginning January 1, 1992, the county shall pay 25 percent of the costs of the growth in eligible general assistance negotiated rate payments which exceed expenditures during the base year of calendar year 1990;

(3) beginning January 1, 1992, the county shall pay 15 percent of the costs of the growth in Minnesota supplemental aid negotiated rate payments made which exceed expenditures during the base year of calendar year 1990;

(4) beginning January 1, 1992, the county shall pay 90 percent of the nonfederal portion of the growth in emergency assistance payments made which exceed expenditures during the base year of calendar year 1990.

(b) Payments under subdivision 4 are only for client benefits and services distributed under subdivision 2 and do not include reimbursement for county administrative expenses.

(c) The state and the county agencies shall pay for assistance programs as follows:

(1) Where the state issues payments for the programs, the county shall monthly advance to the state as required by the department of human services, the portion of program costs not met by federal and state funds. The advance shall be an estimate that is based on actual expenditures from the prior period and that is sufficient to compensate for the county share of disbursements as well as state and federal shares of recoveries;

(2) Where the county agencies issue payments for the programs, the state shall monthly advance to counties all federal funds available for those programs together with an amount of state funds equal to the state share of expenditures; and

(3) Payments made under this paragraph are subject to section 256.017. Adjustment of any overestimate or underestimate in advances shall be made by the state agency in any succeeding month.

Sec. 6. Minnesota Statutes 1990, section 256.025, subdivision 4, is amended to read:

Subd. 4. [PAYMENT SCHEDULE.] Except as provided for in subdivision 3, beginning July 1, 1991, the state will reimburse counties, according to the following payment schedule, for the county share of county agency expenditures for the programs specified in subdivision 2.

(a) Beginning July 1, 1991, the state will reimburse or pay the county share of county agency expenditures according to the reporting cycle as established by the commissioner, for the programs identified in subdivision 2. Payments for the period of January 1 through July 31, for calendar years 1991, 1992, and 1993 shall be made on or before July 10 in each of those years. Payments for the period August through December for calendar years 1991, 1992, and 1993 shall be made on or before the third of each month thereafter through December 31 in each of those years.

(b) Payment for 1/24 of the base amount and the January 1994 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before January 3, 1994. For the period of February 1, 1994, through July 31, 1994, payment of the base amount shall be made on or before July 10, 1994, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1994 through December 1994 shall be made on or before the third of each month thereafter through December 31, 1994.

(c) Payment for the county share of county agency expenditures during January 1995 shall be made on or before January 3, 1995. Payment for 1/24 of the base amount and the February 1995 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before February 3, 1995. For the period of March 1, 1995, through July 31, 1995, payment of the base amount shall be made on or before July 10, 1995, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1995 through December 1995 shall be made on or before the third of each month thereafter through December 31, 1995.

(d) Monthly payments for the county share of county agency expenditures from January 1996 through February 1996 shall be made on or before the third of each month through February 1996. Payment for 1/24 of the base amount and the March 1996 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before March 1996. For the period of April 1, 1996, through July 31, 1996, payment of the base amount shall be made on or before July 10,

1996, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1996 through December 1996 shall be made on or before the third of each month thereafter through December 31, 1996.

(e) Monthly payments for the county share of county agency expenditures from January 1997 through March 1997 shall be made on or before the third of each month through March 1997. Payment for 1/24 of the base amount and the April 1997 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before April 3, 1997. For the period of May 1, 1997, through July 31, 1997, payment of the base amount shall be made on or before July 10, 1997, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1997 through December 1997 shall be made on or before the third of each month thereafter through December 31, 1997.

(f) Monthly payments for the county share of county agency expenditures from January 1998 through April 1998 shall be made on or before the third of each month through April 1998. Payment for 1/24 of the base amount and the May 1998 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before May 3, 1998. For the period of June 1, 1998, through July 31, 1998, payment of the base amount shall be made on or before July 10, 1998, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1998 through December 1998 shall be made on or before the third of each month thereafter through December 31, 1998.

(g) Monthly payments for the county share of county agency expenditures from January 1999 through May 1999 shall be made on or before the third of each month through May 1999. Payment for 1/24 of the base amount and the June 1999 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before June 3, 1999. For the period of June 1, 1999, through July 31, 1999, payment shall be made on or before July 10, 1999. Payments for the period August 1999 through December 1999 shall be made on or before the third of each month thereafter through December 31, 1999.

(h) Effective January 1, 2000, monthly payments for the county share of county agency expenditures shall be made subsequent to the first of each month.

Payments under this subdivision are subject to the provisions of section 256.017.

Sec. 7. Minnesota Statutes 1990, section 256.031, is amended to read:

256.031 [MINNESOTA FAMILY INVESTMENT PLAN.]

Subdivision 1. [CITATION.] Sections 256.031 to ~~256.036~~ 256.0361 may be cited as the Minnesota family investment plan.

Subd. 2. [LEGISLATIVE FINDINGS.] The legislature recognizes the need to fundamentally change the way government supports families. The legislature finds that many features of the current system of public assistance do not help families carry out their two basic functions: the economic support of the family unit and the care and nurturing of children. The legislature recognizes that the Minnesota family investment plan is an investment strategy that will support and strengthen the family's social and financial functions. This investment in families will provide long-term benefits through stronger and more independent families.

Subd. 3. [AUTHORIZATION FOR THE DEMONSTRATION.] (a) The commissioner of human services, in consultation with the commissioners of education, finance, jobs and training, health, and planning, and the ~~directors~~ director of the higher education coordinating board ~~and the office of jobs policy~~, is authorized to proceed with the planning and designing of the Minnesota family investment plan and to implement the plan to test policies, methods, and cost impact on an experimental basis by using field trials. The commissioner, under the authority in section 256.01, subdivision 2, shall implement the plan according to sections 256.031 to 256.033 describe the basic principles of the program. Sections 256.034 to 256.036 provide a basis for congressional action. Using sections 256.031 to 256.036, the commissioner shall seek congressional authority to implement the program in field trials. After obtaining congressional authority to implement the Minnesota family investment plan in field trials, the commissioner shall request specific appropriations from the legislature to implement field trials 256.0361 and Public Law Numbers 101-202 and 101-239, section 8015, as amended. If major and unpredicted costs to the program occur, the commissioner may take corrective action consistent with Public Law Numbers 101-202 and 101-239, which may include termination of the program. Before taking such corrective action, the commissioner shall consult with the chairs of the senate health and human services committee, the house health and human services committee, the health and human services division of the senate finance committee and the human resources division of the house appropriations committee, or, if the legislature is not in session, consult with the legislative advisory commission.

(b) The field trials ~~must~~ shall be conducted as permitted under federal law, for as many years as necessary, and in different

geographical settings, to provide reliable instruction about the desirability of expanding the program statewide.

(c) The commissioner shall select the counties which shall serve as field trial or control sites based on criteria which ensure reliable evaluation of the program.

(d) The commissioner is authorized to determine the number of families and characteristics of subgroups to be included in the evaluation.

(i) A family that applies for or is currently receiving financial assistance from aid to families with dependent children; family general assistance or work readiness; or food stamps may be assigned by the commissioner to an experimental or a control group for the purposes of evaluating the family investment plan. Families assigned to an experimental group receive benefits and services through the family investment plan. Families assigned to a control group receive benefits and services through existing programs. A family may not select the group to which it is assigned. Once assigned to a group, a family must remain in that group for the duration of the project.

(ii) To evaluate the effectiveness of the family investment plan, the commissioner may designate a subgroup of families from the experimental group who shall be exempt from section 256.035, subdivision 1, and shall not receive case management services under section 256.035, subdivision 6a. Families are eligible for services under section 256.736 to the same extent as families receiving AFDC.

Subd. 4. [GOALS OF THE MINNESOTA FAMILY INVESTMENT PLAN.] The commissioner shall design the program to meet the following goals:

(1) to support families' transition to financial independence by emphasizing options, removing barriers to work and education, providing necessary support services, and building a supportive network of education, employment and training, health, social, counseling, and family-based services;

(2) to allow resources to be more effectively and efficiently focused on investing in families by removing the complexity of current rules and procedures and consolidating public assistance programs;

(3) to prevent long-term dependence on public assistance through paternity establishment, child support enforcement, emphasis on education and training, and early intervention with minor parents; and

(4) to provide families with an opportunity to increase their living standard by rewarding efforts aimed at transition to employment and by allowing families to keep a greater portion of earnings when they become employed.

Subd. 5. [FEDERAL WAIVERS.] The commissioner of human services shall seek authority from Congress to implement the Minnesota family investment plan on a demonstration basis. If necessary In accordance with sections 256.031 to 256.0361 and federal laws authorizing the program, the commissioner shall seek waivers of compliance with federal requirements for of: aid to families with dependent children under United States Code, title 42, sections section 601 to 670a, as amended; medical assistance under United States Code, title 42, sections 1396 to 1396s, as amended; food stamps under et seq., and United States Code, title 7, sections section 2011 to 2030, as amended; and other federal requirements that would inhibit implementation of et seq., needed to implement the Minnesota family investment plan in a manner consistent with the goals and objectives of the program. The commissioner shall seek terms from the federal government that are consistent with the goals of the Minnesota family investment plan. The commissioner shall also seek terms from the federal government that will maximize federal financial participation so that the extra costs to the state of implementing the program are minimized, to the extent that those terms are consistent with the goals of the Minnesota family investment plan. An agreement with the federal government under this section shall provide that the agreements may be canceled by the state or federal government upon six months' 180 days' notice or immediately upon mutual agreement. If the agreements are agreement is canceled, families which cease receiving assistance under the Minnesota family investment plan who are eligible for the aid to families with dependent children, general assistance, medical assistance, general assistance medical care, and or the food stamp programs program must be placed with their consent on those the programs for which they are eligible.

Sec. 8. Minnesota Statutes 1990, section 256.032, is amended to read:

256.032 [DEFINITIONS.]

Subdivision 1. [SCOPE OF DEFINITIONS.] The terms used in sections 256.031 to ~~256.036~~ 256.0361 have the meanings given them unless otherwise provided or indicated by the context.

Subd. 1a. [ASSISTANCE UNIT.] (a) "Assistance unit" means the following individuals when they are living together: a minor child; the minor child's blood-related siblings; and the minor child's natural and adoptive parents. The income and assets of members of the assistance unit must be considered in determining eligibility for the family investment plan.

(b) A nonparental caregiver, as defined in subdivision 2, may elect to be included in the assistance unit. A nonparental caregiver who does not elect to be included under this paragraph must apply for assistance with the minor child.

(c) A stepparent of the minor child may elect to be included in the assistance unit. If the stepparent does not choose to be included, the county agency shall not count the stepparent's resources or income, if the stepparent's income is less than 275 percent of the federal poverty guidelines for a family of one. If the stepparent's income is more than 275 percent of the federal poverty guidelines for a family of one and the stepparent does not choose to be included, the county agency shall not count the stepparent's resources, but shall count the stepparent's income in accordance with section 256.033, subdivision 2, clause (5).

(d) A stepsibling of the minor child may elect to be included in the assistance unit.

(e) A parent of a minor caregiver may elect to be included in the minor caregiver's assistance unit. If the parent of the minor caregiver does not choose to be included, the county agency shall not count the resources of the parent of the minor caregiver, but shall count the income of the parent of the minor caregiver, in accordance with section 256.033, subdivision 2, clause (5).

Subd. 2. [CAREGIVER.] "Caregiver" means a minor child's natural or adoptive parent or parents who live in the home with the minor child. For purposes of determining eligibility for this program, "caregiver" also means any of the following individuals, if adults, who live with and provide care and support to a minor child when the minor child's natural or adoptive parent or parents do not reside in the same home: grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, niece, persons of preceding generations as denoted by prefixes of "great" or "great-great," or a spouse of any person named in the above groups even after the marriage ends by death or divorce.

Subd. 3. [CASE MANAGEMENT.] "Case management" means the assessment of family needs ~~and, the development of the employability plan and family support agreement, and the~~ coordination of services necessary to support the family in its social and economic roles, ~~in addition to the services described in~~ according to section ~~256.736~~ 256.035, subdivision 11 6a.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of human services or a designee.

Subd. 5. [CONTRACT.] "Contract" means a family self-sufficiency plan, described in section 256.035, subdivision 7, based on the case manager's assessment of the family's needs and abilities and devel-

oped, together with a parental caregiver, by a county agency or its designee.

Subd. 5a. [COUNTY AGENCY.] “County agency” means the agency designated by the county board to implement financial assistance for current programs and for the Minnesota family investment plan and the agency responsible for enforcement of child support collection.

Subd. 5b. [COUNTY BOARD.] “County board” means the county board of commissioners; a county welfare board as defined in chapter 393; a board established under the joint powers act, section 471.59; or a human services board under chapter 402.

Subd. 6. [DEPARTMENT.] “Department” means the department of human services.

Subd. 6a. [EMPLOYABILITY PLAN.] “Employability plan” means the plan developed by the case manager and the caregiver according to section 256.035, subdivision 6b, which meets the requirements for an employability development plan under section 256.736, subdivision 10, paragraph (a), clause (15).

Subd. 7. [FAMILY.] For purposes of determining eligibility for this program, “Family” includes the following individuals who live together: a minor child or a group of minor children related to each other as siblings, half siblings, stepsiblings, or adopted siblings, together with their natural or adoptive parents, or their caregiver as defined in subdivision 2. “Family” also includes a pregnant woman in the third trimester of pregnancy with no children.

Subd. 7a. [FAMILY SUPPORT AGREEMENT.] “Family support agreement” means the agreement developed by the case manager and the caregiver under section 256.035, subdivision 6c.

Subd. 8. [FAMILY WAGE LEVEL.] “Family wage level” means 120 percent of the transitional standard, as defined in subdivision 13.

Subd. 8a. [MINOR CHILD.] “Minor child” means a child who is living in the same home of a parent or other caregiver, who is in financial need, and who is either less than 18 years of age or is under the age of 19 years and is regularly attending, as a full-time student and is expected to complete a high school or a secondary level course of vocational or technical training designed to fit students for gainful employment before reaching age 19.

Subd. 9. [ORIENTATION.] “Orientation” means a presentation that meets the requirements of section 256.736, subdivision 10a, provides information to caregivers about the Minnesota family

investment plan, and encourages parental caregivers to engage in activities that will stabilize the family and lead to self-sufficiency.

Subd. 10. [PROGRAM.] "Program" means the Minnesota family investment plan.

Subd. 11. [SIGNIFICANT CHANGE.] "Significant change" means a change of ten percent or \$50, whichever is less, in monthly gross family earned income, or a change in family composition in income available to the family so that the sum of the income and the grant for the current month would be less than the transitional standard as defined in subdivision 13.

Subd. 11a. [SUITABLE EMPLOYMENT.] "Suitable employment" has the meaning given in section 256.736, subdivision 1a, paragraph (h).

Subd. 12. [TRANSITIONAL STATUS.] "Transitional status" means the status of caregivers who are independently pursuing self-sufficiency or caregivers who are complying with the terms of a contract family support agreement with a county agency or its designee.

Subd. 13. [TRANSITIONAL STANDARD.] "Transitional standard" means the sum of the AFDC standard of assistance and the full cash value of food stamps for a family of the same size and composition in effect when for the remainder of the state during implementation of the Minnesota family investment plan begins field trials. This standard applies only to families in which the parental caregiver is in transitional status and to families in which the caregiver is exempt from having a contract or is exempt from developing or has good cause for not complying with the terms of the contract family support agreement. Full cash value of food stamps is the amount of the cash value of food stamps to which a family of a given size would be entitled for a month, determined by assuming unearned income equal to the AFDC standard for a family of that size and composition and subtracting the standard deduction and maximum shelter deduction from gross family income, as allowed under the Food Stamp Act of 1977, as amended, and Public Law Number 100-435. The assistance standard for a family consisting of a pregnant woman in the third trimester of pregnancy with no children must equal the assistance standard for one adult and one child.

Sec. 9. Minnesota Statutes 1990, section 256.033, is amended to read:

256.033 [ELIGIBILITY FOR THE MINNESOTA FAMILY INVESTMENT PLAN.]

Subdivision 1. [ELIGIBILITY CONDITIONS.] (a) A family is ~~eligible for and~~ entitled to assistance under the Minnesota family investment plan if:

(1) ~~the family's net income, after deducting an amount to cover taxes and actual dependent care costs up to the maximum disregarded under United States Code, title 42, section 602(a)(8)(A)(iii), does not exceed the applicable standard of assistance for that family as defined under section 256.032, subdivision 13; and the family meets the definition of assistance unit under section 256.032, subdivision 1a;~~

(2) ~~the family's nonexcluded~~ resources not excluded under subdivision 3 do not exceed \$2,000-;

(3) the family can verify citizenship or lawful resident alien status;

(4) the family provides or applies for a social security number for each member of the family receiving assistance under the family investment plan; and

(5) the family assigns child support collection to the county agency.

(b) A family is eligible for the family investment plan if the net income is less than the transitional standard as defined in section 256.032, subdivision 13, for that size and composition of family. In determining available net income, the provisions in subdivision 2 shall apply.

(c) Upon application, a family is initially eligible for the family investment plan if the family's gross income does not exceed the applicable transitional standard of assistance for that family as defined under section 256.032, subdivision 13, after deducting:

(1) 18 percent to cover taxes;

(2) actual dependent care costs up to the maximum disregarded under United States Code, title 42, section 602(a)(8)(A)(iii); and

(3) \$50 of child support collected in that month.

(d) A family can remain eligible for the program if:

(1) it meets the conditions in section 256.035, subdivision 4; and

(2) its income is below the transitional standard in section 256.032, subdivision 13, allowing for income exclusions in subdivi-

sion 2 and after applying the family investment plan treatment of earnings under section 256.035, subdivision 4.

Subd. 2. [DETERMINATION OF FAMILY INCOME.] The aid to families with dependent children income exclusions listed in Code of Federal Regulations, title 45, sections 233.20(a)(3) and 233.20(a)(4), must be used when determining a family's available income, except that:

(1) ~~the disregard of the first \$75 of gross earned income is replaced with a single disregard described in section 256.035, subdivision 4, paragraph (a);~~

(2) ~~all earned income of a minor child receiving assistance through the Minnesota family investment plan is excluded when the child is attending school at least half-time;~~

(3) ~~(2) all earned income tax credit payments received by the family as a refund of federal income taxes or made as advance payments are excluded in accordance with United States Code, title 42, section 602(a)(8)(A)(viii);~~

(4) ~~(3) educational grants and loans as provided in section 256.74, subdivision 1, clause (2), are excluded; and~~

(5) ~~(4) all other income listed in Minnesota Rules, part 9500.2380, subpart 2, is excluded; and~~

(5) when determining income available from members of the family who do not elect to be included in the assistance unit under section 256.032, subdivision 1a, paragraphs (c) and (e), the county agency shall count the remaining income after disregarding:

(i) the first 18 percent of the excluded family member's gross earned income;

(ii) an amount for the support of the stepparent and any other individuals whom the stepparent claims as dependents for determining federal personal income tax liability and who live in the same household but whose needs are not considered in determining eligibility for assistance under sections 256.031 to 256.033. The amount equals the transitional standard in section 256.032, subdivision 13, for a family of the same size and composition.

(iii) amounts the stepparent actually paid to individuals not living in the same household but whom the stepparent claims as dependents for determining federal personal income tax liability; and

(iv) alimony or child support, or both, paid by the stepparent for individuals not living in the same household.

Subd. 3. [DETERMINATION OF FAMILY RESOURCES.] When determining a family's resources, the following are excluded:

(1) the family's home, together with ~~the~~ surrounding property that does not exceed ten acres and that is not separated from the home by intervening property owned by others;

(2) one burial plot for each family member;

(3) one prepaid burial contract with an equity value of no more than \$1,500 for each member of the family;

(4) licensed automobiles, trucks, or vans up to a total equity value of \$4,500;

(5) ~~the value of~~ personal property needed to produce earned income, including tools, implements, farm animals, and inventory;

(6) the entire equity value of a motor vehicle determined to be necessary for the operation of a self-employment business; and

(7) clothing, necessary household furniture, equipment, and other basic maintenance items essential for daily living.

Subd. 4. [TREATMENT OF SSI AND MSA.] The monthly benefits and any other income received through the supplemental security income or Minnesota supplemental aid ~~programs~~ program and any real or personal property of a ~~person receiving an assistance unit member who receives~~ supplemental security income or Minnesota supplemental aid must be excluded in determining the family's eligibility for the Minnesota family investment plan and the amount of assistance. In determining the amount of assistance to be paid to the family, the needs of the person receiving supplemental security income or Minnesota supplemental aid must not be taken into account.

Subd. 5. [ABILITY TO APPLY FOR FOOD STAMPS.] A family that is ineligible for assistance through the Minnesota family investment plan due to income or resources may apply for, and if eligible receive, benefits under the food stamp program.

Sec. 10. Minnesota Statutes 1990, section 256.034, is amended to read:

256.034 [PROGRAM SIMPLIFICATION.]

Subdivision 1. [CONSOLIDATION OF TYPES OF ASSISTANCE.] Under the Minnesota family investment plan, assistance previously provided to families through the AFDC, food stamp, and general assistance programs must be combined into a single cash

assistance program. If As authorized by Congress, families receiving assistance through the Minnesota family investment plan are automatically eligible for and entitled to medical assistance under chapter 256B. Federal, state, and local funds that would otherwise be allocated for assistance to families under the AFDC, food stamp, and general assistance programs must be transferred to the Minnesota family investment plan. The provisions of the Minnesota family investment plan prevail over any provisions of sections 256.72 to 256.87 or 256D.01 to 256D.21 and any rules implementing those sections with which they are irreconcilable. The food stamp, general assistance, and work readiness programs for single persons and couples who are not responsible for the care of children are not replaced by the Minnesota family investment plan.

Subd. 2. [COUPON OPTION.] Families have the option to receive a portion of their assistance standardized amount of assistance as described in Public Law Number 101-202, section 22(a)(3)(D), designated by the commissioner, in the form of food coupons or vendor payments.

Subd. 3. [MODIFICATION OF ELIGIBILITY TESTS.] (a) A needy family is eligible and entitled to receive assistance under the program even if its children are not found to be deprived of parental support or care by reason of death, continued absence from the home, physical or mental incapacity of a parent, or unemployment of a parent, provided the family's income and resources do not exceed the eligibility requirements in section 256.033. In addition, a family member caregiver who is in the assistance unit who is physically and mentally fit, who is between the ages of 18 and 60 years, who is enrolled at least half time in an institution of higher education, and whose family income and resources do not exceed the eligibility requirements in section 256.033, is eligible for assistance under the Minnesota family investment plan even if the conditions for eligibility as prescribed under the federal Food Stamp Act of 1977, as amended, are not met.

(b) An applicant for, or a person receiving, assistance under the Minnesota family investment plan is considered to have assigned to the public agency responsible for child support enforcement at the time of application all rights to child support, health care benefits coverage, and maintenance from any other person the applicant may have in the applicant's own behalf or on behalf of any other family member for whom application is made under the Minnesota family investment plan. The provisions of section 256.74, subdivision 5, govern the assignment. An applicant for, or a person receiving, assistance under the Minnesota family investment plan shall cooperate with the efforts of the county agency to collect child and spousal support. The county agency is entitled to any child support and maintenance received by or on behalf of the person receiving assistance or another member of the family for which the person receiving assistance is responsible. Failure by an applicant or a

person receiving assistance to cooperate with the efforts of the county agency to collect child and spousal support without good cause must be sanctioned according to section 256.035, subdivision 3.

(c) An applicant for, or a person receiving, assistance under the Minnesota family investment plan is not required to comply with the employment and training requirements prescribed under sections 256.736, subdivisions 3, 3a, and 14; and 256D.05, subdivision 1; section 402(a)(19) of the Social Security Act; the federal Food Stamp Act of 1977, as amended; Public Law Number 100-485; or any other state or federal employment and training program, unless and to the extent compliance is specifically required in a contract family support agreement with the county agency or its designee.

Subd. 4. [SIMPLIFICATION OF BUDGETING PROCEDURES.] The monthly amount of assistance provided by the Minnesota family investment plan must be calculated ~~on a prospective basis by~~ taking into account actual income or circumstances that existed in a previous month and other relevant information to predict income and circumstances for the next month or months. When a family has a significant change in circumstances, the budgeting cycle must be interrupted and the amount of assistance for the payment month must be based on the county agency's best estimate of the family's income and circumstances for that month. Families may be required to report their income monthly, but income may be averaged over a period of more than one month.

Subd. 5. [SIMPLIFICATION OF VERIFICATION PROCEDURES.] Verification procedures must be reduced to the minimum that is workable and consistent with the goals and requirements of the Minnesota family investment plan as determined by the commissioner.

Sec. 11. Minnesota Statutes 1990, section 256.035, is amended to read:

256.035 [INCOME SUPPORT AND TRANSITION.]

Subdivision 1. [EXPECTATIONS.] All families eligible for assistance under the family investment plan are expected to be in transitional status as defined in section 256.032, subdivision 12. To be considered in transitional status, families must meet the following expectations:

(a) For a family headed by a single adult ~~parent~~ parental caregiver, the expectation is that the ~~parent~~ parental caregiver will independently pursue self-sufficiency until the family has received assistance for 24 months within the preceding 36 months. Beginning with the 25th month of assistance, the parent must be developing or

~~have a contract and comply complying with the terms of the contract with the county agency or its designee family support agreement.~~

(b) For a family with a minor ~~parent~~ parental caregiver or a family whose parental caregiver is 18 or 19 years of age and does not have a high school diploma or its equivalent, the expectation is that, concurrent with the receipt of assistance, the ~~minor parent~~ parental caregiver must be developing or have a contract with the county agency complying with a family support agreement. The terms of the ~~contract~~ family support agreement must include compliance with section 256.736, subdivision 3b. However, if the assistance unit does not comply with section 256.736, subdivision 3b, the sanctions in subdivision 3 apply.

(c) For a family with two adult ~~parents~~ parental caregivers, the expectation is that at least one or both parents parent will independently pursue self-sufficiency until the family has received assistance for six months within the preceding 12 months. Beginning with the seventh month of assistance, one parent must be developing or have a contract and comply complying with the terms of the contract with the county agency or its designee family support agreement.

Subd. 2. [EXEMPTIONS.] (a) A caregiver is exempt from the requirement of developing a ~~contract~~ and complying with the terms of the ~~contract~~ developed with the county agency family support agreement, or engaging in transitional activities, if:

(1) the caregiver is not the natural or adoptive parent of a minor child; or

(2) ~~in the case of a parental caregiver, the county agency determines that:~~

(i) ~~individual circumstances prevent compliance;~~

(ii) ~~support services necessary to enable compliance are not available;~~

(iii) ~~activities identified in the contract are not available; or~~

(iv) ~~a parental caregiver is willing to accept suitable employment but employment is not available. the caregiver is exempt under United States Code, title 7, section 2031(c)(1)(A)(B)(C)(D)(E) or (F);~~

(b) A parental caregiver exempt under paragraph (a), clause (2), may meet with a case manager and develop an employability plan if the parental caregiver fits one of the categories of expectations in subdivision 1, and may receive support services including child care

if needed to participate in activities identified in the employability plan.

Subd. 2a. [GOOD CAUSE.] The county agency shall not impose the sanction in subdivision 3 if it determines that the parental caregiver has good cause for not meeting the expectations of developing and complying with the terms of a family support agreement developed with the county agency. Good cause exists when:

- (1) needed child care is not available;
- (2) the job does not meet the definition of suitable employment in section 256.032, subdivision 11a;
- (3) the parental caregiver is ill or injured;
- (4) a family member is ill and needs care by the parental caregiver that prevents the parental caregiver from complying with the family support agreement;
- (5) the parental caregiver is unable to secure the necessary transportation;
- (6) the parental caregiver is in an emergency situation which prevents compliance with the family support agreement;
- (7) the schedule of compliance with the family support agreement conflicts with judicial proceedings;
- (8) the parental caregiver is already participating in acceptable activities;
- (9) the family support agreement requires an educational program for a parent under age 20, but the educational program is not offered in the school district;
- (10) activities identified in the family support agreement are not available;
- (11) the parental caregiver is willing to accept suitable employment as defined in section 256.032, subdivision 11a, but employment is not available; or
- (12) the parental caregiver documents other verifiable impediments to compliance with the family support agreement beyond the parental caregiver's control.

Subd. 3. [SANCTIONS.] A family whose parental caregiver is not exempt from the expectations in subdivision 1 and who is not

complying with those expectations by developing or complying with the family support agreement must have assistance reduced by a value equal to ten percent of the transitional standard as defined in section 256.032, subdivision 13. This reduction is effective with the month following the finding of noncompliance and continues until the beginning of the month after failure to comply ceases. The county agency must notifiy provide written notice to the parental caregiver of its intent to implement this sanction and the opportunity to have a conciliation conference, upon request, before the sanctions are sanction is implemented. Implementation of the sanction shall be postponed pending resolution of the conciliation conference under section 256.036, subdivision 5, or hearing under section 256.045.

Subd. 4. [TREATMENT OF INCOME FOR THE PURPOSES OF CONTINUED ELIGIBILITY.] To help families during their transition from the Minnesota family investment plan to self-sufficiency, the following income supports are available:

(a) The \$30 and one-third and ~~\$75~~ \$90 disregards allowed under section 256.74, subdivision 1, and the 20 percent earned income deduction allowed under the federal Food Stamp Act of 1977, as amended, are replaced with a single disregard of not less than 35 percent of gross earned income to cover taxes and other work-related expenses and to reward the earning of income. This single disregard is available for the entire time a family receives assistance through the Minnesota family investment plan.

(b) The dependent care deduction, as prescribed under section 256.74, subdivision 1, and United States Code, title 7, section 2014(e), is replaced for families with earned income who need assistance with dependent care with an entitlement to a dependent care subsidy from money ~~earmarked~~ appropriated for the Minnesota family investment plan.

(c) The family wage level, as defined in section 256.032, subdivision 8, allows families to supplement earned income with assistance received through the Minnesota family investment plan. If, after earnings are adjusted according to the disregard described in paragraph (a), earnings have raised family income to a level equal to or greater than the family wage level, the amount of assistance received through the Minnesota family investment plan must be reduced.

(d) The first \$50 of any timely support payment for a month received by the public agency responsible for child support enforcement shall be paid to the family and disregarded in determining eligibility and the amount of assistance in accordance with United States Code, title 42, sections 602(a)(8)(A)(vi) and 657(b)(1). This paragraph applies regardless of whether the caregiver is in transitional status, is exempt from ~~having~~ developing or complying with

the terms of a contract family support agreement, or has had a sanction imposed under subdivision 3.

Subd. 5. [ORIENTATION.] All caregivers receiving assistance through the Minnesota family investment plan must attend orientation. The county agency must provide orientation which supplies information to caregivers about the Minnesota family investment plan, and must encourage parental caregivers to engage in activities to stabilize the family and lead to employment and self-support.

Subd. 6. [CONTRACT.] (a) To receive the transitional standard of assistance, a single adult parent who is a member of a family that has received assistance through the Minnesota family investment plan for 24 months within the preceding 36 months, a minor parent receiving assistance through the Minnesota family investment plan, and one parent in a two-parent family that has received assistance through the Minnesota family investment plan for six months within the preceding 12 months, must comply with the terms of a contract with the county agency or its designee unless exempt under subdivision 2. Case management must be provided to a caregiver who is a parent to assist the caregiver in meeting established goals and to monitor the caregiver's progress toward achieving those goals. The parental caregiver and the county agency must finalize the contract as soon as possible, but in any event within a reasonable period of time after the deadline specified in subdivision 1, paragraph (a), (b), or (c), whichever applies.

(b) A contract must identify the parental caregiver's employment goal and explain what steps the family must take to pursue self-sufficiency. Activities may include:

(1) orientation;

(2) employment;

(3) employment and training services as defined under section 256.736, subdivision 1a, paragraph (d);

(4) preemployment activities;

(5) participation in an educational program leading to a high school or general equivalency diploma and post-secondary education programs, excluding postbaccalaureate degrees as provided in section 256.736, subdivision 1a, paragraph (d);

(6) case management;

(7) social services; or

(8) other programs or services leading to self-sufficiency.

The contract must also identify the services that the county agency will provide to the family that the family needs to enable the parental caregiver to comply with the contract, including support services such as transportation and child care.

Subd. 6a. [CASE MANAGEMENT SERVICES.] (a) The county agency will provide case management services to caregivers required to develop and comply with a family support agreement as provided in subdivision 1. For minor parents, the responsibility of the case manager shall be as defined in section 256.736, subdivision 3b. Sanctions for failing to develop or comply with the terms of a family support agreement shall be imposed according to subdivision 3. When a minor parent reaches age 17, or earlier if determined necessary by the social service agency, the minor parent shall be referred for case management services.

(b) Case managers shall provide the following services:

(1) the case manager shall provide or arrange for an assessment of the family and caregiver's needs, interests, and abilities according to section 256.736, subdivision 11, paragraph (a), clause (1);

(2) the case manager shall coordinate services according to section 256.736, subdivision 11, paragraph (a), clause (3);

(3) the case manager shall develop an employability plan according to subdivision 6b;

(4) the case manager shall develop a family support agreement according to subdivision 6c; and

(5) the case manager shall monitor the caregiver's compliance with the employability plan and the family support agreement as required by the commissioner.

(c) Case management may continue for up to six months following the caregiver's achievement of employment goals.

Subd. 6b. [EMPLOYABILITY PLAN.] (a) The case manager shall develop an employability plan with the caregiver according to this subdivision and section 256.736, subdivision 11, paragraph (a), clause (2), which will be based on the assessment in subdivision 6a of the caregiver's needs, interests, and abilities.

(b) An employability plan must identify the caregiver's employment goal or goals and explain what steps the family must take to pursue self-sufficiency.

(c) Activities in the employability plan may include preemployment activities such as: programs, activities, and services related to

job training and job placement. These preemployment activities may include, based on availability and resources, participation in dislocated worker services, chemical dependency treatment, mental health services, self-esteem enhancement activities, peer group networks, displaced homemaker programs, education programs leading toward the employment goal, parenting education, and other programs to help the families reach their employment goals and enhance their ability to care for their children.

Subd. 6c. [FAMILY SUPPORT AGREEMENT.] (a) The family support agreement is the enforceable component of the employability plan as described in subdivision 6b and section 256.736, subdivision 10, paragraph (a), clause (15). A parental caregiver's failure to comply with any part of the family support agreement without good cause as provided in subdivision 2a is subject to sanction as provided in subdivision 3.

(b) A family support agreement must identify the parental caregiver's employment goal or goals and outline the steps which the parental caregiver and case manager mutually determined are necessary to achieve each goal. Activities are limited to:

- (1) employment;
- (2) employment and training activities; or
- (3) education up to a baccalaureate degree.

(c) A family support agreement shall include only those activities described in paragraph (b). Social Services or activities, such as mental health or chemical dependency services, parenting education, or budget management, can be included in the employability plan and not in the family support agreement and are not subject to a sanction under subdivision 3.

(d) For a parental caregiver whose employability plan is composed entirely of services described in paragraph (c), the family support agreement shall designate a date for reassessment of the activities needed to reach the parental caregiver's employment goal and this date shall be considered as the content of the family support agreement. The parental caregiver and case manager shall meet at least semiannually to review and revise the family support agreement.

(e) The family support agreement must identify the services that the county agency will provide to the family to enable the parental caregiver to comply with the family support agreement, including support services such as transportation and child care.

(f) The family support agreement must state the parental caregiv-

er's obligations and the conditions under which the county agency will recommend a sanction be applied to the grant and withdraw the services.

(g) The family support agreement will specify a date for completion of activities leading to the employment goal.

(h) The family support agreement must be signed and dated by the case manager and parental caregiver. In all cases, the case manager must assist the parental caregiver in reviewing and understanding the family support agreement and must assist the caregiver in setting realistic goals in the agreement which are consistent with the ultimate goal of financial support for the caregiver's family. The case manager must inform the caregiver of the right to seek conciliation as provided in subdivision 6e.

(i) The caregiver may revise the family support agreement with the case manager when good cause indicates revision is warranted. Revisions for reasons other than good cause to employment goals or steps toward self-support may be made in the first six months after the signing of the family support agreement with the approval of the case manager. After that, the revision must be approved by the case management supervisor or other persons responsible for review of case management decisions.

Subd. 6d. [LENGTH OF JOB SEARCH.] When the family support agreement specifies a date when job search should begin, the parental caregiver must participate in employment search activities. If, after three months of search, the parental caregiver does not find a job that is consistent with the parental caregiver's employment goal, the parent must accept any suitable employment. The search may be extended for up to three months if the parental caregiver seeks and needs additional job search assistance.

Subd. 6e. [CONCILIATION.] A conciliation procedure shall be available as provided in section 256.736, subdivision 11, paragraph (c). The conciliation conference will be available to parental caregivers who cannot reach agreement with the case manager about the contents or interpretation of the family support agreement, or who have received a notice of intent to implement a sanction as required under subdivision 3. Implementation of the sanction will be postponed pending the outcome of conciliation. The conciliation conference will be facilitated by a neutral mediator, and the goal will be to achieve mutual agreement between the parental caregiver and case manager. The conciliation conference is an optional procedure preceding the hearing process under section 256.045.

Subd. 7. [EMPLOYMENT BONUS.] A family leaving the program as a result of increased earnings through employment is entitled to an employment bonus. This bonus is a one-time cash incentive, not more than the family's monthly payment standard, to

cover initial expenses incurred by the family leaving the Minnesota family investment plan.

Subd. 8. [CHILD CARE.] The commissioner shall ensure that each Minnesota family investment plan caregiver who is ~~a parent in transitional status~~ employed or is developing or is engaged in activities identified in an employability plan under subdivision 6b and who needs assistance with child care costs to ~~independently pursue self-sufficiency~~ be employed or to develop or comply with the terms of a contract with the county agency an employability plan receives a child care subsidy through child care money ~~earmarked~~ appropriated for the Minnesota family investment plan. The subsidy must cover all actual child care costs for eligible hours up to the maximum rate allowed under ~~sections~~ section 256H.15 and 256H.16. A caregiver who is ~~a parent in the assistance unit~~ who leaves the program as a result of increased earnings from employment and who needs child care assistance to remain employed is entitled to extended child care assistance as provided under United States Code, title 42, section 602(g)(1)(A)(ii) on a copayment basis.

Subd. 9. [HEALTH CARE.] A family leaving the program as a result of increased earnings from employment is eligible for extended medical assistance as provided under Public Law Number 100-485, section 303, as amended and Public Law Number 101-239, section 8015(b)(7).

Sec. 12. Minnesota Statutes 1990, section 256.036, subdivision 1, is amended to read:

Subdivision 1. [SUPPORT SERVICES.] If assistance with child care or transportation is necessary to enable a ~~parental~~ caregiver ~~who is a parent~~ to work, obtain training or education, attend orientation, or comply with the terms of a ~~contract~~ family support agreement with the county agency, and the county agency determines that child care or transportation is not available, the family's applicable standard of assistance continues to be the transitional standard.

Sec. 13. Minnesota Statutes 1990, section 256.036, subdivision 2, is amended to read:

Subd. 2. [VOLUNTEERS.] For caregivers receiving assistance under the Minnesota family investment plan who ~~are not currently employed but who are independently pursuing self-sufficiency, case management and, support services other than, and~~ child care are available to the extent that resources permit. A caregiver who volunteers is not subject to a sanction under section 256.035, subdivision 3.

Sec. 14. Minnesota Statutes 1990, section 256.036, subdivision 4, is amended to read:

Subd. 4. [TIMELY ASSISTANCE.] Applications must be processed in a timely manner according to the processing standards of the federal Food Stamp Act of 1977, as amended, and no later than 30 days following the date of application, unless the county agency has requested information that the applicant has not yet supplied. Financial assistance must be provided ~~on no less than a~~ at least monthly basis to eligible families.

Sec. 15. Minnesota Statutes 1990, section 256.036, subdivision 5, is amended to read:

Subd. 5. [DUE PROCESS.] Any family that applies for or receives assistance under the Minnesota family investment plan whose application for assistance is denied or not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid, is entitled, upon request, to a hearing under section 256.045. A parental caregiver may request a conciliation conference, as provided under section ~~256.736~~ 256.035, ~~subdivisions 4a and 4b~~ subdivision 6e, when the caregiver disputes the ~~contents~~ terms of a ~~contract~~ family support agreement developed under the Minnesota family investment plan or disputes a decision regarding failure or refusal to ~~cooperate~~ comply with the terms of a ~~contract~~ family support agreement. The disputes are not subject to administrative review under section 256.045, unless they result in a denial, suspension, reduction, or termination, and the parental caregiver complies with section 256.045. A caregiver need not request a conciliation conference to request a hearing according to section 256.045.

Sec. 16. [256.0361] [FIELD TRIAL OPERATION.]

Subdivision 1. [LOCAL PLAN.] A county that is selected to serve as a field trial or control site shall carry out the activities necessary to perform the evaluation for the duration of the field trials.

Subd. 2. [FINANCIAL REIMBURSEMENT.] (a) Up to the limit of the state appropriation, a county selected by the commissioner to serve as a field trial or a control site for the Minnesota family investment plan shall be reimbursed by the state for the nonfederal share of administrative costs that were incurred during the development, implementation, and operation of the program and that exceed the administrative costs that would have been incurred in the absence of the program.

(b) Minnesota family investment plan assistance is included as covered programs and services under section 256.025, subdivision 2.

Sec. 17. Minnesota Statutes 1990, section 256.736, subdivision 3a, is amended to read:

Subd. 3a. [PARTICIPATION.] (a) Except as provided under paragraphs (b) and (c), participation in employment and training services under this section is limited to the following recipients:

(1) caretakers who are required to participate in a job search under subdivision 14;

(2) custodial parents who are subject to the school attendance or case management participation requirements under subdivision 3b;

(3) caretakers whose participation in employment and training services began prior to May 1, 1990, if the caretaker's AFDC eligibility has not been interrupted for 30 days or more and the caretaker's employability development plan has not been completed;

(4) recipients who are members of a family in which the youngest child is within two years of being ineligible for AFDC due to age;

(5) ~~effective September 1, 1990,~~ custodial parents under the age of ~~22~~ 24 who: (i) have not completed a high school education and who, at the time of application for AFDC, were not enrolled in high school or in a high school equivalency program; or (ii) have had little or no work experience in the preceding year;

(6) recipients who have received AFDC for ~~48~~ 36 or more months out of the last 60 months;

(7) recipients who are participants in the self-employment investment demonstration project under section 268.95; and

(8) recipients who participate in the new chance research and demonstration project under contract with the department of human services.

(b) If the commissioner determines that participation of persons listed in paragraph (a) in employment and training services is insufficient either to meet federal performance targets or to fully utilize funds appropriated under this section, the commissioner may, after notifying the chairs of the senate and house health and human services committees, the health and human services division of the senate finance committee, and the health and human services division of the house appropriations committee, permit additional groups of recipients to participate until the next meeting of the legislative advisory commission, after which the additional groups may continue to enroll for participation unless the legislative advisory commission disapproves the continued enrollment. The commissioner shall allow participation of additional groups in the following order only as needed to meet performance targets or fully utilize funding for employment and training services under this section:

(1) recipients who have received at least 42 months of AFDC out of the previous 60 months;

(2) custodial parents under the age of 24 who meet the criteria in paragraph (a), clause (5), subclause (i) or (ii);

(3) recipients who have received at least 36 months of AFDC out of the previous 60 months;

(4) recipients who have received 24 or more months of AFDC out of the previous 48 months; and

(5) (2) recipients who have not completed a high school education or a high school equivalency program.

(c) To the extent of money appropriated specifically for this paragraph, the commissioner may permit AFDC caretakers who are not eligible for participation in employment and training services under the provisions of paragraph (a) or (b) to participate in approved self-initiated training and education activities as defined in Code of Federal Regulations, title 45, section 250.48, and to receive support services while they are participating. Money must be allocated to county agencies based on the county's percentage of participants statewide in services under this section in the prior calendar year. Counties must provide equal or greater services to participants enrolled under this paragraph, as measured in average per client expenditures, as provided to other participants in employment and training services under this section. Caretakers must be selected on a first-come, first-served basis from a waiting list of caretakers who volunteer to participate. The commissioner may, on a quarterly basis, reallocate unused allocations to county agencies that have sufficient volunteers. If funding under this paragraph is discontinued in future fiscal years, caretakers who began participating under this paragraph must be deemed eligible under paragraph (a), clause (3).

Sec. 18. Minnesota Statutes 1990, section 256.82, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY DIVISION OF COSTS AND PAYMENTS.] Based upon estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency, payment shall be made monthly in advance by the state to the counties of all federal funds available for that purpose for such succeeding month. The state share of the nonfederal portion of county agency expenditures shall be 85 percent and the county share shall be 15 percent. Payments to counties for costs incurred shall include an amount of state funds equal to 85 percent of the difference between the total estimated cost and the federal funds so available for payments made. Benefits shall be issued to recipients

by the state or county and funded according to section 256.025, subdivision 3, subject to provisions of section 256.017. Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of county agency expenditures under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017. Adjustment of any overestimate or underestimate made by any county shall be paid upon the direction of the state agency in any succeeding month.

Sec. 19. Minnesota Statutes 1990, section 256.871, subdivision 6, is amended to read:

Subd. 6. [REPORTS OF ESTIMATED EXPENDITURES; PAYMENTS.] The county agency shall submit to the state agency reports required under section 256.01, subdivision 2, paragraph (17). Fiscal reports shall estimate expenditures for each succeeding month in such form as required by the state agency. ~~Payment shall be made monthly in advance by the state agency to the counties, of federal funds available for that purpose for each succeeding month. The state share of the nonfederal portion of county agency expenditures shall be ten percent and the county share shall be 90 percent. Payments to counties for costs incurred shall include an amount of state funds equal to ten percent of the difference between the total estimated cost and the federal funds available. The state share of the nonfederal portion of eligible expenditures shall be ten percent and the county share shall be 90 percent. Benefits shall be issued to recipients by the state or county and funded according to~~ section 256.025, subdivision 3, subject to provisions of section 256.017. Beginning July 1, 1991, the state will reimburse counties according to the payment schedule set forth in section 256.025 for the county share of county agency expenditures made under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017. Adjustment of any overestimate or underestimate made by any county shall be paid upon the direction of the state agency in any succeeding month.

Sec. 20. Minnesota Statutes 1990, section 256.935, subdivision 1, is amended to read:

Subdivision 1. On the death of any person receiving public assistance through aid to dependent children, the county agency shall pay an amount for funeral expenses not exceeding \$370 and actual cemetery charges. No funeral expenses shall be paid if the estate of the deceased is sufficient to pay such expenses or if the children, or spouse, who were legally responsible for the support of the deceased while living, are able to pay such expenses; provided, that the additional payment or donation of the cost of cemetery lot, interment, religious service, or for the transportation of the body into or out of the community in which the deceased resided, shall not

limit payment by the county agency as herein authorized. Freedom of choice in the selection of a funeral director shall be granted to persons lawfully authorized to make arrangements for the burial of any such deceased recipient. In determining the sufficiency of such estate, due regard shall be had for the nature and marketability of the assets of the estate. The county agency may grant funeral expenses where the sale would cause undue loss to the estate. Any amount paid for funeral expenses shall be a prior claim against the estate, as provided in section 524.3-805, and any amount recovered shall be reimbursed to the agency which paid the expenses. The commissioner shall specify requirements for reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph (17). The state share of county agency expenditures shall be 50 percent and the county share shall be 50 percent. The state shall reimburse the county for 50 percent of county agency expenditures made for funeral expenses. Benefits shall be issued to recipients by the state or county and funded according to section 256.025, subdivision 3, subject to provisions of section 256.017.

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule set forth in section 256.025 for the county share of county agency expenditures made under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Sec. 21. Minnesota Statutes 1990, section 256.98, is amended by adding a subdivision to read:

Subd. 8. [DISQUALIFICATION FROM PROGRAM.] Any person convicted of wrongfully obtaining assistance by a federal or state court, in either the aid to families with dependent children program or the food stamp program, shall be disqualified from that program. The needs of that individual shall not be taken into consideration in determining the grant level for that assistance unit:

- (1) for six months after the first conviction;
- (2) for 12 months after the second conviction; and
- (3) permanently after the third or subsequent conviction.

Any period for which sanctions are imposed is effective, without possibility of administrative stay, until the conviction upon which the sanctions were imposed is reversed by a court of competent jurisdiction. The period for which sanctions are imposed is not subject to review. The sanctions provided under this subdivision are in addition to, and not in substitution for, any other sanctions that may be provided for by law for the offense involved. When the disqualified individual is a caretaker relative, the remainder of the aid to families with dependent children grant payable to the other eligible assistance unit members shall be provided in the form of

protective payments. These payments can be made to the disqualified individual only if, after reasonable efforts, the county agency documents that it cannot locate an appropriate protective payee. Protective payments shall continue until the disqualification period ends.

Sec. 22. Minnesota Statutes 1990, section 256.983, is amended to read:

256.983 [FRAUD PREVENTION INVESTIGATIONS.]

Subdivision 1. [PROGRAMS ESTABLISHED.] (a) Within the limits of available appropriations, and to the extent either required or authorized by applicable federal regulations, the commissioner of human services shall select and fund not less than four pilot projects for a two-year period to test the effectiveness of fraud prevention investigations conducted at the point of application for assistance. County agencies must be selected to be involved in the pilot projects based on their response to requests for proposals issued by the commissioner. One of the county agencies selected must be located in either Hennepin or Ramsey county, one must be from a county in the seven-county metropolitan area other than Hennepin and Ramsey counties, and two must be located outside the metropolitan area.

(b) If proposals are not submitted, the commissioner may select the county agencies to be involved. The county agencies must be selected from the locations described in paragraph (a). Within the limits of available appropriations, and to the extent required or authorized by applicable federal regulations, the commissioner of human services shall require the establishment of fraud prevention investigation programs in the seven counties participating in the fraud prevention investigation pilot project established under Laws 1989, chapter 282, article 5, section 41, and in 11 additional Minnesota counties with the largest aid to families with dependent children program caseloads as of July 1, 1991. If funds are sufficient, the commissioner may also extend fraud prevention investigation programs to other counties that have welfare fraud control programs already in place based on enhanced funding contracts covering the fraud investigation function.

Subd. 2. [COUNTY PROPOSALS.] Each participating county agency shall develop and submit an annual staffing and funding proposal to the commissioner no later than April 30 of each year. Each proposal shall include, but not be limited to, the staffing and funding of the fraud prevention investigation program, a job description for investigators involved in the fraud prevention investigation program, and the organizational structure of the county agency unit, training programs for case workers, and the operational requirements which may be directed by the commissioner. The proposal shall be approved, to include any changes directed or negotiated by the commissioner, no later than June 30 of each year.

Subd. 3. [DEPARTMENT RESPONSIBILITIES.] The commissioner shall establish training programs which shall be attended by all investigative and supervisory staff of the involved county agencies. The commissioner shall also develop the necessary operational guidelines, forms, and reporting mechanisms, which shall be used by the involved county agencies.

Subd. 4. [FUNDING.] Every involved county agency shall either have in place or obtain an approved contract which meets all federal requirements necessary to obtain enhanced federal funding for its welfare fraud control and fraud prevention investigation programs. County agency reimbursement shall be made through the settlement provisions applicable to the aid to families with dependent children and food stamp programs.

Sec. 23. [256.984] [DECLARATION AND PENALTY.]

Subdivision 1. [DECLARATION.] Every application for food stamps under chapter 393 shall be in writing or reduced to writing as prescribed by the state agency and shall contain the following declaration which shall be signed by the applicant:

"I declare under the penalties of perjury that this application has been examined by me and to the best of my knowledge is a true and correct statement of every material point."

Subd. 2. [PENALTY.] Any person who willfully and falsely makes the declaration in subdivision 1 is guilty of perjury and shall be subject to the penalties prescribed in section 609.48.

Sec. 24. Minnesota Statutes 1990, section 256B.064, subdivision 2, is amended to read:

Subd. 2. The commissioner shall determine monetary amounts to be recovered and the sanction to be imposed upon a vendor of medical care for conduct described by subdivision 1a. Neither a monetary recovery nor a sanction will be sought by the commissioner without prior notice and an opportunity for a hearing, pursuant to chapter 14, on the commissioner's proposed action, provided that the commissioner may suspend or reduce payment to a vendor of medical care, except a nursing home or convalescent care facility, prior to the hearing if in the commissioner's opinion that action is necessary to protect the public welfare and the interests of the program.

Upon receipt of a notice that a monetary recovery or sanction is to be imposed, a vendor may request a contested case, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal request must be received by the commissioner no later than 30 days after the date the notifica-

tion of monetary recovery or sanction was mailed to the vendor. The appeal request must specify:

(1) each disputed item, the reason for the dispute, and an estimate of the dollar amount involved for each disputed item;

(2) the computation that the vendor believes is correct;

(3) the authority in statute or rule upon which the vendor relies for each disputed item;

(4) the name and address of the person or entity with whom contacts may be made regarding the appeal; and

(5) other information required by the commissioner.

Sec. 25. Minnesota Statutes 1990, section 256D.03, subdivision 2, is amended to read:

Subd. 2. After December 31, 1980, state aid shall be paid to ~~county agencies~~ for 75 percent of all general assistance and work readiness grants up to the standards of sections 256D.01, subdivision 1a, and 256D.051, and according to procedures established by the commissioner, except as provided for under section 256.017 and ~~except that, until January 1, 1991, state aid is reduced to 65 percent of all work readiness assistance if the county agency does not make occupational or vocational literacy training available and accessible to recipients who are eligible for assistance under section 256D.051.~~ Benefits shall be issued to recipients by the state or county and funded according to section 256.025, subdivision 3.

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of county agency expenditures made under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Sec. 26. Minnesota Statutes 1990, section 256D.03, subdivision 2a, is amended to read:

Subd. 2a. [COUNTY AGENCY OPTIONS.] Any county agency may, from its own resources, make payments of general assistance and work readiness assistance: (a) at a standard higher than that established by the commissioner without reference to the standards of section 256D.01, subdivision 1; or (b) to persons not meeting the eligibility standards set forth in section 256D.05, subdivision 1, or 256D.051 but for whom the aid would further the purposes established in the general assistance or work readiness program in accordance with rules adopted by the commissioner pursuant to the administrative procedure act. The Minnesota department of human

services may maintain client records and issue these payments, providing the cost of benefits is paid by the counties to the department of human services in accordance with sections 256.01 and 256.025, subdivision 3.

Sec. 27. Minnesota Statutes 1990, section 256D.05, subdivision 6, is amended to read:

Subd. 6. [ASSISTANCE FOR PERSONS WITHOUT A VERIFIED RESIDENCE.] (a) For applicants or recipients of general assistance, emergency general assistance, or work readiness assistance who do not have a verified residence address, the county agency may provide assistance using one or more of the following methods:

(1) the county agency may provide assistance in the form of vouchers or vendor payments and provide separate vouchers or vendor payments for food, shelter, and other needs;

(2) the county agency may divide the monthly assistance standard into weekly payments, whether in cash or by voucher or vendor payment; or, if actual need is greater than the standards of assistance established under section 256D.01, subdivision 1a, issue assistance based on actual need. Nothing in this clause prevents the county agency from issuing voucher or vendor payments for emergency general assistance in an amount less than the standards of assistance; and

(3) the county agency may determine eligibility and provide assistance on a weekly basis. Weekly assistance can be issued in cash or by voucher or vendor payment and can be determined either on the basis of actual need or by prorating the monthly assistance standard.

(b) An individual may verify a residence address by providing a driver's license; a state identification card; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other written documentation approved by the commissioner.

(c) Notwithstanding the provisions of section 256D.06, subdivision 1, if the county agency elects to provide assistance on a weekly payment basis, the agency may not provide assistance for a period during which no need is claimed by the individual unless the individual has good cause for failing to claim need. The individual must be notified, each time weekly assistance is provided, that subsequent weekly assistance will not be issued unless the individual claims need. The advance notice required under section 256D.10 does not apply to weekly assistance issued under this paragraph that is withheld because the individual failed to claim need without good cause.

(d) The county agency may not issue assistance on a weekly basis to an applicant or recipient who has professionally certified mental illness or mental retardation or a related condition, or to an assistance unit that includes minor children, unless requested by the assistance unit.

Sec. 28. Minnesota Statutes 1990, section 256D.05, is amended by adding a subdivision to read:

Subd. 7. [INELIGIBILITY FOR GENERAL ASSISTANCE.] No person disqualified from any federally aided assistance program shall be eligible for general assistance during the period covered by the disqualification sanction.

Sec. 29. Minnesota Statutes 1990, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] (a) A person, family, or married couple who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not eligible under section 256D.05, subdivision 1, are eligible for the work readiness program.

(b) Persons, families, and married couples who are not state residents but who are otherwise eligible for work readiness assistance may receive emergency assistance to meet emergency needs.

(c) Except for family members who must participate in work readiness services under the provisions of section 256D.05, subdivision 1, clause (14), any person who would be defined for purposes of the food stamp program as being enrolled at least half-time in an institution of higher education is ineligible for the work readiness program.

Sec. 30. Minnesota Statutes 1990, section 256D.36, subdivision 1, is amended to read:

Subdivision 1. [STATE PARTICIPATION.] (a) [ELIGIBILITY.] Commencing January 1, 1974, the commissioner shall certify to each county agency the names of all county residents who were eligible for and did receive aid during December, 1973, pursuant to a categorical aid program of old age assistance, aid to the blind, or aid to the disabled. The amount of supplemental aid for each individual eligible under this section shall be calculated according to the formula in title II, section 212(a) (3) of Public Law Number 93-66, as amended.

(b) [DIVISION COSTS.] From and after January 1, 1980, until January 1, 1981, the state shall pay 70 percent and the county shall pay 30 percent of the supplemental aid calculated for each county

resident certified under this section who is an applicant for or recipient of supplemental security income. After December 31, 1980, the state share of aid paid shall be 85 percent and the county share shall be 15 percent. The amount of supplemental aid for each individual eligible under this section shall be calculated according to the formula in title II, section 212 (a) (3) of Public Law Number 93-66, as amended. Benefits shall be issued to recipients by the state or county and funded according to section 256.025, subdivision 3, subject to provisions of section 256.017.

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of county agency expenditures for financial benefits to individuals under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Sec. 31. Minnesota Statutes 1990, section 256H.02, is amended to read:

256H.02 [DUTIES OF COMMISSIONER.]

The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment, training, or education programs. Within the limits of available appropriations, the commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. In the rules adopted under this section, county and human services boards shall be authorized to establish policies for payment of child care spaces for absent children, when the payment is required by the child's regular provider. The rules shall not set a maximum number of days for which absence payments can be made, but instead shall direct the county agency to set limits and pay for absences according to the prevailing market practice in the county. County policies for payment of absences shall be subject to the approval of the commissioner. The commissioner shall maximize the use of federal money under the AFDC employment special needs program in section 256.736, subdivision 8, and other programs that provide federal reimbursement for child care services for recipients of aid to families with dependent children who are in education, training, job search, or other activities allowed under those programs. Money appropriated under this section must be coordinated with the AFDC employment special needs program and other programs that provide federal reimbursement for child care services to accomplish this purpose. Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under ~~the AFDC employment special needs program or other programs that provide federal reimbursement for~~

child care services. The counties shall use the federal money to expand child care services to AFDC recipients. The commissioner may adopt rules under chapter 14 to implement and coordinate federal program requirements.

Sec. 32. Minnesota Statutes 1990, section 256H.03, is amended to read:

256H.03 [BASIC SLIDING FEE PROGRAM.]

Subdivision 1. [COUNTIES ALLOCATION PERIOD; NOTICE OF ALLOCATION.] When the commissioner notifies county and human service boards of the forms and instructions they are to follow in the development of their biennial community social services plans required under section 256E.08, the commissioner shall also notify county and human services boards of their estimated child care fund program allocation for the two years covered by the plan. By June 1 of each year, the commissioner shall notify all counties of their final child care fund program allocation.

Subd. 1a. [WAITING LIST.] Each county that receives funds under this section ~~and section 256H.05~~ must keep a written record and report to the commissioner the number of eligible families who have applied for a child care subsidy or have requested child care assistance. Counties shall perform a cursory determination of eligibility when a family requests information about child care assistance. A family that appears to be eligible must be put on a waiting list if funds are not immediately available. The waiting list must identify students in need of child care. When money is available counties shall expedite the processing of student applications during key enrollment periods.

Subd. 2. [ALLOCATION; LIMITATIONS.] From July 1, 1991, through June 30, 1992, the commissioner shall allocate the money appropriated under the child care fund for the basic sliding fee program and shall allocate those funds between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area as follows:

(1) 50 percent of the money shall be allocated among the counties on the basis of the number of families below the poverty level, as determined from the most recent census or special census; and

(2) 50 percent of the money shall be allocated among the counties on the basis of the counties' portion of the AFDC caseload for the preceding state fiscal year.

If, under the preceding formula, either the seven-county metropolitan area consisting of Anoka, Carver, Dakota, Hennepin, Ram-

sey, Scott, and Washington counties or the area consisting of counties outside the seven-county metropolitan area is allocated more than 55 percent of the basic sliding fee funds, each county's allocation in that area shall be proportionally reduced until the total for the area is no more than 55 percent of the basic sliding fee funds. The amount of the allocations proportionally reduced shall be used to proportionally increase each county's allocation in the other area.

Subd. 2a. [ELIGIBLE RECIPIENTS.] Families that meet the eligibility requirements under sections 256H.10, except AFDC recipients and transition year families, and 256H.11 are eligible for child care assistance under the basic sliding fee program. From July 1, 1990, to June 30, 1991, a county may not accept new applications for the basic sliding fee program unless the county can demonstrate that its state money expenditures for the basic sliding fee program for this period will not exceed 95 percent of the county's allocation of state money for the fiscal year ending June 30, 1990. As basic sliding fee program money becomes available to serve new families, eligible families whose benefits were terminated during the fiscal year ending June 30, 1990, for reasons other than loss of eligibility shall be reinstated. Families enrolled in the basic sliding fee program as of July 1, 1990, shall be continued until they are no longer eligible. Counties shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses on a reimbursement basis.

Subd. 2b. [FUNDING PRIORITY.] (a) First priority for child care assistance under the basic sliding fee program must be given to eligible non-AFDC families who do not have a high school or general equivalency diploma or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment. Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents;
- (2) child care needs of parents under 21 years of age; and
- (3) child care needs of other parents within the priority group described in this paragraph.

(b) Second priority must be given to ~~all other~~ parents who ~~are eligible for the basic sliding fee program~~ have completed their AFDC transition year.

Subd. 3. [REVIEW OF USE OF FUNDS; REALLOCATION.] After each quarter, the commissioner shall review the use of basic sliding fee program and AFDC child care program allocations by county. The commissioner may reallocate unexpended or unencumbered money among those counties who have expended their full

allocation. Any unexpended money from the first year of the biennium may be carried forward to the second year of the biennium.

Subd. 4. [ALLOCATION FORMULA.] Beginning July 1, 1992, the basic sliding fee funds shall be allocated according to the following formula:

(a) One-half of the funds shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the 12-month period ending on June 30 of the preceding calendar year.

(b) One-fourth of the funds shall be allocated based on the number of children under age 13 in each county who are enrolled in general assistance medical care, medical assistance, and the children's health plan on July 1, of each year.

(c) One-fourth of the funds shall be allocated based on the number of children under age 13 who reside in each county, from the most recent estimates of the state demographer.

Subd. 5. [FORMULA LIMITATION.] The amounts computed under subdivision 4 shall be subject to the following limitation. No county shall be allocated an amount less than its guaranteed floor as provided in subdivision 6. If the amount allocated to a county under subdivision 4 would be less than its guaranteed floor, the shortage shall be recovered proportionally from all counties which would be allocated more than their guaranteed floor.

Subd. 6. [GUARANTEED FLOOR.] (a) Each county's guaranteed floor shall equal the lesser of:

(1) the county's original allocation in the preceding calendar year;
or

(2) 110 percent of the county's basic sliding fee child care program state earnings for the 12-month period ending on June 30 of the preceding calendar year. For purposes of this clause, "state earnings" means the reported nonfederal share of direct child care expenditures adjusted for the 15 percent required county match and seven percent administration limit.

(b) When the amount of funds available for allocation is less than the amount available in the previous year, each county's previous year allocation shall be reduced in proportion to the reduction in the statewide funding, for the purpose of establishing the guaranteed floor.

Sec. 33. [256H.035] [FEDERAL AT-RISK CHILD CARE PROGRAM.]

Subdivision 1. [COMMISSIONER TO ADMINISTER PROGRAM.] The commissioner of human services is authorized and directed to receive, administer, and expend funds available under the at-risk child care program under Public Law Number 101-508 (1).

Subd. 2. [RULEMAKING AUTHORITY.] The commissioner may adopt rules under chapter 14 to administer the at-risk child care program.

Sec. 34. Minnesota Statutes 1990, section 256H.05, is amended to read:

256H.05 [AFDC CHILD CARE PROGRAM.]

Subd. 1b. [ELIGIBLE RECIPIENTS.] Families eligible for guaranteed child care assistance under the AFDC child care program are:

- (1) persons receiving services under section 256.736;
- (2) AFDC recipients who are employed; ~~and~~
- (3) persons who are members of transition year families under section 256H.01, subdivision 16; and
- (4) members of the control group for the STRIDE evaluation conducted by the Manpower Demonstration Research Corporation.

Subd. 1c. [~~FUNDING WAITING LIST PRIORITY.~~] AFDC recipients must be put on a waiting list for the basic sliding fee program when they leave AFDC due to their earned income.

Subd. 2. [COOPERATION WITH OTHER PROGRAMS.] The county shall develop cooperative agreements with the employment and training service provider for coordination of child care funding with employment, training, and education programs for all AFDC recipients who receive services under section 256.736. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall be guaranteed child care assistance from the county responsible for the current employability development plan.

Subd. 3. [CONTRACTS; OTHER USES ALLOWED.] Counties may contract for administration of the program or may arrange for or contract for child care funds to be used by other appropriate programs, in accordance with this section and as permitted by federal law and regulations.

Subd. 5. [FEDERAL REIMBURSEMENT.] Counties shall maximize their federal reimbursement under Public Law Number 100-485 or other federal reimbursement programs for money spent for persons ~~listed in this section eligible under this chapter.~~ The commissioner shall allocate any federal earnings to the county to be used to expand child care services under ~~these sections~~ this chapter.

Sec. 35. [256H.055] [FEDERAL CHILD CARE AND DEVELOPMENT BLOCK GRANT.]

Subdivision 1. [COMMISSIONER TO ADMINISTER BLOCK GRANT.] The commissioner of human services is authorized and directed to receive, administer, and expend child care funds available under the child care and development block grant authorized under Public Number 101-508 (2).

Subd. 2. [RULEMAKING AUTHORITY.] The commissioner may adopt rules under chapter 14 to administer the child care development block grant program.

Sec. 36. Minnesota Statutes 1990, section 256H.08, is amended to read:

256H.08 [USE OF MONEY.]

Money for persons listed in sections 256H.03, subdivision 2a, and 256H.05, subdivision 1b, shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. Counties may not limit the duration of child care subsidies for a person in an employment or educational program, except when the person is found to be ineligible under the child care fund eligibility standards. Any limitation must be based on a person's employability plan in the case of an AFDC recipient, and county policies included in the child care allocation plan. Time limitations for child care assistance, as specified in Minnesota Rules, parts 9565.5000 to 9565.5200, do not apply to basic or remedial educational programs needed to prepare for post-secondary education or employment. These programs include: high school, general equivalency diploma, and English as a second language. Programs exempt from this time limit must not run concurrently with a post-secondary program. Financially eligible students who have received child care assistance for one academic year shall be provided child care assistance in the following academic year if funds allocated under sections 256H.03 and 256H.05 are available. If an AFDC recipient who is receiving AFDC child care assistance under this chapter moves to another county ~~as authorized in their employability plan,~~ continues to participate in educational or training programs authorized in their employability development plans, and continues to be eligible for AFDC child care assistance under this

chapter, the AFDC caretaker must receive continued child care assistance from the county responsible for their current employability development plan, without interruption.

Sec. 37. Minnesota Statutes 1990, section 256H.09, is amended by adding a subdivision to read:

Subd. 5. Funds appropriated for the AFDC child care program under section 256H.05 and for the basic sliding fee program under section 256H.03 do not cancel to the general fund but shall be carried forward by the department of human services for child care subsidies to eligible families.

Sec. 38. Minnesota Statutes 1990, section 256H.15, subdivision 1, is amended to read:

Subdivision 1. [SUBSIDY RESTRICTIONS.] (a) Until June 30, 1991, the maximum child care rate is determined under this paragraph. The county board may limit the subsidy allowed by setting a maximum on the provider child care rate that the county shall subsidize. The maximum rate set by any county shall not be lower than 110 percent or higher than 125 percent of the median rate in that county for like care arrangements for all types of care, including special needs and handicapped care, as determined by the commissioner. If the county sets a maximum rate, it must pay the provider's rate for each child receiving a subsidy, up to the maximum rate set by the county. If a county does not set a maximum provider rate, it shall pay the provider's rate for every child in care. The maximum state payment is 125 percent of the median provider rate. If the county has not set a maximum provider rate and the provider rate is greater than 125 percent of the median provider rate in the county, the county shall pay the amount in excess of 125 percent of the median provider rate from county funding sources. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care.

(b) Effective July 1, 1991, the maximum rate paid for child care assistance under the child care fund is the maximum rate eligible for federal reimbursement except as that a provider receiving reimbursement under paragraph (a) as of January 1, 1991, shall be paid at a rate no less than the rate of reimbursement received under that paragraph. A rate which includes a provider bonus paid under subdivision 2 or a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision 2. The department of human services shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care.

(c) When the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family copayment fee.

Sec. 39. Minnesota Statutes 1990, section 256H.15, subdivision 2, is amended to read:

Subd. 2. [PROVIDER RATE BONUS FOR ACCREDITATION.] Currently accredited child care centers shall be paid a ten percent bonus above the maximum rate established in subdivision 1, up to the actual provider rate. A family day care provider shall be paid a ten percent bonus above the maximum rate established in subdivision 1, if the provider holds a current early childhood development credential approved by the commissioner, up to the actual provider rate. For purposes of this subdivision, "accredited" means accredited by the National Association for the Education of Young Children or the National Council on Accreditation of Services for Families and Children.

Sec. 40. Minnesota Statutes 1990, section 256H.15, is amended by adding a subdivision to read:

Subd. 4. [RATES CHARGED TO PUBLICLY SUBSIDIZED FAMILIES.] Child care providers receiving reimbursement under chapter 256H may not charge a rate to clients receiving assistance under chapter 256H that is higher than the private, full-paying client rate.

Sec. 41. Minnesota Statutes 1990, section 256H.18, is amended to read:

256H.18 [ADMINISTRATIVE EXPENSES.]

~~A county may not use more than~~ The commissioner shall use up to seven percent of its allocation the state funds appropriated for the Basic Sliding Fee program for payments to counties for administrative expenses under the basic sliding fee program.

The commissioner shall use federal funds, as available, for payments to counties for administrative expenses.

Sec. 42. [256H.195] [MINNESOTA EARLY CHILDHOOD CARE AND EDUCATION COUNCIL.]

Subdivision 1. [ESTABLISHMENT; MEMBERS.] The Minnesota early childhood care and education council shall consist of 19 members appointed by the governor. Members must represent the following groups and organizations: parents, family child care providers, child care center providers, private foundations, corporate executives, small business owners, and public school districts. The council membership also includes the commissioners of human

services, jobs and training, education, and health; a representative of each of the following groups: the higher education coordinating board, the Minnesota headstart association, and representatives of two Minnesota counties; three members from child care resource and referral programs, one of whom shall be from a county-operated resource and referral, one of whom shall be from a rural location, and one of whom shall be from the metropolitan area; and a community group representative. The governor shall consult with the councils established under sections 3.922, 3.9223, 3.9225, and 3.9226, representing the communities of color, to ensure that membership of the council is representative of all racial minority groups. The governor shall also make efforts to ensure that the council's membership is fairly representative of both genders. In addition to the 19 members appointed by the governor, two members of the senate shall be appointed by the president of the senate and two members of the house of representatives shall be appointed by the speaker of the house to serve as ex officio members of the council. Membership terms, compensation, and removal of members are governed by section 15.059, except that the council shall not expire as required by that section.

Subd. 2. [EXECUTIVE DIRECTOR; STAFF.] The council shall select an executive director of the council by a vote of a majority of all council members. The executive director is in the unclassified service and shall provide administrative support for the council and provide administrative leadership to implement council mandates, policies, and objectives. The executive director shall employ and direct other staff.

Subd. 3. [DUTIES AND POWERS.] The council has the following duties and powers:

(1) develop a biennial plan for early childhood care and education in the state;

(2) take a leadership role in developing its recommendations in conjunction with the recommendations of other state agencies on the state budget for early childhood care and education;

(3) apply for and receive state money and public and private grant money;

(4) participate in and facilitate the development of interagency agreements on early childhood care and education issues;

(5) review state agency policies on early childhood care and education issues so that they do not conflict;

(6) advocate for an effective and coordinated early childhood care and education system with state agencies and programs;

(7) study the need for child care funding for special populations whose needs are not being met by current programs;

(8) assure that the early childhood care and education system reflects community diversity;

(9) be responsible for advocating policies and funding for early childhood care and education; and

(10) provide a report to the legislature on January 1 of every odd-numbered year, containing a description of the activities and the work plan of the council and any legislative recommendations developed by the council.

Sec. 43. [256H.196] [REGIONAL CHILD CARE RESOURCE AND REFERRAL PROGRAMS.]

Subdivision 1. [ESTABLISHMENT.] Existing child care resource and referral programs shall become the regional child care resource and referral programs provided they are in compliance with other provisions of this chapter.

Subd. 2. [DUTIES.] The regional resource and referral program shall have the duties specified in section 256H.20. In addition, the regional program shall be responsible for establishing new or collaborating with existing community-based committees such as interagency early intervention committees or neighborhood groups to advocate for child care needs in the community as well as serve as important local resources for children and their families.

Sec. 44. Minnesota Statutes 1990, section 256H.20, subdivision 3a, is amended to read:

Subd. 3a. [GRANT REQUIREMENTS AND PRIORITY.] Priority for awarding resource and referral grants shall be given in the following order:

(1) start up resource and referral programs in areas of the state where they do not exist; and

(2) improve resource and referral programs.

Resource and referral programs shall meet the following requirements:

(a) Each program shall identify all existing child care services through information provided by all relevant public and private agencies in the areas of service, and shall develop a resource file of the services which shall be maintained and updated at least quarterly. These services must include family day care homes; public and

private day care programs; full-time and part-time programs; infant, preschool, and extended care programs; and programs for school age children.

The resource file must include: the type of program, hours of program service, ages of children served, fees, location of the program, eligibility requirements for enrollment, special needs services, and transportation available to the program. The file may also include program information and special program features.

(b) Each resource and referral program shall establish a referral process which responds to parental need for information and which fully recognizes confidentiality rights of parents. The referral process must afford parents maximum access to all referral information. This access must include telephone referral available for no less than 20 hours per week.

Each child care resource and referral agency shall publicize its services through popular media sources, agencies, employers, and other appropriate methods.

(c) Each resource and referral program shall maintain ongoing documentation of requests for service. All child care resource and referral agencies must maintain documentation of the number of calls and contacts to the child care information and referral agency or component. A resource and referral program shall collect and maintain the following information:

- (1) ages of children served;
- (2) time category of child care request for each child;
- (3) special time category, such as nights, weekends, and swing shift; and
- (4) reason that the child care is needed.

(d) Each resource and referral program shall make available the following information as an educational aid to parents:

- (1) information on aspects of evaluating the quality and suitability of child care services, including licensing regulation, financial assistance available, child abuse reporting procedures, appropriate child development information;
- (2) information on available parent, early childhood, and family education programs in the community.

(e) On or after one year of operation a resource and referral program shall provide technical assistance to employers and existing

and potential providers of all types of child care services. This assistance shall include:

(1) information on all aspects of initiating new child care services including licensing, zoning, program and budget development, and assistance in finding information from other sources;

(2) information and resources which help existing child care providers to maximize their ability to serve the children and parents of their community;

(3) dissemination of information on current public issues affecting the local and state delivery of child care services;

(4) facilitation of communication between existing child care providers and child-related services in the community served;

(5) recruitment of licensed providers; and

(6) options, and the benefits available to employers utilizing the various options, to expand child care services to employees.

Services prescribed by this section must be designed to maximize parental choice in the selection of child care and to facilitate the maintenance and development of child care services and resources.

(f) Child care resource and referral information must be provided to all persons requesting services and to all types of child care providers and employers.

(g) Public or private entities may apply to the ~~commissioner~~ for funding. ~~The maximum amount of money which may be awarded to any entity for the provision of service under this subdivision is \$60,000 per year.~~ A local match of up to 25 percent is required.

Sec. 45. Minnesota Statutes 1990, section 256H.21, subdivision 10, is amended to read:

Subd. 10. [RESOURCE AND REFERRAL PROGRAM.] "Resource and referral program" means a program that provides information to parents, including referrals and coordination of community child care resources for parents and public or private providers of care. It also means the agency with the duties specified in sections 256H.196 and 256H.20. Services may include parent education, technical assistance for providers, staff development programs, and referrals to social services.

Sec. 46. Minnesota Statutes 1990, section 256H.22, subdivision 2, is amended to read:

Subd. 2. [DISTRIBUTION OF FUNDS.] (a) The commissioner shall allocate grant money appropriated for child care service development among the development regions designated by the governor under section 462.385, as follows:

(1) 50 percent of the child care service development grant appropriation shall be allocated to the metropolitan economic development region; and

(2) 50 percent of the child care service development grant appropriation shall be allocated to economic development regions other than the metropolitan economic development region.

(b) The following formulas shall be used to allocate grant appropriations among the economic development regions:

(1) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each economic development region to the total number of children under 12 years of age in all economic development regions; and

(2) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each economic development region to the number of licensed child care spaces currently available in each economic development region.

(c) Out of the amount allocated for each economic development region, the commissioner shall award grants based on the recommendation of the grant review advisory task force. In addition, the commissioner shall award no more than 75 percent of the money either to child care facilities for the purpose of facility improvement or interim financing or to child care workers for staff training expenses.

(d) Any funds unobligated may be used by the commissioner to award grants to proposals that received funding recommendations by the advisory task force but were not awarded due to insufficient funds.

(e) The commissioner may allocate grants under this section for a two-year period.

Sec. 47. Minnesota Statutes 1990, section 256H.22, is amended by adding a subdivision to read:

Subd. 3a. [DISTRIBUTION OF FUNDS FOR CHILD CARE RESOURCE AND REFERRAL PROGRAMS.] The commissioner shall allocate funds appropriated for child care resource and referral services considering the following factors for each economic development region served by the child care resource and referral agency:

(1) the number of children under 13 years of age needing child care in the service area;

(2) the geographic area served by the agency;

(3) the ratio of children under 13 years of age needing care to the number of licensed spaces in the service area;

(4) the number of licensed child care providers and extended day school age child care programs in the service area; and

(5) other related factors determined by the commissioner.

Sec. 48. Minnesota Statutes 1990, section 256H.22, subdivision 6, is amended to read:

Subd. 6. [FUNDING PRIORITIES; TRAINING GRANTS.] In evaluating applications for training grants ~~and making recommendations to, the commissioner, the grant review advisory task force council~~ shall give priority to:

(1) applicants who will work in facilities caring for sick children, infants, toddlers, children with special needs, and children from low-income families;

(2) applicants who will work in geographic areas where there is a shortage of child care;

(3) unlicensed providers who wish to become licensed;

(4) child care programs seeking accreditation and child care providers seeking certification; and

(5) entities that will use grant money for scholarships for child care workers attending educational or training programs sponsored by the entity.

Sec. 49. [256H.225] [ASSISTANCE TO CHILD CARE CENTERS AND PROVIDERS.]

The commissioner shall work with the early childhood care and education council and with the resource and referral programs to develop tools to assist child care centers and family child care providers to obtain accreditation and certification and to achieve improved pay for child care workers.

Sec. 50. Minnesota Statutes 1990, section 257.57, subdivision 2, is amended to read:

Subd. 2. The child, the mother, or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor may bring an action:

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under section 257.55, subdivision 1, clause (d) ~~or~~, (e), or (f), or the nonexistence of the father and child relationship presumed under clause (d) of that subdivision; ~~or~~

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, clause (e) only if the action is brought within three years after the date of the execution of the declaration; or

(3) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (f), only if the action is brought within three years after the party bringing the action, or the party's attorney of record, has been provided the blood test results.

Sec. 51. Minnesota Statutes 1990, section 270A.04, subdivision 2, is amended to read:

Subd. 2. Any debt owed to a claimant agency shall be submitted by the agency for collection under the procedure established by sections 270A.01 to 270A.12 unless (a) an alternative means of collection is pending and the debtor is complying with the terms of alternative means of collection, except that this limitation does not apply to debts owed resulting from a default in payment of child support or maintenance, (b) the collection attempt would result in a loss of federal funds, or (c) the agency is unable to supply the department with the necessary identifying information required by subdivision 3 or rules promulgated by the commissioner, or (d) the debt is barred by section 541.05.

Sec. 52. Minnesota Statutes 1990, section 270A.08, subdivision 2, is amended to read:

Subd. 2. (a) This written notice shall clearly and with specificity set forth the basis for the claim to the refund including the name of the benefit program involved if the debt arises from a public assistance grant and the dates on which the debt was incurred and, further, shall advise the debtor of the claimant agency's intention to request setoff of the refund against the debt.

(b) The notice will also advise the debtor that any debt incurred

more than six years from the date of the notice to the commissioner under section 270A.07, except for debts owed resulting from a default in payment of child support or maintenance or debts on which money judgment has been entered and docketed, must not be setoff against a refund and will advise the debtor of the right to contest the validity of the claim at a hearing. The debtor must assert this right by written request to the claimant agency, which request the agency must receive within 45 days of the mailing date of the original notice or of the corrected notice, as required by subdivision 1. If the debtor has not received the notice, the 45 days shall not commence until the debtor has received actual notice. The debtor shall have the burden of showing no notice and shall be entitled to a hearing on the issue of notice as well as on the merits.

Sec. 53. Minnesota Statutes 1990, section 393.07, subdivision 10, is amended to read:

Subd. 10. [FEDERAL FOOD STAMP PROGRAM.] (a) The county welfare board shall establish and administer the food stamp program pursuant to rules of the commissioner of human services, the supervision of the commissioner as specified in section 256.01, and all federal laws and regulations. The commissioner of human services shall monitor food stamp program delivery on an ongoing basis to ensure that each county complies with federal laws and regulations. Program requirements to be monitored include, but are not limited to, number of applications, number of approvals, number of cases pending, length of time required to process each application and deliver benefits, number of applicants eligible for expedited issuance, length of time required to process and deliver expedited issuance, number of terminations and reasons for terminations, client profiles by age, household composition and income level and sources, and the use of phone certification and home visits. The commissioner shall determine the county-by-county and statewide participation rate. ~~The commissioner shall report on the monitoring activities on a county-by-county basis in a report presented to the legislature by July 1 each year. This monitoring activity shall be separate from the management evaluation survey sample required under federal regulations.~~

(b) On July 1 of each year, the commissioner of human services shall determine a statewide and county-by-county food stamp program participation rate. The commissioner may designate a different agency to administer the food stamp program in a county if the agency administering the program fails to increase the food stamp program participation rate among families or eligible individuals, or comply with all federal laws and regulations governing the food stamp program. The commissioner shall review agency performance annually to determine compliance with this paragraph.

(c) A person who commits any of the following acts has violated

section 256.98 and is subject to both the criminal and civil penalties provided under that section:

(1) Obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or intentional concealment of a material fact, food stamps to which the person is not entitled or in an amount greater than that to which that person is entitled; or

(2) Presents or causes to be presented, coupons for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law; or

(3) Willfully uses or transfers food stamp coupons or authorization to purchase cards in any manner contrary to existing state or federal law.

Sec. 54. Minnesota Statutes 1990, section 393.07, subdivision 10a, is amended to read:

Subd. 10a. [EXPEDITED ISSUANCE OF FOOD STAMPS.] The commissioner of human services shall continually monitor the expedited issuance of food stamp benefits to ensure that each county complies with federal regulations and that households eligible for expedited issuance of food stamps are identified, processed, and certified within the time frames prescribed in federal regulations. By July 1 each year the commissioner of human services shall present a report to the governor and the legislature regarding its monitoring of expedited issuance and the degree of compliance with federal regulations on a county-by-county basis.

County food stamp offices shall screen and issue food stamps to applicants on the day of application. Applicants who meet the federal criteria for expedited issuance and have an immediate need for food assistance shall receive either:

- (1) a manual Authorization to Participate (ATP) card; or
- (2) the immediate issuance of food stamp coupons.

The local food stamp agency shall conspicuously post in each food stamp office a notice of the availability of and the procedure for applying for expedited issuance and verbally advise each applicant of the availability of the expedited process.

Sec. 55. Minnesota Statutes 1990, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for

dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support ~~agreement~~ stipulation of the parties if each party is represented by independent counsel, unless the ~~agreement~~ stipulation ~~is not in the interest of justice~~ does not meet the conditions of paragraph (e). In other cases the court shall determine and order child support in a specific dollar amount in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom.

The court shall derive a specific dollar amount by multiplying the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
\$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
\$401 – 500	14%	17%	20%	22%	24%	26%	28%
\$501 – 550	15%	18%	21%	24%	26%	28%	30%
\$551 – 600	16%	19%	22%	25%	28%	30%	32%
\$601 – 650	17%	21%	24%	27%	29%	32%	34%
\$651 – 700	18%	22%	25%	28%	31%	34%	36%
\$701 – 750	19%	23%	27%	30%	33%	36%	38%
\$751 – 800	20%	24%	28%	31%	35%	38%	40%
\$801 – 850	21%	25%	29%	33%	36%	40%	42%
\$851 – 900	22%	27%	31%	34%	38%	41%	44%
\$901 – 950	23%	28%	32%	36%	40%	43%	46%
\$951 – 1000	24%	29%	34%	38%	41%	45%	48%
\$1001 – 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of \$4,001 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of \$4,000.

Net Income defined as:

Total monthly income less	*(i)	Federal Income Tax
	*(ii)	State Income Tax
	(iii)	Social Security Deductions
	(iv)	Reasonable Pension Deductions
*Standard Deductions apply – use of tax tables recommended	(v)	Union Dues
	(vi)	Cost of Dependent Health Insurance Coverage
	(vii)	Cost of Individual or Group Health/Hospitalization Coverage or an Amount for Actual Medical Expenses
	(viii)	A Child Support or Maintenance Order that is Currently Being Paid.

“Net income” does not include:

(1) the income of the obligor’s spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor’s living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(a) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(b) the party demonstrates, and the court finds, that:

(i) the excess employment began after the filing of the petition for dissolution;

(ii) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(iii) the excess employment is voluntary and not a condition of employment;

(iv) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(v) the party’s compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

(b) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property, but excluding income from excess employment of the obligor or obligee that meets the criteria of paragraph (a), clause (2)(b);

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;

(4) the amount of the aid to families with dependent children grant for the child or children;

(5) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and

(6) the parents' debts as provided in paragraph (c).

(c) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

Any schedule prepared under paragraph (c), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18

months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

Where payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(d) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(e) The above guidelines are binding in each case unless the court makes express findings of fact as to the reason for departure below or above the guidelines. The guidelines in this subdivision are a rebuttable presumption and shall be used in all cases when establishing or modifying child support. If the court does not deviate from the guidelines, the court shall make written findings concerning the amount of the obligor's income used as the basis for the guidelines calculation and any other significant evidentiary factors affecting the determination of child support. If the court deviates from the guidelines, the court shall make written findings giving the reasons for the deviation and shall specifically address the criteria in paragraph (b) of this subdivision and how the deviation serves the best interest of the child. The provisions of this paragraph apply whether or not the parties, each represented by independent counsel, have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines; the court is not required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b.

Sec. 56. Minnesota Statutes 1990, section 518.551, is amended by adding a subdivision to read:

Subd. 5b. [DETERMINATION OF INCOME.] (a) The parents shall timely serve on all parties and file documentation of earnings and income. When there is a prehearing conference, the court must receive the documentation of earnings and income at least ten days prior to the prehearing conference. Documentation of earnings and income includes, but is not limited to, pay stubs for the most recent three months, employer statements, or statement of receipts and expenses if self-employed. Documentation of earnings and income also includes copies of each parent's most recent federal tax returns, including W-2 forms, 1099 forms, unemployment compensation statements, workers' compensation statements, and all other documents evidencing income as received that provide verification of earnings over a longer period.

(b) If a parent under the jurisdiction of the court does not appear at a court hearing after proper notice of the time and place of the

hearing, the court shall set income for that parent based on credible evidence before the court or in accordance with paragraph (c). Credible evidence may include documentation of current or recent earnings and income, testimony of the other parent concerning recent earnings and income levels, and the parent's wage reports filed with the Minnesota department of jobs and training under section 268.121.

(c) If the court finds that a parent is voluntarily unemployed or underemployed, child support shall be calculated based on a determination of imputed income. Imputed income means the estimated earning ability of a parent based on the parent's prior earnings history, education, and job skills, and on availability of jobs within the community for an individual with the parent's qualifications. For a parent with no previous job history and no higher education or advanced training or who has made reasonable efforts and cannot find suitable employment, the court may take judicial notice of estimated earning ability based on full-time employment of 40 hours per week at the federal minimum wage or the Minnesota minimum wage, whichever is higher. If the parent is physically or mentally incapacitated, it shall be presumed that the parent is not voluntarily unemployed or underemployed.

Sec. 57. Minnesota Statutes 1990, section 518.551, is amended by adding a subdivision to read:

Subd. 5c. [CHILD SUPPORT GUIDELINES TO BE REVIEWED EVERY FOUR YEARS.] No later than 1994 and every four years after that, the department of human services shall conduct a review of the child support guidelines and shall present findings and recommendations from its review to the legislature.

Sec. 58. Minnesota Statutes 1990, section 518.64, is amended to read:

518.64 [MODIFICATION OF ORDERS OR DECREES.]

Subdivision 1. After an order for maintenance or support money, temporary or permanent, or for the appointment of trustees to receive property awarded as maintenance or support money, the court may from time to time, on ~~petition~~ motion of either of the parties or on ~~petition~~ motion of the public authority responsible for support enforcement, modify the order respecting the amount of maintenance or support money, and the payment of it, and also respecting the appropriation and payment of the principal and income of property held in trust, and may make an order respecting these matters which it might have made in the original proceeding, except as herein otherwise provided.

Subd. 2. [MODIFICATION.] (a) The terms of ~~a decree~~ an order respecting maintenance or support may be modified upon a showing

of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party or the child or children that are the subject of these proceedings; (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost of living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair.

The terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if the application of the child support guidelines in section 518.551, subdivision 5, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least \$50 per month higher or lower than the current support order.

(b) On a motion for modification of maintenance, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

~~(1) shall take into consideration apply the needs of the children~~ child support guidelines in section 518.551, subdivision 5, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

(c) A modification of support or maintenance may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record. However, modification may be applied to an earlier period if the court makes express findings that the party seeking modification was precluded from serving a motion by reason of a significant physical or mental disability ~~or~~, a material misrepresentation of another party, or fraud upon the court and that the party seeking modification, when no longer precluded, promptly served a motion.

(d) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

Subd. 3. Unless otherwise agreed in writing or expressly provided in the decree, the obligation to pay future maintenance is terminated upon the death of either party or the remarriage of the party receiving maintenance.

Subd. 4. Unless otherwise agreed in writing or expressly provided in the decree order, provisions for the support of a child are terminated by emancipation of the child but not by the death of a parent obligated to support the child. When a parent obligated to pay support dies, the amount of support may be modified, revoked, or commuted to a lump sum payment, to the extent just and appropriate in the circumstances.

Subd. 5. [FORM.] The department of human services shall prepare and make available to courts, obligors and persons to whom child support is owed a form to be submitted by the obligor or the person to whom child support is owed in support of a motion for a modification of an order ~~pursuant to this section or section 256.87~~ for support or maintenance. The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.

Subd. 6. [EXPEDITED PROCEDURE.] (a) The public authority may seek a modification of the child support order in accordance with the rules of civil procedure or under the expedited procedures in this subdivision.

(b) The public authority may serve the following documents upon

the obligor either by certified mail or in the manner provided for service of a summons under the rules of civil procedure:

(1) a notice of its application for modification of the obligor's support order stating the amount and effective date of the proposed modification which date shall be no sooner than 20 days from the date of service;

(2) an affidavit setting out the basis for the modification under subdivision 2, including evidence of the current income of the parties;

(3) any other documents the public authority intends to file with the court in support of the modification;

(4) the proposed order;

(5) notice to the obligor that if the obligor fails to move the court and request a hearing on the issue of modification of the support order within 20 days of service of the notice of application for modification, the public authority will likely obtain an order, ex parte, modifying the support order; and

(6) an explanation to the obligor of how a hearing can be requested, together with a motion for review form that the obligor can complete and file with the court to request a hearing.

(c) If the obligor moves the court for a hearing, any modification must be stayed until the court has had the opportunity to determine the issue. Any modification ordered by the court is effective on the date set out in the notice of application for modification, but no earlier than 20 days following the date the obligor was served.

(d) If the obligor fails to move the court for hearing within 20 days of service of the notice, the public authority shall file with the court a copy of the notice served on the obligor as well as all documents served on the obligor, proof of service, and a proposed order modifying support.

(e) If, following judicial review, the court determines that the procedures provided for in this subdivision have been followed and the requested modification is appropriate, the order shall be signed ex parte and entered.

(f) Failure of the court to enter an order under this subdivision does not prejudice the right of the public authority or either party to seek modification in accordance with the rules of civil procedure.

(g) The supreme court shall develop standard forms for the notice of application of modification of the support order, the supporting

affidavit, the obligor's responsive motion, and proposed order granting the modification.

Sec. 59. Minnesota Statutes 1990, section 609.52, is amended by adding a subdivision to read:

Subd. 4. [WRONGFULLY OBTAINED PUBLIC ASSISTANCE; CONSIDERATION OF DISQUALIFICATION.] When determining the sentence for a person convicted of theft by wrongfully obtaining public assistance, as defined in section 256.98, subdivision 1, the court shall consider the fact that, under section 256.98, subdivision 8, the person will be disqualified from receiving public assistance as a result of the person's conviction.

Sec. 60. [STUDY.]

The commissioner of human services shall monitor the families who are unable to get child care subsidies through the basic sliding fee program after completing their year of transition child care and shall report findings to the legislature by January 1, 1993. The report shall include, but not be limited to, the following data on these families: the total number losing child care and the counties in which they live, the length of time for each family to reach the top of the waiting list, the number of families returning to AFDC while they are waiting for child care, and, if available, the type of child care arrangements made by families who lost child care subsidies.

Sec. 61. [TRANSFERS.]

Upon allocating the money from the federal child care and development block grant to counties for the basic sliding fee program, the commissioner of human services shall transfer funds from the basic sliding fee account to the account funding participation as provided under Minnesota Statutes, section 256.736, subdivision 3a, paragraph (c). Money transferred under this section shall be sufficient to serve 1,000 families and may be used for administrative expenses and support services for participants.

Sec. 62. [REPEALER; FAMILY INVESTMENT PLAN.]

Minnesota Statutes 1990, sections 256.032, subdivisions 5 and 9; 256.035, subdivisions 6 and 7; 256.036, subdivision 10; 256D.051, subdivision 16; 256H.26; and Laws 1989, chapter 282, article 5, section 130, are repealed.

Sec. 63. [INSTRUCTION TO THE REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall renumber Minnesota Statutes, section 256.035, subdivision 4, as Minnesota Statutes, section 256.033, subdivision 1a.

Sec. 64. [FUNDS ALLOCATION; FEDERAL CHILD CARE FUNDS.]

The commissioner shall consult with and consider the recommendations of the early childhood care and education council for the use of federal funds received for child care purposes. After public hearing on the matter, the commissioner shall develop a state plan for expenditure of the federal funds, to include allocation of federal funds for the Minnesota early childhood care and education council for the biennium ending June 30, 1993. Legislative hearings on the provisions of this section and sections 17; 32, subdivision 2b; 37 to 39; 42 to 45; 48; 49; 60; and 61 constitute a public hearing as required by this section and by federal law.

Sec. 65. [EFFECTIVE DATES.]

Subdivision 1. [MINNESOTA FAMILY INVESTMENT PLAN.] Sections 7 to 16, 62, and 63 are effective July 1, 1991, only for purposes of planning and securing federal waivers. Actual implementation of the program is delayed until April 1, 1994, and no grants shall be issued until that date.

Subd. 2. [PUBLIC ASSISTANCE FRAUD.] Sections 21 and 59 are effective July 1, 1991, and apply to assistance wrongfully obtained after that date. Sections 22, subdivisions 1, 3, and 4; and 28 are effective July 1, 1991. Sections 22, subdivision 2; 23; and 24 are effective the day following final enactment.

Subd. 3. [OTHER ASSISTANCE PROVISIONS.] Sections 1 to 5, 17 to 20, 25, 26, and 30 are effective the day after final enactment, except as indicated in section 5.

ARTICLE 6

MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES

Section 1. Minnesota Statutes 1990, section 245.461, subdivision 3, is amended to read:

Subd. 3. [REPORT.] By February 15, 1988, and annually after that until February 15, 1990 1994, the commissioner shall report to the legislature on all steps taken and recommendations for full implementation of sections 245.461 to 245.486 and on additional resources needed to further implement those sections.

Sec. 2. Minnesota Statutes 1990, section 245.461, is amended by adding a subdivision to read:

Subd. 5. [FUNDING FROM THE FEDERAL GOVERNMENT AND OTHER SOURCES.] The commissioner shall seek and apply

for federal and other nonstate, nonlocal government funding for the mental health services specified in sections 245.461 to 245.486, in order to maximize nonstate, nonlocal dollars for these services.

Sec. 3. Minnesota Statutes 1990, section 245.462, subdivision 6, is amended to read:

Subd. 6. [COMMUNITY SUPPORT SERVICES PROGRAM.] "Community support services program" means services, other than inpatient or residential treatment services, provided or coordinated by an identified program and staff under the clinical supervision of a mental health professional designed to help adults with serious and persistent mental illness to function and remain in the community. A community support services program includes:

- (1) client outreach,
- (2) medication monitoring,
- (3) assistance in independent living skills,
- (4) development of employability and work-related opportunities,
- (5) crisis assistance,
- (6) psychosocial rehabilitation,
- (7) help in applying for government benefits, and
- (8) the development, identification, and monitoring of living arrangements housing support services.

The community support services program must be coordinated with the case management services specified in section 245.4711.

Sec. 4. Minnesota Statutes 1990, section 245.462, subdivision 18, is amended to read:

Subd. 18. [MENTAL HEALTH PROFESSIONAL.] "Mental health professional" means a person providing clinical services in the treatment of mental illness who is qualified in at least one of the following ways:

- (1) in psychiatric nursing: a registered nurse who is licensed under sections 148.171 to 148.285, and who is certified as a clinical specialist in adult psychiatric and mental health nursing by the American nurses association or who has a master's degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000

hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(2) in clinical social work: a person licensed as an independent clinical social worker under section 148B.21, subdivision 6, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(3) in psychology: a psychologist licensed under sections 148.88 to 148.98 who has stated to the board of psychology competencies in the diagnosis and treatment of mental illness;

(4) in psychiatry: a physician licensed under chapter 147 and certified by the American board of psychiatry and neurology or eligible for board certification in psychiatry; or

(5) in allied fields: a person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness.

Sec. 5. Minnesota Statutes 1990, section 245.4711, is amended by adding a subdivision to read:

Subd. 9. [REVISION OF RULES.] (a) The commissioner, by July 1, 1992, shall revise existing rules governing case management services, in order to:

(1) make improvements in rule flexibility;

(2) establish a comprehensive coordination of services;

(3) require case managers to arrange for standardized assessments of side effects related to the administration of psychotropic medication;

(4) establish a reasonable caseload limit for case managers;

(5) provide reimbursement for transportation costs for case managers; and

(6) review the eligibility criteria for case management services covered by medical assistance.

(b) Until rule amendments are adopted under paragraph (a), in-county travel by case managers is reimbursable under the

medical assistance program subject to the six-hour limit on case management services.

Sec. 6. Minnesota Statutes 1990, section 245.472, is amended by adding a subdivision to read:

Subd. 4. [ADMISSION, CONTINUED STAY, AND DISCHARGE CRITERIA.] No later than January 1, 1992, the county board shall ensure that placement decisions for residential services are based on the clinical needs of the adult. The county board shall ensure that each entity under contract with the county to provide residential treatment services has admission, continued stay, discharge criteria and discharge planning criteria as part of the contract. Contracts shall specify specific responsibilities between the county and service providers to ensure comprehensive planning and continuity of care between needed services according to data privacy requirements. A requirement that clients be advised of appeal rights under section 245.477 shall be included in all contracts for provision of residential services.

Sec. 7. Minnesota Statutes 1990, section 245.473, is amended by adding a subdivision to read:

Subd. 3. [ADMISSION, CONTINUED STAY, AND DISCHARGE CRITERIA.] No later than January 1, 1992, the county board shall ensure that placement decisions for acute care inpatient services are based on the clinical needs of the adult. The county board shall ensure that each entity under contract with the county to provide acute care hospital treatment services has admission, continued stay, discharge criteria and discharge planning criteria as part of the contract. Contracts shall specify specific responsibilities between the county and service providers to ensure comprehensive planning and continuity of care between needed services according to data privacy requirements. A requirement that clients be advised of appeal rights under section 245.477 shall be included in all contracts for provision of acute care hospital inpatient services.

Sec. 8. Minnesota Statutes 1990, section 245.473, is amended by adding a subdivision to read:

Subd. 4. [INDIVIDUAL PLACEMENT AGREEMENT.] Except for services reimbursed under chapters 256B and 256D, the county board shall enter into an individual placement agreement with a provider of acute care hospital inpatient treatment services to an adult eligible for services under this section. The agreement must specify the payment rate and the terms and conditions of county payment for the placement.

Sec. 9. Minnesota Statutes 1990, section 245.484, is amended to read:

245.484 [RULES.]

The commissioner shall adopt emergency rules to govern implementation of case management services for eligible children in section 245.4881 and professional home-based family treatment services for medical assistance eligible children, in section 245.4884, subdivision 3, by January 1, 1992, and must adopt permanent rules by January 1, 1993.

The commissioner shall adopt permanent rules as necessary to carry out sections 245.461 to 245.486 and ~~Laws 1989, chapter 282, article 4, sections 1 to 53~~ 245.487 to 245.4887. The commissioner shall reassign agency staff as necessary to meet this deadline.

Sec. 10. Minnesota Statutes 1990, section 245.487, subdivision 4, is amended to read:

Subd. 4. [IMPLEMENTATION.] (a) The commissioner shall begin implementing sections 245.487 to 245.4887 by February 15, 1990, and shall fully implement sections 245.487 to 245.4887 by ~~January~~ July 1, 1992 1993.

(b) Annually until February 15, 1992 1994, the commissioner shall report to the legislature on all steps taken and recommendations for full implementation of sections 245.487 to 245.4887 and on additional resources needed to further implement those sections. The report shall include information on county and state progress in identifying the needs of cultural and racial minorities and in using special mental health consultants to meet these needs.

Sec. 11. Minnesota Statutes 1990, section 245.487, is amended by adding a subdivision to read:

Subd. 6. [FUNDING FROM THE FEDERAL GOVERNMENT AND OTHER SOURCES.] The commissioner shall seek and apply for federal and other nonstate, nonlocal government funding for mental health services specified in sections 245.487 to 245.4887, in order to maximize nonstate, nonlocal dollars for these services.

Sec. 12. Minnesota Statutes 1990, section 245.4871, subdivision 27, is amended to read:

Subd. 27. [MENTAL HEALTH PROFESSIONAL.] "Mental health professional" means a person providing clinical services in the diagnosis and treatment of children's emotional disorders. A mental health professional must have training and experience in working with children consistent with the age group to which the mental health professional is assigned. A mental health professional must be qualified in at least one of the following ways:

(1) in psychiatric nursing, the mental health professional must be a registered nurse who is licensed under sections 148.171 to 148.285 and who is certified as a clinical specialist in child and adolescent psychiatric or mental health nursing by the American nurses association or who has a master's degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(2) in clinical social work, the mental health professional must be a person licensed as an independent clinical social worker under section 148B.21, subdivision 6, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental disorders;

(3) in psychology, the mental health professional must be a psychologist licensed under sections 148.88 to 148.98 who has stated to the board of psychology competencies in the diagnosis and treatment of mental disorders;

(4) in psychiatry, the mental health professional must be a physician licensed under chapter 147 and certified by the American board of psychiatry and neurology or eligible for board certification in psychiatry; or

(5) in allied fields, the mental health professional must be a person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of emotional disturbances.

Sec. 13. Minnesota Statutes 1990, section 245.4871, subdivision 31, is amended to read:

Subd. 31. [PROFESSIONAL HOME-BASED FAMILY TREATMENT.] "Professional home-based family treatment" means intensive mental health services provided to children because of a severe emotional disturbance (1) who are at risk of out-of-home placement; (2) who are in out-of-home placement; or (3) who are returning from out-of-home placement because of an emotional disturbance. Services are provided to the child and the child's family primarily in the child's home environment or other location. Services may also be provided in the child's school, child care setting, or other community setting appropriate to the child. Examples of appropriate locations include, but are not limited to, the child's school, day care center, home, and any other living arrangement of the child. Services must be provided on an individual family basis, must be child-oriented and family-oriented, and must be designed using information from diagnostic and functional assessments to meet the specific mental

health needs of the child and the child's family. Examples of services include family and are: (1) individual therapy and; (2) family therapy; (3) client outreach; (4) assistance in developing individual living skills training and; (5) assistance in developing parenting skills necessary to address the needs of the child; (6) assistance with leisure and recreational services; (7) crisis assistance, including crisis respite care and arranging for crisis placement; and (8) assistance in locating respite and child care. Services must be coordinated with other service providers services provided to the child and family.

Sec. 14. Minnesota Statutes 1990, section 245.4871, is amended by adding a subdivision to read:

Subd. 33a. [SPECIAL MENTAL HEALTH CONSULTANT.] "Special mental health consultant" is a mental health practitioner or professional with special expertise in treating children from a particular cultural or racial minority group.

Sec. 15. Minnesota Statutes 1990, section 245.4873, subdivision 6, is amended to read:

Subd. 6. [PRIORITIES.] By January 1, 1992, the commissioner shall require that each of the treatment services and management activities described in sections 245.487 to 245.4887 be developed for children with emotional disturbances within available resources based on the following ranked priorities. The commissioner shall reassign agency staff and use consultants as necessary to meet this deadline:

(1) the provision of locally available mental health emergency services;

(2) the provision of locally available mental health services to all children with severe emotional disturbance;

(3) the provision of early identification and intervention services to children who are at risk of needing or who need mental health services;

(4) the provision of specialized mental health services regionally available to meet the special needs of all children with severe emotional disturbance, and all children with emotional disturbances;

(5) the provision of locally available services to children with emotional disturbances; and

(6) the provision of education and preventive mental health services.

Sec. 16. Minnesota Statutes 1990, section 245.4874, is amended to read:

245.4874 [DUTIES OF COUNTY BOARD.]

The county board in each county shall use its share of mental health and community social service act funds allocated by the commissioner according to a biennial local children's mental health service proposal required under section 245.4887, and approved by the commissioner. The county board must:

(1) develop a system of affordable and locally available children's mental health services according to sections 245.487 to 245.4887;

(2) assure that parents and providers in the county receive information about how to gain access to services provided according to sections 245.487 to 245.4887;

(3) coordinate the delivery of children's mental health services with services provided by social services, education, corrections, health, and vocational agencies to improve the availability of mental health services to children and the cost effectiveness of their delivery;

(4) assure that mental health services delivered according to sections 245.487 to 245.4887 are delivered expeditiously and are appropriate to the child's diagnostic assessment and individual treatment plan;

(5) provide the community with information about predictors and symptoms of emotional disturbances and how to access children's mental health services according to sections 245.4877 and 245.4878;

(6) provide for case management services to each child with severe emotional disturbance according to sections 245.486; 245.4871, subdivisions 3 and 4; and 245.4881, subdivisions 1, 3, and 5;

(7) provide for screening of each child under section 245.4885 upon admission to a residential treatment facility, acute care hospital inpatient treatment, or informal admission to a regional treatment center;

(8) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.487 to 245.4887;

(9) assure that mental health professionals, mental health practitioners, and case managers employed by or under contract to the county to provide mental health services are qualified under section 245.4871; and

(10) assure that children's mental health services are coordinated with adult mental health services specified in sections 245.461 to 245.486 so that a continuum of mental health services is available to serve persons with mental illness, regardless of the person's age; and

(11) assure that special mental health consultants are used as necessary to assist the county board in assessing and providing appropriate treatment for children of cultural or racial minority heritage.

Sec. 17. Minnesota Statutes 1990, section 245.4881, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF CASE MANAGEMENT SERVICES.] (a) By July April 1, 1991 1992, the county board shall provide case management services for each child with severe emotional disturbance who is a resident of the county and the child's family who request or consent to the services. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.4871, subdivision 4.

(b) Except as permitted by law and the commissioner under demonstration projects, case management services provided to children with severe emotional disturbance eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.

Sec. 18. Minnesota Statutes 1990, section 245.4882, is amended by adding a subdivision to read:

Subd. 4. [ADMISSION, CONTINUED STAY, AND DISCHARGE CRITERIA.] No later than January 1, 1992, the county board shall ensure that placement decisions for residential treatment services are based on the clinical needs of the child. The county board shall ensure that each entity under contract to provide residential treatment services has admission, continued stay, discharge criteria and discharge planning criteria as part of the contract. Contracts shall specify specific responsibilities between the county and service providers to ensure comprehensive planning and continuity of care between needed services according to data privacy requirements. The county board shall ensure that, at least ten days prior to discharge, the operator of the residential treatment facility shall provide written notification of the discharge to the child's parent or caretaker, the local education agency in which the child is enrolled and the receiving education agency to which the child will be transferred upon discharge. When the child has an individual education plan, the notice shall include a copy of the individual education plan. A requirement that clients be advised of appeal rights under section 245.4886 shall be included in all contracts for the provision of residential services.

Sec. 19. Minnesota Statutes 1990, section 245.4882, is amended by adding a subdivision to read:

Subd. 5. [SPECIALIZED RESIDENTIAL TREATMENT SERVICES.] The commissioner of human services shall establish or contract for specialized residential treatment services for children. The services shall be designed for children with emotional disturbance who exhibit violent or destructive behavior and for whom local treatment services are not feasible due to the small number of children statewide who need the services and the specialized nature of the services required. The services shall be located in community settings. If no appropriate services are available in Minnesota or within the geographical area in which the residents of the county normally do business, the commissioner is responsible for 50 percent of the nonfederal costs of out-of-state treatment of children for whom no appropriate resources are available in Minnesota. Counties are eligible to receive enhanced state funding under this section only if they have established juvenile screening teams under section 260.151, subdivision 3.

Sec. 20. Minnesota Statutes 1990, section 245.4882, is amended by adding a subdivision to read:

Subd. 6. [ADMISSION, CONTINUED STAY, AND DISCHARGE CRITERIA.] No later than January 1, 1992, the county board shall ensure that placement decisions for acute care hospital inpatient treatment services are based on the clinical needs of the child and, if appropriate, the child's family. The county board shall ensure that each entity under contract with the county to provide acute care hospital treatment services has admission, continued stay, discharge criteria and discharge planning criteria as part of the contract. Contracts should specify the specific responsibilities between the county and service providers to ensure comprehensive planning and continuity of care between needed services according to data privacy requirements. A requirement that clients be advised of appeal rights under section 245.4886 shall be included in contracts for provision of acute care hospital inpatient treatment services.

Sec. 21. Minnesota Statutes 1990, section 245.4884, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF FAMILY COMMUNITY SUPPORT SERVICES.] By July 1, 1991, county boards must provide or contract for sufficient family community support services within the county to meet the needs of each child with severe emotional disturbance who resides in the county and the child's family. Children or their parents may be required to pay a fee in accordance with section 245.481.

Family community support services must be designed to improve the ability of children with severe emotional disturbance to:

- (1) ~~handle~~ manage basic activities of daily living;
- (2) ~~improve functioning~~ function appropriately in home, school, and community settings;
- (3) participate in leisure time or community youth activities;
- (4) set goals and plans;
- (5) reside with the family in the community;
- (6) participate in after-school and summer activities;
- (7) make a smooth transition among mental health and education services provided to children; and
- (8) make a smooth transition into the adult mental health system as appropriate.

In addition, family community support services must be designed to improve overall family functioning if clinically appropriate to the child's needs, and to reduce the need for and use of placements more intensive, costly, or restrictive both in the number of admissions and lengths of stay than indicated by the child's diagnostic assessment.

Sec. 22. Minnesota Statutes 1990, section 245.4885, subdivision 1, is amended to read:

Subdivision 1. [SCREENING REQUIRED.] The county board shall, ~~upon~~ prior to admission, ~~except in the case of emergency admission, screen all children admitted referred for treatment of severe emotional disturbance to a residential treatment facility; an acute care hospital, or informally admitted to a regional treatment center if public funds are used to pay for the services. The county board shall also screen all children admitted to an acute care hospital for treatment of severe emotional disturbance if public funds other than reimbursement under chapters 256B and 256D are used to pay for the services. If a child is admitted to a residential treatment facility or acute care hospital for emergency treatment of emotional disturbance or held for emergency care by a regional treatment center under section 253B.05, subdivision 1, screening must occur within five three working days of admission. Screening shall determine whether the proposed treatment:~~

- (1) is necessary;
- (2) is appropriate to the child's individual treatment needs;

(3) cannot be effectively provided in the child's home; and

(4) provides a length of stay as short as possible consistent with the individual child's need.

Screening shall include both a diagnostic assessment and a functional assessment which evaluates family, school, and community living situations. If a diagnostic assessment or functional assessment has been completed by a mental health professional within 180 days, a new diagnostic or functional assessment need not be completed unless in the opinion of the current treating mental health professional the child's mental health status has changed markedly since the assessment was completed. The child's parent shall be notified if an assessment will not be completed and of the reasons. A copy of the notice shall be placed in the child's file. Recommendations developed as part of the screening process shall include specific community services needed by the child and, if appropriate, the child's family, and shall indicate whether or not these services are available and accessible to the child and family.

During the screening process, the child, child's family, or child's legal representative, as appropriate, must be informed of the child's eligibility for case management services and family community support services and that an individual family community support plan is being developed by the case manager, if assigned.

Screening shall be in compliance with section 256F.07 or 257.071, whichever applies. Wherever possible, the parent shall be consulted in the screening process, unless clinically inappropriate.

The screening process, and placement decision, and recommendations for mental health services must be documented in the child's record.

An alternate review process may be approved by the commissioner if the county board demonstrates that an alternate review process has been established by the county board and the times of review, persons responsible for the review, and review criteria are comparable to the standards in clauses (1) to (5) (4).

Sec. 23. Minnesota Statutes 1990, section 245.4885, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] No later than July 1, 1991, screening of children for residential and inpatient services must be conducted by a mental health professional. Where appropriate and available, special mental health consultants must participate in the screening. Mental health professionals providing screening for inpatient and residential services must not be financially affiliated with any acute care inpatient hospital, residential treatment facil-

ity, or regional treatment center. The commissioner may waive this requirement for mental health professional participation after July 1, 1991, if the county documents that:

(1) mental health professionals or mental health practitioners are unavailable to provide this service; and

(2) services are provided by a designated person with training in human services who receives clinical supervision from a mental health professional.

Sec. 24. Minnesota Statutes 1990, section 245.4885, is amended by adding a subdivision to read:

Subd. 3a. [SUMMARY DATA COLLECTION.] The county board shall annually collect summary information on the number of children screened, the age and racial or ethnic background of the children, the presenting problem, and the screening recommendations. The county shall include information on the degree to which these recommendations are followed and the reasons for not following recommendations. Summary data shall be available to the public and shall be used by the county board and local children's advisory council to identify needed service development.

Sec. 25. [245.4886] [CHILDREN'S COMMUNITY-BASED MENTAL HEALTH FUND.]

Subdivision 1. [STATEWIDE PROGRAM; ESTABLISHMENT.] The commissioner shall establish a statewide program to assist counties in providing services to children with severe emotional disturbance as defined in section 245.4871, subdivision 15, and their families. Services must be designed to help each child to function and remain with the child's family in the community. The commissioner shall make grants to counties to establish, operate, or contract with private providers to provide the following services in the following order of priority when these cannot be reimbursed under section 256B.0625:

(1) family community support services including crisis placement and crisis respite care as specified in section 245.4871, subdivision 17;

(2) case management services as specified in section 245.4871, subdivision 3;

(3) day treatment services as specified in section 245.4871, subdivision 10;

(4) professional home-based family treatment as specified in section 245.4871, subdivision 31; and

(5) therapeutic support of foster care as specified in section 245.4871, subdivision 34.

Funding appropriated beginning July 1, 1991, must be used by county boards to provide family community support services and case management services. Additional services shall be provided in the order of priority as identified in this subdivision.

Subd. 2. [GRANT APPLICATION AND REPORTING REQUIREMENTS.] To apply for a grant a county board shall submit an application and budget for the use of the money in the form specified by the commissioner. The commissioner shall make grants only to counties whose applications and budgets are approved by the commissioner. In awarding grants, the commissioner shall give priority to those counties whose applications indicate plans to collaborate in the development, funding, and delivery of services with other agencies in the local system of care. The commissioner shall adopt emergency and permanent rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17). The commissioner shall require collection of data and periodic reports which the commissioner deems necessary to demonstrate the effectiveness of each service in realizing the stated purpose as specified for family community support in section 245.4884, subdivision 1; therapeutic support of foster care in section 245.4884, subdivision 4; professional home-based family treatment in section 245.4884, subdivision 3; day treatment in section 245.4884, subdivision 2; and case management in section 245.4881.

Sec. 26. Minnesota Statutes 1990, section 245.697, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] A state advisory council on mental health is created. The council must have 30 members appointed by the governor in accordance with federal requirements. The council must be composed of:

(1) the assistant commissioner of mental health for the department of human services;

(2) a representative of the department of human services responsible for the medical assistance program;

(3) one member of each of the four core mental health professional disciplines (psychiatry, psychology, social work, nursing);

(4) one representative from each of the following advocacy groups:

mental health association of Minnesota, Minnesota alliance for the mentally ill, and Minnesota mental health law project;

- (5) providers of mental health services;
- (6) consumers of mental health services;
- (7) family members of persons with mental illnesses;
- (8) legislators;
- (9) social service agency directors;
- (10) county commissioners; and
- (11) other members reflecting a broad range of community interests, as the United States Secretary of Health and Human Services may prescribe by regulation or as may be selected by the governor.

The council shall select a chair. Terms, compensation, and removal of members and filling of vacancies are governed by section 15.059. The council does not expire as provided in section 15.059. The commissioner of human services shall provide staff support and supplies to the council.

Sec. 27. Minnesota Statutes 1990, section 246.18, subdivision 4, is amended to read:

Subd. 4. [COLLECTIONS DEPOSITED IN MEDICAL ASSISTANCE ACCOUNT.] Except as provided in ~~subdivision~~ subdivisions 2 and 5, all receipts from collection efforts for the regional treatment centers, state nursing homes, and other state facilities as defined in section 246.50, subdivision 3, must be deposited in the medical assistance account and are appropriated for that purpose. The commissioner shall ensure that the departmental financial reporting systems and internal accounting procedures comply with federal standards for reimbursement for program and administrative expenditures and fulfill the purpose of this paragraph.

Sec. 28. Minnesota Statutes 1990, section 246.18, is amended by adding a subdivision to read:

Subd. 5. [FUNDED DEPRECIATION ACCOUNTS FOR STATE-OPERATED, COMMUNITY-BASED PROGRAMS.] Separate interest-bearing funded depreciation accounts shall be established in the state treasury for state-operated, community-based programs meeting the definition of a facility in Minnesota Rules, part 9553.0020, subpart 19, or a vendor in section 252.41, subdivision 9. As payments for state-operated community-based services are received by the commissioner, the portion of the payment rate representing

allowable depreciation expense and the capital debt reduction allowance shall be deposited in the state treasury and credited to the separate interest-bearing accounts as dedicated receipts with unused funds carried over to the next fiscal year. Funds within these funded depreciation accounts are appropriated to the commissioner of human services for the purchase or replacement of capital assets or payment of capitalized repairs for each respective program. These accounts will satisfy the requirements of Minnesota Rules, part 9553.0060, subparts 1, item E, and 5.

Sec. 29. Minnesota Statutes 1990, section 252.27, subdivision 1a, is amended to read:

Subd. 1a. [DEFINITIONS.] A person has a “related condition” if that person has a severe, chronic disability that is meets all of the following conditions: (a) is attributable to cerebral palsy, epilepsy, autism, Prader-Willi syndrome, or any other condition, other than mental illness, found to be closely related to mental retardation because the condition results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with mental retardation ~~or~~ and requires treatment or services similar to those required for persons with mental retardation; (b) is manifested before the person reaches 22 years of age; (c) is likely to continue indefinitely; and ~~(e)~~ (d) results in substantial functional limitations in three or more of the following areas of major life activity: (1) self-care, (2) understanding and use of language, (3) learning, (4) mobility, (5) self-direction, ~~or~~ (6) capacity for independent living. For the purposes of this section, a child has an “emotional handicap” if the child has a psychiatric or other emotional disorder which substantially impairs the child’s mental health and requires 24-hour treatment or supervision.

Sec. 30. Minnesota Statutes 1990, section 252.27, subdivision 2a, is amended to read:

Subd. 2a. [CONTRIBUTION AMOUNT.] (a) The natural or adoptive parents of a minor child, including a child determined eligible for medical assistance without consideration of parental income, must contribute monthly to the cost of services, unless the child is married or has been married, parental rights have been terminated, or the child’s adoption is subsidized according to section 259.40 or through title IV-E of the Social Security Act.

(b) The parental contribution equals the following percentage of that portion of shall be computed by applying to the adjusted gross income of the natural or adoptive parents that exceeds 200 percent of the federal poverty guidelines for the applicable household size, the following schedule of rates:

Adjusted Gross Income	Percentage contribution exceeding 200 percent of poverty
Under \$49,999	10
\$50,000 to \$59,999	12
\$60,000 to \$74,999	14
\$75,000 or more	15

(1) on the amount of adjusted gross income over 200 percent of poverty, but not over \$50,000, ten percent;

(2) on the amount of adjusted gross income over 200 percent of poverty and over \$50,000 but not over \$60,000, 12 percent;

(3) on the amount of adjusted gross income over 200 percent of poverty, and over \$60,000 but not over \$75,000, 14 percent; and

(4) on all adjusted gross income amounts over 200 percent of poverty, and over \$75,000, 15 percent.

If the child lives with the parent, the parental contribution is reduced by \$200. If the child resides in an institution specified in section 256B.35, the parent is responsible for the personal needs allowance specified under that section in addition to the parental contribution determined under this section. The parental contribution is reduced by any amount required to be paid directly to the child pursuant to a court order, but only if actually paid.

(c) The household size to be used in determining the amount of contribution under paragraph (b) includes natural and adoptive parents and their dependents under age 21, including the child receiving services. Adjustments in the contribution amount due to annual changes in the federal poverty guidelines shall be implemented on the first day of July following publication of the changes.

(d) For purposes of paragraph (b), "income" means the adjusted gross income of the natural or adoptive parents determined according to the previous year's federal tax form.

(e) The contribution shall be explained in writing to the parents at the time eligibility for services is being determined. The contribution shall be made on a monthly basis effective with the first month in which the child receives services. Annually upon redetermination or at termination of eligibility, if the contribution exceeded the cost of services provided, the local agency or the state shall reimburse that excess amount to the parents, either by direct reimbursement if the parent is no longer required to pay a contribution, or by a reduction in or waiver of parental fees until the excess amount is exhausted.

(f) The monthly contribution amount must be reviewed at least

every 12 months; when there is a change in household size; and when there is a loss of or gain in income from one month to another in excess of ten percent. The local agency shall mail a written notice 30 days in advance of the effective date of a change in the contribution amount. A decrease in the contribution amount is effective in the month that the parent verifies a reduction in income or change in household size.

(g) Parents of a minor child who do not live with each other shall each pay the contribution required under paragraph (a), except that a court-ordered child support payment actually paid on behalf of the child receiving services shall be deducted from the contribution of the parent making the payment.

(h) The contribution under paragraph (b) shall be increased by an additional five percent if the local agency determines that insurance coverage is available but not obtained for the child. For purposes of this section, "available" means the insurance is a benefit of employment for a family member at an annual cost of no more than five percent of the family's annual income. For purposes of this section, insurance means health and accident insurance coverage, enrollment in a nonprofit health service plan, health maintenance organization, self-insured plan, or preferred provider organization.

Parents who have more than one child receiving services shall not be required to pay more than the amount for the child with the highest expenditures. There shall be no resource contribution from the parents. The parent shall not be required to pay a contribution in excess of the cost of the services provided to the child, not counting payments made to school districts for education-related services. Notice of an increase in fee payment must be given at least 30 days before the increased fee is due.

Sec. 31. Minnesota Statutes 1990, section 252.275, is amended to read:

252.275 [SEMI-INDEPENDENT LIVING SERVICES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

Subdivision 1. [PROGRAM.] The commissioner of human services shall establish a statewide program to assist counties in ~~reducing the utilization of intermediate care services in state hospitals and in community residential facilities, including nursing homes, provide support for persons with mental retardation or related conditions to live as independently as possible in the community. An objective of the program is to reduce unnecessary use of intermediate care facilities for persons with mental retardation or related conditions and home and community-based services.~~ The commissioner shall ~~make grants to reimburse county boards to establish, operate, or contract for the provision of semi-independent living services li-~~

censed by the commissioner pursuant to sections 245A.01 to 245A.16 and 252.28, and for the provision of one-time living allowances to secure and furnish a home for a person who will receive semi-independent living services under this section, if other public funds are not available for the allowance.

For the purposes of this section, "semi-independent living services" means training and assistance in managing money, preparing meals, shopping, maintaining personal appearance and hygiene, and other activities which are needed to maintain and improve an adult with mental retardation or a related condition's capability to live in the community. Eligible persons must be age 18 or older, must need less than a 24-hour plan of care, and must be unable to function independently without semi-independent living services.

Semi-independent living services costs and one-time living allowance costs may be paid directly by the county, or may be paid by the recipient with a voucher or cash issued by the county.

Subd. 1a. [SERVICE REQUIREMENTS.] The methods, materials, and settings used to provide semi-independent living services to a person must be designed to:

(1) increase the person's independence in performing tasks and activities by teaching skills that reduce dependence on caregivers;

(2) provide training in an environment where the skill being taught is typically used;

(3) increase the person's opportunities to interact with nondisabled individuals who are not paid caregivers;

(4) increase the person's opportunities to use community resources and participate in community activities, including recreational, cultural, and educational resources, stores, restaurants, religious services, and public transportation;

(5) increase the person's opportunities to develop decision-making skills and to make informed choices in all aspects of daily living, including:

(i) selection of service providers;

(ii) goals and methods;

(iii) location and decor of residence;

(iv) roommates;

(v) daily routines;

(vi) leisure activities; and

(vii) personal possessions;

(6) provide daily schedules, routines, environments and interactions similar to those of nondisabled individuals of the same chronological age; and

(7) comply with section 245.825, subdivision 1.

Subd. 2. [APPLICATION; CRITERIA.] To apply for a grant, a county board shall submit an application and budget for use of grant money in the form specified by the commissioner. The commissioner shall make grants only to counties whose applications and budgets or portions thereof are approved by the commissioner.

Subd. 3. [REIMBURSEMENT.] On or before September 1 of each year, the commissioner shall allocate available funds to the counties which have approved plans and budgets. The commissioner shall disburse the funds on a quarterly basis during the fiscal year to reimburse counties for costs incurred in providing services to individual clients in accordance with the approved plans and budgets. Counties shall be reimbursed for all expenditures made pursuant to subdivision 1 at a rate of 70 percent, up to the allocation determined pursuant to subdivisions 4, 4a, and 4b. However, the commissioner shall not reimburse costs of services for any person if the costs exceed the state share of the average medical assistance costs for services provided by intermediate care facilities for a person with mental retardation or a related condition for the same fiscal year, and shall not reimburse costs of a one-time living allowance for any person if the costs exceed \$1,500 in a state fiscal year. The commissioner may make payments to each county in quarterly installments. The commissioner may certify an advance of up to 25 percent of the allocation. Subsequent payments shall be made on a reimbursement basis for reported expenditures and may be adjusted for anticipated spending patterns.

Subd. 4. [FORMULA.] From the appropriations made available for this program, the commissioner shall allocate grants under this section to finance up to 95 percent of each county's approved budget for semi-independent living services for persons with mental retardation or related conditions. The commissioner shall not approve budgeted costs for services for any person which exceed the state share of the average medical assistance costs for services provided by intermediate care facilities for a person with mental retardation or a related condition for the same fiscal year. Effective January 1, 1992, the commissioner shall allocate funds on a calendar year basis. For calendar year 1992, funds shall be allocated based on each county's portion of the statewide reimbursement received under this section for state fiscal year 1991. For subsequent calendar years, funds shall be allocated based on each county's portion of the

statewide expenditures eligible for reimbursement under this section during the 12 months ending on June 30 of the preceding calendar year.

If the legislature appropriates funds for special purposes, the commissioner may allocate the funds based on proposals submitted by the counties to the commissioner in a format prescribed by the commissioner. Nothing in this subdivision section prevents a county from using other funds to pay for additional costs of semi-independent living services.

As of July 1, 1987, the commissioner shall allocate funds and reimburse county costs for persons approved for funding. The commissioner shall proportionally allocate funds to counties based on the approved budgeted costs for persons approved for funding. The commissioner shall adjust county grants based on actual approved expenditures and shall reallocate funds to the extent necessary. The commissioner may set aside up to two percent of the appropriations to fund county demonstration projects that improve the efficiency and effectiveness of semi-independent living services.

Subd. 4a. [FORMULA LIMITATION.] For calendar year 1993 and all subsequent years, the amounts computed pursuant to subdivision 4 shall be subject to the following limitation: no county shall be allocated an amount less than its guaranteed floor as provided in subdivision 4b. If the amount allocated to any county pursuant to subdivision 4 would be less than its guaranteed floor, the shortage shall be recovered proportionally from all counties which would be allocated more than their guaranteed floor.

Subd. 4b. [GUARANTEED FLOOR.] Each county with an original allocation for the preceding year that is equal to or less than the guaranteed floor minimum index shall have a guaranteed floor equal to its original allocation for the preceding year. Each county with an original allocation for the preceding year that is greater than the guaranteed floor minimum index shall have a guaranteed floor equal to the lesser of clause (1) or (2):

(1) the county's original allocation for the preceding year; or

(2) 70 percent of the county's reported expenditures eligible for reimbursement during the 12 months ending on June 30 of the preceding calendar year.

For calendar year 1993, the guaranteed floor minimum index shall be \$20,000. For each subsequent year, the index shall be adjusted by the projected change in the average value in the United States Department of Labor Bureau of Labor Statistics consumer price index (all urban) for that year.

When the amount of funds available for allocation is less than the amount available in the previous year, each county's previous year allocation shall be reduced in proportion to the reduction in the statewide funding, to establish each county's guaranteed floor.

Subd. 4c. [REVIEW OF FUNDS; REALLOCATION.] After each quarter, the commissioner shall review county program expenditures. The commissioner may reallocate unexpended money at any time among those counties which have earned their full allocation.

Subd. 5. [DISPLACED HOSPITAL WORKERS.] Providers of semi-independent living services shall make reasonable efforts to hire qualified employees of state hospital regional treatment center mental retardation units who have been displaced by reorganization, closure, or consolidation of state hospital regional treatment center mental retardation units.

Subd. 6. [RULES.] The commissioner shall may adopt emergency and permanent rules in accordance with chapter 14 to govern grant applications, criteria for approval of applications, allocation of grants, and maintenance of program and financial statements by grant recipients, reimbursement, and compliance.

Subd. 7. [REPORTS.] The commissioner shall specify requirements for reports, including quarterly fiscal and annual program reports, according to section 256.01, subdivision 2, paragraph (17).

Subd. 8. [USE OF FEDERAL FUNDS.] The commissioner shall make every reasonable effort to maximize the use of federal funds for semi-independent living services.

Subd. 9. [COMPLIANCE.] If a county board or provider under contract with a county board to provide semi-independent living services does not comply with this section and the rules adopted by the commissioner of human services under this section, including the reporting requirements, the commissioner may recover, suspend, or withhold payments.

Sec. 32. Minnesota Statutes 1990, section 252.28, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATIONS; BIENNIAL REDETERMINATIONS.] In conjunction with the appropriate county boards, the commissioner of human services shall determine, and shall redetermine biennially, the need, location, size, and program of public and private residential services and day care facilities and training and habilitation services for children and adults persons with mental retardation or related conditions. This subdivision does not apply to semi-independent living services and residential-based habilitation

services provided to four or fewer persons at a single site funded as home and community-based services.

Sec. 33. Minnesota Statutes 1990, section 252.28, subdivision 3, is amended to read:

Subd. 3. [LICENSING DETERMINATIONS.] (1) No new license shall be granted pursuant to this section when the issuance of the license would substantially contribute to an excessive concentration of community residential facilities within any town, municipality or county of the state.

(2) In determining whether a license shall be issued pursuant to this subdivision, the commissioner of human services shall specifically consider the population, size, land use plan, availability of community services and the number and size of existing public and private community residential facilities in the town, municipality or county in which a licensee seeks to operate a residence. Under no circumstances may the commissioner newly license any facility pursuant to this section except as provided in section 245A.11. The commissioner of human services shall establish uniform rules to implement the provisions of this subdivision.

(3) Licenses for community facilities and services shall be issued pursuant to section 245.821.

(4) No new license shall be granted for a residential program that provides home and community-based waived services to more than four individuals at a site, except as authorized by the commissioner for emergency situations that would result in the placement of individuals into regional treatment centers. Such licenses shall not exceed 24 months.

(5) The commissioner shall not approve a determination of need application that requests that an existing residential program license under Minnesota Rules, parts 9525.0215 to 9525.0355 be modified in a manner that would result in the issuance of two or more licenses for the same residential program at the same location.

Sec. 34. Minnesota Statutes 1990, section 252.28, is amended by adding a subdivision to read:

Subd. 5. [APPEALS.] A county may appeal a determination of need, size, location, or program according to chapter 14. Notice of appeals must be provided to the commissioner within 30 days after the receipt of the commissioner's determination.

Sec. 35. [252.293] [EMERGENCY SITUATIONS.]

Subdivision 1. [TRANSFERS; INTERIM RATES.] In emergency

situations, the commissioner of human services may transfer existing beds, relocate residents, and establish an interim payment rate under the procedures contained in Minnesota Rules, part 9553.0075, for up to two years, as necessary to ensure the replacement of the original services for the residents of intermediate care facilities for persons with mental retardation or related conditions. The payment rate must be based on projected costs and is subject to settle up. An emergency situation exists when it appears to the commissioner of human services that the health, safety, or welfare of residents may be in jeopardy due to imminent or actual loss of use of the physical plant or damage to the physical plant making it temporarily or permanently uninhabitable.

The subsequent rate for a facility providing services for the same resident following the temporary emergency situation shall be based upon the costs incurred during the interim period, if the residents are permanently placed in the same facility. If the residents need to be relocated for permanent placements, the temporary emergency location must close and the procedures for establishing new rates for newly constructed or newly established facilities shall be followed.

This provision regarding emergency situations does not apply to facilities placed in receivership by the commissioner of human services under section 245A.12 or 245A.13, or facilities which have rates set under section 252.292, subdivision 4, or to relocations of residents to existing facilities.

Subd. 2. [APPROVAL OF TEMPORARY LOCATIONS.] The commissioner of human services shall notify the commissioner of health of the existence of the emergency and the decision to order the relocation of residents. This notice shall also identify the temporary location or locations selected by the commissioner of human services for the relocation of the residents. Notwithstanding the provisions of section 252.291, the commissioner of health may license and certify the temporary location or locations as an intermediate care facility for persons with mental retardation or related conditions if the location complies with the applicable state rules and federal regulations. The facility from which the residents were relocated shall not be used to house residents until the commissioner of human services authorizes the return of residents to the facility and the commissioner of health verifies that the facility complies with the applicable state and federal regulations. If the temporary location closes under the provisions of subdivision 1, the license and certification of the temporary location is voided. The voiding of the license and certification shall not be considered as a suspension, revocation, or nonrenewal of the license or as an involuntary decertification of the facility.

Sec. 36. Minnesota Statutes 1990, section 252.32, is amended to read:

252.32 [FAMILY SUBSIDY SUPPORT PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHED; APPLICATION.] In accordance with state policy established in section 256F.01 that all children are entitled to live in families that offer safe, nurturing, permanent relationships, and that public services be directed toward preventing the unnecessary separation of children from their families, and because many families who have children with mental retardation or related conditions have special needs and expenses that other families do not have, the commissioner of human services shall establish a program to provide subsidies to families to enable them to care for their dependents with handicaps in their own home assist families who have dependents with mental retardation or related conditions living in their home. The program shall make support grants available to the families and shall establish local volunteer support networks.

Subd. 1a. [SUPPORT GRANTS.] This program Provision of support grants must be limited to families who require support and whose dependents are under the age of 22 and who are mentally retarded or who have mental retardation or who have a related condition and otherwise would require or be eligible for placement in a licensed residential facility as set forth in section 245A.02, subdivision 6 who have been determined by a screening team established under section 256B.092 to require the level of care provided by an intermediate care facility for persons with mental retardation or related conditions. Families who are receiving home and community-based waived services are not eligible for support grants. Families whose annual adjusted gross income is \$60,000 or more are not eligible for support grants, except in cases where extreme hardship is demonstrated. Beginning in state fiscal year 1994, the commissioner shall adjust the income ceiling annually to reflect the projected change in the average value in the United States Department of Labor, Bureau of Labor Statistics consumer price index (all urban) for that year.

Support grants may be made available as monthly subsidy grants, respite care grants, and lump sum grants.

Support grants may be issued in the form of cash, voucher, and direct county payment to a vendor.

Applications for the subsidy support grant shall be made by the county social service agency to the department of human services. The application shall specify the needs of the family, the form of the grant requested by the family, and how the subsidy will be used family intends to use the support grant and recommendations of the county.

Subd. 2. [INDIVIDUAL SERVICE PLAN.] Before a support grant is issued, an individual service plan for the dependent as required by

section 256E.08 and the rules adopted thereunder, or an individual service plan as requested by the family and defined in 256B.092, shall be developed by the county social service agency and agreed upon by the parents. A transitional plan shall be developed for the dependent when the dependent turns age 17 in order to assure an orderly transition to other services when the family terminates services from this program and to assure that an application is made for supplemental security income and other benefits.

Subd. 3. [SUBSIDY AMOUNT OF SUPPORT GRANT; USE.] Subsidy Support grant amounts shall be determined by the commissioner of human services. The subsidy may be used to cover the costs of special equipment, special clothing or diets, related transportation, therapy, medications, respite care, medical care, diagnostic assessments, modifications to the home and vehicle, and other services or items that assist the family and dependent. Each service and item purchased with a support grant must:

(1) be over and above the normal costs of caring for the dependent if the dependent did not have a disability;

(2) be directly attributable to the dependent's disabling condition; and

(3) enable the family to delay or prevent the out-of-home placement of the dependent.

The design and delivery of services and items purchased under this section must suit the dependent's chronological age and be provided in the least restrictive environment possible, consistent with the needs identified in the individual service plan.

Items and services purchased with support grants must be those for which there are no other public or private funds available to the family. Fees assessed to parents for health or human services that are funded by federal, state, or county dollars are not reimbursable through this program.

The maximum monthly amount shall be \$250 per eligible dependent, or \$3,000 per eligible dependent per state fiscal year, within the limits of available funds. During fiscal year 1992 and 1993, the maximum monthly grant awarded to families who are eligible for medical assistance shall be \$200, except in cases where extreme hardship is demonstrated. The commissioner may consider the child's dependent's supplemental security income in determining the amount of the subsidy support grant. A variance may be granted by the commissioner to exceed \$250 \$3,000 per state fiscal year per eligible dependent for emergency circumstances in cases where exceptional resources of the family are required to meet the health, welfare-safety needs of the child; for a period not to exceed 90 days

per fiscal year. The commissioner may set aside one up to five percent of the appropriation to fund emergency situations.

Subd. 3a. [VOLUNTEER SUPPORT NETWORKS.] Within the limits of the appropriation, the commissioner shall develop local community volunteer support networks that benefit families who are caring for a person with mental retardation or a related condition in the person's own home. The commissioner may issue requests for proposals to develop these networks and may use the advisory task force under section 252.31 in developing selection criteria and selecting grantees.

Subd. 3b. [REPORTS AND REIMBURSEMENT.] The commissioner shall specify requirements for quarterly fiscal and annual program reports according to section 256.01, subdivision 2, paragraph (17). Program reports shall include data which will enable the commissioner to evaluate program effectiveness and to audit compliance. The commissioner shall reimburse county costs on a quarterly basis.

Subd. 3c. [FEDERAL FUNDS.] The commissioner and the counties shall make every reasonable effort to maximize the use of federal funds for family supports.

Subd. 3d. [COUNTY BOARD RESPONSIBILITIES.] County boards receiving funds under this section shall:

(1) determine the needs of families for services in accordance with section 256B.092 or 256E.08 and any rules adopted under those sections;

(2) determine the eligibility of all persons proposed for program participation;

(3) recommend for approval all items and services to be reimbursed and inform families of the commissioner's approval decision;

(4) issue support grants directly to, or on behalf of, eligible families;

(5) inform recipients of their right to appeal under subdivision 3e;

(6) submit quarterly financial reports under subdivision 3b; and

(7) coordinate services with other programs offered by the county.

Subd. 3e. [APPEALS.] The denial, suspension, or termination of services under this program may be appealed by a recipient or application under section 256.045, subdivision 3.

Subd. 4. [RULEMAKING.] The commissioner shall amend permanent rules to govern subsidy grant applications under this section, criteria for approval, and other areas necessary to implement this program.

Subd. 5. [COMPLIANCE.] If a county board or grantee does not comply with this section and the rules adopted by the commissioner of human services, the commissioner may recover, suspend, or withhold payments.

Sec. 37. Minnesota Statutes 1990, section 252.46, subdivision 12, is amended to read:

Subd. 12. [RATES ESTABLISHED AFTER 1990.] Unless a variance is granted under subdivision 6, payment rates established by a county for calendar year 1990 and which are in effect December 31, 1990, remain in effect until June 30, 1991. Payment rates established by a county board to be paid to a vendor on or after ~~July 1, 1991~~ January 1, 1993, must be determined under permanent rules adopted by the commissioner. Until permanent rules are adopted, the payment rates must be determined according to subdivisions 1 to 11 except for the period from July 1, 1991, through December 31, 1991, when the increase determined under subdivision 3 must not exceed the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the current calendar year over the previous calendar year. No county shall pay a rate that is less than the minimum rate determined by the commissioner.

In developing procedures for setting minimum payment rates and procedures for establishing payment rates, the commissioner shall consider the following factors:

(1) a vendor's payment rate and historical cost in the previous year;

(2) current economic trends and conditions;

(3) costs that a vendor must incur to operate efficiently, effectively and economically and still provide training and habilitation services that comply with quality standards required by state and federal regulations;

(4) increased liability insurance costs;

(5) costs incurred for the development and continuation of supported employment services;

(6) cost variations in providing services to people with different needs;

(7) the adequacy of reimbursement rates that are more than 15 percent below the statewide average; and

(8) other appropriate factors.

The commissioner may develop procedures to establish differing hourly rates that take into account variations in the number of clients per staff hour, to assess the need for day training and habilitation services, and to control the utilization of services.

In developing procedures for setting transportation rates, the commissioner may consider allowing the county board to set those rates or may consider developing a uniform standard.

Medical assistance rates for home and community-based services provided under section 256B.501 by licensed vendors of day training and habilitation services must not be greater than the rates for the same services established by counties under sections 252.40 to 252.47.

Sec. 38. Minnesota Statutes 1990, section 252.46, is amended by adding a subdivision to read:

Subd. 15. [FOR-PROFIT ORGANIZATIONS.] Notwithstanding the requirement in section 252.41, subdivision 9, that vendors be nonprofit entities, the commissioner may approve up to 15 for-profit organizations to provide day training and habilitation services for the purposes of studying the impacts that for-profit vendors have on the delivery, quality, and costs of day training and habilitation services.

Sec. 39. Minnesota Statutes 1990, section 252.50, subdivision 2, is amended to read:

Subd. 2. [AUTHORIZATION TO BUILD OR PURCHASE.] Within the limits of available appropriations, the commissioner may build, purchase, or lease suitable buildings for state-operated, community-based programs. The commissioner must develop the state-operated community residential facilities authorized in the worksheets of the house appropriations and senate finance committees. The commissioner shall finance the purchase or construction of state-operated, community-based facilities with the Minnesota housing finance agency. The commissioner shall make payments through the department of administration to the Minnesota housing finance agency in repayment of mortgage loans granted for the purposes of this section. Programs must be adaptable to the needs of persons with mental retardation or related conditions and residential programs must be homelike.

Sec. 40. Minnesota Statutes 1990, section 253C.01, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] As used in this section, "residential program" means (1) a ~~freestanding primary treatment program or hospital-based primary treatment program that provides residential treatment to chemically dependent or mentally ill minors with emotional disturbance as defined by the comprehensive children's mental health act in sections 245.487 to 245.4888, or~~ (2) a facility licensed by the state under Minnesota Rules, parts 9545.0900 to 9545.1090, to provide services for emotionally disturbed to minors on a 24-hour basis.

Sec. 41. Minnesota Statutes 1990, section 253C.01, subdivision 2, is amended to read:

Subd. 2. [ANNUAL REPORT INFORMATION REQUIRED.] Beginning June 1, 1986, each residential program shall collect the information listed in this subdivision. Each residential program shall file a report no later than December 31, 1986, containing the information collected as of that date. Thereafter, each residential program shall prepare an annual report for the year ending June 30 of each year and file the report no later than December 31 of each year. Hospital-based primary treatment programs shall file the report with the commissioner of health provide the required information annually on a date to be determined by the commissioner of human services. All other residential programs shall file the report with to the commissioner of human services. The summary reports on each program are public data and must contain at least the following information for the period covered by the report:

- (1) number of minors admitted to the program;
- (2) number of minors discharged from the program;
- (3) primary diagnoses of each admitted minor number of minors served during the reporting period;
- (4) number of minors who remained in residence for less than 30 days;
- (5) number of minors who remained in residence for between 30 and 60 days;
- (6) number of minors who remained in residence for more than 60 days;
- (7) average length of stay of minors in the program;

(8) number of minors who have received psychotropic medications as part of treatment in the program;

(9) age, race, and sex of each minor admitted to the program;

(10) ~~copy of written notices, forms, and other procedures being used to advise minors and their parents of their rights;~~

(11) number of minors admitted ~~or presently in residence~~ who have previously had residential treatment;

(12) (11) number of minors discharged who are on private pay or third-party reimbursement payment and number who are receiving government funds for treatment;

(13) ~~criteria for admission and continued stay~~ (12) the county of residence of discharged minors;

(14) (13) number of admitted minors whose admission is court-ordered; and

(15) (14) number of beds on a locked unit and number of beds on an unlocked unit.

~~The information required by this subdivision must be separately stated for chemically dependent, mentally ill, and emotionally disturbed minors as defined by the residential programs.~~

Sec. 42. Minnesota Statutes 1990, section 256B.0625, subdivision 20, is amended to read:

Subd. 20. [MENTAL ILLNESS CASE MANAGEMENT.] To the extent authorized by rule of the state agency, medical assistance covers case management services to persons with serious and persistent mental illness or subject to federal approval, children with severe emotional disturbance.

Sec. 43. Minnesota Statutes 1990, section 256B.0641, is amended by adding a subdivision to read:

Subd. 3. [FACILITY IN RECEIVERSHIP.] Subdivision 2 does not apply to the change of ownership of a facility to a nonrelated organization while the facility to be sold, transferred or reorganized is in receivership under section 245A.12 or 245A.13, and the commissioner during the receivership has not determined the need to place residents of the facility into a newly constructed or newly established facility. Nothing in this subdivision limits the liability of a former owner.

Sec. 44. Minnesota Statutes 1990, section 256B.092, is amended to read:

256B.092 [CASE MANAGEMENT OF PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

Subdivision 1. [COUNTY OF FINANCIAL RESPONSIBILITY; DUTIES.] Before any services shall be rendered to persons with mental retardation or related conditions who are in need of social service and medical assistance, the county of financial responsibility shall conduct or arrange for a diagnostic evaluation in order to determine whether the person ~~is~~ has or may be ~~mentally retarded~~ have mental retardation or has or may have a related condition. If the county of financial responsibility determines that the person has mental retardation or a related condition, the county shall inform the person of case management services available under this section. Except as provided in subdivision 1g or 4b, if a ~~client~~ person is diagnosed as ~~mentally retarded~~ having mental retardation or as having a related condition, ~~that~~ the county ~~must~~ of financial responsibility shall conduct or arrange for a needs assessment, develop or arrange for an individual service plan, provide or arrange for ongoing case management services at the level identified in the individual service plan, provide or arrange for case management administration, and authorize placement for services identified in the person's individual service plan developed according to subdivision 1b. Diagnostic information, obtained by other providers or agencies, may be used to meet the diagnosis requirements of this section. Nothing in this section shall be construed as requiring: (1) assessment in areas agreed to as unnecessary by the case manager and the person, or the person's legal guardian or conservator, or the parent if the person is a minor, or (2) assessments in areas where there has been a functional assessment completed in the previous 12 months for which the case manager and the person or person's guardian or conservator, or the parent if the person is a minor, agree that further assessment is not necessary. For persons under state guardianship, the case manager shall seek authorization from the public guardianship office for waiving any assessment requirements. Assessments related to health, safety, and protection of the person for the purpose of identifying service type, amount, and frequency or assessments required to authorize services may not be waived. To the extent possible, for wards of the commissioner the county shall consider the opinions of the parent of the person with mental retardation or a related condition when developing the person's individual service plan. If the county of financial responsibility places a ~~client~~ person in another county for services, the placement shall be made in cooperation with the ~~host~~ county of service where services are provided, according to subdivision 8a, and arrangements shall be made between the two counties for ongoing social service, including annual reviews of the ~~client's~~ person's individual service plan. The ~~host~~ county where services are provided

may not make changes in the person's service plan without approval by the county of financial responsibility.

Subd. 1a. [CASE MANAGEMENT ADMINISTRATION AND SERVICES.] Case management services are limited to diagnosis, assessment of the individual's service needs, development of an individual service plan, specification of methods for providing services, and the evaluation and monitoring of the services identified in the plan.

(a) The administrative functions of case management provided to or arranged for a person include:

- (1) intake;
- (2) diagnosis;
- (3) screening;
- (4) service authorization;
- (5) review of eligibility for services; and

(6) responding to requests for conciliation conferences and appeals according to section 256.045 made by the person, the person's legal guardian or conservator, or the parent if the person is a minor.

(b) Case management service activities provided to or arranged for a person include:

- (1) development of the individual service plan;
- (2) informing the individual or the individual's legal guardian or conservator, or parent if the person is a minor, of service options;
- (3) assisting the person in the identification of potential providers;
- (4) assisting the person to access services;
- (5) coordination of services;
- (6) evaluation and monitoring of the services identified in the plan; and
- (7) annual reviews of service plans.

(c) Case management administration and service activities that are provided to the person with mental retardation or a related

condition shall be provided directly by county agencies or under contract.

Subd. 1b. [INDIVIDUAL SERVICE PLAN.] The individual service plan must:

(1) include the results of the diagnosis and the assessment information on the person's need for service, including identification of service needs that will be or that are met by the person's relatives, friends, and others, as well as community services used by the general public;

(2) identify the person's preferences for services as stated by the person, the person's legal guardian or conservator, or the parent if the person is a minor;

(3) identify long- and short-range goals and objectives for the client;

~~(3) person;~~

(4) identify specific services and the amount and frequency of the services to be provided to the client;

~~(4) person based on assessed needs, preferences, and available resources. The individual service plan shall also specify other services the person needs that are not available;~~

~~(5) identify the need for an habilitation component of the individual program plan; and~~

~~(5) identify and coordinate methodologies to carry out the goals and objectives, to be developed by the provider according to the respective state and federal licensing and certification standards, and additional assessments to be completed or arranged by the provider after service initiation;~~

~~(6) identify provider responsibilities to implement and make recommendations for modification to the individual service plan;~~

~~(7) include notice of the right to request a conciliation conference or a hearing under section 256.045;~~

~~(8) be agreed upon and signed by the person, the person's legal guardian or conservator, or the parent if the person is a minor, and the authorized county representative;~~

~~(9) be reviewed by a health professional if the person has overriding medical needs that impact the delivery of services; and~~

(10) be completed on forms approved by the commissioner, including forms developed for interagency planning such as transition and individual family service plans.

Subd. 1c. [COORDINATION, EVALUATION, AND MONITORING OF SERVICES IDENTIFIED IN THE INDIVIDUAL SERVICE PLAN.] (a) If the individual service plan identifies the need for individual program plans for authorized services, the case manager shall assure that individual program plans are developed by the providers according to clauses (2) to (5). The providers shall assure that the individual program plans:

(1) are developed according to the respective state and federal licensing and certification requirements;

(2) are designed to achieve the goals of the individual service plan;

(3) are consistent with other aspects of the individual service plan;

(4) assure the health and safety of the person; and

(5) are developed with consistent and coordinated approaches to services among the various service providers.

(b) The case manager shall monitor the provision of services:

(1) to assure that the individual service plan is being followed according to paragraph (a);

(2) to identify any changes or modifications that might be needed in the individual service plan, including changes resulting from recommendations of current service providers;

(3) to determine if the person's legal rights are protected, and if not, notify the person's legal guardian or conservator, or the parent if the person is a minor, protection services, or licensing agencies as appropriate; and

(4) to determine if the person, the person's legal guardian or conservator, or the parent if the person is a minor, is satisfied with the services provided.

(c) If the provider fails to develop or carry out the individual program plan according to paragraph (a), the case manager shall notify the person's legal guardian or conservator, or the parent if the person is a minor, the provider, the respective licensing and certification agencies, and the county board where the services are being provided. In addition, the case manager shall identify other steps needed to assure the person receives the services identified in the individual service plan.

Subd. ~~1e.~~ 1d. [FISCAL LIMITATIONS.] Subdivision 1 shall not be construed as requiring expenditure of money not available to county agencies for services to persons with, or who might have, mental retardation or related conditions, except for:

(1) services specifically required by federal law or state statute such as case management and day training and habilitation services; and

(2) services identified in the person's individual service plan as services that the county will provide until the person's individual service plan is amended.

Subd. ~~1d.~~ 1e. [COUNTY REQUIREMENTS.] Before a county denies, reduces, or terminates a service to ~~an individual~~ a person due to fiscal limitations, the county agency must show that money is not available for services to persons with mental retardation or related conditions and that good faith efforts have been made to identify needs and obtain available funds. The county agency must show this by documenting that the following actions have been taken:

(1) the county case manager has identified the person's service needs and the actions that will be taken to develop or obtain those services in the person's individual service plan and action that will be taken to prevent abuse or neglect as defined in sections 626.556, subdivision 2, paragraphs (a), (c), and (d), and 626.557, subdivision 2, paragraphs (d) and (e); and

(2) ~~prior to the admission of a person to a regional treatment center program for persons with developmental disabilities; the county agency made efforts to secure community-based alternatives. If these alternatives were rejected in favor of a regional treatment center placement, the county agency must also document the reasons why they were rejected; and~~

(~~3~~) the county agency has made a request for state funds or new capacity for services to meet the individual's unmet needs, ~~since after~~ those needs have been identified in the person's individual service plan.

Subd. ~~1e.~~ 1f. [COUNTY WAITING LIST.] The county agency shall maintain a waiting list of persons with developmental disabilities specifying the services needed but not provided. This waiting list shall be used by county agencies to assist them in developing needed services or amending their community social services plan as required in section 256E.09, subdivision 1.

Subd. 1g. [CONDITIONS NOT REQUIRING DEVELOPMENT OF INDIVIDUAL SERVICE PLAN.] Unless otherwise required by

federal law, the county agency is not required to complete an individual service plan as defined in subdivision 1b for:

(1) persons whose families are requesting respite care as a single service for their family member who resides with them, or whose families are requesting only a family subsidy grant and are not requesting purchase or arrangement of other habilitative or social services; and

(2) persons with mental retardation or related conditions, living independently without authorized services or receiving funding for services at a rehabilitation facility as defined in section 268A.01, subdivision 6, and not in need of or requesting additional services.

Subd. 2. [MEDICAL ASSISTANCE.] To assure quality case management to those ~~county clients~~ persons who are eligible for medical assistance, the commissioner shall, upon request ~~by the county board~~:

(a) provide consultation on the case management process;

(b) assist county agencies in the screening and annual reviews of clients review process to assure that appropriate levels of service are provided to persons;

(c) provide consultation on service planning and development of services with appropriate options;

(d) provide training and technical assistance to county case managers; and

(e) authorize payment for medical assistance services according to chapter 256B and rules implementing it.

Subd. 3. [AUTHORIZATION AND TERMINATION OF SERVICES.] County agency case managers, under rules of the commissioner, shall authorize and terminate services of community and state hospital regional treatment center providers in accordance with according to individual service plans. Services provided to persons with mental retardation or related conditions may only be authorized and terminated by case managers according to (1) rules of the commissioner and (2) the individual service plan as defined in subdivision 1b. Medical assistance services not needed shall not be authorized by county agencies nor or funded by the commissioner. When purchasing or arranging for unlicensed respite care services for persons with overriding health needs, the county agency shall seek the advice of a health care professional in assessing provider staff training needs and skills necessary to meet the medical needs of the person.

Subd. 4. [ALTERNATIVE HOME AND COMMUNITY-BASED SERVICES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.] The commissioner shall make payments to ~~county boards~~ approved vendors participating in the medical assistance program to pay costs of providing ~~alternative~~ home and community-based services, including case management service activities provided as an approved home and community-based service, to medical assistance eligible persons with mental retardation or related conditions who have been screened under subdivision 7 and according to federal requirements. Payments for home and community-based services shall not exceed amounts authorized by the county of financial responsibility. For specifically identified former residents of regional treatment centers and nursing facilities, the commissioner shall be responsible for authorizing payments and payment limits under the appropriate home and community-based service program. Payment is available under this subdivision only for persons who, if not provided these services, would require the level of care provided in an intermediate care facility for persons with mental retardation or related conditions.

Subd. 4a. [DEMONSTRATION PROJECTS.] The commissioner may waive state rules governing home and community-based services in order to demonstrate other methods of administering these services and to improve efficiency and responsiveness to individual needs of persons with mental retardation or related conditions, notwithstanding section 14.05, subdivision 4. All demonstration projects approved by the commissioner must comply with state laws and federal regulations, must remain within the fiscal limitations of the home and community-based services program for persons with mental retardation or related conditions, and must assure the health and safety of the persons receiving services according to section 256E.08, subdivision 1.

Subd. 4b. [CASE MANAGEMENT FOR PERSONS RECEIVING HOME AND COMMUNITY-BASED SERVICES.] Persons authorized for and receiving home and community-based services may select from vendors of case management which have provider agreements with the state to provide home and community-based case management service activities. This subdivision becomes effective July 1, 1992, only if the state agency is unable to secure federal approval for limiting choice of case management vendors to the county of financial responsibility.

Subd. 5. [FEDERAL WAIVERS.] The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation under United States Code, title 42, sections 1396 to 1396p et seq., as amended through December 31, 1987, for the provision of services to persons who, in the absence of the services, would need the level of care provided in a state hospital regional treatment center or a community intermediate care facility for persons with mental retardation or related conditions. The

commissioner may seek amendments to the waivers or apply for additional waivers under United States Code, title 42, sections 1396 to 1396p et seq., as amended through December 31, 1987, to contain costs. The commissioner shall ensure that payment for the cost of providing home and community-based alternative services under the federal waiver plan shall not exceed the cost of intermediate care services including day training and habilitation services that would have been provided without the waived services.

Subd. 6. [RULES.] The commissioner shall adopt emergency and permanent rules to establish required controls, documentation, and reporting of services provided in order to assure proper administration of the approved waiver plan, and to establish policy and procedures to reduce duplicative efforts and unnecessary paperwork on the part of case managers.

Subd. 7. [SCREENING TEAMS ESTABLISHED.] (a) ~~Each county agency shall establish a screening team which, under the direction of the county case manager, shall make an evaluation of need for home and community-based services of persons who are entitled to the level of care provided by an intermediate care facility for persons with mental retardation or related conditions or for whom there is a reasonable indication that they might require the level of care provided by an intermediate care facility. For persons with mental retardation or a related condition, screening teams shall be established which shall evaluate the need for the level of care provided by residential-based habilitation services, residential services, training and habilitation services, and nursing facility services. The evaluation shall address whether home and community-based services are appropriate for persons who are at risk of placement in an intermediate care facility for persons with mental retardation or related conditions, or for whom there is reasonable indication that they might require this level of care. The screening team shall make an evaluation of need within 15 working days of the date that the assessment is completed or within 60 working days of a request for service by a person with mental retardation or related conditions, whichever is the earlier, and within five working days of an emergency admission of an individual a person to an intermediate care facility for persons with mental retardation or related conditions. The screening team shall consist of the case manager for persons with mental retardation or related conditions, the client person, a parent or the person's legal guardian or conservator, or the parent if the person is a minor, and a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 483.430, as amended through June 3, 1988. The case manager may also act as the qualified mental retardation professional if the case manager meets the federal definition. County social service agencies may contract with a public or private agency or individual who is not a service provider for the person for the public guardianship representation required by the screening or individual service and habilitation planning process. The contract~~

shall be limited to public guardianship representation for the screening and individual service and habilitation planning activities. The contract shall require compliance with the commissioner's instructions and may be for paid or voluntary services. For ~~individuals~~ persons determined to have overriding health care needs, a registered nurse must be designated as either the case manager or the qualified mental retardation professional. The case manager shall consult with the client's person's physician, other health professionals or other persons individuals as necessary to make this evaluation. The case manager, with the concurrence of the client or the client's person, the person's legal representative guardian or conservator, or the parent if the person is a minor, may invite other persons individuals to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case. Nothing in this section shall be construed as requiring the screening team meeting to be separate from the service planning meeting.

(b) In addition to the requirements of paragraph (a), the following conditions apply to the discharge of persons with mental retardation or a related condition from a regional treatment center:

(1) For a person under public guardianship, at least two weeks prior to each screening team meeting the case manager must notify in writing parents, near relatives, and the ombudsman established under section 245.92 or a designee, and invite them to attend. The notice to parents and near relatives must include: (i) notice of the provisions of section 252A.03, subdivision 4, regarding assistance to persons interested in assuming private guardianship; (ii) notice of the rights of parents and near relatives to object to a proposed discharge by requesting a review as provided in clause (7); and (iii) information about advocacy services available to assist parents and near relatives of persons with mental retardation or related conditions. In the case of an emergency screening meeting, the notice must be provided as far in advance as practicable.

(2) Prior to the discharge, a screening must be conducted under subdivision 8 and a plan developed under subdivision 1a. For a person under public guardianship, the county shall encourage parents and near relatives to participate in the screening team meeting. The screening team shall consider the opinions of parents and near relatives in making its recommendations. The screening team shall determine that the services outlined in the plan are available in the community before recommending a discharge. The case manager shall provide a copy of the plan to the person, legal representative, parents, near relatives, the ombudsman established under section 245.92, and the protection and advocacy system established under United States Code, title 42, section 6042, at least 30 days prior to the date the proposed discharge is to occur. The information provided to parents and near relatives must include notice of the rights of parents and near relatives to object to a

proposed discharge by requesting a review as provided in clause (7). If a discharge occurs, the case manager and a staff person from the regional treatment center from which the person was discharged must conduct a monitoring visit as required in Minnesota Rules, part 9525.0115, within 90 days of discharge and provide an evaluation within 15 days of the visit to the person, legal representative, parents, near relatives, ombudsman, and the protection and advocacy system established under United States Code, title 42, section 6042.

(3) In order for a discharge or transfer from a regional treatment center to be approved, the concurrence of a majority of the screening team members is required. The screening team shall determine that the services outlined in the discharge plan are available and accessible in the community before the person is discharged. The recommendation of the screening team cannot be changed except by subsequent action of the team and is binding on the county and on the commissioner. If the commissioner or the county determines that the decision of the screening team is not in the best interests of the person, the commissioner or the county may seek judicial review of the screening team recommendation. A person or legal representative may appeal under section 256.045, subdivision 3 or 4a.

(4) For persons who have overriding health care needs or behaviors that cause injury to self or others, or cause damage to property that is an immediate threat to the physical safety of the person or others, the following additional conditions must be met:

(i) For a person with overriding health care needs, either a registered nurse or a licensed physician shall review the proposed community services to assure that the medical needs of the person have been planned for adequately. For purposes of this paragraph, "overriding health care needs" means a medical condition that requires daily clinical monitoring by a licensed registered nurse.

(ii) For a person with behaviors that cause injury to self or others, or cause damage to property that is an immediate threat to the physical safety of the person or others, a qualified mental retardation professional, as defined in paragraph (a), shall review the proposed community services to assure that the behavioral needs of the person have been planned for adequately. The qualified mental retardation professional must have at least one year of experience in the areas of assessment, planning, implementation, and monitoring of individual habilitation plans that have used behavior intervention techniques.

(5) No person with mental retardation or a related condition may be discharged from a regional treatment center before an appropriate community placement is available to receive the person.

(6) Effective July 1, 1991, a resident of a regional treatment

center may not be discharged to a community intermediate care facility with a licensed capacity of more than 15 beds. Effective July 1, 1993, a resident of a regional treatment center may not be discharged to a community intermediate care facility with a licensed capacity of more than ten beds.

(7) If the person, legal representative, parent, or near relative of the person proposed to be discharged from a regional treatment center objects to the proposed discharge, the individual who objects to the discharge may request a review under section 256.045, subdivision 4a, and may request reimbursement as allowed under section 256.045. The person must not be transferred from a regional treatment center while a review or appeal is pending. Within 30 days of the request for a review, the local agency shall conduct a conciliation conference and inform the individual who requested the review in writing of the action the local agency plans to take. The conciliation conference must be conducted in a manner consistent with section 256.045, subdivision 4a. A person, legal representative, parent, or near relative of the person proposed to be discharged who is not satisfied with the results of the conciliation conference may submit to the commissioner a written request for a hearing before a state human services referee under section 256.045, subdivision 4a. The person, legal representative, parent, or near relative of the person proposed to be discharged may appeal the order to the district court of the county responsible for furnishing assistance by serving a written copy of a notice of appeal on the commissioner and any adverse party of record within 30 days after the day the commissioner issued the order and by filing the original notice and proof of service with the court administrator of the district court. Judicial review must proceed under section 256.045, subdivisions 7 to 10. For a person under public guardianship, the ombudsman established under section 245.92 may object to a proposed discharge by requesting a review or hearing or by appealing to district court as provided in this clause. The person must not be transferred from a regional treatment center while a conciliation conference or appeal of the discharge is pending.

Subd. 8. [SCREENING TEAM DUTIES.] The screening team shall:

- (a) review diagnostic data;
- (b) review health, social, and developmental assessment data using a uniform screening tool specified by the commissioner;
- (c) identify the level of services appropriate to maintain the person in the most normal and least restrictive setting that is consistent with the person's treatment needs;
- (d) identify other noninstitutional public assistance or social service that may prevent or delay long-term residential placement;

(e) assess whether a client person is in need of long-term residential care;

(f) make recommendations regarding placement and payment for: (1) social service or public assistance support, or both, to maintain a client person in the client's person's own home or other place of residence; (2) training and habilitation service, vocational rehabilitation, and employment training activities; (3) community residential placement; (4) regional treatment center placement; or (5) a home and community-based service alternative to community residential placement or state hospital regional treatment center placement;

(g) evaluate the availability, location, and quality of the services listed in paragraph (f), including the impact of placement alternatives on the client's person's ability to maintain or improve existing patterns of contact and involvement with parents and other family members;

(h) identify the cost implications of recommendations in paragraph (f);

(i) make recommendations to a court as may be needed to assist the court in making commitments decisions regarding commitment of mentally retarded persons with mental retardation; and

(j) inform clients the person and the person's legal guardian or conservator, or the parent if the person is a minor, that appeal may be made to the commissioner pursuant to section 256.045.

Subd. 8a. [COUNTY CONCURRENCE.] (a) When a person has been screened and authorized for services in an intermediate care facility for persons with mental retardation or related conditions or for home and community-based services for persons with mental retardation or related conditions, the case manager shall assist that person in identifying a service provider who is able to meet the needs of the person according to the person's individual service plan. If the identified service is to be provided in a county other than the county of financial responsibility, the county of financial responsibility shall request concurrence of the county where the person is requesting to receive the identified services. The county of service may refuse to concur if:

(1) it can demonstrate that the provider is unable to provide the services identified in the person's individual service plan as services that are needed and are to be provided;

(2) in the case of an intermediate care facility for persons with mental retardation or related conditions, there has been no autho-

rization for admission by the admission review team as required in section 256B.0925; or

(3) in the case of home and community-based services for persons with mental retardation or related conditions, the county of service can demonstrate that the prospective provider has failed to substantially comply with the terms of a past contract or has had a prior contract terminated within the last 12 months for failure to provide adequate services, or has received a notice of intent to terminate the contract.

(b) The county of service shall notify the county of financial responsibility of concurrence or refusal to concur no later than 20 working days following receipt of the written request. Unless other mutually acceptable arrangements are made by the involved county agencies, the county of financial responsibility is responsible for costs of social services and the costs associated with the development and maintenance of the placement. The county of service may request that the county of financial responsibility purchase case management services from the county of service or from a contracted provider of case management when the county of financial responsibility is not providing case management as defined in section 256B.092 and rules adopted under that section, unless other mutually acceptable arrangements are made by the involved county agencies. Standards for payment limits under this section may be established by the commissioner. Financial disputes between counties shall be resolved as provided in section 256G.09.

Subd. 9. [REIMBURSEMENT.] Payment for services shall not be provided to a service provider for any ~~recipient~~ person placed in an intermediate care facility for persons with mental retardation or related conditions prior to the ~~recipient~~ person being screened by the screening team. The commissioner shall not deny reimbursement for: (a) ~~an individual~~ a person admitted to an intermediate care facility for persons with mental retardation or related conditions who is assessed to need long-term supportive services, if long-term supportive services other than intermediate care are not available in that community; (b) any ~~individual~~ person admitted to an intermediate care facility for persons with mental retardation or related conditions under emergency circumstances; (c) any eligible ~~individual~~ person placed in the intermediate care facility for persons with mental retardation or related conditions pending an appeal of the screening team's decision; or (d) any medical assistance recipient when, after full discussion of all appropriate alternatives including those that are expected to be less costly than intermediate care for persons with mental retardation or related conditions, the ~~individual~~ person or the ~~individual's~~ person's legal ~~representative~~ guardian or conservator, or the parent if the person is a minor, insists on intermediate care placement. The screening team shall provide documentation that the most cost effective alternatives available

were offered to this individual or the individual's legal representative guardian or conservator.

Subd. 10. [ADMISSION OF PERSONS TO AND DISCHARGE OF PERSONS FROM REGIONAL TREATMENT CENTERS.] (a) Prior to the admission of a person to a regional treatment center program for persons with mental retardation, the case manager shall make efforts to secure community-based alternatives. If these alternatives are rejected by the person, the person's legal guardian or conservator, or the county agency in favor of a regional treatment center placement, the case manager shall document the reasons why the alternatives were rejected.

(b) When discharge of a person from a regional treatment center to a community-based service is proposed, the case manager shall convene the screening team and in addition to members of the team identified in subdivision 7, the case manager shall invite to the meeting the person's parents and near relatives, and the ombudsman established under section 245.92 if the person is under public guardianship. The meeting shall be convened at a time and place that allows for participation of all team members and invited individuals who choose to attend. The notice of the meeting shall inform the person's parents and near relatives about the screening team process, and their right to request a review if they object to the discharge, and shall provide the names and functions of advocacy organizations, and information relating to assistance available to individuals interested in establishing private guardianships under the provisions of section 252A.03. The screening team meeting shall be conducted according to subdivisions 7 and 8. Discharge of the person shall not go forward without consensus of the screening team.

(c) The results of the screening team meeting and individual service plan developed according to subdivision 1b shall be used by the interdisciplinary team assembled in accordance with Code of Federal Regulations, title 42, section 483.440, to evaluate and make recommended modifications to the individual service plan as proposed. The individual service plan shall specify postplacement monitoring to be done by the case manager according to section 253B.15, subdivision 1a.

(d) Notice of the meeting of the interdisciplinary team assembled in accordance with Code of Federal Regulations, title 42, section 483.440, shall be sent to all team members 15 days prior to the meeting, along with a copy of the proposed individual service plan. The case manager shall request that proposed providers visit the person and observe the person's program at the regional treatment center prior to the discharge. Whenever possible, preplacement visits by the person to proposed service sites should also be scheduled in advance of the meeting. Members of the interdisciplinary team assembled for the purpose of discharge planning shall include

but not be limited to the case manager, the person, the person's legal guardian or conservator, parents and near relatives, the person's advocate, representatives of proposed community service providers, representatives of the regional treatment center residential and training and habilitation services, a registered nurse if the person has overriding medical needs that impact the delivery of services, and a qualified mental retardation professional specializing in behavior management if the person to be discharged has behaviors that may result in injury to self or others. The case manager may also invite other service providers who have expertise in an area related to specific service needs of the person to be discharged.

(e) The interdisciplinary team shall review the proposed plan to assure that it identifies service needs, availability of services, including support services, and the proposed providers' abilities to meet the service needs identified in the person's individual service plan. The interdisciplinary team shall review the most recent licensing reports of the proposed providers and corrective action taken by the proposed provider, if required. The interdisciplinary team shall review the current individual program plans for the person and agree to an interim individual program plan to be followed for the first 30 days in the person's new living arrangement. The interdisciplinary team may suggest revisions to the service plan, and all team suggestions shall be documented. If the person is to be discharged to a community intermediate care facility for persons with mental retardation or related conditions, the team shall give preference to facilities with a licensed capacity of 15 or fewer beds. Thirty days prior to the date of discharge, the case manager shall send a final copy of the service plan to all invited members of the team, the ombudsman, if the person is under public guardianship, and the advocacy system established under United States Code, title 42, section 6042.

(f) No discharge shall take place until disputes are resolved under section 256.045, subdivision 4a, or until a review by the commissioner is completed upon request of the chief executive officer or program director of the regional treatment center, or the county agency. For persons under public guardianship, the ombudsman may request a review or hearing under section 256.045. Notification schedules required under this subdivision may be waived by members of the team when judged urgent and with agreement of the parents or near relatives participating as members of the interdisciplinary team.

Sec. 45. [256B.0925] [ADMISSION REVIEW TEAM FOR ADMISSIONS TO INTERMEDIATE CARE FACILITIES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them in this subdivision.

(b) "Provider" means a provider of community-based intermediate care facility services for persons with mental retardation or related conditions.

(c) "Facility" means a community-based intermediate care facility for persons with mental retardation or related conditions.

(d) "Person" means a person with mental retardation or related conditions who is applying for admission to an intermediate care facility for persons with mental retardation or related conditions.

Subd. 2. [ADMISSION REVIEW TEAM; RESPONSIBILITIES; COMPOSITION.] (a) Before a person is admitted to a facility, an admission review team must assure that the provider can meet the needs of the person as identified in the person's individual service plan required under section 256B.092, subdivision 1.

(b) The admission review team must be assembled pursuant to Code of Federal Regulations, title 42, section 483.440(b)(2). The composition of the admission review team must meet the definition of an interdisciplinary team in Code of Federal Regulations, title 42, section 483.440. In addition, the admission review team must meet any conditions agreed to by the provider and the county where services are to be provided.

(c) The county in which the facility is located may establish an admission review team which includes at least the following:

(1) a qualified mental retardation professional, as defined in Code of Federal Regulations, title 42, section 483.440;

(2) a representative of the county in which the provider is located;

(3) at least one professional representing one of the following professions: nursing, psychology, physical therapy, or occupational therapy; and

(4) a representative of the provider.

If the county in which the facility is located does not establish an admission review team, the provider shall establish a team whose composition meets the definition of an interdisciplinary team in Code of Federal Regulations, title 42, section 483.440. The provider shall invite a representative of the county agency where the facility is located to be a member of the admission review team.

Subd. 3. [FACTORS TO BE CONSIDERED FOR ADMISSION.] (a) The determination of the team to admit a person to the facility must include, but is not limited to, consideration of the following:

(1) the preferences of the person and the person's guardian or family for services of an intermediate care facility for persons with mental retardation or related conditions;

(2) the ability of the provider to meet the needs of the person according to the person's individual service plan and the admission criteria established by the provider;

(3) the availability of a bed in the facility and of nonresidential services required by the person as specified in the person's individual service plan; and

(4) the need of the person for the services in the facility to prevent placement of the person in a more restrictive setting.

(b) When there is more than one qualified person applying for admission to the facility, the admission review team shall determine which applicant shall be offered services first, using the criteria established in this subdivision. The admission review team shall document the factors that resulted in the decision to offer services to one qualified person over another. In cases of emergency, a review of the admission by the admission review team must occur within the first 14 days of placement.

Subd. 4. [INFORMATION FROM PROVIDER.] The provider must establish admission criteria based on the level of service that can be provided to persons seeking admission to that facility and must provide the admission review team with the following information:

(1) a copy of the admission and level of care criteria adopted by the provider; and

(2) a written description of the services that are available to the person seeking admission, including day services, professional support services, emergency services, available direct care staffing, supervisory and administrative supports, quality assurance systems, and criteria established by the provider for discharging persons from the facility.

Subd. 5. [ESTABLISHMENT OF ADMISSION REVIEW TEAM; NOTICE TO PROVIDER.] When a county agency decides to establish admission review teams for the intermediate care facilities for persons with mental retardation or related conditions located in the county, the county agency shall notify the providers of the county agency's intent at least 60 days prior to establishing the teams.

Sec. 46. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 2m. [DOWNSIZING OF NURSING FACILITIES THAT

ARE INSTITUTIONS FOR MENTAL DISEASE.] (a) The provisions of this subdivision apply to a nursing facility that is an institution for mental disease and that has less than 23 licensed beds. A nursing facility that meets these conditions may reduce its total number of licensed beds to 16 licensed beds by July 1, 1992, by notifying the commissioner of health of the reduction by April 1, 1992. If the nursing facility elects to reduce its licensed beds to 16, the commissioner of health shall approve that request effective on the date of request.

(b) The commissioner of human services must be notified by the nursing facility of the reduction in licensed beds by April 4, 1992, and that notice must include a copy of the request for reduction submitted to the commissioner of health.

(c) For the rate year beginning July 1, 1992, the commissioner shall establish the operating cost payment rates for a nursing facility that has reduced its licensed bed capacity under this subdivision by taking into account paragraphs (1) and (2).

(1) The commissioner must reduce the nursing facility's nurse's aide, orderly, and attendant salaries account and the food expense account for the reporting year ending September 30, 1991, by 50 percent of the percentage change in licensed beds.

(2) The commissioner shall adjust the nursing facility's resident days and standardized resident days for the reporting year ending September 30, 1991, as in clauses (i) and (ii).

(i) Resident days shall be the lesser of the nursing facility's actual resident days for that reporting year or 5,840.

(ii) Standardized resident days shall be the lesser of the nursing facility's actual standardized resident days or the nursing facility's case mix score for that reporting year times 5,840.

(d) For the rate year beginning July 1, 1993, the commissioner shall establish the operating cost payment rates for a nursing facility that has reduced its licensed bed capacity under this subdivision by taking into account paragraphs (1) and (2).

(1) The commissioner must reduce the nursing facility's account for the nurse's aide, orderly, and attendant salaries, and its account for food expense for the reporting year ending September 30, 1992, by 37.5 percent of the percentage change in licensed beds.

(2) The commissioner shall adjust the nursing facility's resident days and standardized resident days for the reporting year ending September 30, 1992, as in clauses (i) and (ii).

(i) Resident days shall be the lesser of the nursing facility's actual resident days for that reporting year or 5,840.

(ii) Standardized resident days shall be the lesser of the nursing facility's actual standardized resident days or the nursing facility's case mix score for that reporting year times 5,840.

(e) If a nursing facility reduces its total number of licensed beds before June 28, 1991, by notifying the commissioner of health by that date, the dates and computations in this subdivision shall be accelerated by one year.

(f) A nursing facility eligible under this subdivision may use the notification date and the date on which the licensed beds are reduced for purposes of applying the provisions in section 256B.431, subdivision 3a, paragraph (d), clause (2).

Sec. 47. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 2n. [NEGOTIATED RATE CAP EXEMPTION.] A nursing facility which requests, after January 1991, that its boarding care beds be decertified from participation in the medical assistance program, is not eligible for the exception to the negotiated rate cap in section 256I.05, subdivision 2, paragraph (c), clause (1).

Sec. 48. Minnesota Statutes 1990, section 256I.05, is amended by adding a subdivision to read:

Subd. 10. [FOSTER CARE.] Beginning July 1, 1992, the negotiated rate of a residence licensed as a foster home is limited to the rate set for room and board costs provided the foster home is not the license holder's primary residence, or the license holder is not the primary caregiver to persons receiving services in the negotiated rate residence, and federal funding is available to pay for the cost of other necessary services. For the purpose of this section, room and board costs mean costs of providing food and shelter for eligible persons, and includes the directly identifiable costs of:

(1) normal and special diet, food preparation and food services;

(2) providing linen, bedding, laundering, and laundry supplies;

(3) housekeeping, including cleaning and lavatory supplies;

(4) maintenance and operation of the residence and grounds, including fuel, utilities, supplies, and equipment;

(5) the allocation of salaries related to these areas; and

(6) the lease or mortgage payment, property tax and insurance, furnishings and appliances.

Sec. 49. [268A.13] [GRANTS FOR REHABILITATION PROGRAMS FOR PERSONS WITH SERIOUS AND PERSISTENT MENTAL ILLNESS.]

The commissioner of jobs and training, in cooperation with the commissioner of human services, may make grants to fund demonstration projects designed to coordinate employability services at community support programs established under section 245.4712. Funds must be used to develop innovative programs to assist persons with serious and persistent mental illness in obtaining and retaining employment in the community. Grants are to be awarded on a request for proposal basis. Each grantee must submit as part of the application for funds a plan for evaluation of the proposed project by an outside consultant or agency.

Sec. 50. Minnesota Statutes 1990, section 462A.02, subdivision 13, is amended to read:

Subd. 13. "Eligible mortgagor" means a nonprofit or cooperative housing corporation, the department of administration for the purpose of developing community-based programs as defined in sections 252.50 and 253.28, a limited profit entity or a builder as defined by the agency in its rules, which sponsors or constructs residential housing as defined in subdivision 7, or a natural person of low or moderate income, except that the return to a limited dividend entity shall not exceed ten percent of the capital contribution of the investors or such lesser percentage as the agency shall establish in its rules; provided that residual receipts funds of a limited dividend entity may be used for agency-approved, housing-related investments owned by the limited dividend entity without regard to the limitation on returns. Owners of existing residential housing occupied by renters shall be eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner agrees to conditions established by the agency in its rules relating to rental or other matters that will insure that the housing will be occupied by persons and families of low or moderate income. The agency shall require by rules that the owner give preference to those persons of low or moderate income who occupied the residential housing at the time of application for the loan.

Sec. 51. [RULE REVISION.]

The commissioner must revise Minnesota Rules, parts 9545.0900 to 9545.1090, which govern facilities that provide residential services for children with emotional handicaps. The rule revisions must be adopted within 12 months of the effective date of this section.

Sec. 52. [TASK FORCE TO STUDY INTEGRATED CHILDREN'S MENTAL HEALTH FUNDING.]

The commissioner of human services shall convene a task force to study the feasibility of establishing an integrated children's mental health fund. The task force shall consist of mental health professionals, county social services personnel, service providers, advocates, and parents of children who have experienced episodes of emotional disturbance. The task force shall also include representatives of the children's mental health subcommittee of the state advisory council and local coordinating councils established under Minnesota Statutes, sections 245.487 to 245.4887. The task force shall include the commissioners of education, health, and human services; two members of the senate; and two members of the house of representatives. The task force shall examine all possible county, state, and federal sources of funds for children's mental health with a view to designing an integrated children's mental health fund. Programs to be examined shall include, but not be limited to, the following: medical assistance, title IV-E of the social security act, title XX social service programs, chemical dependency programs, education and special education programs, and, for children with a dual diagnosis, programs for the developmentally disabled. The task force shall examine funding sources with a view to maximizing federal funding, and may consult with experts in the field, as necessary. The task force shall report back to the legislature by February 15, 1993, with its recommendations.

Sec. 53. [JOINT COMMITTEE ON SPECIALIZED CHILDREN'S MENTAL HEALTH RESOURCES.]

A joint committee on specialized children's mental health resources is established to study the need for specialized residential treatment programs for children with emotional disturbance who exhibit violent or destructive behavior and for whom local treatment programs are not feasible due to the small number of children who need the services and the specialized nature of the services required. The joint committee consists of two members of the senate and two members of house of representatives appointed under the rules of each house, two representatives of the children's mental health advisory committee appointed by the joint committee, representatives of the commissioners of the departments of human services, corrections, education, and health, and seven members appointed by the governor, including representatives of mental health advocacy organizations, counties, service providers, the juvenile court system, and other appropriate interests. The joint committee shall determine the estimated number of children who need specialized services and the extent to which these children are now being served in other states, and shall make recommendations for action that is needed to develop resources within Minnesota. The joint committee shall report to the legislature by December 1, 1991, with the joint committee's findings and recommendations on mech-

anisms by which the commissioner shall approve out-of-state placements of children for whom the commissioner is responsible for payment of a portion of specialized treatment costs. The joint committee is governed by Minnesota Statutes, section 15.059. The commissioner of human services shall provide staff support and supplies to the joint committee.

Sec. 54. [PILOT PROJECT FOR MENTAL HEALTH SERVICES DELIVERY SYSTEM.]

(a) Upon adoption of a resolution by the Dakota county board of commissioners, a pilot project shall be established to design and plan a mental health services delivery system that would reduce the number of commitments to regional treatment centers and improve service delivery to mentally ill persons. Dakota county will provide in-kind staff resources to study the monetary feasibility of implementing the plan, to match the appropriation of grant funds from the legislature.

(b) The pilot project will seek to maximize local community-based living and treatment alternatives for Dakota county residents who have serious and persistent mental illness, and to create a system by which residents committed for treatment pursuant to Minnesota Statutes, chapter 253B, would be committed to community facilities and programs.

(c) The pilot project will offer services that are more accessible and community-based and provide better coordination and linkage to other services and resources in the community or county than those that are currently provided.

(d) The pilot project will be implemented July 1, 1991. The planning process for implementation will continue during the 1992 fiscal year. The planning process will require that new services be developed, existing services be modified, and numerous legislative proposals be developed for presentation to the legislature in 1992.

Sec. 55. [INSTRUCTION TO REVISOR.]

Subdivision 1. The revisor of statutes shall renumber Minnesota Statutes, section 245.4886 as section 245.4887 and Minnesota Statutes, section 245.4887 as section 245.4888, and shall correct all relevant cross-references in Minnesota Statutes and Minnesota Rules.

Subd. 2. The revisor of statutes shall delete references to "individual habilitation plan" wherever appearing in Minnesota Statutes, chapters 252 and 252A, and sections 120.17 and 256.045.

Sec. 56. [REPEALER.]

Subdivision 1. Minnesota Statutes 1990, section 245.476, subdivisions 1, 2, and 3, are repealed.

Subd. 2. Minnesota Statutes 1990, section 252.275, subdivision 2, is repealed effective January 1, 1992.

Sec. 57. [EFFECTIVE DATE.]

Subdivision 1. Sections 5 and 9 are effective the day following final enactment.

Subd. 2. Section 19 is effective July 1, 1993.

Subd. 3. Section 31 is effective January 1, 1992.

Subd. 4. Section 45 is effective September 30, 1991.

Subd. 5. Section 53 is effective the day following final enactment.

ARTICLE 7

SAIL

Section 1. Minnesota Statutes 1990, section 144A.31, is amended to read:

144A.31 [INTERAGENCY BOARD FOR QUALITY ASSURANCE LONG-TERM CARE PLANNING COMMITTEE.]

Subdivision 1. [INTERAGENCY BOARD LONG-TERM CARE PLANNING COMMITTEE.] The commissioners of health and human services shall establish, by July 1, 1983, an interagency board committee of managerial employees of their respective departments who are knowledgeable and employed in the areas of long-term care, geriatric care, community services for the elderly, long-term care facility inspection, or quality of care assurance. The number of interagency board committee members shall not exceed eight twelve; three four members each to represent the commissioners of health and human services and one member each to represent the commissioners of state planning and, housing finance, finance, and the chair of the Minnesota board on aging. The board shall identify long-term care issues requiring coordinated interagency policies and shall conduct analyses, coordinate policy development, and make recommendations to the commissioners for effective implementation of these policies. The commissioner of human services and the commissioner of health or their designees shall annually alternate chairing and convening the board committee. The board committee may utilize the expertise and time of other individuals employed by either each department as needed. The board committee may recommend that the commissioners contract for services as

needed. The board committee shall meet as often as necessary to accomplish its duties, but at least quarterly. The board committee shall establish procedures, including public hearings, for allowing regular opportunities for input from residents, nursing homes consumers of long-term care services, advocates, trade associations, facility administrators, county agency administrators, and other interested persons.

Subd. 2. [INSPECTIONS.] No later than January 1, 1988, the board shall develop and recommend implementation and enforcement of an effective system to ensure quality of care in each nursing home in the state. Quality of care includes evaluating, using the resident's care plan, whether the resident's ability to function is optimized and should not be measured solely by the number or amount of services provided.

The board shall assist the commissioner of health in developing methods to ensure that inspections and reinspections of nursing homes are conducted with a frequency and in a manner calculated to most effectively and appropriately fulfill its quality assurance responsibilities and achieve the greatest benefit to nursing home residents. The board shall identify and recommend criteria and methods for identifying those nursing homes that present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being. The commissioner of health shall require a higher frequency and extent of inspections with respect to those nursing homes that present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being. These concerns include but are not limited to: complaints about care, safety, or rights; situations where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; instances of frequent change in administration in excess of normal turnover rates; and situations where persons involved in ownership or administration of the nursing home have been convicted of engaging in criminal activity. A nursing home that presents none of these concerns or any other concern or condition recommended by the board and established by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years for compliance with key requirements as determined by the board.

The board shall develop and recommend to the commissioners mechanisms beyond the inspection process to protect resident care, safety, and rights, including but not limited to coordination with the office of health facility complaints and the nursing home ombudsman program.

Subd. 3. [METHODS FOR DETERMINING RESIDENT CARE NEEDS.] The board shall develop and recommend to the commissioners definitions for levels of care and methods for determining resident care needs for implementation on July 1, 1985, in order to

adjust payments for resident care based on the mix of resident needs in a nursing home. The methods for determining resident care needs shall include assessments of ability to perform activities of daily living and assessments of medical and therapeutic needs.

Subd. 2a. [PLANNING AND COORDINATION.] The interagency committee shall identify long-term care issues requiring coordinated interagency policies and shall conduct analyses, coordinate policy development, and make recommendations to the commissioners for effective implementation of these policies. The committee shall refine state long-term goals, establish performance indicators, and develop other methods or measures to evaluate program performance, including client outcomes. The committee shall review the effectiveness of programs in meeting their objectives.

Subd. 2b. [GOALS OF THE COMMITTEE.] The long-term goals of the committee are:

(1) to achieve a broad awareness and use of low-cost home care and other residential alternatives to nursing homes;

(2) to develop a statewide system of information and assistance to enable easy access to long-term care services;

(3) to develop sufficient alternatives to nursing homes to serve the increased number of people needing long-term care; and

(4) to maintain the moratorium on new construction of nursing home beds and to lower the percentage of elderly served in institutional settings.

These goals are designed to create a new community-based care paradigm for long-term care in Minnesota in order to maximize independence of the older adult population, and to ensure cost-effective use of financial and human resources.

Subd. 4. [ENFORCEMENT.] ~~The board~~ committee shall develop and recommend for implementation effective methods of enforcing quality of care standards. ~~The board~~ committee shall develop and monitor, and the commissioner of human services shall implement, a resident relocation plan that instructs a county in which a nursing home or certified boarding care home is located of procedures to ensure that the needs of residents in nursing homes or certified boarding care homes about to be closed are met. The duties of a county under the relocation plan also apply when residents are to be discharged from a nursing home or certified boarding care home as a result of a change in certification, closure, or loss or termination of the facility's medical assistance provider agreement. The resident relocation plans and county duties required in this subdivision apply to the voluntary or involuntary closure, or reduction in services or

size of, an intermediate care facility for the mentally retarded. The relocation plan for intermediate care facilities for the mentally retarded must conform to Minnesota Rules, parts 4655.6810 to 4655.6830, 9525.0015 to 9525.0165, and 9546.0010 to 9546.0060, or their successors. The commissioners of health and human services may waive a portion of existing rules that the commissioners determine does not apply to persons with mental retardation or related conditions. The county shall ensure appropriate placement of residents in licensed and certified facilities or other alternative care such as home health care and foster care placement. In preparing for relocation, the board committee shall ensure that residents and their families or guardians are involved in planning the relocation.

Subd. 5. [REPORTS.] The board committee shall prepare a biennial report and the commissioners of health and human services shall deliver this report to the legislature no later than January 15, 1984, on the board's proposals and progress on implementation of the methods required under subdivision 2 beginning January 31, 1993, listing progress, achievements, and current goals and objectives. The commissioners shall recommend changes in or additions to legislation necessary or desirable to fulfill their responsibilities. The board shall prepare an annual report and the commissioners shall deliver this report annually to the legislature, beginning in January 1985, on the implementation of the provisions of this section.

Subd. 6. [DATA.] The interagency board may committee shall have access to data from the commissioners of health, human services, and public safety housing finance, and state planning for carrying out its duties under this section. The commissioner of health and the commissioner of human services may each have access to data on persons, including data on vendors of services, from the other to carry out the purposes of this section. If the interagency board committee, the commissioner of health, or the commissioner of human services receives data on persons, including data on vendors of services, that is collected, maintained, used or disseminated in an investigation, authorized by statute and relating to enforcement of rules or law, the board committee or the commissioner shall not disclose that information except:

- (a) pursuant to section 13.05;
- (b) pursuant to statute or valid court order; or
- (c) to a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense.

Data described in this subdivision is classified as public data upon its submission to an administrative law judge or court in an administrative or judicial proceeding.

Subd. 7. [LONG-TERM CARE RESEARCH AND DATABASE.] The interagency long-term care planning committee shall collect and analyze state and national long-term care data and research, including relevant health data and information and research relating to long-term care and social needs, service utilization, costs, and client outcomes. The committee shall make recommendations to state agencies and other public and private agencies for methods of improving coordination of existing data, develop data needed for long-term care research, and promote new research activities. Research and data activities must be designed to:

(1) improve the validity and reliability of existing data and research information;

(2) identify sources of funding and potential uses of funding sources;

(3) evaluate the effectiveness and client outcomes of existing programs; and

(4) identify and plan for future changes in the number, level, and type of services needed by seniors.

Sec. 2. Minnesota Statutes 1990, section 144A.46, subdivision 4, is amended to read:

Subd. 4. [RELATION TO OTHER REGULATORY PROGRAMS.] In the exercise of the authority granted under sections 144A.43 to 144A.49, the commissioner shall not duplicate or replace standards and requirements imposed under another state regulatory program. The commissioner shall not impose additional training or education requirements upon members of a licensed or registered occupation or profession, except as necessary to address or prevent problems that are unique to the delivery of services in the home or to enforce and protect the rights of consumers listed in section 144A.44. ~~For home care providers certified under the Medicare program, the state standards must not be inconsistent with the Medicare standards for Medicare services. The commissioner of health shall not require a home care provider certified under the Medicare program to comply with a rule adopted under section 144A.45 if the home care provider is required to comply with any equivalent federal law or regulation relating to the same subject matter. The commissioner of health shall specify in the rules those provisions that are not applicable to certified home care providers. To the extent possible, the commissioner shall coordinate the inspections required under sections 144A.45 to 144A.48 with the health facility licensure inspections required under sections 144.50 to 144.58 or 144A.10 when the health care facility is also licensed under the provisions of Laws 1987, chapter 378.~~

Sec. 3. Minnesota Statutes 1990, section 198.007, is amended to read:

198.007 [QUALITY ASSURANCE.]

The board shall create a utilization review committee for each home comprised of the appropriate professionals employed by or under contract to the home. The committee shall use the case-mix system established under section 144.072 to assess the appropriateness and quality of care and services provided residents of the homes.

The board shall create an admissions committee for each home comprised of the appropriate professionals employed by or under contract to each home and adopt a preadmission screening program, ~~such as the one established under section 256B.091,~~ for all applicants for admission to the homes who may require nursing or boarding care, taking into account the eligibility requirements in section 198.022, the admissions criteria established by board rules, and the availability of space in the homes.

Sec. 4. Minnesota Statutes 1990, section 256.025, subdivision 2, is amended to read:

Subd. 2. [COVERED PROGRAMS AND SERVICES.] The procedures in this section govern payment of county agency expenditures for benefits and services distributed under the following programs:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants ~~under section 256B.091;~~

(9) work readiness services under section 256D.051;

(10) case management services under section 256.736, subdivision 13;

(11) general assistance claims processing, medical transportation and related costs; and

(12) medical assistance, medical transportation and related costs.

Sec. 5. Minnesota Statutes 1990, section 256B.0625, subdivision 2, is amended to read:

Subd. 2. [SKILLED AND INTERMEDIATE NURSING CARE.] Medical assistance covers skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 252.41, subdivision 3, for persons with mental retardation or related conditions who are residing in intermediate care facilities for persons with mental retardation or related conditions. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562, unless (a) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute care beds; (b) the health care financing administration approves the necessary state plan amendments; (c) the patient was screened as provided in ~~section 256B.001~~ by law; (d) the patient no longer requires acute care services; and (e) no nursing home beds are available within 25 miles of the facility. The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner on July 1 of each year.

Sec. 6. Minnesota Statutes 1990, section 256B.48, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED PRACTICES.] A nursing home is not eligible to receive medical assistance payments unless it refrains from all of the following:

(a) Charging private paying residents rates for similar services which exceed those which are approved by the state agency for medical assistance recipients as determined by the prospective desk audit rate, except under the following circumstances: the nursing home may (1) charge private paying residents a higher rate for a private room, and (2) charge for special services which are not included in the daily rate if medical assistance residents are charged separately at the same rate for the same services in addition to the daily rate paid by the commissioner. Services covered by the payment rate must be the same regardless of payment source. Special services, if offered, must be available to all residents in all areas of

the nursing home and charged separately at the same rate. Residents are free to select or decline special services. Special services must not include services which must be provided by the nursing home in order to comply with licensure or certification standards and that if not provided would result in a deficiency or violation by the nursing home. Services beyond those required to comply with licensure or certification standards must not be charged separately as a special service if they were included in the payment rate for the previous reporting year. A nursing home that charges a private paying resident a rate in violation of this clause is subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. A private paying resident or the resident's legal representative has a cause of action for civil damages against a nursing home that charges the resident rates in violation of this clause. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent. A private paying resident or the resident's legal representative, the state, subdivision or agency, or a nursing home may request a hearing to determine the allowed rate or rates at issue in the cause of action. Within 15 calendar days after receiving a request for such a hearing, the commissioner shall request assignment of an administrative law judge under sections 14.48 to 14.56 to conduct the hearing as soon as possible or according to agreement by the parties. The administrative law judge shall issue a report within 15 calendar days following the close of the hearing. The prohibition set forth in this clause shall not apply to facilities licensed as boarding care facilities which are not certified as skilled or intermediate care facilities level I or II for reimbursement through medical assistance.

(b) Requiring an applicant for admission to the home, or the guardian or conservator of the applicant, as a condition of admission, to pay any fee or deposit in excess of \$100, loan any money to the nursing home, or promise to leave all or part of the applicant's estate to the home.

(c) Requiring any resident of the nursing home to utilize a vendor of health care services who is a licensed physician or pharmacist chosen by the nursing home.

(d) Providing differential treatment on the basis of status with regard to public assistance.

(e) Discriminating in admissions, services offered, or room assignment on the basis of status with regard to public assistance or refusal to purchase special services. Admissions discrimination shall include, but is not limited to:

(1) basing admissions decisions upon assurance by the applicant to the nursing home, or the applicant's guardian or conservator, that

the applicant is neither eligible for nor will seek public assistance for payment of nursing home care costs; and

(2) engaging in preferential selection from waiting lists based on an applicant's ability to pay privately or an applicant's refusal to pay for a special service.

The collection and use by a nursing home of financial information of any applicant pursuant to the a preadmission screening program established by ~~section 256B.001~~ law shall not raise an inference that the nursing home is utilizing that information for any purpose prohibited by this paragraph.

(f) Requiring any vendor of medical care as defined by section 256B.02, subdivision 7, who is reimbursed by medical assistance under a separate fee schedule, to pay any amount based on utilization or service levels or any portion of the vendor's fee to the nursing home except as payment for renting or leasing space or equipment or purchasing support services from the nursing home as limited by section 256B.433. All agreements must be disclosed to the commissioner upon request of the commissioner. Nursing homes and vendors of ancillary services that are found to be in violation of this provision shall each be subject to an action by the state of Minnesota or any of its subdivisions or agencies for treble civil damages on the portion of the fee in excess of that allowed by this provision and section 256B.433. Damages awarded must include three times the excess payments together with costs and disbursements including reasonable attorney's fees or their equivalent.

(g) Refusing, for more than 24 hours, to accept a resident returning to the same bed or a bed certified for the same level of care, in accordance with a physician's order authorizing transfer, after receiving inpatient hospital services.

The prohibitions set forth in clause (b) shall not apply to a retirement home with more than 325 beds including at least 150 licensed nursing home beds and which:

(1) is owned and operated by an organization tax-exempt under section 290.05, subdivision 1, clause (i); and

(2) accounts for all of the applicant's assets which are required to be assigned to the home so that only expenses for the cost of care of the applicant may be charged against the account; and

(3) agrees in writing at the time of admission to the home to permit the applicant, or the applicant's guardian, or conservator, to examine the records relating to the applicant's account upon request, and to receive an audited statement of the expenditures

charged against the applicant's individual account upon request; and

(4) agrees in writing at the time of admission to the home to permit the applicant to withdraw from the home at any time and to receive, upon withdrawal, the balance of the applicant's individual account.

For a period not to exceed 180 days, the commissioner may continue to make medical assistance payments to a nursing home or boarding care home which is in violation of this section if extreme hardship to the residents would result. In these cases the commissioner shall issue an order requiring the nursing home to correct the violation. The nursing home shall have 20 days from its receipt of the order to correct the violation. If the violation is not corrected within the 20-day period the commissioner may reduce the payment rate to the nursing home by up to 20 percent. The amount of the payment rate reduction shall be related to the severity of the violation and shall remain in effect until the violation is corrected. The nursing home or boarding care home may appeal the commissioner's action pursuant to the provisions of chapter 14 pertaining to contested cases. An appeal shall be considered timely if written notice of appeal is received by the commissioner within 20 days of notice of the commissioner's proposed action.

In the event that the commissioner determines that a nursing home is not eligible for reimbursement for a resident who is eligible for medical assistance, the commissioner may authorize the nursing home to receive reimbursement on a temporary basis until the resident can be relocated to a participating nursing home.

Certified beds in facilities which do not allow medical assistance intake on July 1, 1984, or after shall be deemed to be decertified for purposes of section 144A.071 only.

Sec. 7. [256.9751] [CONGREGATE HOUSING SERVICES PROJECTS.]

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

(a) [CONGREGATE HOUSING.] "Congregate housing" means federally or locally subsidized housing, designed for the elderly, consisting of private apartments and common areas which can be used for activities and for serving meals.

(b) [CONGREGATE HOUSING SERVICES PROJECTS.] "Congregate housing services project" means a project in which services are or could be made available to older persons who live in subsidized housing and which helps delay or prevent nursing home

placement. To be considered a congregate housing services project, a project must have: (1) an on-site coordinator, and (2) a plan for providing a minimum of one meal per day, for each elderly participant, seven days a week.

(c) [ON-SITE COORDINATOR.] "On-site coordinator" means a person who works on-site in a building or buildings and who serves as a contact for older persons who need services, support, and assistance in order to delay or prevent nursing home placement.

(d) [CONGREGATE HOUSING SERVICES PROJECT PARTICIPANTS OR PROJECT PARTICIPANTS.] "Congregate housing services project participants" or "project participants" means elderly persons 60 years old or older, who are currently residents of, or who are applying for residence in housing sites, and who need support services to remain independent.

Subd. 2. [ADVISORY COMMITTEE.] An advisory committee shall be appointed to advise the Minnesota board on aging on the development and implementation of the congregate housing services projects. The advisory committee shall review procedures and provide advice and technical assistance to the Minnesota board on aging regarding the grant program established under this section. The advisory committee shall consist of not more than 15 people appointed by the Minnesota board on aging, and shall be comprised of representatives from public and nonprofit service and housing providers and consumers from all areas of the state. Members of the advisory committee shall not be compensated for service.

Subd. 3. [GRANT PROGRAM.] The Minnesota board on aging shall establish a congregate housing services grant program which will enable communities to provide on-site coordinators to serve as a contact for older persons who need services and support, and assistance to access services in order to delay or prevent nursing home placement.

Subd. 4. [USE OF GRANT FUNDS.] Grant funds shall be used to develop and fund on-site coordinator positions. Grant funds shall not be used to duplicate existing funds, to modify buildings, or to purchase equipment.

Subd. 5. [GRANT ELIGIBILITY.] A public or nonprofit agency or housing unit may apply for funds to provide a coordinator for congregate housing services to an identified population of frail elderly persons in a subsidized multiunit apartment building or buildings in a community. The board shall give preference to applicants that meet the requirements of this section, and that have a common dining site. Local match may be required. State money received may also be used to match federal money allocated for congregate housing services. Grants shall be awarded to urban and rural sites.

Subd. 6. [CRITERIA FOR SELECTION.] The Minnesota board on aging shall select projects under this section according to the following criteria:

(1) the extent to which the proposed project assists older persons to age-in-place to prevent or delay nursing home placement;

(2) the extent to which the proposed project identifies the needs of project participants;

(3) the extent to which the proposed project identifies how the on-site coordinator will help meet the needs of project participants;

(4) the extent to which the proposed project assures the availability of one meal a day, seven days a week, for participants in need;

(5) the extent to which the proposed project demonstrates involvement of participants and family members in the project; and

(6) the extent to which the proposed project demonstrates involvement of housing providers and public and private service agencies, including area agencies on aging.

Subd. 7. [GRANT APPLICATIONS.] The Minnesota board on aging shall request proposals for grants and award grants using the criteria in subdivision 6. Grant applications shall include:

(1) documentation of the need for congregate services so the residents can remain independent;

(2) a description of the resources, such as social services and health services, that will be available in the community to provide the necessary support services;

(3) a description of the target population, as defined in subdivision 1, paragraph (d);

(4) a performance plan that includes written performance objectives, outcomes, timelines, and the procedure the grantee will use to document and measure success in meeting the objectives; and

(5) letters of support from appropriate public and private agencies and organizations, such as area agencies on aging and county human service departments that demonstrate an intent to work with and coordinate with the agency requesting a grant.

Subd. 8. [REPORT.] By January 1, 1993, the Minnesota board on aging shall submit a report to the legislature evaluating the programs. The report must document the project costs and outcomes that helped delay or prevent nursing home placement. The report

must describe steps taken for quality assurance and must also include recommendations based on the project findings.

Sec. 8. Minnesota Statutes 1990, section 256B.04, subdivision 16, is amended to read:

Subd. 16. [PERSONAL CARE SERVICES.] (a) The commissioner shall adopt permanent rules to implement, administer, and operate personal care services. The rules must incorporate the standards and requirements adopted by the commissioner of health under section 144A.45 which are applicable to the provision of personal care. Notwithstanding any contrary language in this paragraph, the commissioner of human services and the commissioner of health shall jointly promulgate rules to be applied to the licensure of personal care services provided under the medical assistance program. The rules shall consider standards for personal care services that are based on the World Institute on Disability's recommendations regarding personal care services. These rules shall at a minimum consider the standards and requirements adopted by the commissioner of health under section 144A.45, which the commissioner of human services determines are applicable to the provision of personal care services, in addition to other standards or modifications which the commissioner of human services determines are appropriate.

The commissioner of human services shall establish an advisory group including personal care consumers and providers to provide advice regarding which standards or modifications should be adopted. The advisory group membership must include not less than 15 members, of which at least 60 percent must be consumers of personal care services and representatives of recipients with various disabilities and diagnoses and ages. At least 51 percent of the members of the advisory group must be recipients of personal care.

The commissioner of human services may contract with the commissioner of health to enforce the jointly promulgated licensure rules for personal care service providers.

Prior to final promulgation of the joint rule the commissioner of human services shall report preliminary findings along with any comments of the advisory group and a plan for monitoring and enforcement by the department of health to the legislature by February 15, 1992.

Limits on the extent of personal care services that may be provided to an individual must be based on the cost-effectiveness of the services in relation to the costs of inpatient hospital care, nursing home care, and other available types of care. The rules must provide, at a minimum:

(1) that agencies be selected to contract with or employ and train staff to provide and supervise the provision of personal care services;

(2) that agencies employ or contract with a qualified applicant that a qualified recipient proposes to the agency as the recipient's choice of assistant;

(3) that agencies bill the medical assistance program for a personal care service by a personal care assistant and supervision by the registered nurse supervising the personal care assistant;

(4) that agencies establish a grievance mechanism; and

(5) that agencies have a quality assurance program.

(b) ~~For personal care assistants under contract with an agency under paragraph (a), the provision of training and supervision by the agency does not create an employment relationship.~~ The commissioner may waive the requirement for the provision of personal care services through an agency in a particular county, when there are less than two agencies providing services in that county.

Sec. 9. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 6a. [HOME HEALTH SERVICES.] Home health services are those services specified in Minnesota Rules, part 9505.0290. Medical assistance covers home health services at a recipient's home residence. Medical assistance does not cover home health services at a hospital, nursing facility, intermediate care facility, or a health care facility licensed by the commissioner of health, unless the commissioner has prior authorized skilled nurse visits for less than 90 days for a resident at an intermediate care facility for persons with mental retardation, to prevent an admission to a hospital or nursing facility. Home health services must be provided by a Medicare certified home health agency. All nursing and home health aide services must be provided according to section 256B.0627.

Sec. 10. Minnesota Statutes 1990, section 256B.0625, subdivision 7, is amended to read:

Subd. 7. [PRIVATE DUTY NURSING.] Medical assistance covers private duty nursing services in a recipient's home. Recipients who are authorized to receive private duty nursing services in their home may use approved hours outside of the home during hours when normal life activities take them outside of their home and when, without the provision of private duty nursing, their health and safety would be jeopardized. Medical assistance does not cover private duty nursing services at a hospital, nursing facility, inter-

mediate care facility, or a health care facility licensed by the commissioner of health, except as authorized in section 256B.64 for ventilator dependent recipients in hospitals. Total hours of service and payment allowed for services outside the home cannot exceed that which is otherwise allowed in an in-home setting according to section 256B.0627. All private duty nursing services must be provided according to the limits established under section 256B.0627. Private duty nursing services may not be reimbursed if the nurse is the spouse of the recipient or the parent or foster care provider of a recipient who is under age 18, or the recipient's legal guardian.

Sec. 11. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 19a. [PERSONAL CARE SERVICES.] Medical assistance covers personal care services in a recipient's home. Recipients who can direct their own care, or persons who cannot direct their own care when accompanied by the responsible party, may use approved hours outside the home when normal life activities take them outside the home and when, without the provision of personal care, their health and safety would be jeopardized. Medical assistance does not cover personal care services at a hospital, nursing facility, intermediate care facility or a health care facility licensed by the commissioner of health, except as authorized in section 256B.64 for ventilator dependent recipients in hospitals. Total hours of service and payment allowed for services outside the home cannot exceed that which is otherwise allowed for personal care services in an in-home setting according to section 256B.0627. All personal care services must be provided according to section 256B.0627. Personal care services may not be reimbursed if the personal care assistant is the spouse of the recipient or the parent of a recipient under age 18, the responsible party, the foster care provider of a recipient who cannot direct their own care or the recipient's legal guardian. Parents of adult recipients, adult children of the recipient or adult siblings of the recipient may be reimbursed for personal care services if they are granted a waiver under section 256B.0627.

Sec. 12. Minnesota Statutes 1990, section 256B.0627, is amended to read:

256B.0627 [COVERED SERVICE; HOME CARE SERVICES.]

Subdivision 1. [DEFINITION.] "Home care services" means a medically necessary health service, determined by the commissioner as medically necessary, that is ordered by a physician and documented in a care plan of care that is reviewed and revised as medically necessary by the physician at least once every 60 days. Home care services include personal care and nursing supervision of personal care services which is reviewed and revised as medically necessary by the physician for the provision of home health services,

or private duty nursing, or at least once every 365 days for personal care. Home care services are provided to the recipient at the recipient's residence that is a place other than a hospital or long-term care facility or as specified in section 256B.0625. "Medically necessary" has the meaning given in Minnesota Rules, parts 9505.0170 to 9505.0475. "Care plan" means a written description of the services needed which shall include a detailed description of the covered home care services, who is providing the services, frequency of those services, and duration of those services. The care plan shall also include expected outcomes and goals including expected date of goal accomplishment.

Subd. 2. [SERVICES COVERED.] Home care services covered under this section include:

- (1) nursing services under section 256B.0625, subdivision 6a;
- (2) private duty nursing services under section 256B.0625, subdivision 7;
- (3) home health aide services under section 256B.0625, subdivision 6a;
- (4) personal care services under section 256B.0625, subdivision 19a; and
- (5) nursing supervision of personal care services under section 256B.0625, subdivision 19a.

Subd. 3. [PRIVATE DUTY NURSING SERVICES; WHO MAY PROVIDE.] Private duty nursing services may be provided by a registered nurse or licensed practical nurse who is not the recipient's spouse, legal guardian, or parent of a minor child.

Subd. 4. [PERSONAL CARE SERVICES.] (a) Personal care services may be provided by a qualified individual who is not the recipient's spouse, legal guardian, or parent of a minor child.

(b) The personal care services that are eligible for payment are the following:

- (1) bowel and bladder care;
- (2) skin care to maintain the health of the skin;
- (3) range of motion exercises;
- (4) respiratory assistance;
- (5) transfers;

(6) bathing, grooming, and hairwashing necessary for personal hygiene;

(7) turning and positioning;

(8) assistance with furnishing medication that is normally self-administered;

(9) application and maintenance of prosthetics and orthotics;

(10) cleaning medical equipment;

(11) dressing or undressing;

(12) assistance with food, nutrition, and diet activities;

(13) accompanying a recipient to obtain medical diagnosis or treatment;

(14) ~~services provided for the recipient's personal health and safety;~~

~~(15) helping the recipient to complete daily living skills such as personal and oral hygiene and medication schedules;~~

(15) supervision and observation that are medically necessary because of the recipient's diagnosis or disability; and

(16) incidental household services that are an integral part of a personal care service described in clauses (1) to (15).

~~(e)~~ (b) The personal care services that are not eligible for payment are the following:

(1) personal care services that are not in the care plan ~~of care~~ developed by the supervising registered nurse in consultation with the personal care assistants and the recipient or ~~family~~ the responsible party directing the care of the recipient;

(2) services that are not supervised by the registered nurse;

(3) services provided by the recipient's spouse, legal guardian, ~~or~~ parent of a minor child, or foster care provider of a recipient who cannot direct their own care;

(4) sterile procedures; ~~and~~

(5) injections of fluids into veins, muscles, or skin;

(6) services provided by parents of adult recipients, adult children or adult siblings unless these relatives meet one of the following hardship criteria and the commissioner waives this requirement:

(i) the relative resigns from a full-time job to provide personal care for the recipient;

(ii) the relative goes from a full-time to a part-time job with less compensation to provide personal care for the recipient;

(iii) the relative takes a leave of absence without pay to provide personal care for the recipient;

(iv) the relative incurs substantial expenses by providing personal care for the recipient; or

(v) because of labor conditions, the relative is needed in order to provide an adequate number of qualified personal care assistants to meet the medical needs of the recipient;

(7) homemaker services that are not an integral part of a personal care services; and

(8) home maintenance, or chore services.

Subd. 5. [LIMITATION ON PAYMENTS.] Medical assistance payments for home care services shall be limited according to paragraphs (a) to (e) this subdivision.

(a) [EXEMPTION FROM PAYMENT LIMITATIONS.] The level, or the number of hours or visits of a specific service, of home health care services to a recipient that began before and is continued without increase on or after December 1987, shall be exempt from the payment limitations of this section, as long as the services are medically necessary.

(b) ~~[LEVEL I HOME CARE LIMITS ON SERVICES WITHOUT PRIOR AUTHORIZATION.] For all new cases after December 1987, medically necessary home care services up to \$800 may be provided in a calendar month.~~

If the services in the recipient's home care plan will exceed the \$800 threshold for 30 days or less, the medically necessary services may be provided. A recipient may receive the following amounts of home care services during a calendar year:

(1) a total of 40 home health aide visits, skilled nurse visits, health promotions, or health assessments under section 256B.0625, subdivision 6a; and

(2) a total of ten hours of nursing supervision under section 256B.0625, subdivision 7 or 19a.

(c) [PRIOR AUTHORIZATION; EXCEPTIONS.] All home care services above the limits in paragraph (a) must receive the commissioner's prior authorization, except when:

(1) the home care services were required to treat an emergency medical condition that if not immediately treated could cause a recipient serious physical or mental disability, continuation of severe pain, or death. The provider must request retroactive authorization no later than five working days after giving the initial service. The provider must be able to substantiate the emergency by documentation such as reports, notes, and admission or discharge histories;

(2) the home care services were provided on or after the date on which the recipient's eligibility began, but before the date on which the recipient was notified that the case was opened. Authorization will be considered if the request is submitted by the provider within 20 working days of the date the recipient was notified that the case was opened; or

(3) a third party payor for home care services has denied or adjusted a payment. Authorization requests must be submitted by the provider within 20 working days of the notice of denial or adjustment. A copy of the notice must be included with the request.

(d) [RETROACTIVE AUTHORIZATION.] A request for retroactive authorization under paragraph (c) will be evaluated according to the same criteria applied to prior authorization requests. Implementation of this provision shall begin no later than October 1, 1991, except that recipients who are currently receiving medically necessary services above the limits established under paragraph (c), clause (2), may have a reasonable amount of time to arrange for waived services under section 256B.49 or to establish an alternative living arrangement. All current recipients shall be transitioned to the limits established under paragraph (c), clause (2), on or before April 1, 1992.

(e) (e) [LEVEL II HOME CARE ASSESSMENT AND CARE PLAN.] If the services in the recipient's home care plan exceed \$800 for more than 30 days, a public health nurse from the local preadmission screening team shall determine the recipient's maximum level of home care according to this paragraph. The home care provider shall conduct an assessment and complete a care plan using forms specified by the commissioner. For the recipient to receive, or continue to receive, home care services, the provider must submit evidence necessary for the commissioner to determine the medical necessity of the home care services. The provider shall submit to the commissioner the assessment, the care plan, and other

information necessary to determine medical necessity such as diagnostic or testing information, social or medical histories, and hospital or facility discharge summaries.

(4) (f) [PRIOR AUTHORIZATION.] The public health nurse from the local preadmission screening team shall base the determination of the recipient's maximum level of care on the need and eligibility of the recipient for one of the following placements commissioner, or the commissioner's designee, shall review the assessment, the care plan, and any additional information that is submitted. The commissioner shall prior authorize home care services as follows:

(i) residential facility for persons with mental retardation or related conditions operated under section 256B.501;

(ii) inpatient hospital care for a ventilator dependent recipient. "Ventilator dependent" means an individual who receives mechanical ventilation for life support at least six hours per day and is expected to or has been dependent for at least 30 consecutive days; or

(iii) all other recipients not appropriate for one of the above placements.

(2) If the recipient is eligible under clause (1)(i), the monthly medical assistance reimbursement for home care services shall not exceed the total monthly statewide average payment rate for residential facilities for children or adults with mental retardation or related conditions as appropriate for the recipient's age and level of self-preservation as determined according to Minnesota Rules, parts 9553.0010 to 9553.0080.

(1) [HOME HEALTH SERVICES.] All home health services provided by a nurse or a home health aide that exceed the limits established in paragraph (b) must be prior authorized by the commissioner or the commissioner's designee. Prior authorization must be based on medical necessity and cost-effectiveness when compared with other care options.

(2) [PERSONAL CARE SERVICES.] (i) All personal care services must be prior authorized by the commissioner or the commissioner's designee except for the limits on supervision established in paragraph (b). The amount of personal care services authorized must be based on the recipient's case mix classification according to section 256B.0911, except that a child may not be found to be dependent in an activity of daily living if because of the child's age an adult would either perform the activity for the child or assist the child with the activity and the amount of assistance needed is similar to the assistance appropriate for a typical child of the same age. Based on medical necessity, the commissioner may authorize:

(A) up to two times the average number of direct care hours provided in nursing facilities for the recipient's case mix level;

(B) up to three times the average number of direct care hours provided in nursing facilities for recipients who have complex medical needs;

(C) up to 60 percent of the average reimbursement rate, as of July 1, 1991, for care provided in a regional treatment center for recipients who have complex behaviors;

(D) up to the rate, as of July 1, 1991, for care provided in a regional treatment center for recipients referred to the commissioner by a regional treatment center preadmission evaluation team; or

(E) up to the amount medical assistance would reimburse for facility care for recipients referred to the commissioner by a preadmission screening team established under section 256B.091 or 256B.092.

(ii) The number of direct care hours shall be determined according to annual cost reports which are submitted to the department by nursing facilities each year. The average number of direct care hours, as established by May 1, shall be incorporated into the home care limits on July 1 each year.

(iii) The case mix level shall be determined by the commissioner or the commissioner's designee based on information submitted to the commissioner by the personal care provider on forms specified by the commissioner. The forms shall be a combination of current assessment tools developed under sections 256B.0911 and 256B.501 with an addition for seizure activity that will assess the frequency and severity of seizure activity and with adjustments, additions, and clarifications that are necessary to reflect the needs and conditions of children and nonelderly adults who need home care. The commissioner shall establish these forms and protocols under this section and shall use the advisory group established in section 256B.04, subdivision 16, for consultation in establishing the forms and protocols by October 1, 1991.

(iv) A recipient shall qualify as having complex medical needs if they require:

(A) daily tube feedings;

(B) daily parenteral therapy;

(C) wound or decubiti care;

(D) postural drainage, percussion, nebulizer treatments, suctioning, tracheotomy care, oxygen, mechanical ventilation;

(E) catheterization;

(F) ostomy care; or

(G) other comparable medical conditions or treatments the commissioner determines would otherwise require institutional care.

(v) A recipient shall qualify as having complex behavior if the recipient exhibits on a daily basis the following:

(A) self-injurious behavior;

(B) unusual or repetitive habits;

(C) withdrawal behavior;

(D) hurtful behavior to others;

(E) socially or offensive behavior;

(F) destruction of property; or

(G) a need for constant supervision one to one for self-preservation.

(vi) The complex behaviors in clauses (A) to (G) have the meanings developed under section 256B.501.

(3) [PRIVATE DUTY NURSING SERVICES.] All private duty nursing services shall be prior authorized by the commissioner or the commissioner's designee. Prior authorization for private duty nursing services shall be based on medical necessity and cost-effectiveness when compared with alternative care options. The commissioner may authorize medically necessary private duty nursing services when:

(i) the recipient requires more individual and continuous care than can be provided during a nurse visit; or

(ii) the cares are outside of the scope of services that can be provided by a home health aide or personal care assistant.

The commissioner may authorize up to 16 hours per day of private duty nursing services or up to 24 hours per day of private duty nursing services until such time as the commissioner is able to make a determination of eligibility for recipients who are applying for

home care services under the community alternative care program developed under section 256B.49, or until it is determined that a health benefit plan is required to pay for medically necessary nursing services. Recipients who are eligible for the community alternative care program may not receive more hours of nursing under this section than would otherwise be authorized under section 256B.49.

~~(3)~~ (4) [VENTILATOR-DEPENDENT RECIPIENTS.] If the recipient is eligible under clause (1)(i) ventilator-dependent, the monthly medical assistance reimbursement authorization for home care services shall not exceed the monthly cost of care at the highest cost hospital designated as a long-term hospital under the Medicare program. For purposes of this clause, home care services means all services provided in the home that would be included in the payment for care at the long-term hospital. "Ventilator-dependent" means an individual who receives mechanical ventilation for life support at least six hours per day and is expected to be or has been dependent for at least 30 consecutive days.

~~(4) If the recipient is not eligible under either clause (1)(i) or (1)(ii), the monthly medical assistance reimbursement for home care services shall not exceed the total monthly statewide average payment for the case mix classification most appropriate to the recipient. The case mix classification is established under section 256B.431.~~

~~(5) The determination of the recipient's maximum level of home care by the public health nurse is called a home care cost assessment. The home care cost assessment must be requested by the home care provider before the end of the first 30 days of provided service and must be conducted by the public health nurse within ten working days following request.~~

~~(6) A home care provider shall request a new home care cost assessment when the needs of the individual have changed enough to require that a revised care plan be implemented that will increase costs beyond what was approved by the previous home care cost assessment and the change is anticipated to last for more than 30 days. The home care provider must request the home care cost assessment before the end of the first 30 days of provided service. Whenever a home care cost assessment is completed, the public health nurse that completes the home care cost assessment, in consultation with the home care provider,~~

(g) [PRIOR AUTHORIZATION; TIME LIMITS.] The commissioner or the commissioner's designee shall determine the time period for which a home care cost assessment prior authorization shall remain valid. If the recipient continues to require home care services beyond the limited duration of the home care cost assessment prior authorization, the home care provider must request a

reassessment through the home care cost assessment new prior authorization through the process described above. Under no circumstances shall a home care cost assessment prior authorization be valid for more than 12 months.

(7) Reimbursement for the home care cost assessment shall be made through the Medicaid administrative authority. The state shall pay the nonfederal share.

(h) [APPROVAL OF HOME CARE SERVICES.] The commissioner or the commissioner's designee shall determine the medical necessity of home care services, the level of caregiver according to subdivision 2, and the institutional comparison according to this subdivision, and the amount, scope, and duration of home care services reimbursable by medical assistance, based on the assessment, the care plan, the recipient's age, the recipient's medical condition, and diagnosis or disability. The commissioner may publish additional criteria for determining medical necessity according to section 256B.04.

(d) [LEVEL III HOME CARE.] If the home care provider determines that the recipient's needs exceed the amount approved for the appropriate level of care as determined in paragraph (e), the home care provider may refer the case to the department for a level III determination. Based on the client needs, physician orders, diagnosis, condition, and plan of care, the department may give prior approval for care that exceeds level II described in paragraph (e). The amount approved shall not exceed the maximum cost for the appropriate level of care as determined in paragraph (e), clause (1), which will be the maximum ICF/MR rate for intermediate care facilities for persons with mental retardation or related conditions, or the maximum nursing home case mix payment, or the highest hospital cost for the state.

(i) [PRIOR AUTHORIZATION REQUESTS; TEMPORARY SERVICES.] The department has 30 days from receipt of the request to complete the level III determination prior authorization, during which time it may approve the higher level while reviewing the case a temporary level of home care service. Authorization under this authority for a temporary level of home care services is limited to the time specified by the commissioner.

Case reviews or approval of home care services in levels II and III may result in assignment of a case manager.

(e) (j) [PRIOR APPROVAL AUTHORIZATION REQUIRED IN FOSTER CARE SETTING.] Any Home care service services provided in an adult or child foster care setting must receive prior approval authorization by the department according to the limits established in paragraph (b).

The commissioner may not authorize:

(1) home care services that are the responsibility of the foster care provider under the terms of the foster care placement agreement and administrative rules;

(2) personal care services when the foster care license holder is also the personal care provider or personal care assistant unless the recipient can direct the recipient's own care, or the recipient is referred to the commissioner by a regional treatment center preadmission evaluation team;

(3) personal care services when the responsible party is an employee of, or under contract with, or has any direct or indirect financial relationship with the personal care provider or personal care assistant, unless the recipient is referred to the commissioner by a regional treatment center preadmission evaluation team;

(4) home care services when the number of foster care residents is greater than four; or

(5) home care services when combined with foster care payments, less the base rate, that exceed the total amount that medical assistance would pay for the recipient's care in a medical institution.

Subd. 6. [RECOVERY OF EXCESSIVE PAYMENTS.] The commissioner shall seek monetary recovery from providers of payments made for services which exceed the limits established in this section.

Sec. 13. [256B.0628] [PRIOR AUTHORIZATION AND REVIEW OF HOME CARE SERVICES.]

Subdivision 1. [STATE COORDINATION.] The commissioner shall supervise the coordination of the prior authorization and review of home care services that are reimbursed by medical assistance.

Subd. 2. [CONTRACTOR DUTIES.] (a) The commissioner may contract with qualified registered nurses, or qualified agencies, to provide home care prior authorization and review services for medical assistance recipients who are receiving home care services.

(b) Reimbursement for the prior authorization function shall be made through the medical assistance administrative authority. The state shall pay the nonfederal share. The contractor must:

(1) assess the recipient's individual need for services required to be cared for safely in the community;

(2) assure that a care plan that meets the recipient's needs is developed by the appropriate agency or individual;

(3) assure cost-effectiveness of medical assistance home care services;

(4) recommend to the commissioner the approval or denial of the use of medical assistance funds to pay for home care services when home care services exceed thresholds established by the commissioner under Minnesota Rules, parts 9505.0170 to 9505.0475;

(5) reassess the recipient's need for and level of home care services at a frequency determined by the commissioner; and

(6) conduct on-site assessments when determined necessary by the commissioner.

(c) In addition, the contractor may be requested by the commissioner to:

(1) review care plans and reimbursement data for utilization of services that exceed community-based standards for home care, inappropriate home care services, home care services that do not meet quality of care standards, or unauthorized services and make appropriate referrals to the commissioner or other appropriate entities based on the findings;

(2) assist the recipient in obtaining services necessary to allow the recipient to remain safely in or return to the community;

(3) coordinate home care services with other medical assistance services under section 256B.0625;

(4) assist the recipient with problems related to the provision of home care services; and

(5) assure the quality of home care services.

(d) For the purposes of this section, "home care services" means medical assistance services defined under section 256B.0625, subdivisions 6a, 7, and 19a.

Sec. 14. [256B.0911] [NURSING HOME PREADMISSION SCREENING.]

Subdivision 1. [PURPOSE AND GOAL.] The purpose of the preadmission screening program is to prevent or delay certified nursing facility placements by assessing applicants and residents and offering cost-effective alternatives appropriate for the person's needs. Further, the goal of the program is to contain costs associated

with unnecessary certified nursing facility admissions. The commissioners of human services and health shall seek to maximize use of available federal and state funds and establish the broadest program possible within the funding available.

Subd. 2. [PERSONS REQUIRED TO BE SCREENED; EXEMPTIONS.] All applicants to Medicaid certified nursing facilities must be screened prior to admission, regardless of income, assets, or funding sources, except the following:

(1) patients who, having entered acute care facilities from certified nursing facilities, are returning to a certified nursing facility;

(2) residents transferred from other certified nursing facilities;

(3) individuals whose length of stay is expected to be 30 days or less based on a physician's certification, if the facility notifies the screening team prior to admission and provides an update to the screening team on the 30th day after admission;

(4) individuals who have a contractual right to have their nursing facility care paid for indefinitely by the veteran's administration; or

(5) individuals who are screened by another state within three months before admission to a certified nursing facility.

Regardless of the exemptions in clauses (2) to (4), persons who have a diagnosis or possible diagnosis of mental illness, mental retardation, or a related condition must be screened before admission unless the admission prior to screening is authorized by the local mental health authority or the local developmental disabilities case manager, or unless authorized by the county agency according to Public Law Number 101-508.

Persons transferred from an acute care facility to a certified nursing facility may be admitted to the nursing facility before screening, if authorized by the county agency; however, the person must be screened within ten working days after the admission.

Other persons who are not applicants to nursing facilities must be screened if a request is made for a screening.

Subd. 3. [PERSONS RESPONSIBLE FOR CONDUCTING THE PREADMISSION SCREENING.] (a) A local screening team shall be established by the county agency and the county public health nursing service of the local board of health. Each local screening team shall be composed of a social worker and a public health nurse from their respective county agencies. Two or more counties may collaborate to establish a joint local screening team or teams.

(b) Both members of the team must conduct the screening. However, individuals who are being transferred from an acute care facility to a certified nursing facility may be screened by only one member of the screening team in consultation with the other member.

(c) In assessing a person's needs, each screening team shall have a physician available for consultation and shall consider the assessment of the individual's attending physician, if any. The individual's physician shall be included on the screening team if the physician chooses to participate. Other personnel may be included on the team as deemed appropriate by the county agencies.

(d) If a person who has been screened must be reassessed to assign a case mix classification because admission to a nursing facility occurs later than the time allowed by rule following the initial screening and assessment, the reassessment may be completed by the public health nurse member of the screening team.

Subd. 4. [RESPONSIBILITIES OF THE COUNTY AGENCY AND THE SCREENING TEAM.] (a) The county agency shall:

(1) provide information and education to the general public regarding availability of the preadmission screening program;

(2) accept referrals from individuals, families, human service and health professionals, and hospital and nursing facility personnel;

(3) assess the health, psychological, and social needs of referred individuals and identify services needed to maintain these persons in the least restrictive environments;

(4) determine if the individual screened needs nursing facility level of care;

(5) assess active treatment needs in cooperation with:

(i) a qualified mental health professional for persons with a primary or secondary diagnosis of mental illness; and

(ii) a qualified mental retardation professional for persons with a primary or secondary diagnosis of mental retardation or related conditions. For purposes of this clause, a qualified mental retardation professional must meet the standards for a qualified mental retardation professional in Code of Federal Regulations, title 42, section 483.430;

(6) make recommendations for individuals screened regarding cost-effective community services which are available to the individual;

(7) make recommendations for individuals screened regarding nursing home placement when there are no cost-effective community services available;

(8) develop an individual's community care plan and provide follow-up services as needed; and

(9) prepare and submit reports that may be required by the commissioner of human services.

The county agency may determine in cooperation with the local board of health that the public health nursing agency of the local board of health is the lead agency which is responsible for all of the activities above except clause (5).

(b) The screening team shall document that the most cost-effective alternatives available were offered to the individual or the individual's legal representative. For purposes of this section, "cost-effective alternatives" means community services and living arrangements that cost the same or less than nursing facility care.

The screening shall be conducted within ten working days after the date of referral or, for those approved for transfer from an acute care facility to a certified nursing facility, within ten working days after admission to the nursing facility. For persons who are eligible for medical assistance or who would be eligible within 180 days of admission to a nursing facility and who are admitted to a nursing facility, the nursing facility must include the screening team or the case manager in the discharge planning process for those individuals who the team has determined have discharge potential. The screening team or the case manager must ensure a smooth transition and follow-up for the individual's return to the community.

Local screening teams shall cooperate with other public and private agencies in the community, in order to offer a variety of cost-effective services to the disabled and elderly. The screening team shall encourage the use of volunteers from families, religious organizations, social clubs, and similar civic and service organizations to provide services.

Subd. 5. [SIMPLIFICATION OF FORMS.] The commissioner shall minimize the number of forms required in the preadmission screening process and shall limit the screening document to items necessary for care plan approval, reimbursement, program planning, evaluation, and policy development.

Subd. 6. [REIMBURSEMENT FOR PREADMISSION SCREENING.] (a) The total screening cost for each county must be paid monthly by certified nursing facilities in the county. The monthly amount to be paid by each nursing facility for each fiscal year must

be determined by dividing the county's estimate of the total annual cost of screenings allowed in the county for the following rate year by 12 to determine the monthly cost estimate and allocating the monthly cost estimate to each nursing facility based on the number of licensed beds in the nursing facility.

(b) The rate allowed for a screening where two team members are present shall be the actual costs up to \$195. The rate allowed for a screening where only one team member is present shall be the actual costs up to \$117. Annually on July 1, the commissioner shall adjust the rate up to the percentage change forecast in the fourth quarter of the prior calendar year by the Home Health Agency Market Basket of Operating Costs, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc.

(c) The monthly cost estimate for each certified nursing facility must be submitted to the state by the county no later than February 15 of each year for inclusion in the nursing facility's payment rate on the following rate year. The commissioner shall include the reported annual estimated cost of screenings for each nursing facility as an operating cost of that nursing facility in accordance with section 256B.431, subdivision 2b, paragraph (g). The monthly cost estimates approved by the commissioner must be sent to the nursing facility by the county no later than April 15 of each year.

(d) If in more than ten percent of the total number of screenings performed by a county in a fiscal year for all individuals regardless of payment source, the screening timelines were not met because a county was late in screening the individual, the county is solely responsible for paying the cost of those delayed screenings that exceed ten percent.

(e) Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility.

(f) The commissioner of human services shall amend the Minnesota medical assistance plan to include reimbursement for the local screening teams.

Subd. 7. [REIMBURSEMENT FOR CERTIFIED NURSING FACILITIES.] Medical assistance reimbursement for nursing facilities shall be authorized for a medical assistance recipient only if a preadmission screening has been conducted or the local county agency has authorized an exemption. Medical assistance reimbursement for nursing facilities shall not be provided for any recipient who the local screening team has determined does not meet the level of care criteria for nursing facility placement.

An individual has a choice and makes the final decision between

nursing facility placement and community placement after the screening team's recommendation. However, the local county mental health authority or the local mental retardation authority under Public Law Numbers 100-203 and 101-508 may prohibit admission to a nursing facility, if the individual does not meet the nursing facility level of care criteria or does need active treatment as defined in Public Law Numbers 100-203 and 101-508.

Appeals from the screening team's recommendation or the county agency's final decision shall be made according to section 256.045, subdivision 3.

Subd. 8. [ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee to advise the commissioner on the preadmission screening program, the alternative care program under section 256B.0913, and the home- and community-based services waiver programs for the elderly and the disabled. The advisory committee shall review policies and procedures and provide advice and technical assistance to the commissioner regarding the effectiveness and the efficient administration of the programs. The advisory committee must consist of not more than 20 people appointed by the commissioner and must be comprised of representatives from public agencies, public and private service providers, and consumers from all areas of the state. Members of the advisory committee must not be compensated for service.

Sec. 15. [256B.0913] [ALTERNATIVE CARE PROGRAM.]

Subdivision 1. [PURPOSE AND GOALS.] The purpose of the alternative care program is to provide funding for or access to home and community-based services for frail elderly persons, in order to limit nursing facility placements. The program is designed to support frail elderly persons in their desire to remain in the community as independently and as long as possible and to support informal caregivers in their efforts to provide care for frail elderly people. Further, the goals of the program are:

(1) to contain medical assistance expenditures by providing care in the community at a cost the same or less than nursing facility costs; and

(2) to maintain the moratorium on new construction of nursing home beds.

Subd. 2. [ELIGIBILITY FOR SERVICES.] Alternative care services are available to all frail older Minnesotans. This includes:

(1) persons who are receiving medical assistance and served under the medical assistance program or the Medicaid waiver program;

(2) persons who would be eligible for medical assistance within 180 days of admission to a nursing facility and served under subdivisions 4 to 13; and

(3) persons who are paying for their services out-of-pocket.

Subd. 3. [ELIGIBILITY FOR FUNDING FOR SERVICES FOR MEDICAL ASSISTANCE RECIPIENTS.] Funding for services for persons who are eligible for medical assistance is available under section 256B.0627, governing home care services, or 256B.0915, governing the Medicaid waiver for home and community-based services.

Subd. 4. [ELIGIBILITY FOR FUNDING FOR SERVICES FOR NONMEDICAL ASSISTANCE RECIPIENTS.] (a) Funding for services under the alternative care program is available to persons who meet the following criteria:

(1) the person has been screened by the county screening team or, if previously screened and served under the alternative care program, assessed by the local county social worker or public health nurse;

(2) the person is age 65 or older;

(3) the person would be eligible for medical assistance within 180 days of admission to a nursing facility;

(4) the screening team would recommend nursing facility admission or continued stay for the person if alternative care services were not available;

(5) the person needs services that are not available at that time in the county through other county, state, or federal funding sources; and

(6) the monthly cost of the alternative care services funded by the program for this person does not exceed 80 percent of the statewide average monthly medical assistance payment for nursing facility care at the individual's case mix classification to which the individual would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059.

(b) Individuals who meet the criteria in paragraph (a) and who have been approved for alternative care funding, are called 180-day eligible clients.

(c) The average payment for nursing facility care shall be the statewide monthly average nursing facility rate effective July 1 of the fiscal year in which the cost is incurred, less the statewide

average monthly income of nursing facility residents who are age 65 or older, and who are medical assistance recipients in the month of March of the previous fiscal year. This monthly limit does not prohibit the 180-day eligible client from paying for additional services needed or desired.

(d) In determining the total costs of alternative care services for one month, the costs of all services funded by the alternative care program, including supplies and equipment, must be included.

(e) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spend-down if the person applied, unless authorized by the commissioner.

(f) Alternative care funding is not available for a person who resides in a licensed nursing home or boarding care home, except for case management services which are being provided in support of the discharge planning process.

Subd. 5. [SERVICES COVERED UNDER ALTERNATIVE CARE.] (a) Alternative care funding may be used for payment of costs of:

(1) adult foster care;

(2) adult day care;

(3) home health aide;

(4) homemaker services;

(5) personal care;

(6) case management;

(7) respite care;

(8) assisted living; and

(9) care-related supplies and equipment.

(b) The county agency may use up to ten percent of the annual allocation of alternative care funding for payment of costs of meals delivered to the home, transportation, skilled nursing, companion services, nutrition services, and training for direct informal caregivers. The commissioner shall determine the impact on alternative care costs of allowing these additional services to be provided and shall report the findings to the legislature by February 15, 1993,

including any recommendations regarding provision of the additional services.

(c) The county agency must ensure that the funds are used only to supplement and not supplant services available through other public assistance or services programs.

(d) These services must be provided by a licensed provider, a home health agency certified for reimbursement under Titles XVIII and XIX of the Social Security Act, or by persons or agencies employed by or contracted with the county agency or the public health nursing agency of the local board of health.

(e) The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board.

(f) Personal care services may be provided by a personal care provider organization. A county agency may contract with a relative of the client to provide personal care services, but must ensure nursing supervision. Covered personal care services defined in section 256B.0627, subdivision 4, must meet applicable standards in Minnesota Rules, part 9505.0335.

(g) Costs for supplies and equipment that exceed \$150 per item per month must have prior approval from the commissioner.

(h) For the purposes of this section, "assisted living" refers to supportive services provided by a single vendor to two or more alternative care grant clients who reside in the same apartment building of ten or more units. These services may include care coordination, the costs of preparing one or more nutritionally balanced meals per day, general oversight, and other supportive services which the vendor is licensed to provide according to sections 144A.43 to 144A.49, and which would otherwise be available to individual alternative care grant clients. Reimbursement from the lead agency shall be made to the vendor as a monthly capitated rate negotiated with the county agency. The capitated rate shall not exceed the state share of the average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The capitated rate may not cover rent and direct food costs. A person's eligibility to reside in the building must not be contingent on the person's acceptance or use of the assisted living services. Assisted living services as defined in this section shall not be authorized in boarding and lodging establishments licensed according to sections 157.01 to 157.031.

(i) For purposes of this section, companion services are defined as nonmedical care, supervision and oversight, provided to a functionally impaired adult. Companions may assist the individual with such tasks as meal preparation, laundry and shopping, but do not

perform these activities as discrete services. The provision of companion services does not entail hands-on medical care. Providers may also perform light housekeeping tasks which are incidental to the care and supervision of the recipient. This service must be approved by the case manager as part of the care plan. Companion services must be provided by individuals or nonprofit organizations who are under contract with the local agency to provide the service. Any person related to the waiver recipient by blood, marriage or adoption cannot be reimbursed under this service. Persons providing companion services will be monitored by the case manager.

(j) For purposes of this section, training for direct informal caregivers is defined as a classroom or home course of instruction which may include: transfer and lifting skills, nutrition, personal and physical cares, home safety in a home environment, stress reduction and management, behavioral management, long-term care decision making, care coordination and family dynamics. The training is provided to an informal unpaid caregiver of a 180-day eligible client which enables the caregiver to deliver care in a home setting with high levels of quality. The training must be approved by the case manager as part of the individual care plan. Individuals, agencies, and educational facilities which provide caregiver training and education will be monitored by the case manager.

Subd. 6. [ALTERNATIVE CARE PROGRAM ADMINISTRATION.] The alternative care program is administered by the county agency. This agency is the lead agency responsible for the local administration of the alternative care program as described in this section. However, it may contract with the public health nursing service to be the lead agency.

Subd. 7. [CASE MANAGEMENT.] The lead agency shall appoint a social worker from the county agency or a registered nurse from the county public health nursing service of the local board of health to be the case manager for any person receiving services funded by the alternative care program. The case manager must ensure the health and safety of the individual client and is responsible for the cost effectiveness of the alternative care individual care plan.

Subd. 8. [REQUIREMENTS FOR INDIVIDUAL CARE PLAN.] The case manager shall implement the plan of care for each 180-day eligible client and ensure that a client's service needs and eligibility are reassessed at least every six months. The plan shall include any services prescribed by the individual's attending physician as necessary to allow the individual to remain in a community setting. In developing the individual's care plan, the case manager should include the use of volunteers from families and neighbors, religious organizations, social clubs, and civic and service organizations to support the formal home care services. The county shall be held harmless for damages or injuries sustained through the use of volunteers under this subdivision including workers' compensation

liability. The lead 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. The lead agency 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.

Subd. 9. [CONTRACTING PROVISIONS FOR PROVIDERS.] The lead 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 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. The lead agency shall also document to the commissioner that the agency allowed potential providers an opportunity to be selected to contract with the county agency. Funds reimbursed to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

The lead agency 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.

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.

Subd. 10. [ALLOCATION FORMULA.] (a) The alternative care appropriation for fiscal years 1992 and beyond shall cover only 180-day eligible clients.

(b) Prior to July 1 of each year, the commissioner shall allocate to county agencies the state funds available for alternative care for persons eligible under subdivision 2. The allocation for fiscal year 1992 shall be calculated using a base that is adjusted to exclude the medical assistance share of alternative care expenditures. The adjusted base is calculated by multiplying each county's allocation for fiscal year 1991 by the percentage of county alternative care expenditures for 180-day eligible clients. The percentage is determined based on expenditures for services rendered in fiscal year 1989 or calendar year 1989, whichever is greater.

(c) If the county expenditures for 180-day eligible clients are 95 percent or more of its adjusted base allocation, the allocation for the next fiscal year is 100 percent of the adjusted base, plus inflation to the extent that inflation is included in the state budget.

(d) If the county expenditures for 180-day eligible clients are less than 95 percent of its adjusted base allocation, the allocation for the next fiscal year is the adjusted base allocation less the amount of unspent funds below the 95 percent level.

(e) For fiscal year 1992 only, a county under paragraph (d) may receive an increased allocation if annualized service costs for the month of May 1991 for 180-day eligible clients are greater than the allocation otherwise determined. A county may apply for this increase by reporting projected expenditures for May to the commissioner by June 1, 1991. The amount of the allocation may exceed the amount calculated in paragraph (c). The projected expenditures for May must be based on actual 180-day eligible client caseload and the individual cost of clients' care plans. If a county does not report its expenditures for May, the amount in paragraph (d) shall be used.

(f) Calculations for paragraphs (c) and (d) are to be made as follows: for each county, the determination of expenditures shall be based on payments for services rendered from April 1 through March 31 in the base year, to the extent that claims have been submitted by June 1 of that year.

Subd. 11. [TARGETED FUNDING.] (a) The purpose of targeted funding is to make additional money available to counties with the greatest need. Targeted funds are not intended to be distributed equitably among all counties, but rather, allocated to those with long-term care strategies that meet state goals.

(b) The funds available for targeted funding shall be the total appropriation for each fiscal year minus county allocations deter-

mined under subdivision 10 as adjusted for any inflation increases provided in appropriations for the biennium.

(c) Of the remaining targeted funds:

(1) 20 percent shall be reserved for SAIL projects as described in section 256B.0917;

(2) 40 percent shall be reserved to supplement the alternative care grants program and shall be distributed to counties that apply for them according to the following criteria:

(i) Counties shall be ranked from high to low according to their need for long-term care services by multiplying the statewide utilization rate of licensed nursing homes and boarding care homes times the projected numerical change in the county's population 85 years old and over for the period 1990 to 2000, and then dividing by the number of licensed nursing home and boarding care home beds in the county. For the purposes of this section, population counts and projections shall be based on the state demographer's data and the count of licensed nursing home beds and boarding care home beds shall be the count found in the most recently published edition of the health care facilities directory of the department of health. For the purposes of this section, "utilization rate" means the proportion of persons 85 years of age and older in a county who are residing in a licensed nursing home or boarding care home according to the most recent information available from the department of health.

(ii) The projected number of additional nursing home and boarding care home beds that would be needed in each county in the absence of an alternative care program shall be calculated by multiplying the utilization rate times the projected numerical change in the county's population 85 years of age and older for the period 1990 to 2000.

(iii) All targeted funds available under this clause shall be allocated to counties by multiplying one-eighth times the number of beds projected in item (ii) times the statewide average cost of one alternative care grant client for the most recent full year for which complete cost data is available, beginning with the top-ranked county as found in item (i) and continuing down the list of counties in rank order until the funds are exhausted; and

(3) 40 percent shall be distributed to counties that can justify program growth by demonstrating the existence of alternative care waiting lists, demographically justified needs, or other unmet needs and to counties that propose innovative, cost-effective projects to divert community residents from nursing home placement or to relocate nursing home residents to community living. Projects must contribute to the state's overall goals and objectives for long-term care.

(d) Counties that would receive targeted funds according to paragraph (c) must demonstrate to the commissioner's satisfaction that the funds would be appropriately spent by showing how the funds would be used to further the state's alternative care goals as described in subdivision 1, and that the county has the administrative and service delivery capability to use them.

(e) If the commissioner does not approve a county's application for targeted funds, the funds shall be reallocated to the next ranking county according to paragraph (c), clause (2), that has not yet received funds. Counties that receive such reallocated funds must comply with this section.

(f) The commissioner shall request applications by June 1 each year, for county agencies to apply for targeted funds. The counties selected for targeted funds shall be notified of the amount of their additional funding by August 1 of each year. Targeted funds allocated to a county agency in one year shall be treated as part of the county's base allocation for that year in determining allocations for subsequent years. No reallocations between counties shall be made.

(g) The allocation for each year after fiscal year 1992 shall be determined using the previous fiscal year's allocation, including any targeted funds, as the base and then applying the criteria under subdivision 10, paragraphs (c), (d), and (f), to the current year's expenditures.

Subd. 12. [CLIENT PREMIUMS.] A premium is required for all 180-day eligible clients to help pay for the cost of participating in the program. The commissioner shall establish a premium schedule ranging from \$25 to \$75 per month based on the client's income and assets. Until July 1, 1993, the schedule is not subject to chapter 14. 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 schedule in final form. The commissioner shall adopt a permanent rule governing client premiums by July 1, 1993.

Subd. 13. [COUNTY ALTERNATIVE CARE BIENNIAL PLAN.] The commissioner shall establish by rule, in accordance with chapter 14, procedures for the submittal and approval of a biennial county plan for the administration of the alternative care program and the coordination with other planning processes for the older adult. In addition to the procedures in rule, this county biennial plan shall also include:

(1) information on the administration of the preadmission screening program;

(2) information on the administration of the home and community-based services waiver under section 256B.0915;

(3) an application for targeted funds under subdivision 10; and

(4) an optional notice of intent to apply to participate in the long-term care projects under section 256B.0917.

Subd. 14. [REIMBURSEMENT AND RATE ADJUSTMENTS.]

(a) Reimbursement for expenditures for the alternative care services shall be through the invoice processing procedures of the department's Medicaid management information system (MMIS), only with the approval of the client's case manager. To receive reimbursement, the county or vendor must submit invoices within 90 days following the month of service. The county agency and its vendors under contract shall not be reimbursed for services which exceed the county allocation.

(b) The commissioner shall reduce the county's reimbursement by the amount of the premium due from each individual as reported by the preadmission screening team at the case opening and by the case manager at each six-month reassessment.

(c) Beginning July 1, 1991, the state will reimburse counties, up to the limits of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who would be eligible for medical assistance within 180 days of admission to a nursing home.

(d) Annually on July 1, the commissioner must adjust the rates allowed for alternative care services by the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set.

Sec. 16. [256B.0915] [MEDICAID WAIVER FOR HOME AND COMMUNITY-BASED SERVICES.]

Subdivision 1. [AUTHORITY.] The commissioner is authorized to apply for a home and community-based services waiver for the elderly, authorized under section 1915(c) of the Social Security Act, in order to obtain federal financial participation to expand the availability of services for persons who are eligible for medical assistance. The commissioner may apply for additional waivers or pursue other federal financial participation which is advantageous

to the state for funding home care services for the frail elderly who are eligible for medical assistance. The provision of waived services to medical assistance recipients must comply with the criteria approved in the waiver.

Subd. 2. [SPOUSAL IMPOVERISHMENT POLICIES.] The commissioner shall seek to amend the federal waiver and the medical assistance state plan to allow spousal impoverishment criteria as authorized in Code of Federal Regulations, title 42, section 435.726(1924), and as implemented in sections 256B.0575, 256B.058, and 256B.059 to be applied to persons who are served on the home and community-based services waiver.

Subd. 3. [LIMITS OF CASES, RATES, REIMBURSEMENT, AND FORECASTING.] (a) The number of medical assistance waiver recipients that a county may serve must be allocated according to the number of medical assistance waiver cases open on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(b) The monthly limit for the cost of waived services to an individual waiver client shall be the statewide average payment rate of the case mix resident class to which the waiver client would be assigned under medical assistance case mix reimbursement system. The statewide average payment rate is calculated by determining the statewide monthly average nursing home rate effective July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing home residents who are age 65 or older, and who are medical assistance recipients in the month of March of the previous state fiscal year. The following costs must be included in determining the total monthly costs for the waiver client:

(1) cost of all waived services, including extended medical supplies and equipment; and

(2) cost of skilled nursing, home health aide, and personal care services reimbursable by medical assistance.

(c) Medical assistance funding for skilled nursing services, home health aide, and personal care services for waiver recipients must be approved by the case manager and included in the individual care plan.

(d) Expenditures for extended medical supplies and equipment that cost over \$150 per month must have the commissioner's prior approval.

(e) Annually on July 1, the commissioner must adjust the rates allowed for services by the forecasted percentage change in the

Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set.

(f) Reimbursement for the medical assistance recipients under the approved waiver shall be made from the medical assistance account through the invoice processing procedures of the department's Medicaid management information system (MMIS), only with the approval of the client's case manager. The budget for the state share of the Medicaid expenditures shall be forecasted with the medical assistance budget, and shall be consistent with the approved waiver.

(g) Beginning July 1, 1991, the state shall reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who are receiving medical assistance.

Sec. 17. [256B.0917] [SENIORS' AGENDA FOR INDEPENDENT LIVING (SAIL) PROJECTS FOR A NEW LONG-TERM CARE STRATEGY.]

Subdivision 1. [PURPOSE, MISSION, GOALS, AND OBJECTIVES.] (a) The purpose of implementing seniors' agenda for independent living (SAIL) projects under this section is to demonstrate a new cooperative strategy for the long-term care system in the state of Minnesota. The projects are part of the initial biennial plan for a 20-year strategy. The mission of the 20-year strategy is to create a new community-based care paradigm for long-term care in Minnesota in order to maximize independence of the older adult population, and to ensure cost-effective use of financial and human resources. The goals for the 20-year strategy are to:

(1) achieve a broad awareness and use of low-cost home care and other residential alternatives to nursing homes;

(2) develop a statewide system of information and assistance to enable easy access to long-term care services;

(3) develop sufficient alternatives to nursing homes to serve the increased number of people needing long-term care;

(4) maintain the moratorium on new construction of nursing home beds and to lower the percentage of elderly served in institutional settings; and

(5) build a community-based approach and community commit-

ment to delivering long-term care services for elderly persons in their homes.

(b) The objective for the fiscal years 1992 and 1993 biennial plan is to implement at least four but not more than six projects in anticipation of a statewide program. These projects will begin the process of implementing: (1) a coordinated planning and administrative process; (2) a refocused function of the preadmission screening program; (3) the development of additional home, community, and residential alternatives to nursing homes; (4) a program to support the informal caregivers for elderly persons; (5) programs to strengthen the use of volunteers; and (6) programs to support the building of community commitment to provide long-term care for elderly persons. This is done in conjunction with an expanded role of the interagency long-term care planning committee as described in section 144A.31. The services offered through these projects will be available to those who have their own funds to pay for services, as well as to persons who are eligible for medical assistance and to persons who are 180-day eligible clients to the extent authorized in this section.

Subd. 2. [DESIGN OF SAIL PROJECTS; LOCAL LONG-TERM CARE COORDINATING TEAM.] (a) The commissioner of human services shall establish SAIL projects in four to six counties or groups of counties to demonstrate the feasibility and cost-effectiveness of a local long-term care strategy that is consistent with the state's long-term care goals identified in subdivision 1. The commissioner shall publish a notice in the State Register announcing the availability of project funding and giving instructions for making an application. The instructions for the application shall identify the amount of funding available for project components.

(b) To be selected for the project, the county social service agencies, public health nursing service agencies, local boards of health, and the area agencies on aging in a geographic area must establish a local long-term care coordinating team which is responsible for:

(1) developing a local long-term care strategy consistent with state goals and objectives;

(2) submitting an application to be selected as a project;

(3) coordinating planning for funds to provide services to elderly persons, including funds received under Title III of the Social Security Act, Community Social Services Act, Title XX of the Social Security Act and the Local Public Health Act;

(4) ensuring efficient services provision and nonduplication of funding; and

(5) designating a local lead agency and cooperating agencies to implement the local strategy. For purposes of this section, the local lead agency shall be a county agency, a public health nursing service under the local board of health, or an area agency on aging. The lead agency receives and manages the project funds from the state and is responsible for the implementation of the local strategy. If selected as a project, the local long-term care coordinating team must evaluate the success of the local long-term care strategy in meeting state measures of performance and results as established in the contract.

(c) The local long-term care coordinating team may include in its membership other units of government which provide funding for services to the frail elderly. The team must cooperate with consumers and other public and private agencies, including nursing homes, in the geographic area in order to develop and offer a variety of cost-effective services to the elderly and their caregivers.

(d) The local long-term care coordinating team shall apply to be selected as a project. Once the team is selected as a project, the commissioner of human services shall contract with the lead agency for the project and shall provide additional administrative funds for implementing the provisions of the contract, within the appropriation available for this purpose.

(e) Projects shall be selected according to the following conditions:

(1) No project may be selected unless it demonstrates that:

(i) the objectives of the local project will help to achieve the state's long-term care goals as defined in subdivision 1;

(ii) in the case of a project submitted jointly by several counties, all of the participating counties are contiguous;

(iii) there is a designated local lead agency that is empowered to make contracts with the state and local vendors on behalf of all participants;

(iv) the project proposal demonstrates that the local cooperating agencies have the ability to perform the project as described and that the implementation of the project has a reasonable chance of achieving its objectives;

(v) the project will serve an area that covers at least four counties or contains at least 2,500 persons who are 85 years of age or older, according to the projections of the state demographer or the census if the data is more recent; and

(vi) the local coordinating team documents efforts of cooperation

with consumers and other agencies and organizations, both public and private, in planning for service delivery.

(2) If only two projects are selected, at least one of them must be from a metropolitan statistical area as determined by the United States Census Bureau; if three or four projects are selected, at least one but not more than two projects must be from a metropolitan statistical area; and if more than four projects are selected, at least two but not more than three projects must be from a metropolitan statistical area.

(3) Counties or groups of counties that submit a proposal for a project shall be assigned to types defined by institutional utilization rate and population growth rate in the following manner:

(i) Each county or group of counties shall be measured by the utilization rate of nursing homes and boarding care homes and by the projected growth rate of its population aged 85 and over between 1990 and 2000. For the purposes of this section, "utilization rate" means the proportion of the seniors aged 65 or older in the county or group of counties who reside in a licensed nursing home or boarding care home as determined by the most recent census of residents available from the department of health and the population estimates of the state demographer or the census, whichever is more recent. The "projected growth rate" is the rate of change in the county or group of counties of the population group aged 85 or older between 1990 and 2000 according to the projections of the state demographer.

(ii) The institutional utilization rate of a county or group of counties shall be converted to a category by assigning a "high utilization" category if the rate is above the median rate of all counties, and a "low utilization" category otherwise. The projected growth rate of a county or group of counties shall be converted to a category by assigning a score of "high growth" category if the rate is above the median rate of all counties, and a "low growth" category otherwise.

(iii) Types of areas shall be defined by the four combinations of the scores defined in item (ii): type 1 is low utilization - high growth, type 2 is high utilization - high growth, type 3 is high utilization - low growth, and type 4 is low utilization - low growth. Each county or group of counties making a proposal shall be assigned to one of these types.

(4) Projects shall be selected from each of the types in the order that the types are listed in paragraph 3, item (iii), with available funding allocated to projects until it is exhausted, with no more than 30 percent of available funding allocated to any one project. Available funding includes state administrative funds which have been appropriated for screening functions in subdivision 4, paragraph (b),

clause (3) and for service developers and incentive grants in subdivision 5, paragraphs (b) and (c).

(5) If more than one county or group of counties within one of the types defined by paragraph (3) proposes a special project that meets all of the other conditions in paragraphs (1) and (2), the project that demonstrates the most cost-effective proposals in terms of the number of nursing home placements that can be expected to be diverted or converted to alternative care services per unit of cost shall be selected.

Subd. 3. [LOCAL LONG-TERM CARE STRATEGY.] The local long-term care strategy must list performance outcomes and indicators which meet the state's objectives. The local strategy must provide for:

(1) accessible information, assessment, and preadmission screening activities as described in subdivision 4;

(2) an application for expansion of alternative care targeted funds under section 256B.0913, for serving 180-day eligible clients, including those who are relocated from nursing homes; and

(3) the development of additional services such as adult family foster care homes; family adult day care; assisted living projects and congregate housing service projects in apartment buildings; expanded home care services for evenings and weekends; expanded volunteer services; and caregiver support and respite care projects.

The county or groups of counties selected for the projects shall be required to comply with federal regulations, alternative care funding policies in section 256B.0913, and the federal waiver programs' policies in section 256B.0915. The requirements for preadmission screening as defined in section 256B.0911, subdivisions 1 to 6, are waived for those counties selected as part of a long-term care strategy project. For persons who are eligible for medical assistance or who are 180-day eligible clients and who are screened after nursing facility admission, the nursing facility must include a screener in the discharge planning process for those individuals who the screener has determined have discharge potential. The agency responsible for the screening function in subdivision 4 must ensure a smooth transition and follow-up for the individual's return to the community. Requirements for an access, screening, and assessment function replace the preadmission screening requirements and are defined in subdivision 4. Requirements for the service development and service provision are defined in subdivision 5.

Subd. 4. [ACCESSIBLE INFORMATION, SCREENING, AND ASSESSMENT FUNCTION.] (a) The projects selected by and under contract with the commissioner shall establish an accessible information, screening, and assessment function for persons who need

assistance and information regarding long-term care. This accessible information, screening, and assessment activity shall include information and referral, early intervention, follow-up contacts, telephone triage as defined in paragraph (e), home visits, assessments, preadmission screening, and relocation case management for the frail elderly and their caregivers in the area served by the county or counties. The purpose is to assure that information and help is provided to elderly persons and their families in a timely fashion, when they are making decisions about long-term care. These functions may be split among various agencies, but must be coordinated by the local long-term care coordinating team.

(b) Accessible information, screening, and assessment functions shall be reimbursed as follows:

(1) The screenings of all persons entering nursing homes shall be reimbursed by the nursing homes in the counties of the project, through the same policy that is in place in fiscal year 1992 as established in section 256B.0911. The amount a nursing home pays to the county agency is that amount identified and approved in the February 15, 1991, estimated number of screenings and associated expenditures. This amount remains the same for fiscal year 1993;

(2) The level I screenings and the level II assessments required by Public Law Numbers 100-203 and 101-508 (OBRA) for persons with mental illness, mental retardation, or related conditions, are reimbursed through administrative funds with 75 percent federal funds and 25 percent state funds, as allowed by federal regulations and established in the contract; and

(3) Additional state administrative funds shall be available for the access, screening, and assessment activities that are not reimbursed under clauses (1) and (2). This amount shall not exceed the amount authorized in the guidelines and in instructions for the application and must be within the amount appropriated for this activity.

(c) The amounts available under paragraph (b) are available to the county or counties involved in the project to cover staff salaries and expenses to provide the services in this subdivision. The lead agency shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide the services listed in this subdivision.

(d) Any information and referral functions funded by other sources, such as Title III and Title XX of the Social Security Act and the Community Social Services Act, shall be considered by the local long-term care coordinating team in establishing this function to avoid duplication and to assure access to information for persons needing help and information regarding long-term care.

(e) The staffing for the screening and assessment function must include, but is not limited to, a county social worker and a county public health nurse. The social worker and public health nurse are responsible for all assessments that are required to be completed by a professional. However, only one of these professionals is required to be present for the assessment.

(f) All persons entering a Medicaid certified nursing home or boarding care home must be screened through an assessment process, although the decision to conduct a face-to-face interview is left with the county social worker and the county public health nurse. All applicants to nursing homes must be screened and approved for admission by the county social worker or the county public health nurse named by the lead agency or the agencies which are under contract with the lead agency to manage the access, screening, and assessment functions. For applicants who have a diagnosis of mental illness, mental retardation, or a related condition, and are subject to the provisions of Public Law Numbers 100-203 and 101-508, their admission must be approved by the local mental health authority or the local developmental disabilities case manager. The commissioner shall develop instructions and assessment forms for telephone triage and on-site screenings to assure that federal regulations and waiver provisions are met. For purposes of this section, the term "telephone triage" refers to a telephone or face-to-face consultation between health care and social service professionals during which the clients' circumstances are reviewed and the county agency professional sorts the individual into categories: (1) needs no screening, (2) needs an immediate screening, or (3) needs a screening after admission to a nursing home or after a return home. The county agency professional shall authorize admission to a nursing home according to the provisions in section 256B.0911, subdivision 7.

(g) The requirements for case mix assessments by a preadmission screening team may be waived and the nursing home shall complete the case mix assessments which are not conducted by the county public health nurse according to the procedures established under Minnesota Rules, part 9549.0059. The appropriate county or the lead agency is responsible for distributing the quality assurance and review form for all new applicants to nursing homes.

(h) The lead agency or the agencies under contract with the lead agency which are responsible for the accessible information, screening, and assessment function must complete the forms and reports required by the commissioner as specified in the contract.

Subd. 5. [SERVICE DEVELOPMENT AND SERVICE DELIVERY.] (a) In addition to the access, screening, and assessment activity, each local strategy may include provisions for the following:

(1) expansion of alternative care to serve an increased caseload, over the fiscal year 1991 average caseload, of at least 100 persons each year who are assessed prior to nursing home admission and persons who are relocated from nursing homes, which results in a reduction of the medical assistance nursing home caseload;

(2) the addition of a full-time staff person who is responsible to develop the following services and recruit providers as established in the contract:

(i) additional adult family foster care homes;

(ii) family adult day care providers as defined in section 256B.0919, subdivision 2;

(iii) an assisted living program in an apartment;

(iv) a congregate housing service project in a subsidized housing project; and

(v) the expansion of evening and weekend coverage of home care services as deemed necessary by the local strategic plan;

(3) small incentive grants to new adult family care providers for renovations needed to meet licensure requirements;

(4) a plan to apply for a congregate housing service project as identified in section 256.9751, authorized by the Minnesota board on aging, to the extent that funds are available;

(5) a plan to divert new applicants to nursing homes and to relocate a targeted population from nursing homes, using the individual's own resources or the funding available for services;

(6) one or more caregiver support and respite care projects, as described in subdivision 6; and

(7) one or more living-at-home/block nurse projects, as described in subdivisions 7 to 10.

(b) The expansion of alternative care clients under paragraph (a) shall be accomplished with the funds provided under section 256B.0913, and includes the allocation of targeted funds. The funding for all participating counties must be coordinated by the local long-term care coordinating team and must be part of the local long-term care strategy. Each county retains responsibility for reimbursement as defined in section 256B.0913, subdivision 12. All other requirements for the alternative care program must be met unless an exception is provided in this section. The commissioner may establish by contract a reimbursement mechanism for alterna-

tive care that does not require invoice processing through the medical assistance management information system (MMIS). The commissioner and local agencies must assure that the same client and reimbursement data is obtained as is available under MMIS.

(c) The administration of these components is the responsibility of the agencies selected by the local coordinating team and under contract with the local lead agency. However, administrative funds for paragraph (a), clauses (2) to (5), and grant funds for paragraph (a), clauses (6) and (7), shall be granted to the local lead agency. The funding available for each component is based on the plan submitted and the amount negotiated in the contract.

Subd. 6. [STATEWIDE CAREGIVER SUPPORT AND RESPIRE CARE RESOURCE CENTER; CAREGIVER SUPPORT AND RESPIRE CARE PROJECTS.] (a) The commissioner shall establish and maintain a statewide resource center for caregiver support and respite care. The resource center shall:

(1) provide information, technical assistance, and training statewide to county agencies and organizations on direct service models of caregiver support and respite care services;

(2) identify and address issues, concerns, and gaps in the statewide network for caregiver support and respite care;

(3) maintain a statewide caregiver support and respite care directory;

(4) educate caregivers on the availability and use of caregiver and respite care services;

(5) promote and expand caregiver training and support groups using existing networks when possible; and

(6) apply for and manage grants related to caregiver support and respite care.

(b) The commissioner shall establish up to 36 projects to expand the respite care network in the state and to support caregivers in their responsibilities for care. The purpose of each project shall be to:

(1) establish a local coordinated network of volunteer and paid respite workers;

(2) coordinate assignment of respite workers to clients and care receivers and assure the health and safety of the client; and

(3) provide training for caregivers and ensure that support groups are available in the community.

(c) The caregiver support and respite care funds shall be available to the four to six local long-term care strategy projects designated in subdivisions 1 to 5.

(d) The commissioner shall publish a notice in the State Register to solicit proposals from public or private nonprofit agencies for the projects not included in the four to six local long-term care strategy projects defined in subdivision 2. A county agency may, alone or in combination with other county agencies, apply for caregiver support and respite care project funds. A public or nonprofit agency may apply for project funds if the agency has a letter of agreement with the county or counties in which services will be developed, stating the intention of the county or counties to coordinate their activities with the agency requesting a grant.

(e) The commissioner shall select grantees based on the following criteria:

(1) the ability of the proposal to demonstrate need in the area served, as evidenced by a community needs assessment or other demographic data;

(2) the ability of the proposal to clearly describe how the project will achieve the purpose defined in paragraph (b);

(3) the ability of the proposal to reach underserved populations;

(4) the ability of the proposal to demonstrate community commitment to the project, as evidenced by letters of support and cooperation as well as formation of a community task force;

(5) the ability of the proposal to clearly describe the process for recruiting, training, and retraining volunteers; and

(6) the inclusion in the proposal of the plan to promote the project in the community, including outreach to persons needing the services.

(f) Funds for all projects under this subdivision may be used to:

(1) hire a coordinator to develop a coordinated network of volunteer and paid respite care services and assign workers to clients;

(2) recruit and train volunteer providers;

(3) train caregivers;

(4) ensure the development of support groups for caregivers;

(5) advertise the availability of the caregiver support and respite care project; and

(6) purchase equipment to maintain a system of assigning workers to clients.

(g) Project funds may not be used to supplant existing funding sources.

(h) An advisory committee shall be appointed to advise the caregiver support project on the development and implementation of the caregiver support and respite care services projects. The advisory committee shall review procedures and provide advice and technical assistance to the caregiver support project regarding the grant program established under this section. The advisory committee shall consist of not more than 12 people appointed by the commissioner and shall be comprised of representatives from public and private agencies, service providers and consumers from all areas of the state. Members of the advisory committee shall not be compensated for service.

Subd. 7. [CONTRACT.] The commissioner of human services shall execute a contract with an organization experienced in establishing and operating community-based programs that have used the principles listed in subdivision 8, paragraph (b), in order to meet the independent living and health needs of senior citizens aged 65 and over and provide community-based long-term care for senior citizens in their homes. The organization awarded the contract shall:

(1) assist the commissioner in developing criteria for and in awarding grants to establish community-based organizations that will implement living-at-home/block nurse programs throughout the state;

(2) assist the commissioner in awarding grants to enable current living-at-home/block nurse programs to implement the combined living-at-home/block nurse program model;

(3) serve as a state technical assistance center to assist and coordinate the living-at-home/block nurse programs established; and

(4) develop the implementation plan required by subdivision 10.

Subd. 8. [LIVING-AT-HOME/BLOCK NURSE PROGRAM GRANT.] (a) The commissioner, in cooperation with the organization awarded the contract under subdivision 7, shall develop and administer a grant program to establish seven to ten community-based organizations that will implement living-at-home/block nurse programs that are designed to enable senior citizens to live as

independently as possible in their homes and in their communities. Up to seven of the programs must be in counties outside the seven-county metropolitan area. The living-at-home/block nurse program funds shall be available to the four to six SAIL projects established under this section. Nonprofit organizations and units of local government are eligible to apply for grants to establish the community organizations that will implement living-at-home/block nurse programs. In awarding grants, the commissioner shall give preference to nonprofit organizations and units of local government from communities that:

(1) have high nursing home occupancy rates;

(2) have a shortage of health care professionals; and

(3) meet other criteria established by the commissioner, in consultation with the organization under contract.

(b) Grant applicants must also meet the following criteria:

(1) the local community demonstrates a readiness to establish a community model of care, including the formation of a board of directors, advisory committee, or similar group, of which at least two-thirds is comprised of community citizens interested in community-based care for older persons;

(2) the program has sponsorship by a credible, representative organization within the community;

(3) the program has defined specific geographic boundaries and defined its organization, staffing and coordination/delivery of services;

(4) the program demonstrates a team approach to coordination and care, ensuring that the older adult participants, their families, the formal and informal providers are all part of the effort to plan and provide services; and

(5) the program provides assurances that all community resources and funding will be coordinated and that other funding sources will be maximized, including a person's own resources.

(c) Grant applicants must provide a minimum of five percent of total estimated development costs from local community funding. Grants shall be awarded for two-year periods, and the base amount shall not exceed \$40,000 per applicant for the grant period. The commissioner, in consultation with the organization under contract, may increase the grant amount for applicants from communities that have socioeconomic characteristics that indicate a higher level of need for development assistance.

(d) Each living-at-home/block nurse program shall be designed by representatives of the communities being served to ensure that the program addresses the specific needs of the community residents. The programs must be designed to:

(1) incorporate the basic community, organizational, and service delivery principles of the living-at-home/block nurse program model;

(2) provide senior citizens with registered nurse directed assessment, provision and coordination of health and personal care services on a sliding fee basis as an alternative to expensive nursing home care;

(3) provide information, support services, homemaking services, counseling, and training for the client and family caregivers;

(4) encourage the development and use of respite care, caregiver support, and in-home support programs, such as adult foster care and in-home adult day care;

(5) encourage neighborhood residents and local organizations to collaborate in meeting the needs of senior citizens in their communities;

(6) recruit, train, and direct the use of volunteers to provide informal services and other appropriate support to senior citizens and their caregivers; and

(7) provide coordination and management of formal and informal services to senior citizens and their families using less expensive alternatives.

Subd. 9. [STATE TECHNICAL ASSISTANCE CENTER.] The organization under contract shall be the state technical assistance center to provide orientation and technical assistance, and to coordinate the living-at-home/block nurse programs established. The state resource center shall:

(1) provide communities with criteria in planning and designing their living-at-home/block nurse programs;

(2) provide general orientation and technical assistance to communities who desire to establish living-at-home/block nurse programs;

(3) provide ongoing analysis and data collection of existing and newly established living-at-home/block nurse programs and provide data to the organization performing the independent assessment; and

(4) serve as the living-at-home/block nurse programs' liaison to the legislature and other state agencies.

Subd. 10. [IMPLEMENTATION PLAN.] The organization under contract shall develop a plan that specifies a strategy for implementing living-at-home/block nurse programs statewide. The plan must also analyze the data collected by the state technical assistance center and describe the effectiveness of services provided by living-at-home/block nurse programs, including the program's impact on acute care costs. The organization shall report to the commissioner of human services and to the legislature by January 1, 1993.

Subd. 11. [EVALUATION AND EXPANSION.] The commissioner shall evaluate the success of the projects against the objective stated in subdivision 1, paragraph (b), and recommend to the legislature the continuation or expansion of the long-term care strategy by February 15, 1993.

Subd. 12. [PUBLIC AWARENESS CAMPAIGN.] The commissioner, with assistance from the commissioner of health and with the advice of the long-term care planning committee, shall contract for a public awareness campaign to educate the general public, seniors, consumers, caregivers, and professionals about the aging process, the long-term care system, and alternatives available including alternative care and residential alternatives. Particular emphasis will be given to informing consumers on how to access the alternatives and obtain information on the long-term care system. The commissioner shall pursue the development of new names for preadmission screening, alternative care, and foster care.

Sec. 18. [256B.0919] [ADULT FOSTER CARE AND FAMILY ADULT DAY CARE.]

Subdivision 1. [ADULT FOSTER CARE LICENSURE CAPACITY.] Notwithstanding contrary provisions of the human services licensing act and rules adopted under it, an adult foster care license holder may care for five adults age 60 years or older who do not have serious and persistent mental illness or a developmental disability. The license holder under this section shall not be a corporate business which operates more than two facilities.

Subd. 2. [ADULT FOSTER CARE; FAMILY ADULT DAY CARE.] An adult foster care license holder may also provide family adult day care for adults age 60 years or older who do not have serious and persistent mental illness or a developmental disability. The maximum combined license capacity for adult foster care and family adult day care is five adults. A separate license is not required to provide family adult day care under this subdivision. Foster care homes providing services to five adults shall not be subject to licensure by the commissioner of health under the provisions of

chapter 144, 144A, 157, or any other law requiring facility licensure by the commissioner of health.

Subd. 3. [COUNTY CERTIFICATION OF PERSONS PROVIDING ADULT FOSTER CARE TO RELATED PERSONS.] A person exempt from licensure under section 245A.03, subdivision 2, who provides adult foster care to a related individual age 65 and older, and who meets the requirements in Minnesota Rules, parts 9555.5105 to 9555.6265, may be certified by the county to provide adult foster care. A person certified by the county to provide adult foster care may be reimbursed for services provided and eligible for funding under sections 256B.0913 and 256B.0915, if the relative would suffer a financial hardship as a result of providing care. For purposes of this subdivision, financial hardship refers to a situation in which a relative incurs a substantial reduction in income because he or she resigns from a full-time job or takes a leave of absence without pay from a full-time job to care for the client.

Sec. 19. Minnesota Statutes 1990, section 256B.093, is amended to read:

256B.093 [SERVICES FOR PERSONS WITH TRAUMATIC BRAIN INJURIES.]

Subdivision 1. [STATE COORDINATOR.] The commissioner of human services shall designate a full-time position within the long-term care management division of the department of human services to supervise and coordinate services for persons with traumatic brain injuries.

An advisory committee shall be established to provide recommendations to the department regarding program and service needs of persons with traumatic brain injuries.

Subd. 2. [ELIGIBILITY.] The commissioner may contract with qualified agencies or persons employ staff to provide statewide case management services to medical assistance recipients who are at risk of institutionalization and meet one of the following criteria:

- (a) The person has a who have traumatic brain injury.
- (b) The person is receiving home care services or is in an institution and has a discharge plan requiring the provision of home care services and meets one of the following criteria:
 - (1) the person suffers from a brain abnormality or degenerative brain disease resulting in significant destruction of brain tissue and loss of brain function that requires extensive services over an extended period of time;

(2) ~~the person is unable to direct the person's own care;~~

(3) ~~the person has medical home care costs that exceed thresholds established by the commissioner under Minnesota Rules, parts 9505.0170 to 9505.0475;~~

(4) ~~the person is eligible for medical assistance under the option for certain disabled children in section 134 of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA);~~

(5) ~~the person receives home care from two or more providers who are unable to effectively coordinate the services; or~~

(6) ~~the person has received or will receive home care services for longer than six months.~~

Subd. 3. [CASE MANAGEMENT DUTIES.] The department shall fund the case management ~~contracts under this subdivision using medical assistance administrative funds. The contractor must~~ Case management duties include:

(1) ~~assess~~ assessing the person's individual needs for services required to prevent institutionalization;

(2) ~~assure~~ assuring that a care plan that ~~meets~~ addresses the person's needs is developed, implemented, and monitored on an ongoing basis by the appropriate agency or individual;

(3) ~~assist~~ assisting the person in obtaining services necessary to allow the person to remain in the community;

(4) ~~coordinate~~ coordinating home care services with other medical assistance services under section 256B.0625;

(5) ~~assure cost effectiveness of~~ assuring appropriate, accessible, and cost-effective medical assistance services;

(6) ~~make recommendations~~ recommending to the commissioner ~~on~~ the approval or denial of the use of medical assistance funds to pay for home care services when home care services exceed thresholds established by the commissioner under Minnesota Rules, parts 9505.0170 to 9505.0475;

(7) ~~assist~~ assisting the person with problems related to the provision of home care services;

(8) ~~assure~~ assuring the quality of home care services; ~~and~~

(9) ~~reassess~~ reassessing the person's need for and level of home care services at a frequency determined by the commissioner; and

(10) recommending to the commissioner the approval or denial of medical assistance funds for out-of-state placements for traumatic brain injury services.

Subd. 4. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Traumatic brain injury" means a sudden insult or damage to the brain or its coverings, not of a degenerative or congenital nature. The insult or damage may produce an altered state of consciousness ~~or and may result in~~ a decrease in ~~mental~~, cognitive, behavioral, emotional, or physical functioning resulting in partial or total disability.

(b) "Home care services" means medical assistance home care services defined under section 256B.0625, subdivisions 6 6a, 7, and 19a.

Sec. 20. Minnesota Statutes 1990, section 256B.64, is amended to read:

256B.64 [ATTENDANTS TO VENTILATOR-DEPENDENT RECIPIENTS.]

A ventilator-dependent recipient of medical assistance who has been receiving the services of a private duty nurse or personal care assistant in the recipient's home may continue to have a private duty nurse or personal care assistant present upon admission to a hospital licensed under chapter 144. The personal care assistant or private duty nurse shall perform only the services of communicator or interpreter for the ventilator-dependent patient during a transition period of up to 120 hours to assure adequate training of the hospital staff to communicate with the patient and to understand the unique comfort, safety, and personal care needs of the patient. The personal care assistant or private duty nurse may offer nonbinding advice to the health care professionals in charge of the ventilator-dependent patient's care and treatment on matters pertaining to the comfort and safety of the patient. ~~After the 120 hour transition period, an assessment may be made by the ventilator-dependent patient, the attending physician, and the patient's primary care nurse to determine whether continued services of communicator or interpreter for the patient by the private duty nurse or personal care assistant are necessary and appropriate for the patient's needs. If continued service is necessary and appropriate, the physician must certify this need to the commissioner of human services in order for payments to continue. Within 36 hours of the end of the 120-hour transition period, an assessment may be made by the ventilator-dependent recipient, the attending physician, and the hospital staff caring for the recipient. If the persons making the assessment determine that additional communicator or interpreter services are medically necessary, the hospital must contact the commissioner 24~~

hours prior to the end of the 120-hour transition period and submit the assessment information to the commissioner. The commissioner shall review the request and determine if it is medically necessary to continue the interpreter services or if the hospital staff has had sufficient opportunity to adequately determine the needs of the patient. The commissioner shall determine if continued service is necessary and appropriate and whether or not payments shall continue. The commissioner may not authorize services beyond the limits of the available appropriations for this section. The commissioner may adopt rules necessary to implement this section. Reimbursement under this section must be at the payment rate and in a manner consistent with the payment rate and manner used in reimbursing these providers for home care services for the ventilator-dependent recipient under the medical assistance program.

Sec. 21. Minnesota Statutes 1990, section 256D.44, is amended by adding a subdivision to read:

Subd. 7. [RATE LIMITATION; WAIVERED SERVICES ELIGIBILITY.] If a current negotiated rate for a foster care placement is for an individual who is eligible for the home and community-based services waiver for the elderly, the negotiated rate must include only the room and board portion of the rate. The room and board portion of the negotiated rate is an amount equal to the difference between the medical assistance income limit for a single disabled or aged adult minus the amount of the medical assistance personal needs allowance for persons residing in a nursing facility.

Sec. 22. Minnesota Statutes 1990, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Gross tax capacity" means the product of the gross class rates and estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of (i) the appropriate net class rates for the year in which the aid is payable, except that for aids payable in 1991 the class rate applied to class 3 utility real and personal property shall be 5.38 percent; the class rate applied to class 4c property and that portion of class 3 property with an actual net class rate of 2.3 percent shall be 2.4 percent; the class rates applied to class 2a agricultural homestead property excluding the house, garage, and one acre shall be .4 percent for the first \$100,000 of value reduced by the value of the house, garage, and one acre, 1.3 percent for the remaining value of the first 320 acres, and 1.7 percent for the remaining value of any acreage in excess of 320 acres; the class rate applied to class 2b property shall be 1.7 percent; the class rate applied to class 1b property shall be .4 percent; and the class rate for the portion of class 1 property and the house, garage, and one acre portion of class 2a property with a market value in excess of \$100,000 shall be 3.0 percent, and (ii) estimated market values for the assessment two years prior to that in which aid is payable. The reclassification of mobile home parks as class 4c shall not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1991 or 1992. The reclassification of fraternity and sorority houses as class 4c shall not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1991. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(e) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in

which the unique taxing jurisdiction is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(f) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(g) "1989 local tax rate" means the quotient derived by dividing the gross taxes levied within a unique taxing jurisdiction for taxes payable in 1989 by the gross tax capacity of the unique taxing jurisdiction for taxes payable in 1989. For computation of the local tax rate for aid payable in 1991 and subsequent years, gross taxes for taxes payable in 1989 exclude equalized levies as defined in subdivision 2a. For purposes of computation of the local tax rate only, gross taxes shall not be adjusted by inflation or household growth.

(h) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which aids are being calculated by the net tax capacity of the unique taxing jurisdiction.

(i) For purposes of calculating the homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's 1989 local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.

(j) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. Gross taxes levied on all properties or gross taxes are before reduction by any credits for taxes payable in 1989. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

For homestead and agricultural credit aid payable in 1991, "gross taxes" or "gross taxes levied on all properties" shall mean gross taxes payable in 1989, excluding actual amounts levied for the purposes listed in subdivision 2a, multiplied by the cost-of-living adjustment factor and the household adjustment factor.

"Taxes levied" excludes actual amounts levied for purposes listed in subdivision 2a.

(k) "Human services aids" means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants under ~~section 256B.091~~;

(9) work readiness services under section 256D.051;

(10) case management services under section 256.736, subdivision 13;

(11) general assistance claims processing, medical transportation and related costs; and

(12) medical assistance, medical transportation and related costs.

(l) "Cost-of-living adjustment factor" means the greater of one or one plus the percentage increase in the consumer price index minus .36 percent. In no case may the cost of living adjustment factor exceed 1.0394.

(m) The percentage increase in the consumer price index means the percentage, if any, by which:

(1) the consumer price index for the calendar year preceding that in which aid is payable, exceeds

(2) the consumer price index for calendar year 1989.

(n) "Consumer price index for any calendar year" means the average of the consumer price index as of the close of the 12-month period ending on May 31 of such calendar year.

(o) "Consumer price index" means the last consumer price index for all-urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1989 shall be used.

(p) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(q) "Growth adjustment factor" means the household adjustment factor in the case of counties, cities, and towns. In the case of school districts the growth adjustment factor means the average daily membership of the school district under section 124.17, subdivision 2, for the school year ending in the second most recent year preceding that in which the aids are payable divided by the average daily membership for the third most recent year. In the case of special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(r) "Homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 plus, for aid payable in 1992, fiscal disparity homestead and agricultural credit aid under subdivision 2b.

(s) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2) the unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(t) "Fiscal disparity adjustment" means the difference between (1) a taxing jurisdiction's fiscal disparity distribution levy under section 473F.08, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, and (2) the same distribution levy multiplied by the ratio of the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity

distribution levy shall exclude that part of the levy attributable to equalized school levies as defined in subdivision 2a.

Sec. 23. Laws 1988, chapter 689, article 2, section 256, subdivision 1, is amended to read:

Subdivision 1. [SELECTION OF PROJECTS.] The commissioner of human services shall establish pilot projects to demonstrate the feasibility and cost-effectiveness of alternatives to nursing home care that involve providing coordinated alternative care grant services for all eligible residents in an identified apartment building or complex or other congregate residential setting. The commissioner shall solicit proposals from counties and shall select up to four counties to participate, including at least one metropolitan county and one county in greater Minnesota. The commissioner shall select counties for participation based on the extent to which a proposed project is likely to:

- (1) meet the needs of low-income, frail elderly;
- (2) enable clients to live as independently as possible;
- (3) result in cost-savings by reducing the per person cost of alternative care grant services through the efficiencies of coordinated services; and
- (4) facilitate the discharge of elderly persons from nursing homes to less restrictive settings or delay their entry into nursing homes.

Participating counties shall use existing alternative care grant allocations to pay for pilot project services. The counties must contract with a medical assistance-certified home care agency to coordinate and deliver services and must demonstrate to the commissioner that quality assurance and auditing systems have been established. Notwithstanding Minnesota Statutes, section 256B.091, and rules of the commissioner of human services relating to the alternative care grants program, the commissioner may authorize pilot projects to use a monthly pre-capitated rates rate up to 60 percent of the monthly average nursing facility payment rate as defined in Minnesota Statutes, section 256B.0913; to provide expanded services such as chore services, activities, and meal planning, preparation, and serving; and to waive freedom of choice of vendor to the extent necessary to allow one vendor to provide services to all eligible persons in a residence or building. The commissioner may apply for a waiver of federal requirements as necessary to implement the pilot projects.

Sec. 24. [REVISOR INSTRUCTIONS.]

Subdivision 1. In the next edition of Minnesota Statutes, the

revisor shall delete the terms "board for quality assurance" and insert "long-term care planning committee" where found in Minnesota Statutes, sections 144A.071, subdivision 3; 144A.073, subdivision 3; 246.023; and 256B.431, subdivision 2d.

Subd. 2. In the next edition of Minnesota Statutes, the revisor shall delete the term "board" or "board's" and insert the term "committee" or "committee's" as appropriate and where found in Minnesota Statutes, section 144A.073, subdivisions 2 and 3.

Subd. 3. In the next edition of Minnesota Statutes, the revisor of statutes shall change the words "interagency board for quality assurance" to "interagency long-term care planning committee" or "interagency board" to "interagency committee" or "board" to "committee," as appropriate, wherever they appear in Minnesota Statutes. The revisor of statutes is also directed to change the citation "256B.091" wherever it appears in Minnesota Statutes to "256B.0911."

Sec. 25. [REPEALER.]

Minnesota Statutes 1990, sections 144A.31, subdivisions 2 and 3; 256B.0625, subdivisions 6 and 19; 256B.0627, subdivision 3; 256B.091; 256B.431, subdivision 6; 256B.69, subdivision 8; and 256B.71, subdivision 5, are repealed.

ARTICLE 8 CRIMINAL JUSTICE

Section 1. Minnesota Statutes 1990, section 171.29, subdivision 2, is amended to read:

Subd. 2. (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the person's drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$200 fee before the person's drivers license is reinstated to be credited as follows:

(1) 25 percent shall be credited to the trunk highway fund;

(2) 50 percent shall be credited to a separate account to be known as the county probation reimbursement account. Money in this account may be appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, of providing probation and parole services to wards of the commissioner of corrections. This money is provided in addition to any

money which the counties currently receive under section 260.311, subdivision 5 the general fund;

(3) ten percent shall be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public safety and shall be divided as follows: eight percent for laboratory costs; two percent for carrying out the provisions of section 299C.065;

(4) 15 percent shall be credited to a separate account to be known as the alcohol-impaired driver education account. Money in the account may be appropriated to the commissioner of education for grants to develop alcohol-impaired driver education programs in elementary, secondary, and post-secondary schools. The state board of education shall establish guidelines for the distribution of the grants. Each year the commissioner may use \$100,000 to administer the grant program and other traffic safety education programs.

Sec. 2. Minnesota Statutes 1990, section 241.022, is amended to read:

241.022 [GRANTS-IN-AID TO COUNTIES FOR ADULT DETENTION FACILITIES AND PROGRAMS.]

Subdivision 1. **[AUTHORIZATION TO MAKE FACILITY GRANTS.]** (a) The commissioner of corrections may, out of money appropriated for the purposes of this section, make grants to counties or groups of counties for the purpose of assisting those counties to construct or rehabilitate local adult detention facilities and to assist counties or groups of counties in the construction or rehabilitation of regional jails and lockups, work houses, or work farms, and detention and treatment facilities for adult offenders, youthful offenders, and delinquent children, and to aid such.

Subd. 2. **[AUTHORIZATION TO MAKE PROGRAM GRANTS.]** The commissioner of corrections may, out of money appropriated for the purposes of this section, make grants to counties or groups of counties for the purpose of assisting those counties in developing and maintaining to develop and maintain adequate programs and personnel for the education, training, treatment and rehabilitation of persons admitted to such institutions; the commissioner of corrections is hereby authorized and empowered, out of any money appropriated for the purposes of this section, to make grants to such counties the facilities described in subdivision 1. Eligible programs also include, but are not limited to, alternatives to detention or incarceration programs containing home detention components.

Subd. 3. **[FEDERAL FUNDS.]** The commissioner may also receive grants of funds from the federal government or any other lawful source for the purpose of this section, and such purposes of subdivi-

sions 1 and 2. These funds are hereby appropriated annually to the commissioner.

Subd. ~~2.~~ 4. [MINIMUM STANDARDS FOR FACILITIES.] The commissioner shall establish minimum standards for the construction, rehabilitation, size, area to be served, training and treatment programs, and staff qualifications, and projected annual operating costs of in adult facilities to be rehabilitated or constructed. Compliance with these standards ~~shall constitute~~ constitutes a minimum requirement for the granting of assistance as provided by this section.

Subd. ~~3.~~ 5. [APPLICATION FOR FACILITY GRANTS.] Any (a) A county or group of counties operating any of the adult facilities described in subdivision 1 or desiring to construct and operate or to rehabilitate existing facilities may apply for assistance under this section by submitting to the commissioner of corrections for approval its plans, specifications, budget, program for training and treatment, and staffing pattern, including personnel qualifications. The commissioner may recommend ~~such~~ changes or modifications as the commissioner ~~deems~~ considers necessary to effect substantial compliance with the standards provided in subdivision ~~2~~ 4. When the commissioner has determined that ~~any~~ a county or group of counties has substantially complied with the minimum standards, or is making satisfactory progress toward ~~such~~ compliance, the commissioner may pay to ~~such~~ the county or groups of counties an amount not to ~~exceed~~ more than 50 percent of the cost of construction or rehabilitation of the facilities described in this section, and,

(b) In the case of improvement of a program and continued operation of ~~any~~ a program in ~~a~~ an adult regional facility as described in subdivision ~~1~~ 2, the commissioner may pay to the governing board of ~~such~~ the facility a sum not to ~~exceed~~ more than \$1,800 per year for each adult bed and \$3,200 per year for each juvenile bed as approved in the submitted plans and specifications.

Subd. ~~4.~~ 6. [INSPECTION.] The commissioner shall inspect at least annually each adult facility covered by this section and review its projected annual operating costs to insure continued compliance with minimum standards, and may withhold funds for noncompliance.

Subd. ~~5.~~ 7. [LIMITATION OF GRANTS TO FUTURE PROJECTS.] Completion and acceptance of new construction or rehabilitation of existing facilities must occur after June 5, 1971 July 1, 1991, to enable a county or group of counties to receive any sums provided by this section.

This section shall apply only for those projects where a specific appropriation has been made.

Sec. 3. [241.0221] [JUVENILE DETENTION SERVICES SUBSIDY PROGRAM.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Commissioner" means the commissioner of corrections.

(b) "Local detention facility" means a county or multicounty facility that detains or confines preadjudicated or adjudicated delinquent and nondelinquent offenders, including offenders defined in section 260.015, subdivisions 21, 22, and 23.

(c) "Twenty-four-hour temporary holdover facility" means a physically restricting or a physically unrestricting facility used for up to 24 hours, excluding weekends and holidays, for the care of one or more children who are being detained under chapter 260.

(d) "Twenty-four-hour temporary holdover facility operational subsidy" means a subsidy of \$7 per hour for staff supervision services provided to a delinquent child held within a 24-hour temporary holdover facility.

(e) "Eight-day temporary holdover facility" means a physically restricting and unrestricting facility of not more than eight beds, two of which must be capable of being physically restricting. The maximum period that a child can be detained under chapter 260 in this facility is eight days, excluding weekends and holidays.

(f) "Eight-day temporary holdover facility operational subsidy" means a subsidy in an amount not to exceed 50 percent of the annual actual operating costs of the facility and not to exceed \$100,000, whichever is less.

(g) "Secure juvenile detention center" means a physically restricting facility licensed under Minnesota Rules, chapter 2930, and used for the temporary care of a delinquent child being detained under chapter 260.

(h) "Alternative detention programs" include, but are not limited to, home detention services, transportation services, including programs designed to return runaway children to their legal place of residence, custody detention services, training subsidy programs, and administrative services.

(i) "Secure juvenile detention center subsidy" means the \$1,200 per bed subsidy authorized under subdivisions 2 and 5, paragraph (b).

(j) "Transportation service" means transportation of a child being

detained under chapter 260, including payment of a subsidy of \$7 per hour for wages, mileage, meal expenses, and costs for interstate transportation of delinquent children.

(k) "Home detention service" means:

(1) supervision of children who are residing at their legal place of residence and who are being detained under chapter 260 and includes payment for wages, mileage, and expenses associated with supervision;

(2) a training subsidy used to pay for expenses incurred in training home detention staff; and

(3) electronic surveillance program costs incurred in electronic monitoring of children who are being detained at home or at their legal place of residence under chapter 260.

(l) "Custody detention service" means secure and nonsecure detention per diem costs for a child who is being detained under chapter 260.

(m) "Training subsidy" means a subsidy associated with training required staff to implement temporary holdover facility programs, transportation services, and home detention services.

(n) "Administrative services" means administering, coordinating, and implementing the 24-hour temporary holdover facilities, juvenile detention alternative programs involving transportation, home detention, and custody detention services.

(o) "Administrative start-up subsidy" means a subsidy associated with services rendered to get a 24-hour temporary holdover facility established and operating as required and not to exceed \$2,000 per facility.

Subd. 2. [AUTHORIZATION TO MAKE SUBSIDIES TO COUNTIES.] The commissioner may, out of money appropriated for the purposes of this section, subsidize counties or groups of counties to assist in:

(a) construction or rehabilitation of local detention facilities; and

(b) developing or maintaining adequate local detention facility operations or alternative detention programs.

Subd. 3. [FEDERAL FUNDS.] The commissioner may also receive funds from the federal government or any other lawful source for the purposes of subdivision 2.

Subd. 4. [MINIMUM STANDARDS.] (a) The commissioner shall establish, under chapter 14, minimum standards for the construction or rehabilitation of all local detention facilities and their operations by July 1, 1993. Interim standards developed by the commissioner may be used until that time.

(b) The commissioner shall establish requirements for alternative detention program subsidies and the maximum amount of funding each eligible participating county can receive. These subsidy requirements are not subject to chapter 14 procedures. Compliance with requirements established by the commissioner constitutes a minimum requirement for the granting of subsidy funding.

Subd. 5. [APPLICATION FOR SUBSIDY FUNDING.] (a) A county or group of counties operating or desiring to operate any of the facilities defined in subdivision 1 may apply for facility construction or rehabilitation subsidy funds. Applications must be submitted in a format provided by the commissioner. Subsidy funds granted are contingent on approval of plans and budget proposals submitted. The commissioner may recommend changes or modifications as the commissioner considers necessary to effect substantial compliance with the standards established in subdivision 4. When the commissioner has determined that a county or group of counties has substantially complied with the minimum standards, or is making satisfactory progress toward compliance, the commissioner may pay to the county or counties an amount not more than 50 percent of the costs of construction or rehabilitation of the facility or facilities for which a subsidy has been granted, with the following exceptions:

(1) a 24-hour nonsecure temporary holdover facility may receive a one-time payment of up to a maximum of \$3,000 per facility for construction or rehabilitation purposes and furnishings;

(2) a 24-hour secure temporary holdover facility may receive a one-time payment of up to a maximum of \$10,000 per facility for construction or rehabilitation purposes and furnishings; and

(3) an eight-day temporary holdover facility may receive a one-time payment of up to a maximum of \$10,000 per bed for no more than eight beds for construction or rehabilitation purposes and furnishings.

(b) A county or group of counties operating a secure juvenile detention center may apply for secure juvenile detention center subsidy funds. The commissioner may pay to the governing board of a local secure juvenile detention center a sum not more than \$1,200 per year for each secure juvenile bed as approved in the submitted plans and specifications. These subsidy funds must be expended for alternative juvenile detention programs felt to be appropriate by the local governing board. The \$1,200 per bed, per year subsidy shall be known as the secure juvenile detention center subsidy.

(c) A county or group of counties operating an eight-day temporary holdover facility may apply for an operational subsidy in an amount not to exceed 50 percent of the facility's approved operational budget. Reimbursement would occur based upon actual expenditures and compliance with standards and requirements established in subdivision 4 and could not exceed \$100,000 per year, per facility.

(d) The commissioner may also pay to a county or group of counties a subsidy for alternative detention programs. Subsidies may cover costs for:

- (1) home detention services;
- (2) transportation services;
- (3) custody detention services;
- (4) training; and
- (5) local administrative services.

(e) Counties operating a juvenile eight-day temporary holdover facility or a secure juvenile detention center are not eligible to receive a subsidy for alternative detention programs described in paragraph (d).

(f) The commissioner may pay to counties desiring to operate a secure or nonsecure 24-hour temporary holdover facility a one-time administrative start-up subsidy of \$2,000 for staff services rendered for development and coordination purposes.

Subd. 6. [APPLICATION REVIEW PROCESS FOR SUBSIDY FUNDS.] To qualify for a subsidy, a county or group of counties must enter into a memorandum of agreement with the commissioner agreeing to comply with the minimum standards and requirements established by the commissioner under subdivision 4. The memorandum of agreement is not subject to the contract approval procedures of the commissioner of administration or chapter 16B. The commissioner shall provide forms and instructions for submission of subsidy applications.

The commissioner shall require a county or group of counties to document in its application that it is requesting subsidy funds for the least restrictive alternative appropriate to the county or counties detention needs. The commissioner shall evaluate applications and grant subsidies for local detention facilities and alternative detention programs described in this section in a manner consistent with the minimum standards and requirements established by the

commissioner in subdivision 4 and within the limit appropriations made available by law.

Subd. 7. [INSPECTION.] The commissioner shall inspect each local detention facility covered by this section in accordance with requirements set forth in section 241.021 to ensure continued compliance with minimum standards and requirements established by the commissioner in subdivision 4 and may withhold funds for noncompliance.

Subd. 8. [LIMITATION OF SUBSIDIES.] Funds for the purposes of subdivision 5, paragraph (a), are available only for construction projects begun after July 1, 1991.

Sec. 4. Minnesota Statutes 1990, section 299A.21, subdivision 6, is amended to read:

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of public safety human services.

Sec. 5. Minnesota Statutes 1990, section 299A.23, subdivision 2, is amended to read:

Subd. 2. [ADVISORY COUNCIL.] An advisory council of 18 members is established under section 15.059. The commissioners of human services public safety, health, education, and corrections shall each appoint one member. The subcommittee on committees of the senate and the speaker of the house of representatives shall each appoint two members of their respective bodies, one from each caucus. The governor shall appoint an additional ten members who shall demonstrate knowledge in the area of child abuse and shall represent the demographic and geographic composition of the state, and to the extent possible, represent the following groups: local government, parents, racial and ethnic minority communities, the religious community, professional providers of child abuse prevention and treatment services, and volunteers in child abuse prevention and treatment services. The council shall advise and assist the commissioner in carrying out sections 299A.20 to 299A.26. The council does not expire as provided by section 15.059, subdivision 5.

Sec. 6. Minnesota Statutes 1990, section 299A.27, is amended to read:

299A.27 [ANNUAL APPROPRIATION.]

All earnings from trust fund assets, all sums received under section 299A.26, and 60 percent of the amount collected under section 144.226, subdivision 3 are appropriated annually from the children's trust fund for the prevention of child abuse to the commissioner of public safety human services to carry out sections 299A.20

to 299A.26. In fiscal year 1987 only, the first \$75,000 collected under section 144.226, subdivision 3 is appropriated from the children's trust fund for the prevention of child abuse to the commissioner of public safety human services to carry out sections 299A.20 to 299A.26.

Sec. 7. Minnesota Statutes 1990, section 401.10, is amended to read:

401.10 [CORRECTIONS EQUALIZATION FORMULA.]

To determine the amount to be paid participating counties the commissioner of corrections will apply the following formula:

(1) All 87 counties will be scored in accordance with a formula involving four factors:

(a) per capita income;

(b) per capita net tax capacity;

(c) per capita expenditure per 1,000 population for correctional purposes, and;

(d) percent of county population aged six through 30 years of age according to the most recent federal census, and, in the intervening years between the taking of the federal census, according to the state demographer.

"Per capita expenditure per 1,000 population" for each county is to be determined by multiplying the number of persons convicted of a felony under supervision in each county at the end of the current year by \$350. To the product thus obtained will be added:

(i) the number of presentence investigations completed in that county for the current year multiplied by \$50;

(ii) the annual cost to the county for county probation officers' salaries for the current year; and

(iii) 33-1/3 percent of such annual cost for probation officers' salaries.

The total figure obtained by adding the foregoing items is then divided by the total county population according to the most recent federal census, or, during the intervening years between federal censuses, according to the state demographer.

(2) The percent of county population aged six through 30 years shall be determined according to the most recent federal census, or,

during the intervening years between federal censuses, according to the state demographer.

(3) Each county is then scored as follows:

(a) Each county's per capita income is divided into the 87 county average;

(b) Each county's per capita net tax capacity is divided into the 87 county average;

(c) Each county's per capita expenditure for correctional purposes is divided by the 87 county average;

(d) Each county's percent of county population aged six through 30 is divided by the 87 county average.

(4) The scores given each county on each of the foregoing four factors are then totaled and divided by four.

(5) The quotient thus obtained then becomes the computation factor for the county. This computation factor is then multiplied by a "dollar value," as fixed by the appropriation pursuant to sections 401.01 to 401.16, times the total county population. The resulting product is the amount of subsidy to which the county is eligible under sections 401.01 to 401.16. Notwithstanding any law to the contrary, the commissioner of corrections, after notifying the committees on finance of the senate and appropriations of the house of representatives, may, at the end of any fiscal year, transfer any unobligated funds in any appropriation to the department of corrections to the appropriation under sections 401.01 to 401.16, which appropriation shall not cancel but is reappropriated for the purposes of sections 401.01 to 401.16.

Sec. 8. Minnesota Statutes 1990, section 401.13, is amended to read:

401.13 [CHARGES MADE TO COUNTIES.]

Each participating county will be charged a sum equal to the per diem cost of confinement of those juveniles committed to the commissioner after August 1, 1973, and confined in a state correctional facility. Provided, however, that the amount charged a participating county for the costs of confinement shall not exceed the amount of subsidy to which the county is eligible; and provided further that the counties of commitment shall also pay the per diem herein provided for all persons convicted of a felony for which the penalty provided by law does not exceed five years and confined in a state correctional facility prior to January 1, 1981. A county or group of counties participating in the community corrections act

may not be charged for any per diem cost of confinement for adults sentenced to the commissioner of corrections for crimes committed on or after January 1, 1981. The commissioner shall annually determine costs and deduct them from the subsidy due and payable to the respective participating counties, making necessary adjustments to reflect the actual costs of confinement. However, in no case shall the percentage increase in the amount charged to the counties exceed the percentage by which the appropriation for the purposes of sections 401.01 to 401.16 was increased over the preceding biennium. The commissioner of corrections shall report the costs to the commissioner of finance who shall bill the counties and deposit the receipts from the counties in the general fund. All charges shall be a charge upon the county of commitment.

Sec. 9. [EMPLOYMENT AND EDUCATION PILOT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A pilot program is established to provide adolescents with opportunities for gaining a high school diploma, exploring occupations, evaluating vocational options, receiving career and life skills counseling, developing and pursuing personal goals, and participating in community-based projects. Two pilot projects shall be funded under the program and shall be targeted for young people as defined in Laws 1990, chapter 562, article 4, section 12, between the ages of 14 and 18 who, because of a lack of personal resources and skills, need assistance in setting and realizing education and employment goals and in becoming contributing members of their community.

Subd. 2. [ELIGIBILITY.] (a) An applicant for a pilot project grant must be a (1) school district, (2) education district, (3) group of districts cooperating for a particular purpose, or (4) eligible program under contract with a school district to provide educational services in the high school graduation incentives program under Minnesota Statutes, section 126.22. To meet the requirement in paragraph (b), clause (1), an applicant may apply jointly with a provider of an employment and training program administered through the department of jobs and training.

(b) To be eligible for a pilot project grant, an applicant must meet all of the following criteria:

(1) have operated or must be applying jointly with an entity which has operated a youth employment program serving targeted young people, administered through the department of jobs and training, for at least two years before applying for the grant;

(2) have operated a specialized or nontraditional education program designed to meet the needs of targeted young people, for at least two years before applying for the grant;

(3) develop a plan to identify and assess the knowledge, skills, and aptitudes of targeted young people under subdivision 1; and

(4) must use the results of the assessment to provide appropriate education and employment opportunities to targeted young people that promote a sense of self-sufficiency, self-esteem, and community.

Subd. 3. [APPLICATION PROCESS.] To obtain a pilot project grant under this section, an applicant must submit an application to the commissioner of jobs and training in the form and manner prescribed by the commissioner after consultation with the commissioner of education. The application must describe how the applicant will assist targeted young people to set useful education and employment goals, secure meaningful employment, and lead productive lives within their community. The applicant must also indicate what resources will be available to continue the program if it is found to be effective. The commissioner may require additional information from an applicant.

Subd. 4. [REVIEWING APPLICATIONS.] When reviewing applications, the commissioner shall determine whether all the requirements in subdivisions 2 and 3 are met. The commissioner, in consultation with the commissioner of education, shall, at a minimum, consider the following when reviewing applications:

(1) the education and employment activities proposed for the program;

(2) the demonstrated effectiveness of the applicant or joint applicants as a provider of similar services to targeted young people;

(3) the attraction and use of other resources including federal and state education funding, federal and state employment training funding, local and private funding, and targeted jobs tax credits in funding the proposed programs;

(4) the availability of both the education and employment components of the program on a year-round basis; and

(5) diversity in the geographic location and delivery mechanism of the proposed programs.

Subd. 5. [GRANT AWARDS.] The commissioner may award up to two pilot project grants, one in the seven-county metropolitan area and one in outstate Minnesota. Up to ten percent of the Minnesota youth program slots in the service delivery areas of the successful grantees shall be made available for the purposes of this section.

Subd. 6. [PRELIMINARY REPORT.] The commissioner shall provide a preliminary report on the employment and education

projects to the education and judiciary committees of the legislature no later than February 1, 1992. The report shall describe the projects which have been funded and shall include any preliminary information on the implementation and results of the projects.

Sec. 10. [TRANSFER OF CHILDREN'S TRUST FUND TO DEPARTMENT OF HUMAN SERVICES.]

Subdivision 1. [COMMISSIONER OF HUMAN SERVICES.] All powers and duties imposed on the commissioner of public safety relating to the children's trust fund for the prevention of child abuse under Minnesota Statutes, sections 299A.20 to 299A.27 are transferred to and imposed on the commissioner of human services.

Subd. 2. [TRANSFER OF POWER.] The provisions of Minnesota Statutes, section 15.039, apply to the transfer of power and duties of the commissioner of public safety imposed by Minnesota Statutes, sections 299A.20 to 299A.27 to the commissioner of human services.

Subd. 3. [ADVISORY COUNCIL.] On transfer of powers and duties to the commissioner of human services, the members of the advisory board established under Minnesota Statutes, section 299A.23, subdivision 2, shall continue to serve the remainder of their terms. Upon completion of their terms, the new appointing authority may appoint successors as provided by law.

Sec. 11. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall renumber each section of Minnesota Statutes specified in column A with the number set forth in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Column A	Column B
<u>299A.20</u>	<u>257.80</u>
<u>299A.21</u>	<u>257.801</u>
<u>299A.22</u>	<u>257.802</u>
<u>299A.23</u>	<u>257.803</u>
<u>299A.24</u>	<u>257.804</u>
<u>299A.25</u>	<u>257.805</u>
<u>299A.26</u>	<u>257.806</u>
<u>299A.27</u>	<u>257.807</u>

ARTICLE 9

HOUSING

Section 1. Minnesota Statutes 1990, section 268.39, is amended to read:

268.39 [LIFE SKILLS AND EMPLOYMENT GRANTS.]

The commissioner may provide grants to organizations for the development and administration of life skills and employment plans for homeless individuals that reside in residential units constructed or rehabilitated under section 462A.05, subdivision 29 20. Grants awarded under this section may also be used for the management of these residential units. The organizations that receive grants under this section must coordinate their efforts with organizations that receive grants under section 462A.05, subdivision 29 20.

A life skills and employment plan must be developed for each tenant residing in a dwelling that receives funding under section 462A.05, subdivision 29 20. The plan may include preapprentice and apprenticeship training in the area of housing rehabilitation. If preapprentice and apprenticeship training is part of a plan, the organization must consult with labor organizations experienced in working with apprenticeship programs. The completion or compliance with the individual life skills and employment plan must be required for a tenant to remain in a unit constructed or rehabilitated under section 462A.05, subdivision 29 20.

The application for a grant under this section must include a plan that must provide for:

(1) training for tenants in areas such as cleaning and maintenance, payment of rent, and roommate skills, and

(2) tenant selection and rental policies that ensure rental of units to people who are homeless if applicable.

The applicant must provide a proposed occupancy contract if applicable, the name and address of the rental agent if applicable, and other information the commissioner considers necessary with the application.

The commissioner may adopt permanent rules to administer this grant program.

Sec. 2. Minnesota Statutes 1990, section 462A.03, subdivision 10, is amended to read:

Subd. 10. "Persons and families of low and moderate income" means persons and families, irrespective of race, creed, national origin or, sex, or status with respect to guardianship or conservatorship, determined by the agency to require such assistance as is made available by sections 462A.01 to 462A.24 on account of personal or family income not sufficient to afford adequate housing. In making such determination the agency shall take into account the following: (a) The amount of the total income of such persons and

families available for housing needs, (b) the size of the family, (c) the cost and condition of housing facilities available, (d) the eligibility of such persons and families to compete successfully in the normal housing market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing. In the case of federally subsidized mortgages with respect to which income limits have been established by any agency of the federal government having jurisdiction thereover for the purpose of defining eligibility of low and moderate income families, the limits so established shall govern under the provision of sections 462A.01 to 462A.24. In all other cases income limits for the purpose of defining low or moderate income persons shall be established by the agency by emergency or permanent rules.

Sec. 3. Minnesota Statutes 1990, section 462A.03, subdivision 13, is amended to read:

Subd. 13. "Eligible mortgagor" means a nonprofit or cooperative housing corporation, the department of administration for the purpose of developing community-based programs as defined in sections 252.50 and 253.28, limited profit entity or a builder as defined by the agency in its rules, which sponsors or constructs residential housing as defined in subdivision 7, or a natural person of low or moderate income, except that the return to a limited dividend entity shall not exceed ten percent of the capital contribution of the investors or such lesser percentage as the agency shall establish in its rules; provided that residual receipts funds of a limited dividend entity may be used for agency-approved, housing-related investments owned by the limited dividend entity without regard to the limitation on returns. Owners of existing residential housing occupied by renters shall be eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner agrees to conditions established by the agency in its rules relating to rental or other matters that will insure that the housing will be occupied by persons and families of low or moderate income. The agency shall require by rules that the owner give preference to those persons of low or moderate income who occupied the residential housing at the time of application for the loan.

Sec. 4. Minnesota Statutes 1990, section 462A.03, subdivision 16, is amended to read:

Subd. 16. "~~Mentally ill person~~" ~~shall have the meaning prescribed by section 253B.02, subdivision 13~~ means a person with a mental illness, an adult with an acute mental illness, or a person with a serious and persistent mental illness, as prescribed by section 245.462, subdivision 20.

Sec. 5. Minnesota Statutes 1990, section 462A.05, subdivision 14, is amended to read:

Subd. 14. [REHABILITATION LOANS.] It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. Except for accessibility improvements under subdivision 14d, no loan for rehabilitation of any property shall be made in an amount which, with all other existing indebtedness secured by the property, would exceed its market value, as determined by the agency. No loan under this subdivision shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions.

Sec. 6. Minnesota Statutes 1990, section 462A.05, is amended by adding a subdivision to read:

Subd. 14d. [ACCESSIBILITY LOAN PROGRAM.] Rehabilitation loans authorized under subdivision 14 may be made to eligible persons and families whose income does not exceed the maximum income limits allowable under section 143(f) of the Internal Revenue Code of 1986, as amended through June 30, 1991.

A person or family is eligible to receive an accessibility loan under the following conditions:

(1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or

intermediate care facility for persons with mental retardation or related conditions;

(2) home care is appropriate; and

(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

Sec. 7. Minnesota Statutes 1990, section 462A.05, subdivision 20, is amended to read:

Subd. 20. [SPECIAL NEEDS HOUSING FOR HOMELESS PERSONS.] (a) The agency may make loans or grants to for profit, limited dividend, or nonprofit sponsors, as defined by the agency, eligible mortgagors for the acquisition, rehabilitation, and construction of residential housing to be used to provide for the following purposes:

(1) temporary or transitional housing to low- and moderate-income for low-income persons and families having an immediate need for temporary or transitional housing as a result of natural disaster, resettlement, condemnation, displacement, lack of habitable housing, or other cause as defined by the agency. Loans or grants for residential housing for migrant farmworkers may be made under this paragraph. Residential housing for migrant farmworkers must contain cooking, sleeping, bathroom facilities, and hot and cold running water in the same structure;

(2) housing to be used by low-income persons living alone; and

(3) housing for homeless individuals and families.

(b) Housing under this subdivision must be for low-income families and individuals.

(c) Loans or grants pursuant to under this subdivision shall must not be used for residential care facilities or, for facilities that provide housing available for occupancy on less than a 24-hour continuous basis, or for any residential housing that requires occupants to accept board as well as lodging. To the extent possible, a sponsor shall combine the loan or grant with other funds obtained from public and private sources. In making loans or grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and the appropriate security should repayment be required.

(d) Loans or grants under this subdivision must not exceed 50 percent of the development costs. Donated property may be used to satisfy the match requirement.

(e) All occupants of permanent housing financed under this subdivision must be offered a written lease that complies with section 325G.31, offers the occupants the option to renew, and prohibits eviction of an occupant without good cause.

(f) Priority must be given to viable proposals with the total lowest cost per person served.

(g) The selection criteria for the program must include the following: the extent to which proposals use donated, leased, abandoned, or empty dwellings owned by a public entity or property being sold by the Resolution Trust Corporation or the Department of Housing and Urban Development; and the extent to which applicants consulted with advocates for the homeless, representatives from neighborhood groups, and representatives from labor organizations in preparing the proposal.

Sec. 8. Minnesota Statutes 1990, section 462A.05, is amended by adding a subdivision to read:

Subd. 20a. [SPECIAL NEEDS HOUSING FOR CHEMICALLY DEPENDENT ADULTS.] (a) The agency may make loans or grants to for-profit, limited-dividend, or nonprofit sponsors, as defined by the agency, for residential housing to be used to provide temporary or transitional housing to low- and moderate-income persons and families having an immediate need for temporary or transitional housing as a result of natural disaster, resettlement, condemnation, displacement, lack of habitable housing, or other cause defined by the agency.

(b) Loans or grants for housing for chronic chemically dependent adults may be made under this subdivision. Housing for chronic chemically dependent adults must satisfy the following conditions:

(1) be certified by the department of health or the city as a board and lodging facility or single residence occupancy housing;

(2) meet all applicable health, building, fire safety, and zoning requirements;

(3) be located in an area significantly distant from the present location of county detoxification service sites;

(4) make available the services of trained personnel to appraise each client before or upon admission and to provide information about medical, job training, and chemical dependency services as necessary;

(5) provide on-site security designed to assure the health and safety of clients, staff, and neighborhood residents; and

(6) operate with the guidance of a neighborhood-based board.

Priority for loans and grants made under this paragraph must be given to proposals that address the needs of the Native American population and veterans of military services for this type of housing.

(c) Loans or grants pursuant to this subdivision must not be used for facilities that provide housing available for occupancy on less than a 24-hour continuous basis. To the extent possible, a sponsor shall combine the loan or grant with other funds obtained from public and private sources. In making loans or grants, the agency shall determine the circumstances, terms, and conditions under which all or any portion of the loan or grant will be repaid and the appropriate security should repayment be required.

Sec. 9. Minnesota Statutes 1990, section 462A.08, subdivision 2, is amended to read:

Subd. 2. The agency from time to time may issue bonds or notes for the purpose of refunding any bonds or notes of the agency then outstanding, or, with the consent of the original issuer, any bonds or notes then outstanding issued by an issuer other than the agency for the purpose of making or purchasing loans for single family housing or multifamily housing developments, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the redemption date next succeeding the date of delivery of such refunding bonds or notes. The proceeds of any such refunding bonds or notes may, in the discretion of the agency, be applied to the purchase or payment at maturity of the bonds or notes to be refunded, or to the redemption of such outstanding bonds or notes on the redemption date next succeeding the date of delivery of such refunding bonds or notes and may, pending such application, be placed in escrow to be applied to such purchase, retirement, or redemption. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations issued or guaranteed by the state or the United States or by any agency or instrumentality thereof, or in certificates of deposit or time deposits secured in such manner as the agency shall determine, maturing at such time or times as shall be appropriate to assure the prompt payment of the principal of and interest and redemption premiums, if any, on the bonds or notes to be refunded. The income earned or realized on any such investment may also be applied to the payment of the bonds or notes to be refunded. After the terms of the escrow have been fully satisfied, any balance of such proceeds and investment income may be returned to the agency for use by it in any lawful manner. All refunding bonds or notes issued under the provisions of this subdivision shall be issued and secured in the manner provided by resolution of the agency. If bonds or notes are issued by the agency to refund bonds or notes issued by an issuer other than the agency, as authorized by this subdivision, the agency and said issuer may

enter into such agreements as they may deem appropriate to facilitate such transaction.

Sec. 10. [462A.205] [SHALLOW RENT SUBSIDY PROGRAM.]

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

(a) "Caretaker parent" means a parent, relative caretaker, or minor caretaker as defined by the aid to families with dependent children program, sections 256.72 to 256.87.

(b) "Gross family income" for a family or individual receiving rental assistance under this section means the gross amount of the wages, salaries, social security payments, pensions, workers' compensation, unemployment compensation, public assistance payments, alimony, child support, and income from assets received by the family or individual.

(c) "Local housing agency" means the agency of local government responsible for administering the Department of Housing and Urban Development's section 8 existing voucher and certificate program.

(d) "Self-sufficiency program" means a program operated under section 256.736 or 256D.051, an employability program administered by a community action agency, a job training program administered under the job training partnership act, or courses of study at an accredited institution of higher education pursued with at least half-time student status under an employment development plan approved by the institution.

Subd. 2. [ESTABLISHMENT.] The agency may establish a shallow rent subsidy program to provide direct rental assistance for housing for individuals or families with incomes up to 50 percent of the county or area income adjusted for family size. One-half of the money appropriated for this program must be used to provide rental housing subsidies for individuals or families with incomes not exceeding 30 percent of the area median income. In order to ensure the long-term affordability of housing, a percentage of the total funds appropriated for this section may be used in housing programs that provide a lease-purchase option for low-income individuals and families. The agency may contract with a local housing agency to administer the rent assistance under this section. The local housing agency must be paid an administrative fee. The administrative fee is equal to the greater of ten percent of the amount of the subsidy or \$15 per unit per month. For families or individuals receiving public assistance, rent assistance under this section must be provided in the form of vendor payments. The program must offer two options: (1) a voucher option; and (2) a project-based voucher option. When providing project-based vouchers, the agency must give priority to a

project that has received public money for rehabilitation of the housing.

Subd. 3. [AMOUNT AND PAYMENT OF RENT ASSISTANCE.]

(a) Within the limits of available appropriations, eligible families and individuals may receive monthly rent assistance for a 36-month period starting with the month the family or individual first receives rent assistance under this section. The amount of the family's or individual's portion of the rental payment is equal to at least 30 percent of gross income.

(b) The rent assistance must be paid by the local housing agency to the property owner.

(c) Subject to the limitations in paragraph (d), the amount of rent assistance is the difference between the rent and the family's or individual's copayment.

(d) In no case may (1) the amount of monthly rent assistance be more than \$350; (2) the owner receive more rent for assisted units than for comparable unassisted units; or (3) the amount of monthly rent assistance be more than the difference between the family's or individual's copayment and the fair market rent for the unit as determined by the Department of Housing and Urban Development.

Subd. 4. [PROPERTY OWNER.] In order to receive rent assistance payments, the property owner must enter into a standard lease agreement with the tenant which includes a clause providing for good cause evictions only. Otherwise, the lease may be any standard lease agreement. The agency and local housing agencies must make model lease agreements available to participating families and property owners.

Subd. 5. [FAMILY STABILIZATION DEMONSTRATION PROJECT.] The agency, in consultation with the department of human services, may establish a rent assistance for family stabilization demonstration project within the shallow rent subsidy program. The purpose of the project is to provide rental assistance to families (1) receiving public assistance with a caretaker parent who is participating in a self-sufficiency program and at least one minor child, or (2) who at the time of initial eligibility for rental assistance under this section were receiving public assistance and had a caretaker parent participating in a self-sufficiency program and at least one minor child. For the purposes of this subdivision, public assistance means aid to families with dependent children, family general assistance, or family work readiness. The funds may be distributed on a request for proposal basis. The requirements specified under subdivisions 1 to 4 apply to the demonstration project.

Sec. 11. Minnesota Statutes 1990, section 462A.21, subdivision 4k, is amended to read:

Subd. 4k. [HOUSING DEVELOPMENT FUND.] The agency may make grants for residential housing for low-income persons under section 462A.05, subdivision ~~28~~ 20, and may pay the costs and expenses for the development and operation of the program.

Sec. 12. Minnesota Statutes 1990, section 462A.21, subdivision 12a, is amended to read:

Subd. 12a. [PROGRAM MONEY TRANSFER.] Grants authorized under section 462A.05, ~~subdivisions 20, 28, and 29~~ subdivision 20, may be made only with specific appropriations by the legislature, but unencumbered balances of money appropriated for the purpose of loans or grants for agency programs under these subdivisions may be transferred between programs created by these subdivisions or in accordance with section 462A.20, subdivision 3.

Sec. 13. Minnesota Statutes 1990, section 462A.21, subdivision 14, is amended to read:

Subd. 14. It may make housing grants for homeless individuals as provided in section 462A.05, subdivision ~~29~~ 20, and may pay the costs and expenses for the development and operation of the program.

Sec. 14. Minnesota Statutes 1990, section 462A.22, subdivision 9, is amended to read:

Subd. 9. [BIENNIAL REPORT.] The agency shall also submit a biennial report of its activities, ~~projected activities, and receipts, and expenditures~~ a plan for the next biennium, to the governor and the legislature on or before ~~January~~ February 15 in each odd-numbered year. The report shall include the distribution of money under each agency program by county, except for counties containing a city of the first class, where the distribution shall be reported by municipality.

In addition, the report shall include the cost to the agency of the issuance of its bonds for each issue in the biennium, along with comparable information for other state housing finance agencies.

Sec. 15. Minnesota Statutes 1990, section 462A.222, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) Projects will be awarded tax credits in three competitive rounds on an annual basis. The date for applications for each round must be determined by the

agency. No allocating agency may award tax credits prior to the application dates established by the agency.

(b) Each allocating agency must meet the requirements of section 42(m) of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the allocation of tax credits and the selection of projects.

(c) For applications submitted for the first round, an allocating agency may allocate tax credits only to the following types of projects:

(1) single-room occupancy projects which are affordable by households whose income does not exceed 30 percent of the median income;

(2) family housing projects in which at least 75 percent of the units contain two or more bedrooms and at least one-third of the 75 percent contain three or more bedrooms;

(3) projects in which at least 50 percent a percentage of the units are for mentally ill, mentally retarded, drug dependent, developmentally disabled, or physically handicapped set aside and rented to persons:

(i) with a serious and persistent mental illness as defined in section 245.462, subdivision 20, paragraph (c);

(ii) with a developmental disability as defined in United States Code, title 42, section 6001, paragraph (5), as amended through December 31, 1990;

(iii) who have been assessed as drug dependent persons as defined in section 254A.02, subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in section 254A.02, subdivision 2;

(iv) with a brain injury as defined in section 256B.093, subdivision 4, paragraph (a); or

(v) with physical disabilities if at least 50 percent of the units are accessible as provided under Minnesota Rules, chapter 1340;

(4) projects which preserve existing subsidized housing which is subject to prepayment if the use of tax credits is necessary to prevent conversion to market rate use; or

(5) projects financed by the Farmers Home Administration which meet statewide distribution goals.

(d) Before the date for applications for the second round, the allocating agencies other than the agency shall return all uncommitted and unallocated tax credits to the pool from which they were allocated, along with copies of any allocation or commitment. In the second round, the agency shall allocate the remaining credits from the regional pools to projects from the respective regions.

(e) In the third round, all unallocated tax credits must be transferred to a unified pool for allocation by the agency on a statewide basis.

(f) Unused portions of the state ceiling for low-income housing tax credits reserved to cities and counties for allocation may be returned at any time to the agency for allocation.

Sec. 16. Minnesota Statutes 1990, section 474A.048, subdivision 2, is amended to read:

Subd. 2. [LIMITATION; ORIGINATION PERIOD.] During the first ten months of an origination period, the Minnesota housing finance agency or a city may make loans financed with proceeds of mortgage bonds for the purchase of existing housing. Loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area may be made during the first ten months of an origination period only if at least one of the following conditions is met:

(1) the new housing is located in a redevelopment area and is replacing a structurally substandard structure or structures;

(2) the new housing is located on a parcel purchased by the city or conveyed to the city under section 282.01, subdivision 1; or

(3) the new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of bonds, in which federal, state, or local assistance is used to substantially improve the terms of the financing or to substantially write down the purchase price of the new housing; or

(4) the new housing is accessible housing and the borrower or a member of the borrower's family is a person with a disability. For the purposes of this clause, "accessible housing" means a dwelling unit with the modifications necessary to enable a person with a disability to function in a residential setting. "A person with a disability" means a person who has a permanent physical condition which is not correctable and which substantially reduces the person's ability to function in a residential setting. A person with a physical condition which does not require the use of a device to increase mobility must be deemed a person with a disability upon written certification of a licensed physician that the physical

condition substantially limits the person's ability to function in a residential setting.

Upon expiration of the first ten-month period, the agency or a city may make loans financed with the proceeds of mortgage bonds for the purchase of new and existing housing.

Sec. 17. Laws 1987, chapter 404, section 28, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$9,526,700	\$9,526,700
Approved complement - 129		

Spending limit on cost of general administration of agency programs:

1988	1989
\$6,235,000	\$6,547,000

This appropriation is for transfer to the housing development fund for the programs specified.

\$150,000 the first year and \$150,000 the second year are for home sharing programs under Minnesota Statutes, section 462A.05, subdivision 24.

\$990,000 the first year and \$990,000 the second year are for home ownership assistance under Minnesota Statutes, section 462A.21, subdivision 8.

\$2,225,000 the first year and \$2,225,000 the second year are for home ownership, home improvement, and multifamily bond leveraging interest rate write-downs under Minnesota Statutes, sections 462A.21, subdivisions 4b and 8a.

\$1,885,000 the first year and \$1,885,000 the second year are for tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14, of which \$125,000 the first year and \$125,000 the second year are for either a demonstration program to make off-reservation loans in combination with bond proceeds from the

agency or other mortgage financing approved by the agency, or a home improvement loan program approved by the agency. Home improvement loans under Minnesota Statutes, section 462A.07, subdivision 14, may be made without regard to household income.

\$235,000 the first year and \$235,000 the second year are for urban Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 15, to be distributed by the agency without regard to any allocation formula.

\$3,716,700 the first year and \$3,716,700 the second year are for housing rehabilitation and accessibility loans under Minnesota Statutes, sections 462A.05, subdivisions 14a and 15a.

\$500,000 is appropriated to the housing development fund created in section 462A.20 for grants for residential housing for low income persons living alone. The agency may pay the costs and expenses for the development and operation of this program out of this appropriation.

\$75,000 the first year and \$75,000 the second year are for temporary housing programs under Minnesota Statutes, section 462A.05, subdivision 20.

Sec. 18. Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended by Laws 1990, chapter 429, section 9, is amended to read:

Subdivision 1. Total

Appropriation

12,583,000

12,584,000

Approved Complement – 134

Spending limit on cost of general administration of agency programs:

1990	1991
\$7,130,000	\$7,560,000

This appropriation is for transfer to the housing development fund for the programs specified.

\$225,000 the first year and \$225,000 the second year are for housing programs for the elderly under Minnesota Statutes, section 462A.05, subdivision 24.

\$2,115,000 the first year and \$2,115,000 the second year are for home ownership assistance under Minnesota Statutes, section 462A.21, subdivision 8.

\$1,887,000 the first year and \$1,887,000 the second year are for tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14, of which \$125,000 the first year and \$125,000 the second year are for either a demonstration program to make off-reservation loans in combination with bond proceeds from the agency or other mortgage financing approved by the agency, or a home improvement loan program approved by the agency. Home improvement loans under Minnesota Statutes, section 462A.07, subdivision 14, may be made without regard to household income.

\$233,000 the first year and \$233,000 the second year are for urban Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 15, to be distributed by the agency without regard to any allocation formula.

\$4,842,000 the first year and \$4,842,000 the second year are for housing rehabilitation and accessibility loans under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a.

\$569,000 the first year and \$569,000 the second year are for temporary hous-

ing programs under Minnesota Statutes, sections 462A.05, subdivision 20; and 462A.21.

Notwithstanding any law to the contrary, in the event that the housing finance agency assumes servicing responsibility for its home improvement loans, energy loans, and rehabilitation loans, the agency may apply for an increase in its complement and administrative cost ceiling through the regular legislative advisory commission process.

Sec. 19. [REPEALER.]

Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29, are repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 8 and 10 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for human services, jobs and training, corrections, health, human rights, housing finance, and other purposes with certain conditions; amending Minnesota Statutes 1990, sections 3.922, subdivisions 3 and 8; 3.9223, subdivision 1; 3.9225, subdivision 1; 3.9226, subdivision 1; 15.46; 43A.191, subdivision 2; 103I.235; 120.183; 144.335, subdivision 1; 144A.071, by adding a subdivision; 144A.31; 144A.46, subdivision 4; 144A.51, subdivision 5; 144A.53, subdivision 1; 145.925, by adding a subdivision; 148B.01, subdivision 7; 148B.03; 148B.04, subdivision 4; 148B.05, subdivision 1; 148B.06, subdivisions 1 and 3; 148B.07, subdivisions 1, 4, 7, and 8; 148B.08; 148B.12; 148B.17; 148B.18, subdivision 10; 148B.33, subdivision 1; 148B.38, subdivision 3; 157.031, subdivisions 2, 3, 4, and 9; 171.29, subdivision 2; 198.007; 214.04, subdivision 3; 241.022; 245.461, subdivision 3, and by adding a subdivision; 245.462, subdivisions 6 and 18; 245.4711, by adding a subdivision; 245.472, by adding a subdivision; 245.473, by adding subdivisions; 245.484; 245.487, subdivision 4, and by adding a subdivision; 245.4871, subdivisions 27, 31, and by adding a subdivision; 245.4873, subdivision 6; 245.4874; 245.4881, subdivision 1; 245.4882, by adding subdivisions; 245.4884, subdivision 1; 245.4885, subdivisions 1, 2, and by adding a subdivision; 245.697, subdivision 1; 246.18, subdivision 4, and by adding a subdivision; 246.64, subdivision 3; 252.27, subdivisions 1a and 2a; 252.275;

252.28, subdivisions 1, 3, and by adding a subdivision; 252.32; 252.40; 252.46, subdivisions 3, 6, 12, 14, and by adding a subdivision; 252.478, subdivisions 1 and 3; 252.50, subdivision 2; 253C.01, subdivisions 1 and 2; 254B.04, subdivision 1; 256.01, subdivisions 2, 11, and by adding a subdivision; 256.025, subdivisions 1, 2, 3, and 4; 256.031; 256.032; 256.033; 256.034; 256.035; 256.036, subdivisions 1, 2, 4, and 5; 256.045, subdivision 10; 256.482, subdivision 1; 256.736, subdivision 3a; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 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, subdivision 1; 256.98, by adding a subdivision; 256.983; 256B.031, subdivision 4, and by adding a subdivision; 256B.04, subdivision 16; 256B.055, subdivisions 10 and 12; 256B.057, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0575; 256B.0625, subdivisions 2, 4, 7, 13, 17, 19, 20, 24, 25, 28, 30, and by adding subdivisions; 256B.0627; 256B.064, subdivision 2; 256B.0641, by adding a subdivision; 256B.08, by adding a subdivision; 256B.091, subdivision 8; 256B.092; 256B.093; 256B.19, subdivision 1, and by adding subdivisions; 256B.431, subdivisions 2l, 3e, 3f, and by adding subdivisions; 256B.48, subdivision 1; 256B.49, by adding a subdivision; 256B.50, subdivision 1d; 256B.501, subdivisions 3g, 8, and 11; 256B.64; 256C.24, subdivision 2; 256C.25; 256D.03, subdivisions 2, 2a, 3, and 4; 256D.05, subdivision 6, and by adding a subdivision; 256D.051, subdivision 1; 256D.06, subdivision 1b; 256D.36, subdivision 1; 256D.44, by adding a subdivision; 256F.01; 256F.02; 256F.03, subdivision 5; 256F.04; 256F.05; 256F.06; 256F.07, subdivisions 1, 2, and 3; 256H.02; 256H.03; 256H.05; 256H.08; 256H.09, by adding a subdivision; 256H.15, subdivisions 1, 2, and by adding a subdivision; 256H.18; 256H.20, subdivision 3a; 256H.21, subdivision 10; 256H.22, subdivisions 2, 6, and by adding a subdivision; 256I.04, by adding a subdivision; 256I.05, subdivision 2, and by adding subdivisions; 257.071, subdivision 1a; 257.352, subdivision 2; 257.57, subdivision 2; 268.022, subdivision 2; 268.39; 268.914; 268.975, subdivision 3, and by adding a subdivision; 268.977; 268.98; 268A.08, subdivision 2; 268A.09, subdivision 2; 270A.04, subdivision 2; 270A.08, subdivision 2; 273.1398, subdivision 1; 299A.21, subdivision 6; 299A.23, subdivision 2; 299A.27; 393.07, subdivisions 10 and 10a; 401.10; 401.13; 462A.02, subdivision 13; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivisions 14, 20, and by adding subdivisions; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 474A.048, subdivision 2; 518.551, subdivision 5, and by adding subdivisions; 518.64; 609.52, by adding a subdivision; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 689, article 2, section 256, subdivision 1; and Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 144; 145; 148B; 241; 245; 252; 256; 256B; 256F; 256H; 257; 268A; and 462A; proposing coding for new law as Minnesota Statutes, chapter 144B; repealing Minnesota Statutes 1990, sections 144A.31, subdivisions 2 and 3; 148B.01, subdivisions 2, 5, and 6; 148B.02;

148B.16; 148B.171; 148B.40; 148B.41; 148B.42; 148B.43; 148B.44; 148B.45; 148B.46; 148B.47; 148B.48; 157.031, subdivision 5; 245.476, subdivisions 1, 2, and 3; 252.275, subdivision 2; 256.032, subdivisions 5 and 9; 256.035, subdivisions 6 and 7; 256.036, subdivision 10; 256B.0625, subdivisions 6 and 19; 256B.0627, subdivision 3; 256B.091; 256B.431, subdivision 6; 256B.69, subdivision 8; 256B.71, subdivision 5; 256D.051, subdivision 16; 256H.26; 462A.05, subdivisions 28 and 29; and Laws 1990, chapter 568, article 6, section 4.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1631, A bill for an act relating to education; authorizing the treasurer to issue commemorative medallions and particularly, a “SUPER BOWL XXVI” medallion; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE 1

STATE DEPARTMENTS

Section 1. [STATE DEPARTMENTS; APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures “1991,” “1992,” and “1993,” where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1991, June 30, 1992, or June 30, 1993, respectively.

SUMMARY BY FUND

	1991	1992	1993	TOTAL
General	\$486,000	\$380,924,900	\$356,806,200	\$737,731,100
Environmental		261,000	260,000	521,000
Highway User		1,720,000	1,715,000	3,435,000
Metro Landfill Contingency		46,000	46,000	92,000
Special Revenue		1,676,000	1,671,000	3,347,000
Trunk Highway		761,000	754,000	1,515,000
Workers' Comp.		4,842,000	5,080,000	9,922,000
TOTAL		390,230,900	366,332,200	756,563,100

APPROPRIATIONS
Available for the Year
Ending June 30

1992 1993

Sec. 2. LEGISLATURE

Subdivision 1. Total Appropriation 47,950,700 49,362,700

Summary by Fund

General 47,918,700 49,330,700
Trunk Highway 32,000 32,000

The amounts that may be spent from
this appropriation for each program are
specified in the following subdivisions.

Subd. 2. Senate 15,864,000 15,864,000

Subd. 3. House of Representatives 21,318,000 22,482,000

Subd. 4. Legislative Coordinating
Commission 6,889,700 7,144,700

Summary by Fund

General 6,857,700 7,112,700
Trunk Highway 32,000 32,000

(a) Legislative Reference Library

1992	1993
880,200	880,400

(b) Revisor of Statutes

3,931,200	4,162,100
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The revisor shall study the relative costs and benefits of using Times Roman or another typeface for documents produced through the revisor's computer system. The study shall include consideration of readability, potential savings on equipment costs, and reduction of paper use. The revisor shall submit the report to the senate finance and house appropriations committees by January 1, 1992.

(c) Legislative Commission on the Economic Status of Women

166,400	163,800
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(d) Legislative Commission on Employee Relations

108,600	108,700
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The legislative commission on employee relations shall conduct a study of management and supervisory functions in all executive branch state agencies and boards, including the state university, technical colleges, and community college system. The commission shall report the results of the study to the legislature by February 1, 1992.

(e) Great Lakes Commission

43,000	44,900
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(f) Legislative Commission on Pensions and Retirement

305,100	320,300
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(g) Legislative Commission on Planning and Fiscal Policy

400,000	400,000
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(h) Legislative Commission to Review
Administrative Rules

139,400 133,400

(i) Legislative Commission on Waste
Management

148,400 148,400

(j) Legislative Water Commission

100,900 99,100

(k) Mississippi River Parkway Commis-
sion

32,200 32,200

This appropriation is from the trunk
highway fund.

(l) Legislative Coordinating Commis-
sion – General Support

584,500 601,600

\$86,100 the first year and \$86,100 the second year are appropriated to fund joint house and senate subcommittee or task force projects. Projects funded from this appropriation must involve both the house and senate, be temporary in nature, and focus on key policy issues facing the legislature. The legislative coordinating commission shall develop a project selection process for this appropriation.

\$50,000 the first year and \$50,000 the second year are reserved for unanticipated costs of agencies in this subdivision and subdivision 5. The legislative coordinating commission may transfer necessary amounts from this appropriation to the appropriations of the agencies concerned, and the amounts transferred are appropriated to those agencies to be spent by them. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$87,300 the first year and \$91,600 the second year are for the state contribution to the National Conference of State Legislatures.

\$73,100 the first year and \$83,000 the second year are for the state contribution to the Council of State Governments.

Subd. 5. Legislative Audit Commission	3,839,000	3,832,000
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The amounts that may be spent from this appropriation for each activity are as follows:

(a) Legislative Audit Commission	15,000	15,000
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(b) Legislative Auditor	3,824,000	3,817,000
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Sec. 3. SUPREME COURT

Subdivision 1. Total Appropriation	16,051,000	15,879,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Supreme Court Operations	3,808,000	3,714,000
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\$2,100 the first year and \$2,200 the second year are for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

The compensation council recommendations for judicial salary increases in fiscal years 1992 and 1993 are not funded.

The conference of chief judges shall study the current functions performed by law clerks and shall conduct a cost benefit analysis of the position on or

before January 1, 1992. The study shall consider the cost benefit of the assignment of nonlegal duties currently performed by law clerks to other court personnel and the development of permanent legal research units within a judicial district. The study shall consider the distribution of and the number of district court law clerks for district court judges and referees.

Pursuant to Minnesota Statutes, section 480.181, the supreme court, in consultation with the conference of chief judges and representatives of official court reporters, shall develop criteria for the tenure of official court reporters under the judicial branch personnel rules. The criteria shall be included in a study on shared or pooled use of district court reporters which shall be conducted by the conference of chief judges by January 1, 1993.

The supreme court shall study and report to the legislature by February 1, 1992, the costs of transferring to the state the costs of the court administration offices and guardian ad litem programs statewide and shall develop a detailed budget for those costs.

Subd. 3. Supreme Court Civil Surcharge and Family Farm Legal Assistance

2,114,000 2,114,000

This appropriation is for family farm and legal service to low-income clients. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 4. Family Law Legal Services

890,000 890,000

This appropriation is for family law legal services. Any unencumbered balance remaining in the first year does

not cancel but is available for the second year of the biennium.

Subd. 5. State Court Administration

7,576,000 7,491,000

The state court administrator shall establish a pilot project to study the feasibility of providing public and private users computer access to court records through TCIS (Total Court Information System) at no net cost to the court. The state court administrator shall identify the demand for the service, the fees necessary to provide the service at no net cost to the court, the staff, and the hardware resources necessary to support this expanded use of the TCIS, and report to the legislature by February 1, 1992. The state court administrator may charge participants in the pilot project a reasonable user fee. The fees shall be deposited in the general fund.

Subd. 6. Law Library Operations

1,663,000 1,670,000

Sec. 4. COURT OF APPEALS

5,445,000

5,446,000

The compensation council recommendations for judicial salary increases in fiscal years 1992 and 1993 are not funded.

Sec. 5. DISTRICT COURTS

Subdivision 1. Total Appropriation

43,450,000

55,714,000

For the second year appropriation, \$3,366,000 is appropriated for jury costs for the district courts if a law is enacted providing for a homestead agricultural and credit assistance offset in the same amount.

The compensation council recommendations for judicial salary increases in fiscal years 1992 and 1993 are not funded.

This appropriation includes one new law clerk position in the first judicial district and one new law clerk position in the tenth judicial district.

\$70,000 is for the Dakota county board to establish a pilot diversion program for juveniles who are alleged to have committed controlled substance offenses. This sum is available until June 30, 1993.

Sec. 6. BOARD OF JUDICIAL STANDARDS

171,000 171,000

Approved Complement – 2

Sec. 7. BOARD OF PUBLIC DEFENSE

Subdivision 1. Total Appropriation 18,539,500 17,562,500

Approved Complement – 42

None of this appropriation shall be used to pay for lawsuits against public agencies or public officials to change social or public policy.

The amounts that may be spent from this appropriation for each program are specified in this subdivision and the following subdivisions.

For the second year appropriation, \$2,750,000 is appropriated for juvenile and misdemeanor services in the 3rd and 6th districts if a law is enacted providing for a homestead agricultural and credit assistance offset in the same amount.

Subd. 2. State Public Defender 3,063,000 3,207,000

During the biennium, legal assistance to Minnesota prisoners shall serve the civil legal needs of persons confined to state institutions.

Subd. 3. Board of Public Defense	1,189,000	1,305,000
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Subd. 4. District Public Defense	14,287,500	13,050,500
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Sec. 8. TAX COURT	601,000	532,800
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Approved Complement – 6

Sec. 9. WORKERS' COMPENSA- TION COURT OF APPEALS	1,284,000	1,363,000
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Approved Complement – 22

This appropriation is from the workers' compensation special compensation fund.

Sec. 10. GOVERNOR AND LIEU- TENANT GOVERNOR	2,923,000	2,916,000
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This appropriation is to fund the offices of the governor and lieutenant governor.

\$20,000 the first year and \$20,000 the second year are for personal expenses connected with the office of the governor.

\$99,000 the first year and \$103,000 the second year are for membership dues of the National Governors Association.

Sec. 11. STATE AUDITOR	6,720,000	7,029,000
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Approved Complement – 124

\$77,000 the first year and \$77,000 the second year are for an account the auditor may bill for costs associated with conducting single audits of federal funds. During the biennium, this account may be used only when no other billing mechanism is feasible.

\$217,000 the first year and \$217,000 the second year must be subtracted from the amount that would otherwise be payable as local government aid under Minnesota Statutes, chapter 477A,

in order to reimburse the general fund for the services of the government information division and the parts of the constitutional office that are related to the government information function.

\$71,000 the first year and \$71,000 the second year must be subtracted from the total police and fire state aid otherwise payable to police and firefighters' relief associations under Minnesota Statutes, sections 69.011 to 69.051, for the costs and expenses incurred by the state auditor in making a review of the audits and examinations of relief associations. The amount subtracted shall be divided proportionally according to the estimated costs of the audits or examinations of the police and firefighters' relief associations as determined by the state auditor.

Two new staff positions and one data entry position in the office of the state auditor that are required by increased research and analysis duties shall be funded through increased audit and other fees to local units of government.

Sec. 12. STATE TREASURER

1,191,000

1,363,000

Approved Complement – 12

Up to \$500,000 for the first year is for a negotiated proposal process for the acquisition of a new information system pursuant to procedures established by the commissioner of administration in accordance with the provisions of Minnesota Statutes, section 16B.08, subdivision 4, paragraph (b). In the event the cost of the treasurer's new information system exceeds the amount appropriated from the general fund, the difference is appropriated from the Intertech internal services fund. The state treasurer is authorized to acquire a new information system by purchase, lease-purchase, lease, or any other method consistent with procedures established by the commissioner of finance.

Sec. 13. ATTORNEY GENERAL

Subdivision 1. Total Appropriation	21,506,200	21,343,200
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Approved Complement -	371
General -	327
Special Revenue -	32
Federal -	12

Summary by Fund

General	20,080,200	19,922,200
Special Revenue	1,426,000	1,421,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Government Services

4,196,000	4,197,000
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Subd. 3. Public Resources

2,957,000	2,809,000
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Subd. 4. Human Resources

1,553,000	1,552,000
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Subd. 5. Law Enforcement

4,215,200	4,211,200
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Subd. 6. Legal Policy and Administration

2,749,000	2,745,000
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All records of the office of the attorney general relating to the 1837 Treaty issue shall be transferred to the state archives upon resolution of the issue. The provisions of Minnesota Statutes, sections 138.161 to 138.25, apply to this transfer.

Money appropriated to the attorney general for treaty litigation is available in either year.

The attorney general shall increase fees charged to agencies to cover criminal investigations and prosecutions of

violations of state environmental laws. The fees collected from agencies are appropriated to the attorney general's office. The cost of these investigations shall be certified for payment by the relevant agencies from the environmental fund.

Money allocated to rent and commercial expenses of the Duluth office of the attorney general shall be reallocated for toll-free telephone and fax service.

The attorney general shall submit a report to the senate finance and house appropriations committees by January 1, 1992, on the relationship between increased OSHA assessments and the increase in positions in the office of the attorney general.

Additions to dedicated or federal complement are approved subject to sufficient appropriations to the attorney general or clients of the attorney general. Additions must be reported to the chairs of the house appropriations committee and the senate finance committee on July 1, 1991, and July 1, 1992.

Subd. 7. Business Regulation

4,337,000	4,330,000
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Summary by Fund

General	2,911,000	2,909,000
Special	1,426,000	1,421,000

Subd. 8. Solicitor General

1,499,000	1,499,000
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Sec. 14. INVESTMENT BOARD

1,912,000	2,006,000
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Approved Complement – 25

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 15. ADMINISTRATIVE HEARINGS

3,458,000 3,617,000

Approved Complement –	78
Revolving –	26
Workers' Compensation –	52

This appropriation is from the workers' compensation special compensation fund for considering workers' compensation claims.

Sec. 16. ADMINISTRATION

Subdivision 1. Total Appropriation 42,903,500 23,220,000

Approved Complement –	876
General –	241
Gift –	1
Revolving –	610
Special Revenue –	24

Subd. 2. Operations Management

4,617,000 4,661,000

Subd. 3. Intertechnologies Group

\$6,794,000 \$1,271,000

\$5,200,000 is loaned from the general fund to the STARS revolving fund. Of this amount, \$2,700,000 will be repaid before the end of the biennium from contributed capital existing in department of administration revolving funds. Notwithstanding any law to the contrary, the commissioner of administration shall have authority to transfer contributed capital between department of administration revolving funds. The remaining \$2,500,000 is to be repaid in six years.

\$150,000 the first year is for the commissioner of the department of administration and the STARS staff to conduct a study to develop models for the use of STARS telecommunications regions under joint powers or other agreements. The models shall be used to:

(1) coordinate development of applications or programs that combine the needs of education, state and local governments, or other public sector users of STARS services;

(2) determine the local telecommunications approaches that work best to distribute applications or programs transported by STARS within the region; and

(3) identify needs for shared video facilities and develop agreements and ways to prioritize or schedule their use equitably.

The study shall focus on current and future telecommunications needs that result from joint activities of STARS customers in the two telecommunications regions that will be served by STARS from Duluth and Rochester and shall describe pilot projects that could be used to validate the study findings.

The study shall be submitted to the appropriate committees of the legislature by December 31, 1991.

\$201,100 the first year and \$205,800 the second year must be subtracted from the amount that would otherwise be payable to local government aid under Minnesota Statutes, chapter 477A, in order to fund the local government records program and the intergovernmental information systems activity.

Subd. 4. Property Management

22,375,500	8,349,000
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\$175,000 the first year and \$175,000 the second year from the program's total appropriation are for capitol area repairs and replacements. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

\$3,825,000 the first year and \$3,884,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.

For capital budget requests in the capitol area as defined in Minnesota Statutes, section 15.50, subdivision 2, paragraph (a), the commissioner of administration shall consult with the capitol area architectural and planning board regarding building sites and design standards.

The department of administration shall discontinue food service management in the state office building for the biennium ending June 30, 1993. Food service shall be managed by the house rules committee as a pilot project for the biennium.

The department of administration in consultation with the capitol area architectural and planning board shall study the historic renovation and potential reuse of the Dahl house and report to the senate finance and house appropriations committees by February 1, 1992.

\$13,780,500 the first year is for costs relating to agency relocation, consolidation, and colocation.

By June 30, 1992, the department of administration shall relocate the state printing operation from the Ford building to a more suitable location outside the capitol complex and shall relocate and consolidate the offices of the attorney general in the Ford building. The Ford building shall be remodeled as office space. Effective June 30, 1992, if agreed to by Muriel Humphrey Brown, the Ford building shall be renamed the Muriel Humphrey law building in honor of the first woman to serve as a United States Senator from Minnesota. After the attorney general is relocated

to the Ford building, office space within the capitol building that is currently used by the attorney general shall be allocated to the governor. By December 31, 1991, the department of administration shall relocate the office of the state auditor to a location within the capitol complex.

\$350,000 the first year is for developing a framework for an integrated infrastructure management system including the establishment of a database of building classification standards. The commissioner of administration shall report by January 1, 1992, on the time and cost of continuing the program for fiscal year 1993.

Subd. 5. Administrative Management

6,845,000	6,641,000
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\$4,000 the first year and \$4,000 the second year are for the state employees' band.

\$240,000 the first year and \$240,000 the second year are for block grants to public television stations.

\$783,049 the first year and \$783,049 the second year are for matching grants to public television stations.

\$1,000,000 the first year and \$1,000,000 the second year are for public television equipment needs. Equipment grant allocations shall be made after considering the recommendations of the Minnesota Public Television Association.

\$291,000 the first year and \$291,000 the second year are for operational grants to public educational radio stations, which must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations under Minnesota Statutes, section 129D.14.

\$181,815 the first year and \$181,815 the second year are for public educational radio stations, which must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations for equipment needs.

\$180,000 the first year is for equipment grants to affiliate stations of Minnesota Public Radio, Incorporated. Equipment grant allocations must be made after consideration of the recommendations of Minnesota Public Radio, Incorporated.

The various funds disbursed pursuant to public broadcasting appropriations shall be secured by a lien on the physical assets purchased by the funds and these amounts shall be debts repayable to the state without interest, at such time as the units of public broadcasting using these assets are sold to any person other than a public body. Public broadcasting entities receiving state funds shall report to the legislature biennially the location and current usage of the assets purchased with state money.

If an appropriation for either year for grants to public television or radio stations is not sufficient, the appropriation for the other year is available for it.

Subd. 6. Information Policy Office

1,686,000 1,704,000

Subd. 7. Management Analysis

586,000 594,000

Sec. 17. SLAM-DUNK COMMISSION

400,000 (11,350,000)

\$400,000 is appropriated to the commissioner of administration for the purpose of matching dollar for dollar with private funds for the cost of a

commission to be called state leadership and management developing and utilizing new knowledge, to be known as the SLAM-DUNK commission. This appropriation is available for the biennium ending June 30, 1993. It is anticipated that the SLAM-DUNK commission will identify \$11,350,000 in immediate general fund cost savings through improving state government efficiency and effectiveness. The commission shall recommend long term actions for improving state government efficiency. This appropriation may be enhanced by nonstate contributions with funds collected and spent from the state expendable trust gift fund. In-kind contributions will be encouraged.

Sec. 18. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

236,000 236,000

Approved Complement – 5

Any unencumbered balance of the appropriation for the first year does not cancel and is available for use in the second year.

Sec. 19. STATE PLANNING AGENCY

9,928,000 3,119,000

1992 1993

Approved Complement –	115	60
General –	85	30
Revolving –	22	22
Federal –	8	8

The commissioner of the state planning agency in cooperation with the commissioners of finance and administration, shall study and make recommendations on creation of an agency that would combine long-range planning, program evaluation, management support, and budgetary functions from within existing agencies. The recommendations shall be forwarded to the legislature by January 1, 1992, and shall include recommenda-

tions as to agencies and departments that could be merged into a new agency.

The state planning agency shall examine the community resources program, evaluate the effectiveness of the program, and make recommendations to the appropriate committees of the legislature for necessary improvements. The agency shall also study possible expansion of the community resources program into inner-ring suburbs adjoining cities of the first class, and report to the appropriate committees of the legislature by January 1, 1992.

\$377,000 the first year and \$377,000 the second year are for regional planning grants to regional development commissions organized under Minnesota Statutes, sections 462.381 to 462.396.

Until June 30, 1993, for state and federal grants distributed by state agencies to regions of the state not having a regional development commission, the state agency administering the grant program may assess the program for administrative costs incurred by the agency that normally are incurred by the commission.

\$20,000 the first year is for the Council of Great Lakes Governors.

During the biennium any seminars or training sessions regarding federal issues for federal budgeting that are conducted by the Washington office shall be made available to legislators and legislative staff. The Washington office shall notify the legislature regarding the timing of such seminars.

\$100,000 the first year and \$100,000 the second year are for demonstration grants under the youth employment and housing program to eligible orga-

nizations as defined in Minnesota Statutes, section 268.361, subdivision 4.

\$101,000 the first year and \$101,000 the second year are for the office of environmental education.

Sec. 20. FINANCE

Subdivision 1. Total Appropriation	9,198,000	11,386,000
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Approved Complement – 131

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Management and Administrative Services

1,148,000	1,205,000
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Subd. 3. State Accounting System

5,172,000	7,313,000
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On or before February 15, 1992, the commissioner of finance shall report to the chairs of the state government divisions of the house appropriations and senate finance committees on progress in designing the new statewide accounting and payroll information systems. The report shall also identify preliminary savings or administrative efficiencies that the state may realize with a new system and indicate the level of future funding required to complete the system. The report shall also present options for the future financing of the system including cost-sharing by users.

Subd. 4. Budget Analysis and Operations

2,318,000	2,286,000
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Subd. 5. Cash and Debt Management

273,000	282,000
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Subd. 6. Economic Analysis

287,000 300,000

Sec. 21. EMPLOYEE RELATIONS

Subdivision 1. Total Appropriation 8,846,000 9,004,000

Approved Complement – 186

General – 111

Insurance Trust – 29

Special Revenue – 46

\$486,000 in 1991 is from the general fund for WCRA premium adjustments and is added to the appropriation in Laws 1989, chapter 335, article 1, section 18.

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Administration

2,601,000 2,566,000

Subd. 3. Labor Relations

517,000 528,000

Subd. 4. Staffing and Compensation

3,052,000 3,058,000

\$56,000 the first year and \$55,000 the second year must be subtracted from the amount that would otherwise be payable as local government aid under Minnesota Statutes, chapter 477A, to offset the cost of the local government pay equity function of the department.

By February 1, 1992, the commissioner of employee relations shall issue a comprehensive report assessing the impact of budget cuts on personnel in all executive branch agencies and boards, including the state university, technical colleges, and community college systems. The report shall include the number of complement, vacancies, and full and part-time personnel working

in each agency and board on July 1, 1991, and on December 31, 1991. It must include a breakdown by job class and bargaining unit in each agency of positions that were eliminated in this period. It must also include a breakdown of student worker and temporary employee positions eliminated in each agency in this period. The commissioner must report on February 1, 1993, presenting the same information for the time period January 1, 1992 to December 31, 1992. The reports must be made to the chairs of the senate finance and house appropriations committees.

It is the policy of the legislature to maximize the delivery of services to the public. If layoffs of state employees are necessary, the appointing authority must make an effort to reduce proportionally based upon the percentage of total management, supervisory, line, and support personnel to the total number of employees in the department or agency for the biennium ending June 30, 1993.

It is the policy of the legislature, in order to ensure efficient restructuring and smooth and harmonious labor relations, that any studies for restructuring of executive branch agencies should be accomplished with the cooperation of existing labor-management committees established through collective bargaining agreements. Every effort should be made to include departmental and agency employees in the restructuring process through their collective bargaining agents.

State agencies must demonstrate that they cannot use available staff before hiring outside consultants or services. Where outside consultants and services are necessary, agencies are encouraged to negotiate contracts that will involve permanent staff so as to upgrade and maximize training of state personnel.

Money spent on outside consultants must be reported on an annual basis to the senate finance and house appropriations committees.

For the biennium ending June 30, 1993, no appointing authority in any state agency shall fill a deputy commissioner position that is vacant on May 3, 1991.

Subd. 5. Safety and Workers' Compensation

2,232,000	2,557,000
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Subd. 6. Training and Development

555,000	528,000
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Subd. 7. Equal Opportunity

311,000	318,000
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Subd. 8. General Reduction

(422,000)	(551,000)
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Sec. 22. PUBLIC EMPLOYMENT RELATIONS BOARD

85,000	85,000
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Approved Complement – 1

Sec. 23. REVENUE

Subdivision 1. Total Appropriation	72,530,000	72,155,000
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Approved Complement –	1,124
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General –	1,084
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Highway User –	38
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Metro Landfill Contingency	1
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Environment	1
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Summary by Fund

General –	70,718,000	70,348,000
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Environmental –	46,000	46,000
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Highway User –	1,720,000	1,715,000
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Metro Landfill	46,000	46,000
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Contingency		
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Revenue Administration

22,153,000	21,880,000
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The approved complement of the department of revenue is reduced by 50.

Notwithstanding any other law to the contrary, \$60,000 of this appropriation for 1993 is for severance pay expenses for a retiring judge of the tax court whose major tenure was in the department of revenue.

Subd. 3. Tax Policy

4,041,000	4,050,000
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Subd. 4. Property and Special Taxes

10,151,000	10,126,000
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Summary by Fund

General -	8,339,000	8,319,000
Environmental -	46,000	46,000
Highway User -	1,720,000	1,715,000
Metro Landfill	46,000	46,000
Contingency		

\$35,000 the first year and \$35,000 the second year must be subtracted from the total police and fire state aid otherwise payable to police and firefighters' relief associations under Minnesota Statutes, sections 69.011 to 69.051, and deposited in the general fund for the costs and expenses incurred by the department in collecting and distributing state aid to police and firefighters' relief associations.

\$55,000 the first year and \$55,000 the second year must be subtracted from the total taconite production tax revenues distributed to local units of government. These amounts shall be deposited in the general fund and appropriated to the department of revenue for the costs and expenses incurred by the department in collecting and distributing taconite production tax revenues.

Subd. 5. Customer Service and Information

13,505,000	13,475,000
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Subd. 6. Tax Compliance

22,680,000	22,624,000
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Sec. 24. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation	34,621,000	32,844,000
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Approved Complement -	213
General -	173
Environmental -	3
Special Revenue -	3
Trunk Highway -	16
Federal -	18

Summary by Fund

General	33,577,000	31,908,000
Environmental	215,000	214,000
Trunk Highway	729,000	722,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Community Development

17,802,000	15,948,000
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\$4,767,000 the first year and \$5,267,000 the second year are for economic recovery grants.

\$5,404,000 the first year and \$3,504,000 the second year are for the targeted neighborhoods revitalization and financing program.

Upon approval by the commissioner of a revitalization program the commissioner shall, within 30 days, pay to the city the amount of state money identified as necessary to implement the revitalization program or program modification.

\$2,691,000 the first year and \$2,691,000 the second year are for pay-

ment of a grant to the metropolitan council for metropolitan area regional parks maintenance and operation.

\$243,000 the first year is for community development corporations. This appropriation is only available to the extent that it is matched by a community development corporation with \$2 of nonstate money for every \$3 of state money.

The metropolitan parks and open space commission shall consider the development of a trail that would link the St. Paul waterfront with the Munger trail via Swede Hollow and the abandoned railroad bed running north through St. Paul's East Side. The commission may meet with interested people and representatives of affected groups and shall report back to the senate finance and house appropriations committees by January 1, 1992.

\$2,006,000 the first year and \$2,006,000 the second year are for grants to pay principal and interest due on bonds issued by the city of Minneapolis for the Great River Road Project, the city of St. Paul for the Como Park conservatory, suburban Hennepin regional park district for land acquisition and development, and Washington county for land acquisition and development. These amounts shall be continued in the base and adjusted only for the normal reduction in principal and interest payments.

\$59,000 the first year and \$59,000 the second year are for a grant to the Minnesota High Tech Corridor. The department shall report its progress to the legislature by January 1, 1992.

\$218,000 the first year and \$217,000 the second year are for the small cities federal match.

\$75,000 is for a grant to Itasca county to plan and do other preliminary work for construction of the Itasca Center.

The city of Duluth will not become eligible to receive any funding from the Urban Revitalization Action Program until the city formally relinquishes its entitlement status under the federal Community Development Block Grant Program to St. Louis county.

St. Louis county must ensure that the city of Duluth will continue to receive that level of federal Community Development Block Grant Program funding that it would have received if it had remained an entitlement community.

\$73,000 the first year and \$73,000 the second year are for a grant to the Minnesota Inventors' Congress. The Minnesota Inventors' Congress shall submit a report to the commissioner of trade and economic development by June 30 of each year on its activities in carrying out the purposes of this grant.

\$98,000 the first year and \$98,000 the second year are for Quality Council grants.

\$250,000 the first year and \$250,000 the second year are for a grant to Minnesota Project Innovation.

A city, county, or township may grant the funds received under Minnesota Statutes, section 116J.873, to a regional development commission to provide the required local matching funds for capitalization of a regional revolving loan fund.

Subd. 3. Minnesota Trade Office

2,069,000	2,178,000
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The department of trade and economic development, in consultation with the state council on Asian-Pacific Minneso-

tans, shall develop a program to attract investors from Hong Kong to Minnesota and report to the legislature by January 1, 1992. The report shall include consideration and utilization of the new federal "investment visa program" status.

\$100,000 is for the department of trade and economic development to award grants to qualifying Minnesota non-profit organizations to support international cultural and educational exchange programs and to make grants and loans to qualifying Minnesota businesses for the support of international partnership program activities that may lead to long-term trade relations. Grants must be matched with at least \$3 of nonpublic funds for every state grant dollar awarded and loans must be matched by at least \$1 for every state grant dollar loaned.

\$100,000 is available for foreign trade offices in the second year of the biennium. The department of trade and economic development shall report to the legislature by February 1, 1992, on the proposed location of the offices and the criteria used for the proposal.

\$30,000 is for an export outreach pilot project to identify and pursue one or more specific export trade opportunities for rural Minnesota businesses. Expenditures of more than \$10,000 for a specific project shall be matched, dollar for dollar, from nonpublic sources.

Subd. 4. Tourism

7,419,000	7,202,000
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Summary by Fund

General	6,615,000	6,480,000
Trunk Highway	729,000	722,000

To develop maximum private sector involvement in tourism, \$2,000,000 the first year and \$2,000,000 the second

year of the amounts appropriated for marketing activities are contingent upon receipt of an equal contribution of nonstate sources that have been certified by the commissioner. Up to one-half of the match may be given in in-kind contributions. This appropriation may be released as money is matched.

Any unexpended funds from general fund appropriations made under this subdivision shall not cancel but be placed in a special advertising account for use by the office of tourism to purchase additional media.

To maximize marketing grant benefits, priority for joint venture marketing grants shall be given to organizations with year-round sustained tourism activities. For programs and projects submitted, priority must be given to those that encompass two or more organizations or that attract nonresident travelers to the state.

Subd. 5. Business Development and Analysis

5,312,000 5,206,000

Summary by Fund

General	5,097,000	4,992,000
Environmental	215,000	214,000

\$200,000 is appropriated from the general fund in the first year and \$100,000 in the second year to the commissioner of trade and economic development for grants to Advantage Minnesota, Inc.

The funds are available only if matched on at least a one-to-one basis from other sources. The commissioner may release the funds only upon:

(1) certification that matching funds from each participating organization are available;

(2) review and approval of the bylaws and articles of incorporation of Advantage Minnesota, Inc. by the commissioner;

(3) appointment of the board of directors of Advantage Minnesota Inc.; and

(4) review and approval by the commissioner of the proposed operations plan of Advantage Minnesota, Inc. for the biennium.

\$166,000 the first year and \$166,000 the second year are for the Minnesota motion picture board. This appropriation is available only upon receipt by the board of \$1 in matching contributions of money or in-kind from nonstate sources for every \$3 provided by this appropriation.

\$122,000 the first year and \$122,000 the second year are for the state's match for the federal small business development centers. If funding in one year is insufficient, the other year's appropriation is available.

\$1,108,000 the first year and \$1,108,000 the second year are for Minnesota Jobs Skills Partnership grants.

The department of trade and economic development may grant up to \$125,000 to a private entity for a pilot project to test the feasibility of an energy conversion plant utilizing an anaerobic digestion system. This appropriation is available only upon verification that an equal amount of other funds has been committed to the project.

\$500,000 is appropriated in the first year and \$500,000 in the second year for the business development and preservation program.

Subd. 6. Administration

1,994,000	2,310,000
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The approved complement of the department of trade and economic development is reduced by 13.

Sec. 25. AMATEUR SPORTS COMMISSION

544,000

543,000

Approved Complement – 8

Loan repayments required by Laws 1988, chapter 686, article 1, section 16, and Laws 1989, chapter 335, article 1, section 25, subdivision 3, need not be repaid on the dates specified. The outstanding balances totaling \$255,000 shall be repaid in three equal installments of \$85,000 due no later than June 30, 1993; June 30, 1994; and June 30, 1995.

\$51,000 of the appropriation is for a full-time women's sports director and \$21,000 is for a full-time student clerical worker. \$25,000 is available for grants.

Sec. 26. MEDIATION SERVICES

1,875,000

1,872,000

Approved Complement – 23

The approved complement of the bureau of mediation services is reduced by two.

\$287,000 the first year and \$287,000 the second year are for grants to area labor-management committees. The unencumbered balance remaining in the first year does not cancel but is available for the second year.

Sec. 27. MILITARY AFFAIRS

Subdivision 1. Total Appropriation

10,100,000

10,237,000

Approved Complement – 351

General – 136

Federal – 215

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Enlistment Incentives

2,350,000 2,350,000

\$2,015,000 the first year and \$2,015,000 the second year are for the tuition reimbursement program.

\$335,000 the first year and \$335,000 the second year are for the reenlistment bonus program.

The tuition credit program and reenlistment bonus program in the department of military affairs are abolished contingent on the final enactment of a tax credit program for National Guard members in the 1991 legislative session.

If appropriations for either year of the biennium are insufficient, the appropriation from the other year is available. The appropriations for enlistment incentives are available until expended.

Subd. 3. Maintenance of Training Facilities

5,987,000 6,127,000

Subd. 4. General Support

1,763,000 1,760,000

\$75,000 the first year and \$75,000 the second year are for expenses of military forces ordered to active duty under Minnesota Statutes, chapter 192. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 28. VETERANS AFFAIRS

2,680,000

2,674,000

\$1,048,000 the first year and \$1,048,000 the second year are for emergency financial and medical needs of veterans. For the biennium ending June 30, 1993, the commissioner shall limit financial assistance to veterans and dependents to six months, unless recipients have been certified as ineligible for other benefit programs. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The state auditor shall study the functions of county veterans service officers and report to the legislature by January 1, 1992. The report must include but not be limited to recommendations on the following: (1) elimination or merging of services and personnel; and (2) state funding of personnel costs.

With the approval of the commissioner of finance, the commissioner of veterans affairs may transfer the unencumbered balance from the veterans relief program to other department programs during the fiscal year. The commissioner of veterans affairs shall provide background information explaining why the unencumbered balance exists. The amounts transferred must be identified to the chairs of the senate finance committee division on state departments and the house appropriations committee division on state government.

Sec. 29. GENERAL CONTINGENT
ACCOUNTS

600,000

600,000

The appropriations in this section must be spent with the approval of the governor after consultation with the legislative advisory commission under Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

General	250,000	250,000
Special Revenue	250,000	250,000
Workers' Comp.	100,000	100,000

Sec. 30. TORT CLAIMS	303,000	303,000
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To be spent by the commissioner of finance.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 31. MINNESOTA STATE RETIREMENT SYSTEM	9,800,000	10,620,000
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The amounts estimated to be needed for each program are as follows:

(a) Legislators

2,400,000	2,600,000
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Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.11.

(b) Judges

7,200,000	7,800,000
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Under Minnesota Statutes, sections 490.106; and 490.123, subdivision 1.

(c) Constitutional Officers

200,000	220,000
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Under Minnesota Statutes, sections 352C.031, subdivision 5; 352C.04, subdivision 3; and 352C.09, subdivision 2.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 32. MINNEAPOLIS EMPLOYEES RETIREMENT FUND	10,955,000	10,955,000
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The appropriation is to the commissioner of finance for payment to the Minneapolis employees retirement fund under Minnesota Statutes, section 422A.101, subdivision 3.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 33. POLICE AND FIRE AMORTIZATION AID

3,524,000

3,524,000

The appropriation is to the commissioner of revenue for state aid to amortize the unfunded liability of local police and salaried firefighters' relief associations, under Minnesota Statutes, section 423A.02. If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 34. [TRANSFERS.]

Subdivision 1. [GENERAL PROCEDURE.] If the appropriation in this article to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives. If the appropriation in this act to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.

Subd. 2. [CONSTITUTIONAL OFFICERS.] A constitutional officer need not get the approval of the commissioner of finance but must notify the committee on finance of the senate and the committee on appropriations of the house of representatives before making a transfer under subdivision 1.

Subd. 3. [TRANSFER PROHIBITED.] If an amount is specified in this article for an item within an activity, that amount must not be transferred or used for any other purpose.

Sec. 35. Minnesota Statutes 1990, section 2.722, subdivision 1, is amended to read:

Subdivision 1. [DESCRIPTION.] Effective July 1, 1959, the state is divided into ten judicial districts composed of the following named counties, respectively, in each of which districts judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, Le Sueur, McLeod, Scott, and Sibley; ~~13~~ 27 judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; ~~13~~ 24 judges;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; 22 judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, and Winona;

4. Hennepin; ~~53~~ 54 judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; ~~five~~ 17 judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; 15 judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; 20 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; ~~three~~ 11 judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mahanomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochiching; ~~six~~ 20 judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, and International Falls;

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; ~~30~~ 32 judges; and permanent chambers shall be

maintained in Anoka, Stillwater, and other places designated by the chief judge of the district.

Sec. 36. Minnesota Statutes 1990, section 2.722, is amended by adding a subdivision to read:

Subd. 5. [JUDICIAL EMPLOYEES.] The complement for the law clerk and court reporter assigned exclusively to a judgeship that is abolished under this section is abolished upon vacancy of the position. The complement for the law clerk and court reporter shall be transferred to the judicial district to which a judgeship is transferred pursuant to this section.

Sec. 37. [7.21] [PAY FOR DEPOSIT SERVICES; APPROPRIATION.]

Subdivision 1. [AUTHORITY TO PAY.] The state treasurer may pay a depository for performing services related to the deposit of state funds in accord with agreements entered into by the commissioner of finance under section 16A.27, subdivision 5.

Subd. 2. [APPROPRIATION.] The money to make the payments under this section is appropriated.

Sec. 38. [7.22] [MAY ISSUE COMMEMORATIVE MEDALLIONS.]

The state treasurer may issue medallions to commemorate popular contemporaneous events of statewide interest.

The treasurer may make reasonable arrangements with public or private entities for the production, distribution, marketing, and sale of the medallions. The treasurer may solicit and receive nonstate funds or in-kind contributions in connection with any part of the medallion program. Proceeds from sales, nonstate funds, and in-kind contributions must be deposited in a dedicated account.

The state treasurer may issue a "SUPER BOWL XXVI" commemorative medallion.

Sec. 39. Minnesota Statutes 1990, section 8.06, is amended to read:

8.06 [ATTORNEY FOR STATE OFFICERS, BOARDS, OR COMMISSIONS; EMPLOY COUNSEL.]

The attorney general shall act as the attorney for all state officers and all boards or commissions created by law in all matters pertaining to their official duties. When requested by the attorney general, it shall be the duty of any county attorney of the state to

appear within the county and act as attorney for any such board, commission, or officer in any court of such county. The attorney general may, upon request in writing, employ, and fix the compensation of, a special attorney for any such board, commission, or officer when, in the attorney general's judgment, the public welfare will be promoted thereby. Such special attorney's fees or salary shall be paid from the appropriation made for such board, commission, or officer. A state agency that is current with its billings from the attorney general for legal services may contract with the attorney general for additional legal and investigative services. Except as herein provided, no board, commission, or officer shall hereafter employ any attorney at the expense of the state.

Whenever the attorney general, the governor, and the chief justice of the supreme court shall certify, in writing, filed in the office of the secretary of state, that it is necessary, in the proper conduct of the legal business of the state, either civil or criminal, that the state employ additional counsel, the attorney general shall thereupon be authorized to employ such counsel and, with the governor and the chief justice, fix the additional counsel's compensation. Except as herein stated, no additional counsel shall be employed and the legal business of the state shall be performed exclusively by the attorney general and the attorney general's assistants.

Sec. 40. Minnesota Statutes 1990, section 14.07, subdivision 1, is amended to read:

Subdivision 1. [RULE DRAFTING ASSISTANCE PROVIDED.]

(a) The revisor of statutes shall:

(1) maintain an agency rules drafting department to draft or aid in the drafting of rules or amendments to rules for any agency in accordance with subdivision 3 and the objective or other instructions which the agency shall give the revisor; and,

(2) prepare and publish an agency rules drafting guide which shall set out the form and method for drafting rules and amendments to rules, and to which all rules shall comply.

~~(b) The revisor shall assess an agency for the actual cost of providing aid in drafting rules or amendments to rules. The agency shall pay the assessment using the procedures of section 3C.056. Each agency shall include in its budget money to pay the revisor's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.~~

(c) An agency may not contract with an attorney, consultant, or other person either to provide rule drafting services to the agency or to advise on drafting unless the revisor determines that special expertise is required for the drafting and the expertise is not available from the revisor or the revisor's staff.

Sec. 41. Minnesota Statutes 1990, section 14.07, subdivision 2, is amended to read:

Subd. 2. [APPROVAL OF FORM.] No agency decision to adopt a rule or emergency rule, including a decision to amend or modify a proposed rule or proposed emergency rule, shall be effective unless the agency has presented the rule to the revisor of statutes and the revisor has certified that its form is approved. ~~The revisor shall assess an agency for the actual cost of processing rules for consideration for approval of form. The assessments must include necessary costs to create or modify the computer data base of the text of a rule and the cost of putting the rule into the form established by the drafting guide provided for in subdivision 1. The agency shall pay the assessments using the procedures of section 3C.056. Each agency shall include in its budget money to pay revisor's assessments. Receipts from the assessments must be deposited in the state treasury and credited to the general fund.~~

Sec. 42. Minnesota Statutes 1990, section 14.08, is amended to read:

14.08 [REVISOR OF STATUTES APPROVAL OF RULE FORM.]

(a) Two copies of a rule adopted pursuant to the provisions of section 14.26 or 14.32 shall be submitted by the agency to the attorney general. The attorney general shall send one copy of the rule to the revisor on the same day as it is submitted by the agency under section 14.26 or 14.32. Within five days after receipt of the rule, excluding weekends and holidays, the revisor shall either return the rule with a certificate of approval of the form of the rule to the attorney general or notify the attorney general and the agency that the form of the rule will not be approved.

If the attorney general disapproves a rule, the agency may modify it and the agency shall submit two copies of the modified rule to the attorney general who shall send a copy to the revisor for approval as to form as described in this paragraph.

(b) One copy of a rule adopted after a public hearing shall be submitted by the agency to the revisor for approval of the form of the rule. Within five working days after receipt of the rule, the revisor shall either return the rule with a certificate of approval to the agency or notify the agency that the form of the rule will not be approved.

(c) If the revisor refuses to approve the form of the rule, the revisor's notice shall revise the rule so it is in the correct form.

~~(d) The attorney general and the revisor of statutes shall assess an agency for the actual cost of processing rules under this section. The~~

agency shall pay the revisor's assessments using the procedures of section 3C.056. The agency shall pay the attorney general's assessments using the procedures of section 8.15. Each agency shall include in its budget money to pay the revisor's and the attorney general's assessments. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.

Sec. 43. Minnesota Statutes 1990, section 14.26, is amended to read:

14.26 [ADOPTION OF PROPOSED RULE; SUBMISSION TO ATTORNEY GENERAL.]

If no hearing is required, the agency shall submit to the attorney general the proposed rule and notice as published, the rule as proposed for adoption, any written comments received by the agency, and a statement of need and reasonableness for the rule. The agency shall give notice to all persons who requested to be informed that these materials have been submitted to the attorney general. This notice shall be given on the same day that the record is submitted. If the proposed rule has been modified, the notice shall state that fact, and shall state that a free copy of the proposed rule, as modified, is available upon request from the agency. The rule and these materials shall be submitted to the attorney general within 180 days of the day that the comment period for the rule is over or the rule is automatically withdrawn. The agency shall report its failure to adopt the rules and the reasons for that failure to the legislative commission to review administrative rules, other appropriate legislative committees, and the governor.

Even if the 180-day period expires while the attorney general reviews the rule, if the attorney general rejects the rule, the agency may resubmit it after taking corrective action. The resubmission must occur within 30 days of when the agency receives written notice of the disapproval. If the rule is again disapproved, the rule is withdrawn. An agency may resubmit at any time before the expiration of the 180-day period. If the agency withholds some of the proposed rule, it may not adopt the withheld portion without again following the procedures of sections 14.14 to 14.28, or 14.29 to 14.36.

The attorney general shall approve or disapprove the rule as to its legality and its form to the extent the form relates to legality, including the issue of substantial change, and determine whether the agency has the authority to adopt the rule and whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rule within 14 days. If the rule is approved, the attorney general shall promptly file two copies of it in the office of the secretary of state. The secretary of state shall forward one copy of each rule to the revisor of statutes. If the rule is disapproved, the attorney general shall state in writing the reasons and make recommendations to overcome the deficiencies, and the rule shall

not be filed in the office of the secretary of state, nor published until the deficiencies have been overcome. The attorney general shall send a statement of reasons for disapproval of the rule to the agency, the chief administrative law judge, the legislative commission to review administrative rules, and to the revisor of statutes.

~~The attorney general shall assess an agency for the actual cost of processing rules under this section. The agency shall pay the attorney general's assessments using the procedures of section 8.15. Each agency shall include in its budget money to pay the attorney general's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.~~

Sec. 44. Minnesota Statutes 1990, section 15.191, subdivision 1, is amended to read:

Subdivision 1. [EMERGENCY DISBURSEMENTS.] Imprest cash funds for the purpose of making minor disbursements, providing for change, and providing employees with travel advances or a portion or all of their payroll warrant where the warrant has not been received through the payroll system, may be established by state departments or agencies from existing appropriations in the manner prescribed by this section.

Sec. 45. Minnesota Statutes 1990, section 15.50, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATIVE AND PLANNING EXPENSES.] With the exception of the administrative and planning expenses of the board for federally funded capital expenditures, the board's administrative and planning expenses shall be borne by the state. If federal money is available for capital expenditures, the board's administrative and planning expenses must be reimbursed to the state upon receipt of that money. State agencies and other public bodies considering capitol area projects shall consult with the board prior to developing plans for capital improvements or capital budget proposals for submission to the legislature and governor. These public agencies shall provide adequate funds for the board's review and planning purposes if the board determines its review and planning services are necessary. The expenses of the board for competition premiums, land acquisition or improvement or any other capital expenditures in or upon properties owned or to be owned by the state shall be borne by the state. The expenses of any other public body for such expenditures shall be borne by the body concerned. The city of Saint Paul may expend moneys currently in the city of Saint Paul Capitol Approach Improvement Fund established by Laws 1945, chapter 315, and acts amendatory thereof for capital improvements contained in the city's approved capital improvement budget. The budget is to be adopted in accordance with provisions contained in the city charter.

Sec. 46. Minnesota Statutes 1990, section 16A.27, subdivision 5, is amended to read:

Subd. 5. [CHARGES, COMPENSATING BALANCES.] The commissioner may, after consulting with the state treasurer, agree ~~to~~ that the treasurer may pay a depository a reasonable charge from appropriated money, ~~to~~ maintain appropriate compensating balances with the depository, or purchase noninterest bearing certificates of deposit from the depository for performing depository related services.

Sec. 47. Minnesota Statutes 1990, section 16A.45, subdivision 1, is amended to read:

Subdivision 1. [CANCEL; CREDIT.] Once each fiscal year the commissioner and the treasurer shall cancel upon their books all outstanding unpaid commissioner's warrants, except warrants issued for the ~~medical~~ federal assistance ~~program~~ programs, that have been issued and delivered for more than five years prior to that date and credit to the general fund the respective amounts of the canceled warrants. ~~Once each fiscal year~~ The commissioner and the treasurer shall cancel upon their books all outstanding unpaid commissioner's warrants issued for the ~~medical~~ federal assistance ~~program~~ programs that have been issued and delivered for more than ~~one year~~ the period of time set pursuant to the federal program and credit to the general fund and the appropriate account in the federal fund, the amount of the canceled warrants.

Sec. 48. [16A.581] [DATA SEARCH PAYMENTS.]

Amounts paid to the department of finance pursuant to section 13.03, subdivision 3, for the costs of searching for and retrieving government data and for making, certifying, and compiling the copies of the data, are annually appropriated to the department of finance to be added to the appropriations from which the costs were paid.

Sec. 49. Minnesota Statutes 1990, section 16A.641, subdivision 3, is amended to read:

Subd. 3. [SERIES OF BONDS.] Bonds authorized by a law may be issued in more than one series, and bonds authorized by more than one law may be combined in a single series, as determined by order of the commissioner. The order must state the principal amount of the bonds to be issued under each law, and the aggregate principal amount and the maturity dates and amounts of the bonds included in the series that are to be issued for the purpose of each special fund.

At any time during the 18 months following the issuance of any

series of bonds, the commissioner may, by amendment to the order authorizing their issuance, determine that any portion of the bonds were issued, or shall be deemed to have been issued, pursuant to a law other than the one specified in the original order and for a different purpose, and reallocate and transfer their proceeds to the appropriate account in the bond proceeds fund or the appropriate special fund, for expenditure pursuant to the law pursuant to which the amendment determines they were issued. No such amendment shall be adopted unless:

(1) on the date of the original order, the bonds could have been issued and their proceeds expended as determined in the amended order;

(2) all actions required for the issuance of the transferred bonds have been taken on or before the date of the amendment; and

(3) the commissioner determines upon advice of counsel that the taxability of the interest on the bonds for federal income tax purposes will not be affected by the amendment.

Sec. 50. Minnesota Statutes 1990, section 16A.662, subdivision 4, is amended to read:

Subd. 4. [ESTABLISHMENT OF DEBT SERVICE ACCOUNT; APPROPRIATION OF DEBT SERVICE ACCOUNT MONEY.] There is established within the state bond fund a separate and special account designated as the infrastructure development bond debt service account. There must be transferred to this debt service account in each fiscal year from money in the infrastructure development fund, other than bond proceeds and interest earned on bond proceeds, an amount sufficient to increase the balance on hand in the debt service account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding infrastructure development bonds to and including the second following July 1. The amount necessary to make the transfer is appropriated from the infrastructure development fund. The money on hand in the debt service account must be used solely for the payment of the principal of, and interest on, the bonds, and is appropriated for this purpose. This appropriation does not cancel as long as any of the bonds remain outstanding.

Sec. 51. Minnesota Statutes 1990, section 16A.672, subdivision 9, is amended to read:

Subd. 9. [APPROPRIATION.] The money needed to pay when due the compensation and expenses of registrars, delivery agents, and paying agents, and the expenses of other agreements under subdivision 7 is appropriated annually to the commissioner from the general fund.

Sec. 52. Minnesota Statutes 1990, section 16A.69, is amended by adding a subdivision to read:

Subd. 3. [CAPITOL AREA PLANNING.] The department shall set aside from a state appropriation available for that purpose funds for the planning and consulting services of the capitol area architectural and planning board when a state agency or the Minnesota historical society plans and constructs any capital improvement in the capitol area as defined in section 15.50, subdivision 2, paragraph (a).

Sec. 53. Minnesota Statutes 1990, section 16A.721, subdivision 1, is amended to read:

Subdivision 1. [ACCOUNT, RULES.] The commissioner may make rules for charging fees for seminars and workshops conducted by agencies. The commissioner may keep an account accounts for deposit of the seminar and workshop fee receipts. The commissioner may not allow the unobligated balance of this account to exceed \$10,000 balances in these accounts to be carried forward provided that the funds are expended in the following fiscal year. Unobligated balances that are not carried forward shall cancel to the general fund.

Sec. 54. [16A.723] [GOVERNOR'S RESIDENCE; REIMBURSEMENT OF EXPENSES.]

Subdivision 1. [ACCOUNT PROCEDURES.] The commissioner may establish procedures to accept funds for reimbursement of expenditures at the governor's residence.

Subd. 2. [APPROPRIATION.] The reimbursements collected under subdivision 1 are appropriated for payment of expenses relating to events conducted at the governor's residence.

Sec. 55. Minnesota Statutes 1990, section 16B.24, subdivision 5, is amended to read:

Subd. 5. [RENTING OUT STATE PROPERTY.] (a) [AUTHORITY.] The commissioner may rent out state property, real or personal, that is not needed for public use, if the rental is not otherwise provided for or prohibited by law. The property may not be rented out for more than five years at a time without the approval of the state executive council and may never be rented out for more than 25 years except as provided in paragraph (f). A rental agreement may provide that the state will reimburse a tenant for a portion of capital improvements that the tenant makes to state real property if the state does not permit the tenant to renew the lease at the end of the rental agreement.

(b) [RESTRICTIONS.] Paragraph (a) does not apply to state trust fund lands, other state lands under the jurisdiction of the department of natural resources, lands forfeited for delinquent taxes, lands acquired under section 298.22, or lands acquired under section 41.56 which are under the jurisdiction of the department of agriculture.

(c) [FORT SNELLING CHAPEL; RENTAL.] The Fort Snelling Chapel, located within the boundaries of Fort Snelling State Park, is available for use only on payment of a rental fee. The commissioner shall establish rental fees for both public and private use. The rental fee for private use by an organization or individual must reflect the reasonable value of equivalent rental space. Rental fees collected under this section must be deposited in the general fund.

(d) [RENTAL OF LIVING ACCOMMODATIONS.] The commissioner shall establish rental rates for all living accommodations provided by the state for its employees. Money collected as rent by state agencies pursuant to this paragraph must be deposited in the state treasury and credited to the general fund.

(e) [LEASE OF SPACE IN CERTAIN STATE BUILDINGS TO STATE AGENCIES.] The commissioner may lease portions of the state owned buildings in the capitol complex, the capitol square building, the health building, and the building at 1246 University Avenue, St. Paul, Minnesota, to state agencies and charge rent on the basis of space occupied. Notwithstanding any law to the contrary, all money collected as rent pursuant to the terms of this section shall be deposited in the state treasury. Money collected as rent to recover the depreciation cost of a building built with state dedicated funds shall be credited to the dedicated fund which funded the original acquisition or construction. All other money received shall be credited to the general services revolving fund.

(f) [RENTAL OF STATE LAND, BUILDINGS FOR PUBLIC USE.] The commissioner may rent state land for as long as 30 years if the lease provides that the lessee must design, develop, and construct on the land premises for public use and that the state has the option to lease the premises under subdivision 6, paragraph (a); has a lease-purchase agreement covering the premises under subdivision 6, paragraph (b); or has an agreement covering the premises providing for a lease with option to buy under subdivision 6, paragraph (c). A lease or lease-purchase agreement entered into under this paragraph is subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use.

Sec. 56. Minnesota Statutes 1990, section 16B.24, subdivision 6, is amended to read:

Subd. 6. [PROPERTY RENTAL.] (a) [LEASES.] The commissioner shall rent land and other premises when necessary for state

purposes. The commissioner may lease land or premises for five years or less, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. The commissioner may lease land or premises for more than five years under the provisions of paragraphs (b) and (c). The commissioner may not rent non-state-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. If the commissioner enters into a lease-purchase or lease with option to buy agreement for buildings or substantial portions of buildings within the capitol area, the commissioner shall require that any new construction of non-state-owned buildings conform to design guidelines of the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. An agency or department head must consult with the chairs of the house appropriations and senate finance committees before entering into any agreement that would cause an agency's rental costs to increase by ten percent or more per square foot or would increase the number of square feet of office space rented by the agency by 25 percent or more in any fiscal year.

(b) [LEASE-PURCHASE.] The commissioner may lease land or buildings for as long as 30 years if the lease agreement provides for the transfer of the ownership of the leased land and buildings upon normal termination of the lease for an amount not to exceed \$1. The commissioner may not enter into a lease-purchase agreement for the use of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board and the chair of the appropriations committee of the house and the chair of the finance committee of the senate. A lease-purchase agreement entered into under this paragraph is subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use.

(c) [LEASE WITH OPTION TO BUY.] The commissioner may lease land or premises for as long as 30 years if the lease agreement provides the state a unilateral right to purchase all leased land and premises. The unilateral right must:

(1) be available at any time during the lease agreement; and

(2) provide for a decreasing purchase price reflecting a mortgage balance that would reach zero in no more than 30 years from the beginning of the initial lease period.

The commissioner may not enter an agreement providing for a lease

with option to buy covering land or premises within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board.

(d) [CANCELLATION.] A lease with option to buy agreement entered into under paragraph (c) is subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use.

(e) [USE VACANT PUBLIC SPACE.] No agency may initiate or renew a lease for space for its own use in a private building unless the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available.

(e) (f) [PREFERENCE FOR CERTAIN BUILDINGS.] For needs beyond those which can be accommodated in state-owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent and cost effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic places, designated by a state or county historical society, or designated by a municipal preservation commission.

(d) (g) [RECYCLING SPACE.] Leases for space of 30 days or more for 5,000 square feet or more must require that space be provided for recyclable materials.

Sec. 57. Minnesota Statutes 1990, section 16B.36, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner may examine, investigate, or make a survey of the organization, administration, and management of state agencies and institutions under their control, and may assist state agencies by providing analytical, statistical, and organizational development services to them in order to secure greater efficiency and economy through reorganization or consolidation of agencies or functions and to eliminate duplication of function, effort, or activity, so far as possible. The commissioner shall periodically submit to the legislature a list of the studies being conducted for this purpose and any future studies scheduled at the time the list is submitted.

Sec. 58. Minnesota Statutes 1990, section 16B.41, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITIES.] The office has the following duties:

(a) The office must develop and establish a state information architecture to ensure that further state agency development and purchase of information systems equipment and software is directed in such a manner that individual agency information systems complement and do not needlessly duplicate or needlessly conflict with the systems of other agencies. In those instances where state agencies have need for the same or similar computer data, the commissioner shall ensure that the most efficient and cost-effective method of producing and storing data for or sharing data between those agencies is used. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. The commissioner of administration must establish interim standards and guidelines by August 1, 1987. The office must establish permanent standards and guidelines by July 1, 1988. On January 1, 1988, and every six months thereafter, any state agency that has purchased information systems equipment or software in the past six months, or that is contemplating purchasing this equipment or software in the next six months, must report to the office and to the chairs of the house appropriations committee and the senate finance committee on how the purchases or proposed purchases comply with the applicable standards and guidelines.

(b) The office shall assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's and the state's mission, requirements, and functions.

(c) ~~Beginning July 1, 1988,~~ The office must review and approve all agency requests for legislative appropriations for the development or purchase of information systems equipment or software. Requests may not be included in the governor's budget submitted to the legislature, ~~beginning with the budget submitted in January 1989,~~ unless the office has approved the request.

(d) Each biennium the office must rank in order of priority agency requests for new appropriations for development or purchase of information systems equipment or software. The office must submit this ranking to the legislature at the same time, or no later than 14 days after, the governor submits the budget message to the legislature.

(e) ~~Beginning July 1, 1989,~~ The office must define, review, and approve major purchases of information systems equipment to (1) ensure that the equipment follows the standards and guidelines of the state information architecture; (2) ensure that the equipment is consistent with the information management principles adopted by the information policy council; (3) evaluate whether or not the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and (4) ensure the equipment is consistent with other systems in other state agencies so that data can be shared

among agencies, unless the office determines that the agency purchasing the equipment has special needs justifying the inconsistency. The commissioner of finance may not allot funds appropriated for major purchases of information systems equipment until the office reviews and approves the proposed purchase. A public institution of higher education must not purchase interconnective computer technology without the prior approval of the office.

(f) The office shall review the operation of information systems by state agencies and provide advice and assistance so that these systems are operated efficiently and continually meet the standards and guidelines established by the office.

Sec. 59. Minnesota Statutes 1990, section 16B.41, is amended by adding a subdivision to read:

Subd. 5. [COMPUTER IMPACT STATEMENT.] Statutory changes affecting reporting and data collection requirements for local units of government may not be enforced until the state agency most responsible for the change has filed a computer impact statement with the office. The statement must indicate the proposed data processing costs associated with the pending change.

Sec. 60. Minnesota Statutes 1990, section 16B.465, subdivision 4, is amended to read:

Subd. 4. [PROGRAM PARTICIPATION.] (a) The commissioner may require the participation of state agencies and the governing boards of the state universities, the community colleges, and the technical colleges, and may request the participation of the board of regents of the University of Minnesota, in the planning and implementation of the network to provide interconnective technologies. The commissioner shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system.

(b) A direct appropriation made to an educational institution for usage costs associated with the STARS network must only be used by the educational institution for payment of usage costs of the network as billed by the commissioner of administration. The post-secondary appropriations may be shifted between systems as required by unanticipated usage patterns. An intersystem transfer must be requested by the appropriate system and may be made only after review and approval by the commissioner of finance, in consultation with the commissioner of administration.

Sec. 61. Minnesota Statutes 1990, section 16B.48, subdivision 2, is amended to read:

Subd. 2. [PURPOSE OF FUNDS.] Money in the state treasury credited to the general services revolving fund and money that is deposited in the fund is appropriated annually to the commissioner for the following purposes:

- (1) to operate a central store and equipment service;
- (2) to operate a central duplication and printing service;
- (3) to purchase postage and related items and to refund postage deposits as necessary to operate the central mailing service;
- (4) to operate a documents service as prescribed by section 16B.51;
- (5) to provide advice and other services to political subdivisions for the management of their telecommunication systems;
- (6) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;
- (7) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts;
- (8) to provide capitol security services through the department of public safety; and
- (9) to perform services for any other agency. Money may be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services and other services for the maintenance, operation, and upkeep of buildings and offices of the state government; and
- (10) to operate a records center.

Sec. 62. [43A.045] [RESTRUCTURING.]

It is the policy of the state of Minnesota that any restructuring of executive branch agencies be accomplished while ensuring that fair and equitable arrangements are carried out to protect the interests of executive branch employees, and while facilitating the best possible service to the public. The commissioner shall make every effort to train and retrain existing employees for a changing work environment. Where restructuring may involve a loss of existing

positions and employment, the commissioner shall assist affected employees in finding suitable employment in other state agencies.

For employees whose positions will be eliminated by implementation of a restructuring plan, options presented to employees must include but not be limited to job and training opportunities necessary to qualify for another job within their current department or a similar job in another state agency.

Implementation of this section, as well as procedures for notifying employees affected by restructuring plans, must be negotiated into collective bargaining agreements under chapter 179A. Nothing in this section shall be construed as diminishing any rights defined in collective bargaining agreements under this chapter or chapter 179A.

Sec. 63. [43A.182] [PAYMENT OF SALARY DIFFERENTIAL FOR RESERVE FORCES ON ACTIVE DUTY.]

Each agency head shall pay to each eligible member of the reserve components of the armed forces of the United States an amount equal to the difference between the member's basic active duty military salary and the salary the member would be paid as an active state employee, including any adjustments the member would have received if not on leave of absence. This payment may be made only to a person whose basic active duty military salary is less than the salary the person would be paid as an active state employee. Payments must be made at the intervals at which the member received pay as a state employee. Back pay authorized by this section may be paid in a lump sum. Such pay shall not extend beyond four years from the date the employee was called to active duty plus such additional time in each case as such employee may be required to serve pursuant to law.

An eligible member of the reserve components of the armed forces of the United States is a reservist or National Guard member who was an employee of the state of Minnesota at the time the member was called to active duty and who was or is called to active duty after August 1, 1990, because of Operation Desert Shield, Operation Desert Storm, or any other action taken by the armed forces relating to hostilities between the United States and the Republic of Iraq.

For the purposes of this section, an employee of the state is an employee of the executive, judicial, or legislative branches of state government or an employee of the Minnesota state retirement system, the public employee retirement association, or the teachers retirement association.

The commissioner of employee relations and the commissioner of finance shall adopt procedures required to implement this section. The procedures are exempt from chapter 14.

Sec. 64. [43A.48] [DEPENDENT CARE EXPENSE ACCOUNT.]

The commissioner of employee relations may use FICA savings generated from the dependent care expense account program to pay for the administrative costs of the program.

Sec. 65. Minnesota Statutes 1990, section 79.34, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS REQUIRING MEMBERSHIP.] The nonprofit association known as the workers' compensation reinsurance association may be incorporated under chapter 317A with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40, sections 79.34 to 79.40 govern. Each insurer as defined by section 79.01, subdivision 2, shall, as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and is bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 are considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved under section 176.181 and each political subdivision that self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and is bound by its plan of operation; provided that:

(1) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, are considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association; and

(2) all group self-insurers granted authority to self-insure pursuant to section 176.181 are considered single entities for purposes of the exercise of all the rights and duties of membership in the reinsurance association. As a condition of its authority to self-insure workers' compensation liability, and for losses incurred after December 31, 1983, the state is a member of the reinsurance association and is bound by its plan of operation. The commissioner of employee relations represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of employee relations, except that the University of Minnesota shall pay its portion of workers' compensation reinsurance premiums directly to the workers' compensation reinsurance association. For the purposes of this section, "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other

entity whose workers' compensation liability is paid from the state revolving fund. The commissioner of finance may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association is not a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of labor and industry with respect to the reinsurance association are not subject to chapters 13, 14, and 15. All property owned by the association is exempt from taxation. The reinsurance association is not obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 66. Minnesota Statutes 1990, section 116J.8765, is amended by adding a subdivision to read:

Subd. 1a. [CAPITAL ACCESS ACCOUNT.] All money transferred or appropriated to the capital access account and all money paid into the account or the reserve fund accounts from any source are appropriated to the commissioner to pay claims according to the terms of the capital access program.

Sec. 67. [116J.986] [BUSINESS DEVELOPMENT AND PRESERVATION PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish a business development and preservation program. The program shall have a goal of creating new businesses and preserving existing businesses. The program is to be delivered by nonprofit organizations with experience in providing intensive technical assistance to individuals or small groups for the purpose of establishing a small business or preserving a business.

Subd. 2. [PROGRAM CRITERIA.] The commissioner shall develop expected program outcome criteria. The program criteria must include the number of businesses started, the number of new jobs developed, and the number of businesses improved through consultation and technical assistance. The program criteria must be incorporated into the contracts entered between the department and each nonprofit organization. At least annually, the commissioner shall report on criteria established and results achieved to the senate committee on economic development and housing and the house committee on economic development.

Subd. 3. [ELIGIBLE ORGANIZATIONS.] Four nonprofit organizations may receive funds under this program: Metropolitan Economic Development Association, Inc.; Minnesota Cooperation Office for Small Business and Job Creation; Northeast Entrepreneur Fund, Inc.; and WomenVenture, Inc.

Sec. 68. Minnesota Statutes 1990, section 116L.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] The partnership shall be governed by a board of ~~11~~ 12 directors.

Sec. 69. Minnesota Statutes 1990, section 116L.03, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] The Minnesota job skills partnership board consists of: eight members appointed by the governor, the commissioner of trade and economic development, the commissioner of jobs and training, the executive director of the higher education coordinating board, and the state director of vocational technical education ~~chancellor of the technical college system.~~

Sec. 70. Minnesota Statutes 1990, section 128C.12, subdivision 1, is amended to read:

Subdivision 1. [DUES AND EVENTS REVENUE.] The state auditor annually must examine the accounts of, and audit all money paid to, the state high school league by its members. The state auditor must also audit all money derived from any event sponsored by the league and review any private audits done for the league.

Sec. 71. Minnesota Statutes 1990, section 138.17, subdivision 1, is amended to read:

Subdivision 1. [DESTRUCTION, PRESERVATION, REPRODUCTION OF RECORDS; PRIMA FACIE EVIDENCE.] The attorney general, legislative auditor in the case of state records, state auditor in the case of local records, and director of the Minnesota historical society, hereinafter director, shall constitute the records disposition panel. The members of the panel shall have power by ~~unanimous consent~~ majority vote to direct the destruction or sale for salvage of government records determined to be no longer of any value, or to direct the disposition by gift to the Minnesota historical society or otherwise of government records determined to be valuable for preservation. The records disposition panel may by ~~unanimous consent~~ majority vote order any of those records to be reproduced by photographic or other means, and order that photographic or other reproductions be substituted for the originals of them. It may direct the destruction or sale for salvage or other disposition of the originals from which they were made. Photographic or other reproductions shall for all purposes be deemed the originals of the records reproduced when so ordered by the records disposition panel, and shall be admissible as evidence in all courts and in proceedings of every kind. A facsimile, exemplified or certified copy of a photographic, optical disk imaging, or other reproduction, or an enlargement or reduction of it, shall have the same effect and weight as evidence as would a certified or exemplified copy of the original. The

records disposition panel, by ~~unanimous consent~~ majority vote, may direct the storage of government records, except as herein provided, and direct the storage of photographic or other reproductions. Photographic or other reproductions substituted for original records shall be disposed of in accordance with the procedures provided for the original records. For the purposes of this chapter: (1) the term "government records" means state and local records, including all cards, correspondence, discs, maps, memoranda, microfilms, papers, photographs, recordings, reports, tapes, writings, optical disks, and other data, information, or documentary material, regardless of physical form or characteristics, storage media or conditions of use, made or received by an officer or agency of the state and an officer or agency of a county, city, town, school district, municipal subdivision or corporation or other public authority or political entity within the state pursuant to state law or in connection with the transaction of public business by an officer or agency; (2) the term "state record" means a record of a department, office, officer, commission, commissioner, board or any other agency, however styled or designated, of the executive branch of state government; a record of the state legislature; a record of any court, whether of statewide or local jurisdiction; and any other record designated or treated as a state record under state law; (3) the term "local record" means a record of an agency of a county, city, town, school district, municipal subdivision or corporation or other public authority or political entity; (4) the term "records" excludes data and information that does not become part of an official transaction, library and museum material made or acquired and kept solely for reference or exhibit purposes, extra copies of documents kept only for convenience of reference and stock of publications and processed documents, and bonds, coupons, or other obligations or evidences of indebtedness, the destruction or other disposition of which is governed by other laws; (5) the term "state archives" means those records preserved or appropriate for preservation as evidence of the organization, functions, policies, decisions, procedures, operations or other activities of government or because of the value of the information contained in them, when determined to have sufficient historical or other value to warrant continued preservation by the state of Minnesota and accepted for inclusion in the collections of the Minnesota historical society.

If the decision is made to dispose of records by majority vote, the Minnesota historical society may acquire and retain whatever they determine to be of potential historical value.

Sec. 72. Minnesota Statutes 1990, section 160.276, is amended by adding a subdivision to read:

Subd. 5. [OFFICE OF TOURISM.] The commissioner shall provide space free of charge to the office of tourism for travel information centers. The commissioner shall not charge the office of tourism for any regular expenses associated with the operation of the travel information centers. The commissioner shall provide highway maps

free of charge for use and distribution through the travel information centers.

Sec. 73. Minnesota Statutes 1990, section 176A.11, is amended to read:

176A.11 [APPROPRIATION; REPAYMENT.]

Subdivision 1. [GENERALLY.] There is appropriated from the general fund to the state fund mutual insurance company a sum of \$125,600 to be available until expended. There is appropriated from the general fund to the commissioner of finance the amounts of \$1,176,900 in fiscal year 1984, and \$4,424,900 in fiscal year 1985, for the purpose of transfer to the state fund mutual insurance company upon certification of need in accordance with procedures developed by the commissioner. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. Any amount appropriated or transferred plus interest at eight percent a year shall be amortized over a ten-year period and shall be repaid by the fund to the general fund in equal installments at the end of each fiscal year with the first payment occurring on June 30, 1986, provided that the fund shall not begin repayment on this date unless there exists sufficient earned surplus to comply with state law. Repayment shall then ~~begin~~ be made under the terms of this subdivision when and as sufficient earned surplus exists.

Subd. 2. [TIMING AND EFFECT OF REPAYMENTS.] The commissioner of commerce shall permit and the commissioner of finance shall accept repayment of the amounts advanced under subdivision 1 at any time and in the amounts the board of directors shall determine to be appropriate. If, within 120 days of final enactment of this provision, the state fund mutual insurance company pays \$3,000,000 of its outstanding principal and interest obligation to the state, under subdivision 1, there shall no longer be appointed or ex officio directors of the company. Upon the payment, the remaining directors elected by the policyholders shall appoint directors to fill the six positions vacated as provided in this subdivision until the next annual meeting when an election of replacement directors by the members can be conducted. On or before one year after payment by the company of the \$3,000,000, as provided in this subdivision, if made, the company shall pay its remaining principal obligation to the state, together with any accrued interest. Without limiting the foregoing, as of the date the state fund mutual insurance company files restated articles of incorporation with the commissioner of commerce after full repayment, chapter 176A shall be of no further force or effect. Upon repayment in full, the state fund mutual insurance company shall be a duly formed domestic mutual insurance company owned, operated, and regulated to the same extent and in the same manner as any other insurer organized under the laws of this state, and with all the powers, privileges and rights thereof, without the necessity of reincorporation, relicensure, or

requalification, and without any limitation of or to its powers by reason of its status, origin, funding, or governance before repayment in full.

Sec. 74. [270.059] [REVENUE DEPARTMENT SERVICE AND RECOVERY SPECIAL REVENUE FUND.]

A revenue department service and recovery special revenue fund is created for the purpose of recovering the costs of furnishing public government data and related services or products, as well as recovering costs associated with collecting local taxes on sales. All money collected under this section is deposited in the revenue department service and recovery special revenue fund. Money in the fund is appropriated to the commissioner of revenue to reimburse the department of revenue for the costs incurred in administering the tax law or providing the data, service, or product.

Sec. 75. [270.74] [FINANCIAL TRANSACTION CARDS; PAYMENT OF STATE TAXES.]

(a) The commissioner of revenue may allow taxpayers to use financial transaction cards, as defined in section 325G.02, subdivision 2, to pay any of the following which are payable to the commissioner: (1) state taxes; (2) estimated tax deposits; (3) penalties; (4) interest; (5) additions to taxes; and (6) fees.

(b) The commissioner may impose a fee on each transaction under paragraph (a). The fee is equal to the fee the commissioner is required to pay for the taxpayer's use of the financial transaction card. This fee must be deposited in the general fund and is appropriated to the commissioner for the purpose of paying the transaction card fee.

(c) The types of financial transaction cards that will be accepted shall be determined solely by the commissioner. The selection of transaction card vendors shall be made through a request for proposals process. Before issuing a request for proposals, the commissioner shall review the request for proposals and any specifications with the commissioner of finance and the state treasurer. The commissioner shall select the transaction card vendors from among those which meet the operational and cost requirements of the department of revenue. The commissioner may limit the number of different types of financial transaction cards that will be accepted.

(d) If the commissioner allows taxpayers to pay taxes with financial transaction cards, the commissioner shall report quarterly on the status of this program to the chairs of the house tax and appropriations committees and the chairs of the senate tax and finance committees.

Sec. 76. Minnesota Statutes 1990, section 271.06, subdivision 4, is amended to read:

Subd. 4. [APPEAL FEE.] At the time of filing the notice of appeal the appellant shall pay to the court administrator of the tax court an appeal fee of ~~\$25~~ \$50; provided, that no appeal fee shall be required of the commissioner of revenue, the attorney general, the state or any of its political subdivisions. In small claims division, the appeal fee shall be ~~\$2~~ \$5. The provisions of chapter 563, providing for proceedings in forma pauperis, shall also apply for appeals to the tax court.

Sec. 77. Minnesota Statutes 1990, section 271.19, is amended to read:

271.19 [COSTS AND DISBURSEMENTS.]

Upon the determination of any appeal under this chapter before the tax court, or of any review hereunder by the supreme court, the costs and disbursements ~~may~~ shall be taxed and allowed in favor of the prevailing party and against the losing party as in civil actions. In any case where a person liable for a tax or other obligation has lost an appeal or review instituted by the person, and the tax court or court shall determine that the person instituted the same merely for the purposes of delay, or that the taxpayer's position in the proceedings is frivolous, additional costs, commensurate with the expense incurred and services performed by the agencies of the state in connection with the appeal, but not exceeding \$5,000 in any case, may be allowed against the taxpayer, in the discretion of the tax court or court. Costs and disbursements allowed against any such person shall be added to the tax or other obligation determined to be due, and shall be payable therewith. To the extent described in section 3.761, where an award of costs and attorney fees is authorized under section 3.762, the costs and fees shall be allowed against the state, including expenses incurred by the taxpayer to administratively protest or appeal to the department of revenue the order, decision, or report of the commissioner that is the subject of the tax court proceedings. Costs and disbursements allowed against the state or other public agencies shall be paid out of funds received from taxes or other obligations of the kind involved in the proceeding, or other funds of the agency concerned appropriated and available therefor. Witnesses in proceedings under this chapter shall receive like fees as in the district court, to be paid in the first instance by the parties by whom the witnesses were called, and to be taxed and allowed as herein provided.

Sec. 78. Minnesota Statutes 1990, section 356.215, subdivision 4d, is amended to read:

Subd. 4d. [INTEREST AND SALARY ASSUMPTIONS.] For funds governed by chapters 3A, 352, 352B, 352C, 353, 353C, 354

other than the variable annuity fund governed by section 354.62, and 490, the actuarial valuation shall use a preretirement interest assumption of 8.5 percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year. For funds governed by chapter 354A, the actuarial valuation shall use preretirement and postretirement assumptions of 8.5 percent and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year, but the actuarial valuation shall reflect the payment of postretirement adjustments to retirees shall be based on the methods specified in the bylaws of the fund as approved by the legislature. For a fund governed by chapter 422A, the actuarial valuation shall use a preretirement interest assumption of six percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.04 multiplied by the salary for the preceding year. For all other funds, the actuarial valuation shall use a preretirement interest assumption of five percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year.

For funds governed by chapters 3A, 352C, and 490, the actuarial valuation shall use a preretirement interest assumption of 8.5 percent, a postretirement interest assumption of five percent, and an assumption that in each future year in which the salary amount payable is not determinable from section 3.099, 15A.081, subdivision 6, or 15A.083, subdivision 1, whichever is applicable, or from applicable compensation council recommendations under section 15A.082, the salary on which a retirement or other benefit is based is 1.065 multiplied by the known or computed salary for the preceding year, whichever is applicable.

Sec. 79. Minnesota Statutes 1990, section 356.215, subdivision 4g, is amended to read:

Subd. 4g. [AMORTIZATION CONTRIBUTIONS.] In addition to the exhibit indicating the level normal cost, the actuarial valuation shall contain an exhibit indicating the additional annual contribution which would be required to amortize the unfunded actuarial accrued liability. For funds governed by chapters 3A, 352, 352B, 352C, 353, 353C, 354, 354A, and 490, the additional contribution shall be calculated on a level percentage of covered payroll basis by the established date for full funding which is in effect when the valuation is prepared. The level percent additional contribution shall be calculated assuming annual payroll growth of 6.5 percent. For all other funds, the additional annual contribution shall be calculated on a level annual dollar amount basis.

If, for any fund other than the Minneapolis employees retirement fund, after the first actuarial valuation date occurring after June 1, 1989, there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded actuarial accrued liability of the fund, the established date for full funding for the first actuarial valuation made after June 1, 1989, and each successive actuarial valuation shall be the first actuarial valuation date which occurs after June 1, 2020.

If, for any fund or plan other than the Minneapolis employees retirement fund, after the first actuarial valuation date occurring after June 1, 1989, there has been a change in any or all of the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability in the fund, the established date for full funding shall be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the fund shall be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect before an applicable change;

(ii) the level annual dollar contribution or level percentage, whichever is applicable, which is needed to amortize the unfunded actuarial accrued liability amount determined pursuant to subclause (i) by the established date for full funding in effect prior to the change shall be calculated using the interest assumption specified in subdivision 4d in effect before the change;

(iii) the unfunded actuarial accrued liability of the fund shall be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect before the change;

(iv) the level annual dollar contribution or level percentage, whichever is applicable, which is needed to amortize the difference between the unfunded actuarial accrued liability amount calculated pursuant to subclause (i) and the unfunded actuarial accrued

liability amount calculated pursuant to subclause (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective shall be calculated using the applicable interest assumption specified in subdivision 4d in effect after any applicable change;

(v) the level annual dollar or level percentage amortization contribution pursuant to subclause (iv) shall be added to the level annual dollar amortization contribution or level percentage calculated pursuant to subclause (ii);

(vi) the period in which the unfunded actuarial accrued liability amount determined in subclause (iii) will be amortized by the total level annual dollar or level percentage amortization contribution computed pursuant to subclause (v) shall be calculated using the interest assumption specified in subdivision 4d in effect after any applicable change, rounded to the nearest integral number of years, but which shall not exceed a period of 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and which shall not be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect before the change; and

(vii) the period determined pursuant to subclause (vi) shall be added to the date as of which the actuarial valuation was prepared and the date obtained shall be the new established date for full funding.

For the Minneapolis employees retirement fund, the established date for full funding shall be June 30, ~~2017~~ 2020.

Sec. 80. [356.865] [SUPPLEMENTAL BENEFIT; LUMP SUM PAYMENTS; MINNEAPOLIS EMPLOYEES RETIREMENT FUND.]

Subdivision 1. [ENTITLEMENT.] Any person who is receiving either an annuity that was computed under the laws in effect before March 5, 1974, or a "\$2 bill and annuity" annuity from the Minneapolis employees retirement fund is entitled to receive a supplemental benefit lump sum payment from the retirement fund in the amount specified in subdivision 2.

Subd. 2. [AMOUNT OF PAYMENT.] (a) For any person receiving an annuity or benefit on November 30, 1991, and entitled to receive a supplemental benefit lump sum payment under subdivision 1, the payment is \$28 for each full year of allowable service credited to the person by the retirement fund.

In 1992 and each following year, each eligible benefit recipient shall receive the amount received in the preceding year increased by the same percentage applied on the most recent January 1 to regular annuities paid from the Minneapolis employees retirement fund.

(b) The payment provided for in this section is payable on December 1, 1991, to those persons receiving an annuity or benefit on November 30, 1991. In subsequent years, the payment must be made on December 1 to those persons receiving an annuity or benefit on the preceding November 30. This section does not authorize payment to an estate if the annuity or benefit recipient dies before the November 30 eligibility date. Notwithstanding section 356.18, the payment provided for in this section must be paid automatically unless the intended recipient files a written notice with the retirement fund requesting that it not be paid.

Subd. 3. [COST.] The cost of the payments made under this section is the responsibility of the state. The annual amortization amount must be added to the annual state contribution amount determined under section 422A.101, subdivision 3, effective July 1, 1991.

Sec. 81. Minnesota Statutes 1990, section 357.24, is amended to read:

357.24 [CRIMINAL CASES.]

Witnesses for the state in criminal cases shall receive the same fees for travel and attendance as provided in section 357.22, and judges may, in their discretion, allow like fees to witnesses attending in behalf of any defendant. In addition these witnesses shall receive reasonable expenses actually incurred for meals, loss of wages and child care, not to exceed \$40 per day. In courts these witness fees shall be certified and paid in the same manner as jurors. The compensation and reimbursement shall be paid out of the county treasury.

Sec. 82. Minnesota Statutes 1990, section 363.121, is amended to read:

363.121 [DEPARTMENT ATTORNEY.]

(a) The attorney general shall be the attorney for the department. When a matter has been referred to the attorney general by the commissioner after a finding of probable cause or for the purpose of interim relief, communications between members of the attorney general's office and charging parties or members of a class formed pursuant to section 363.06, subdivision 4, clause (6), are privileged as would be a communication between an attorney and a client.

(b) The department of human rights may not be charged by the attorney general for legal representation on behalf of complaining parties who have filed a charge of discrimination with the department. This paragraph is effective retroactive to July 1, 1989. The department does not have an obligation to pay for any services rendered by the attorney general since July 1, 1985, in excess of the amounts already paid for those services.

Sec. 83. Minnesota Statutes 1990, section 422A.05, is amended by adding a subdivision to read:

Subd. 2e. [STANDING; PARTIES.] In addition to other parties with claims under statute or the common law, the state and a political subdivision that helps to finance a plan have standing to sue on behalf of all taxpayers and the plan beneficiaries for an alleged breach of fiduciary duty. If a suit is brought by the state or a political subdivision under this subdivision, no separate suit regarding the same claims on behalf of taxpayers of the state or a political subdivision or of beneficiaries may be allowed, and any suit then pending on behalf of taxpayers of the state or a political subdivision or of beneficiaries must be dismissed unless the court determines that its dismissal would prejudice or limit the rights or claims of the taxpayers or beneficiaries. Nothing in this subdivision precludes suits by both the state and an affected political subdivision or suits by the retirement board on behalf of one or more of the funds.

Sec. 84. Minnesota Statutes 1990, section 422A.05, is amended by adding a subdivision to read:

Subd. 2f. [ATTORNEY FEES.] The court shall award reasonable attorney fees and costs of litigation, in addition to damages and other relief, in a suit where a breach of fiduciary duty is found under subdivision 2a or chapter 356A.

Sec. 85. Minnesota Statutes 1990, section 422A.101, is amended to read:

422A.101 [PREPARATION OF FINANCIAL REQUIREMENTS OF FUND; EMPLOYER CONTRIBUTIONS.]

Subdivision 1. [FINANCIAL REQUIREMENTS OF FUND.] Prior to August 31 annually, the retirement board, in consultation with the commission-retained actuary, shall prepare an itemized statement of the financial requirements of the fund for the succeeding fiscal year. A copy of the statement shall be submitted to the city council, the board of estimate and taxation of the city, the managing board or chief administrative officer of each city owned public utility, improvement project or municipal activity supported in whole or in part by revenues other than real estate taxes, public corporation, or unit of metropolitan government employing members of the fund,

the board of special school district No. 1, and the state commissioner of finance prior to September 15 annually. The statement shall be itemized and shall include the following:

(1) an estimate of the administrative expenses of the fund for the following year, which shall be determined by multiplying the figure for administrative expenses as reported in the most recent actuarial valuation prepared by the commission-retained actuary by the factor of 1.035;

(2) an estimate of the normal cost of the fund expressed as a dollar amount, which shall be determined by applying the normal cost of the fund as reported in the most recent actuarial valuation prepared by the commission-retained actuary and expressed as a percentage of covered payroll to the estimated total covered payroll of all employees covered by the fund for the following year;

(3) an estimate of the contribution required to amortize on a level annual dollar basis the unfunded actuarial accrued liability of the fund by June 30, ~~2017~~ 2020, using an interest rate of ~~five~~ six percent compounded annually as reported in the most recent actuarial valuation, prepared by the commission-retained actuary expressed as a dollar amount. In determining the amount of the unfunded actuarial accrued liability of the fund, all assets other than the assets of the retirement benefit fund shall be valued as current assets as defined under section 356.215, subdivision 1, clause (5), and the assets of the retirement benefit fund shall be valued equal to the actuarially determined required reserves for benefits payable from that fund;

(4) the amount of any deficiency in the actual amount of any employer contribution provided for in this section when compared to the required contribution amount certified for the previous year, plus interest on the amount at the rate of six percent per annum.

Subd. 1a. [CITY CONTRIBUTIONS.] Prior to August 31 of each year, the retirement board shall prepare an itemized statement of the financial requirements of the fund payable by the city for the succeeding fiscal year, and a copy of the statement shall be submitted to the board of estimate and taxation and to the city council by September 15. The financial requirements of the fund payable by the city shall be calculated as follows:

(a) a regular employer contribution of an amount equal to the percentage rounded to the nearest two decimal places of the salaries and wages of all employees covered by the retirement fund which equals the difference between the level normal cost plus administrative cost as reported in the annual actuarial valuation prepared by the commission-retained actuary and the employee contributions provided for in section 422A.10 less any amounts contributed toward the payment of the balance of the normal cost not paid by employee

contributions by any city owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than real estate taxes, any public corporation, any employing unit of metropolitan government, or by special school district No. 1 pursuant to subdivision 2;

(b) an additional employer contribution of an amount equal to the percent specified in section 353.27, subdivision 3a, clause (a), multiplied by the salaries and wages of all employees covered by the retirement fund less any amounts contributed toward amortization of the unfunded actuarial accrued liability by June 30, ~~2017~~ 2020, attributable to their respective covered employees by any city owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than real estate taxes, any public corporation, any employing unit of metropolitan government, or by special school district No. 1 pursuant to subdivision 2; and

(c) a proportional share of an additional employer amortization contribution of an amount equal to \$3,900,000 annually until June 30, ~~2017~~ 2020, based upon the share of the fund's unfunded actuarial accrued liability attributed to the city as disclosed in the annual actuarial valuation prepared by the commission-retained actuary.

The city council shall, in addition to other taxes levied by the city, annually levy a tax equal to the amount of the financial requirements of the fund which are payable by the city. The tax, when levied, shall be extended upon the county lists and shall be collected and enforced in the same manner as other taxes levied by the city. If the city does not levy a tax sufficient to meet the requirements of this subdivision, the retirement board shall submit the tax levy statement directly to the county auditor, who shall levy the tax. The tax, when levied, shall be extended upon the county lists and shall be collected and paid into the city treasury to the credit of the retirement fund. Any amount to the credit of the retirement fund shall constitute a special fund and shall be used only for the payment of obligations authorized pursuant to this chapter.

Subd. 2. [CONTRIBUTIONS BY OR FOR CITY-OWNED PUBLIC UTILITIES, IMPROVEMENTS, OR MUNICIPAL ACTIVITIES.] Contributions by or for any city-owned public utility, improvement project, and other municipal activities supported in whole or in part by revenues other than real estate taxes, any public corporation, any employing unit of metropolitan government, special school district No. 1, or Hennepin county, on account of any employee covered by the fund, shall be calculated as follows:

(a) a regular employer contribution of an amount equal to the percentage rounded to the nearest two decimal places of the salaries and wages of all employees of the employing unit covered by the retirement fund which equals the difference between the level

normal cost plus administrative cost reported in the annual actuarial valuation prepared by the commission-retained actuary and the employee contributions provided for in section 422A.10;

(b) an additional employer contribution of an amount equal to the percent specified in section 353.27, subdivision 3a, clause (a), multiplied by the salaries and wages of all employees of the employing unit covered by the retirement fund;

(c) a proportional share of an additional employer amortization contribution of an amount equal to \$3,900,000 annually until June 30, 2017 2020, based upon the share of the fund's unfunded actuarial accrued liability attributed to the employer as disclosed in the annual actuarial valuation prepared by the commission-retained actuary.

The city council or any board or commission may, by proper action, provide for the inclusion of the cost of the retirement contributions for employees of any city-owned public utility or for persons employed in any improvement project or other municipal activity supported in whole or in part by revenues other than taxes who are covered by the retirement fund in the cost of operating the utility, improvement project, or municipal activity. The cost of retirement contributions for these employees shall be determined by the retirement board and the respective governing bodies having jurisdiction over the financing of these operating costs.

The cost of the employer contributions on behalf of employees of special school district No. 1 who are covered by the retirement fund shall be the obligation of the school district. Contributions by the school district to the retirement fund or any other public pension or retirement fund of which its employees are members must be remitted to the fund each month. An amount due and not transmitted begins to accrue interest at the rate of six percent compounded annually 15 days after the date due. The retirement board shall prepare an itemized statement of the financial requirements of the fund payable by the school district, which shall be submitted prior to September 15. Contributions by the school district shall be made at times designated by the retirement board. The school district may levy for its contribution to the retirement fund only to the extent permitted pursuant to section 275.125, subdivision 6a.

The cost of the employer contributions on behalf of elective officers or other employees of Hennepin county who are covered by the retirement fund pursuant to section 422A.09, subdivision 3, clause (2), 422A.22, subdivision 2, or 488A.115, or Laws 1973, chapter 380, section 3, Laws 1975, chapter 402, section 2, or any other applicable law shall be the obligation of Hennepin county. The retirement board shall prepare an itemized statement of the financial requirements of the fund payable by Hennepin county, which shall be submitted prior to September 15. Contributions by Hennepin county

shall be made at times designated by the retirement board. Hennepin county may levy for its contribution to the retirement fund.

Subd. 2a. [CONTRIBUTIONS BY METROPOLITAN AIRPORT COMMISSION AND METROPOLITAN WASTE CONTROL COMMISSION.] The metropolitan airport commission and the waste control commission shall pay to the Minneapolis employees retirement fund annually in installments as specified in subdivision 3 the share of the additional support rate required for full amortization of the unfunded actuarial accrued liabilities by June 30, 2017 2020, that is attributable to airport commission or waste control commission employees who are members of the fund. The amount of the payment shall be determined ~~utilizing the most~~ as if the airport and waste control commissions' employer contributions determined under subdivision 2 had also included a proportionate share of a \$1,000,000 annual employer amortization contribution. The amount of this \$1,000,000 annual employer amortization contribution that would have been allocated to each commission would have been based on the share of the fund's unfunded actuarial accrued liability attributed to each commission compared to the total unfunded actuarial accrued liability attributed to all employers under subdivisions 1a and 2. The determinations required under this subdivision must be based on the most recent actuarial valuation prepared by the actuary retained by the legislative commission on pensions and retirement.

Subd. 3. [STATE CONTRIBUTIONS.] (a) The state shall pay to the Minneapolis employees retirement fund annually an amount equal to the financial requirements of the Minneapolis employees retirement fund reported in the actuarial valuation of the fund prepared by the commission-retained actuary pursuant to section 356.215 for the most recent year but based on a target date for full amortization of the unfunded actuarial accrued liabilities by June 30, 2017 2020, less the amount of employee contributions required pursuant to section 422A.10, and the amount of employer contributions required pursuant to subdivisions 1a, 2, and 2a. Payments shall be made in four equal installments, occurring on March 15, July 15, September 15, and November 15 annually. The annual state contribution under this subdivision may not exceed \$10,955,000 plus the cost of the annual supplemental benefit determined under section 356.865.

(b) If the amount determined under paragraph (a) exceeds the limitation on the state payment in paragraph (a), the excess must be allocated to and paid to the fund by the employers identified in subdivisions 1a and 2, other than units of metropolitan government. Each employer's share of the excess is proportionate to the employer's share of the fund's unfunded actuarial accrued liability as disclosed in the annual actuarial valuation prepared by the actuary retained by the legislative commission on pensions and retirement compared to the total unfunded actuarial accrued liability attrib-

uted to all employers identified in subdivisions 1a and 2, other than units of metropolitan government. Payments must be made in equal installments as set forth in paragraph (a).

Subd. 4. [ADDITIONAL EMPLOYER CONTRIBUTION IN CERTAIN INSTANCES.] If assets in the deposit accumulation fund are insufficient to make a transfer to the retirement benefit fund, the city of Minneapolis shall pay the amount of that insufficiency to the retirement benefit fund within three days of certification of the insufficiency by the executive director of the fund. The city of Minneapolis may bill any other participating employing unit other than the state for its proportion of the amount paid.

Sec. 86. Minnesota Statutes 1990, section 422A.17, is amended to read:

422A.17 [RETIREMENT ALLOWANCE; OPTIONS.]

At retirement, any employee who is eligible to receive a service allowance may elect to receive benefits in a retirement allowance payable throughout life or may on retirement elect to receive the actuarial equivalent at that time of annuity, pension, or retirement allowance in a lesser annuity, or a lesser pension, or a lesser retirement allowance, payable throughout life, with the provisions that:

Option I. If the benefit recipient dies before receiving in payments an amount equal to the present value of the benefit recipient's annuity, pension, or retirement allowance, as of the date of the benefit recipient's retirement, the balance shall be paid to the benefit recipient's legal representatives or to such person, having an insurable interest in the benefit recipient's life, as the benefit recipient shall nominate by written designation duly acknowledged and filed with the retirement board as of the date of retirement, or

Option II. Upon the death of the benefit recipient, the benefit recipient's annuity, pension, or retirement allowance shall be continued throughout the life of and paid to the person, having an insurable interest in the benefit recipient's life, as the benefit recipient shall nominate by written designation duly acknowledged and filed with the retirement board as of the date of retirement, or

Option III. Upon death of the benefit recipient, one-half of the benefit recipient's annuity, pension, or retirement allowance shall be continued throughout the life of and paid to the person, having an insurable interest in the benefit recipient's life, as the benefit recipient shall nominate by written designation duly acknowledged and filed with the retirement board as of the date of retirement, or

Option IV. Other optional retirement allowance forms, including a

joint and survivor option under which the benefit recipient receives a normal single-life annuity if the designated optional annuity beneficiary dies before the benefit recipient, shall be paid to the benefit recipient or other person or persons the benefit recipient nominates, provided that the optional annuity is of equivalent actuarial value to the applicable single life annuity calculated under section 422A.15 and is approved by the retirement board.

Any optional retirement allowance shall be computed and determined under a procedure specified by the commission-retained actuary utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the commission-retained actuary and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

In adopting optional annuity forms, the board of trustees shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of the board of trustees.

Sec. 87. Minnesota Statutes 1990, section 422A.23, subdivision 2, is amended to read:

Subd. 2. Upon the death of a contributing member after having been in the city service not less than 18 months but before the effective date of retirement, the board shall in lieu of the settlement hereinbefore provided pay to the surviving spouse and/or children of the member under the age of 18, or under the age of 22 if a full-time student at an accredited school, college or university, and single, the following monthly benefit:

(a) Surviving spouse \$325 per month, except for benefits beginning after July 1, 1983, which shall be 30 percent of member's average salary in effect over the last six months of allowable service preceding the month in which the death occurred.

(b) Each surviving child \$150 per month, except for benefits beginning after July 1, 1983, which shall be ten percent of the member's average salary in effect over the last six months of allowable service preceding the month in which the death occurred. Payments for the benefit of any child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of such child. The maximum monthly benefit shall not exceed a total of \$750.

(c) Effective for payments made after June 30, 1991, surviving spouse and surviving child benefits under paragraphs (a) and (b) beginning on or before July 1, 1983, are increased to \$500 per month and \$225 per month, respectively. The maximum monthly payment under paragraph (b) is increased to \$900. The increased cost

resulting from the benefit increases in this paragraph must be allocated to each employing unit listed in section 422A.101, subdivisions 1a, 2, and 2a, on the basis of the additional accrued liability resulting from increased benefits paid to the survivors of employees from that unit.

Sec. 88. [TEMPORARY OPTION.]

Notwithstanding any law to the contrary, a retired member of the Minneapolis employees retirement fund with a living designated optional annuity recipient may select a joint and survivor option under which the retired member will receive a normal single-life annuity if the designated recipient dies before the retired member. This optional annuity must be the actuarial equivalent of the joint and survivor annuity option existing at the time this option is selected. This option must be exercised before July 1, 1992, according to procedures specified by the board of the Minneapolis employees retirement fund.

Sec. 89. [471.975] [PAYMENT OF SALARY DIFFERENTIAL FOR RESERVE FORCES ON ACTIVE DUTY.]

A statutory or home rule charter city, county, town, school district, or other political subdivision may pay to each eligible member of the reserve components of the armed forces of the United States an amount equal to the difference between the member's active duty military salary and the salary the member would be paid as an active political subdivision employee, including any adjustments the member would have received if not on leave of absence. Payments must be made at the intervals at which the member received pay as a political subdivision employee. Back pay authorized by this section may be paid in a lump sum. Such pay shall not extend beyond four years from the date the employee was called to active duty plus such additional time in each case as such employee may be required to serve pursuant to law.

An eligible member of the reserve components of the armed forces of the United States is a reservist or National Guard member who was an employee of a political subdivision at the time the member was called to active duty and who was or is called to active duty after August 1, 1990, because of Operation Desert Shield, Operation Desert Storm, or any other action taken by the armed forces relating to hostilities between the United States and the Republic of Iraq.

Sec. 90. Minnesota Statutes 1990, section 474A.03, is amended by adding a subdivision to read:

Subd. 4. [APPLICATION FEE.] Every entitlement issuer and other issuer shall pay to the department a nonrefundable application fee to offset the state cost of program administration. The application fee shall be \$100 for each \$500,000 of entitlement or

allocation requested, provided that each request shall be rounded to the nearest \$500,000. The minimum fee shall be \$100. Fees received by the department shall be deposited to the general fund.

Sec. 91. Minnesota Statutes 1990, section 480.181, is amended by adding a subdivision to read:

Subd. 5. [COUNTY TO STATE FUNDING.] Whenever a group of court employees is transferred from county to state funding, the provisions of this section shall apply.

Sec. 92. Minnesota Statutes 1990, section 480.24, subdivision 3, is amended to read:

Subd. 3. [QUALIFIED LEGAL SERVICES PROGRAM.] "Qualified legal services program" means a nonprofit corporation which provides or proposes to provide legal services to eligible clients in civil matters and which is governed by a board of directors composed of attorneys-at-law and consumers of legal services. A qualified legal services program includes farm legal assistance providers that have a proven record of delivery of effective, high-quality legal assistance and have demonstrated experience and expertise in addressing legal issues affecting financially distressed family farmers throughout the state.

Sec. 93. Minnesota Statutes 1990, section 480.242, subdivision 2, is amended to read:

Subd. 2. [REVIEW OF APPLICATIONS; SELECTION OF RECIPIENTS.] At times and in accordance with any procedures as the supreme court adopts in the form of court rules, applications for the expenditure of civil legal services funds shall be accepted from qualified legal services programs or from local government agencies and nonprofit organizations seeking to establish qualified alternative dispute resolution programs. The applications shall be reviewed by the advisory committee, and the advisory committee, subject to review by the supreme court, shall distribute the funds received pursuant to section 480.241, subdivision 2, to qualified legal services programs or to qualified alternative dispute resolution programs submitting applications. Subject to the provisions of subdivision 4, The funds shall be distributed in accordance with the following formula:

(a) Eighty-five percent of the funds distributed shall be distributed to qualified legal services programs that have demonstrated an ability as of July 1, 1982, to provide legal services to persons unable to afford private counsel with funds provided by the federal Legal Services Corporation. The allocation of funds among the programs selected shall be based upon the number of persons with incomes below the poverty level established by the United States Census Bureau who reside in the geographical area served by each program,

as determined by the supreme court on the basis of the 1980 most recent national census. All funds distributed pursuant to this clause shall be used for the provision of legal services in civil and farm legal assistance matters as prioritized by program boards of directors to eligible clients.

(b) Fifteen percent of the funds distributed may be distributed (1) to other qualified legal services programs for the provision of legal services in civil matters to eligible clients, including programs which organize members of the private bar to perform services and programs for qualified alternative dispute resolution, ~~or~~ (2) to programs for training mediators operated by nonprofit alternative dispute resolution corporations; ~~Grants may be made pursuant to this clause only until June 30, 1987,~~ or (3) to qualified legal services programs to provide family farm legal assistance for financially distressed state farmers. The family farm legal assistance must be directed at farm financial problems including, but not limited to, liquidation of farm property including bankruptcy, farm foreclosure, repossession of farm assets, restructuring or discharge of farm debt, farm credit and general debtor-creditor relations, and tax considerations. If all the funds to be distributed pursuant to this clause cannot be distributed because of insufficient acceptable applications, the remaining funds shall be distributed pursuant to clause (a).

A person is eligible for legal assistance under this section if the person is an eligible client as defined in section 480.24, subdivision 2, or:

(1) is a state resident;

(2) is or has been a farmer or a family shareholder of a family farm corporation within the preceding 24 months;

(3) has a debt-to-asset ratio greater than 50 percent;

(4) has a reportable federal adjusted gross income of \$15,000 or less in the previous year; and

(5) is financially unable to retain legal representation.

Qualifying farmers and small business operators whose bank loans are held by the Federal Deposit Insurance Corporation are eligible for legal assistance under this section.

Sec. 94. Minnesota Statutes 1990, section 480.242, is amended by adding a subdivision to read:

Subd. 5. [PERMISSIBLE FAMILY FARM LEGAL ASSISTANCE ACTIVITIES.] Qualified legal services programs that receive funds

under the provisions of subdivision 2 may provide the following types of farm legal assistance activities:

(1) legal backup and research support to attorneys throughout the state who represent financially distressed farmers;

(2) direct legal advice and representation to eligible farmers in the most effective and efficient manner, giving special emphasis to enforcement of legal rights affecting large numbers of farmers;

(3) legal information to individual farmers;

(4) general farm related legal education and training to farmers, private attorneys, legal services staff, state and local officials, state-supported farm management advisors, and the public;

(5) an incoming, statewide, toll-free telephone line to provide the advice and referral described in this subdivision; and

(6) legal advice and representation to eligible persons whose bank loans are held by the Federal Deposit Insurance Corporation.

Sec. 95. Minnesota Statutes 1990, section 481.10, is amended to read:

481.10 [CONSULTATION WITH PERSONS RESTRAINED.]

All officers or persons having in their custody a person restrained of liberty upon any charge or cause alleged, except in cases where imminent danger of escape exists, shall admit any resident attorney retained by or in behalf of the person restrained, or whom the restrained person may desire to consult, to a private interview at the place of custody. Such custodians, upon request of the person restrained, as soon as practicable, and before other proceedings shall be had, shall notify any attorney residing in the county of the request for a consultation with the attorney. Reasonable telephone access to the attorney shall be provided to the person restrained at no charge to the attorney or to the person restrained. Every officer or person who shall violate any provision of this section shall be guilty of a misdemeanor and, in addition to the punishment prescribed therefor shall forfeit \$100 to the person aggrieved, to be recovered in a civil action.

Sec. 96. Minnesota Statutes 1990, section 590.05, is amended to read:

590.05 [INDIGENT PETITIONERS.]

A person financially unable to obtain counsel who desires to pursue the remedy provided in section 590.01 ~~is entitled to be~~

represented may apply for representation by the state public defender. The state public defender shall be appointed to represent such person pursuant to under the applicable provisions of Minnesota Statutes 1965, sections 611.14 to 611.29, if the person has not already had a direct appeal of the conviction. The state public defender may represent, without charge, all other persons pursuing a postconviction remedy under section 590.01, who are financially unable to obtain counsel.

Sec. 97. Minnesota Statutes 1990, section 593.48, is amended to read:

593.48 [COMPENSATION OF JURORS AND TRAVEL REIMBURSEMENT.]

A juror shall be reimbursed for roundtrip travel between the juror's residence and the place of holding court at a rate of 15 to 24 cents per mile determined by the supreme court, and shall be compensated at a rate of \$15 for each day of required attendance at sessions of the court. Except in the eighth judicial district where the state shall pay directly, the compensation and reimbursement shall be paid out of the county treasury upon receipt of authorization to pay from the jury commissioner. These jury costs shall be reimbursed monthly by the supreme court upon submission of an invoice by the county treasurer. A monthly report of payments to jurors shall be sent to the jury commissioner within two weeks of the end of the month in the form required by the jury commissioner.

Sec. 98. Minnesota Statutes 1990, section 609.101, subdivision 1, is amended to read:

Subdivision 1. [SURCHARGES AND ASSESSMENTS.] (a) When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than \$25 nor more than \$50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than \$100, the court shall impose a surcharge on the fine of ten percent of the fine. This section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

(b) In addition to the assessments in paragraph (a), the court shall assess the following surcharges after a person is convicted:

(1) for a person charged with a felony or gross misdemeanor, \$25;

(2) for a person charged with a misdemeanor other than a traffic, parking, or local ordinance violation, \$10; and

(3) for a person charged with a local ordinance violation other than a parking or traffic violation, \$5.

The surcharge must be assessed for the original charge, whether or not it is subsequently reduced. A person charged on more than one count may be assessed only one surcharge under this paragraph, but must be assessed for the most serious offense. This paragraph applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

(c) The court may not waive payment or authorize payment of the assessment or surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment or surcharge would create undue hardship for the convicted person or that person's immediate family.

(d) If the court fails to waive or impose an assessment required by this section paragraph (a), the court administrator shall correct the record to show imposition of an assessment of \$25 if the sentence does not include payment of a fine, or if the sentence includes a fine, to show an imposition of a surcharge of ten percent of the fine. If the court fails to waive or impose an assessment required by paragraph (b), the court administrator shall correct the record to show imposition of the assessment described in paragraph (b).

(e) Except for assessments and surcharges imposed on persons convicted of violations described in section 97A.065, subdivision 2, the court shall collect and forward to the commissioner of finance the total amount of the ~~assessment~~ assessments or ~~surcharge~~ surcharges and the commissioner shall credit all money so forwarded to the general fund.

(f) If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the commissioner of finance, indicating the part that was imposed for violations described in section 97A.065, subdivision 2, which must be credited to the game and fish fund.

Sec. 99. Minnesota Statutes 1990, section 611.14, is amended to read:

611.14 [RIGHT TO REPRESENTATION BY PUBLIC DEFENDER.]

The following persons who are financially unable to obtain counsel, ~~shall be~~ are entitled to be represented by a public defender:

(a) (1) a person charged with a felony or gross misdemeanor, including a person charged ~~pursuant to~~ under sections 629.01 to 629.29;

(b) (2) a person appealing from a conviction of a felony or gross misdemeanor, or a person convicted of a felony or gross misdemeanor who is pursuing a postconviction proceeding, ~~after the time for appeal from the judgment has expired and who has not already had a direct appeal of the conviction;~~

(c) (3) a person who is entitled to be represented by counsel ~~pursuant to the provisions of~~ under section 609.14, subdivision 2;

(d) (4) a minor who is entitled to be represented by counsel ~~pursuant to the provisions of~~ under section 260.155, subdivision 2, if the judge of the juvenile court concerned has requested and received the approval of a majority of the district court judges of the judicial district to utilize the services of the public defender in such cases, and approval of the compensation on a monthly, hourly, or per diem basis to be paid for such services ~~pursuant to~~ under section 260.251, subdivision 2, clause (c); or

(e) (5) a person, entitled by law to be represented by counsel, charged with an offense within the trial jurisdiction of a municipal, county, or probate court, if the trial judge or a majority of the trial judges of the court concerned have requested and received approval of a majority of the district court judges of the judicial district to utilize the services of the public defender in such cases and approval of the compensation on a monthly, hourly, or per diem basis to be paid for such services by the county or municipality within the court's jurisdiction.

Sec. 100. Minnesota Statutes 1990, section 611.18, is amended to read:

611.18 [APPOINTMENT OF PUBLIC DEFENDER.]

If it appears to a court that a person requesting the appointment of counsel satisfies the requirements of this chapter, the court shall order the appropriate public defender to represent the person at all further stages of the proceeding through appeal, if any. ~~For those persons a person appealing from a conviction, or a person pursuing a post conviction proceeding, after the time for appeal has expired and who has not already had a direct appeal of the conviction, the state public defender shall be appointed. For all other persons a person covered by section 611.14, clause (1), a district public defender shall be appointed to represent them that person.~~ If (a) conflicting interests exist, (b) the district public defender for any other reason is unable to act, or (c) the interests of justice require, the state public defender may be ordered to represent a person. When the state public defender is directed by a court to represent a

defendant or other person, the state public defender may assign the representation to any district public defender. If at any stage of the proceedings, including an appeal, the court finds that the defendant is financially unable to pay counsel whom the defendant had retained, the court may appoint the appropriate public defender to represent the defendant, as provided in this section. Prior to any court appearance, a public defender may represent a person accused of violating the law, who appears to be financially unable to obtain counsel, and shall continue to represent the person unless it is subsequently determined that the person is financially able to obtain counsel. The representation may be made available at the discretion of the public defender, upon the request of the person or someone on the person's behalf. Any law enforcement officer may notify the public defender of the arrest of any such person.

Sec. 101. Minnesota Statutes 1990, section 611.25, subdivision 1, is amended to read:

Subdivision 1. [REPRESENTATION.] The state public defender shall represent, without charge, a defendant or other person appealing from a conviction or pursuing a postconviction proceeding after the time for appeal has expired when the state public defender is directed to do so by a judge of the district court, of the court of appeals or of the supreme court of a felony or gross misdemeanor. The state public defender shall represent, without charge, a person convicted of a felony or gross misdemeanor who is pursuing a postconviction proceeding and who has not already had a direct appeal of the conviction. The state public defender may represent, without charge, all other persons pursuing a postconviction remedy under section 590.01, who are financially unable to obtain counsel. The state public defender shall represent any other person, who is financially unable to obtain counsel, when directed to do so by the supreme court or the court of appeals, except that the state public defender shall not represent a person in any action or proceeding in which a party is seeking a monetary judgment, recovery or award. When requested by a district public defender or appointed counsel, the state public defender may assist the district public defender, appointed counsel, or an organization designated in section 611.216 in the performance of duties, including trial representation in matters involving legal conflicts of interest or other special circumstances, and assistance with legal research and brief preparation. When the state public defender is directed by a court to represent a defendant or other person, the state public defender may, with the court's approval, assign the representation to any district public defender.

Sec. 102. Minnesota Statutes 1990, section 611.26, is amended by adding a subdivision to read:

Subd. 3a. (a) Notwithstanding subdivision 3 or any other law to the contrary, compensation and economic benefit increases for

district public defenders and assistant district public defenders under the state board of public defense are considered compensation as defined in subdivision 3. These increases are eligible increases that may be paid from state appropriations for salary supplements for state employees.

(b) Those budgets for district public defender services under the jurisdiction of the state board of public defense shall be eligible for adjustments to their base budgets in the same manner as other state agencies. In making biennial budget base adjustments, the commissioner of finance shall consider the budgets for district public defender services, as allocated by the state board of public defense, in the same manner as other state agencies.

Sec. 103. Minnesota Statutes 1990, section 611.26, subdivision 6, is amended to read:

Subd. 6. The district public defender shall represent, without charge, a defendant charged with a felony or a gross misdemeanor when so directed by the district court. In the second, third, fourth, sixth, and eighth districts only, the district public defender shall also represent a defendant charged with a misdemeanor when so directed by the district court and shall represent a minor in the juvenile court when so directed by the juvenile court.

Sec. 104. Minnesota Statutes 1990, section 611.26, is amended by adding a subdivision to read:

Subd. 9. Notwithstanding any other law to the contrary, district public defenders and assistant district public defenders, and their employees and their dependents, may elect to enroll in the appropriate life insurance, hospital, medical and dental benefits, and optional coverages of their respective host county, as designated by the state board of public defense under section 611.27, subdivision 2, at the time, in the manner, and under conditions of eligibility as established by the host county for its employees. The host county must provide for payroll deductions to be made in the same manner and under the same conditions as provided for an eligible county employee and the employee's dependents. Nothing in this subdivision obligates the state or county to payments in the absence of an appropriation for those purposes.

Sec. 105. Minnesota Statutes 1990, section 611.27, subdivision 1, is amended to read:

Subdivision 1. (a) The total compensation and expenses, including office equipment and supplies, of the district public defender are to be paid by the county or counties comprising the judicial district.

(b) A district public defender shall annually submit a comprehen-

sive budget to the state board of public defense. The budget shall be in compliance with standards and forms required by the board and must, at a minimum, include detailed substantiation as to all revenues and expenditures. The district public defender shall, at times and in the form required by the board, submit reports to the board concerning its operations, including the number of cases handled and funds expended for these services.

Within ten days after an assistant district public defender is appointed, the district public defender shall certify to the state board of public defense the compensation that has been recommended for the assistant.

(c) The state board of public defense shall transmit the proposed budget of each district public defender to the respective district court administrators and county budget officers for comment before the board's final approval of the budget. The board shall determine and certify to the respective county boards a final *comprehensive* budget for the office of the district public defender that includes all expenses. After the board determines the allocation of the state funds authorized pursuant to paragraph (e), the board shall apportion the expenses of the district public defenders among the several counties and each county shall pay its share in monthly installments. The county share is the proportion of the total expenses that the population in the county bears to the total population in the district as determined by the last federal census. If the district public defender or an assistant district public defender is temporarily transferred to a county not situated in that public defender's judicial district, said county shall pay the proportionate part of that public defender's expenses for the services performed in said county.

(d) Reimbursement for actual and necessary travel expenses in the conduct of the office of the district public defender shall be charged to either (1) the general expenses of the office, (2) the general expenses of the district for which the expenses were incurred if outside the district, or (3) the office of the state public defender if the services were rendered for that office.

(e) Money appropriated to the state board of public defense for the board's administration, for the state public defender, for the judicial district public defenders, and for the public defense corporations shall be expended as determined by the board. In distributing funds to district public defenders, the board shall consider the geographic distribution of public defenders, the equity of compensation among the judicial districts, public defender caseloads, and the results of the weighted case load study.

Sec. 106. Minnesota Statutes 1990, section 611.27, subdivision 4, is amended to read:

Subd. 4. [COUNTY PORTION OF COSTS.] That portion of

subdivision 1 directing counties to pay the costs of public defense service shall not be in effect between July 1, ~~1990~~ 1991, and July 1, ~~1991~~ 1993. This subdivision only relates to costs associated with felony and gross misdemeanor public defense services and all public defense services in the second, third, fourth, sixth, and eighth judicial districts.

Sec. 107. Minnesota Statutes 1990, section 626.861, is amended by adding a subdivision to read:

Subd. 1a. [SURCHARGE.] In addition to the fees described in subdivision 1, the court shall assess the following surcharges after a person is convicted:

(1) for a traffic offense in violation of chapters 168 to 178 or equivalent local ordinances other than a fine or forfeiture for a violation of a local ordinance or other law relating to the parking of a vehicle, \$10; and

(2) for a violation of a local ordinance or other law relating to the parking of a vehicle, \$1.

The surcharge must be assessed for the original charge, whether or not it is subsequently reduced. A person charged on more than one count may be assessed only one surcharge under this subdivision, but must be assessed for the most serious offense.

The court shall collect and forward to the commissioner of finance the amounts assessed for deposit in the general fund.

Sec. 108. Minnesota Statutes 1990, section 643.29, subdivision 1, is amended to read:

Subdivision 1. ["GOOD CONDUCT" ALLOWANCE.] Any person sentenced for a term to any county jail, workhouse, or correctional work farm, whether the term is part of an executed sentence or as a condition of probation, shall diminish the term of the sentence five days for each month, commencing on the day of arrival, during which the person has not violated any rule or discipline of the place wherein the person is incarcerated and, if required to labor, has labored with diligence and fidelity.

Sec. 109. Laws 1989, chapter 335, article 1, section 7, is amended to read:

Sec. 7. BOARD OF PUBLIC DEFENSE

2,665,000 19,485,000

During the biennium, legal assistance to Minnesota prisoners shall serve the civil legal needs of persons confined to state institutions.

None of this appropriation shall be used to pay for lawsuits against public agencies or public officials to change social or public policy.

\$100,000 the first year is a one-time appropriation for the costs of the weighted case load study of the public defender system and public defense services.

\$16,910,000 the second year is for the costs of ~~felony and gross misdemeanor district~~ public defense ~~services state-wide and all public defense costs in the second and fourth judicial districts.~~

Takeover of the costs of public defense services shall be considered a part of the base level funding for the 1992-1993 biennium. Nothing in this act shall be construed to build into the base level for the 1992-1993 biennium any additional costs of the public defense system which have not been appropriated in this act.

Public defense obligations incurred by counties before July 1, 1990, remain the obligation of the counties and must be paid by the counties based on their population within the judicial district.

Sec. 110. Laws 1989, chapter 335, article 3, section 44, as amended by Laws 1990, chapter 604, article 9, section 13, is amended to read:

Sec. 44. [APPLICATION.]

Sections 45 to 54, ~~except the parts of section 54, that by their terms have broader application, 53~~ apply only in the eighth judicial district for the period from January 1, 1990, to December 31, 1991.

Those parts of section 54, having broader application, apply statewide for the period from July 1, 1989, to December 31, 1991.

Sec. 111. Laws 1990, chapter 610, article 1, section 27, is amended to read:

Sec. 27. [MILITARY AFFAIRS.]

To the adjutant general to prepare plans for an education center at Camp Ripley

200,000

The adjutant general shall use the unencumbered balance from the appropriation in Laws 1984, chapter 597, section 9, paragraph (d), for the purposes stated in paragraph (d), and for the planning of a new armory and military affairs building. ~~The department of military affairs shall continue to occupy the veterans service building until the department has secured the federal funds and the legislature has acted on a governor's recommendation for funding of a new armory/military affairs building.~~

Sec. 112. [SBIR MARKETING AND TECHNICAL ASSISTANCE PROGRAM.]

Minnesota project innovation may establish a small business innovation research (SBIR) marketing and technical assistance program. Minnesota project innovation may conduct the following activities under the SBIR marketing and technical assistance program:

(1) market the federal SBIR grant program to scientists, engineers, and entrepreneurs;

(2) provide technical assistance to persons applying for federal SBIR grants;

(3) assist persons applying for federal SBIR grants with securing equity financing to commercialize new technologies; and

(4) provide technical assistance to persons in gaining access to technology developed through the efforts of the federal government.

Sec. 113. [FINDINGS.]

The legislature finds that the state of Minnesota faces immediate and serious financial problems. As a result, public employers may have insufficient resources to maintain their work forces at the

current level. The legislature determines that the public interest is best served if public employers' budgets can be balanced without layoffs of public employees. Section 114 is enacted as a temporary measure to help solve the financial crisis facing units of state and local government, while minimizing layoffs of public employees.

Sec. 114. [EMPLOYER-PAID HEALTH INSURANCE.]

Subdivision 1. [STATE EMPLOYEES.] A state employee, as defined in Minnesota Statutes, section 43A.02, subdivision 21, or an employee of the state university system, community college system, Minnesota state retirement system, the teachers retirement association, or the public employees retirement association, is eligible for state-paid hospital, medical, and dental benefits if the person:

(1) is eligible for state-paid insurance under Minnesota Statutes, section 43A.18, or other law;

(2) has at least 25 years of service in the state civil service as defined in Minnesota Statutes, section 43A.02, subdivision 10, or at least 25 years of service as an employee of the Minnesota state retirement system, the teachers retirement association, or the public employees retirement association or a combination of any two or more of them;

(3) upon retirement is immediately eligible for a retirement annuity;

(4) is at least 55 and not yet 65 years of age; and

(5) retires on or after July 1, 1991, and before October 1, 1991 or, in the case of an employee as described in Minnesota Statutes, section 43A.02, subdivisions 10 and 27, retires after January 1, 1991, and before May 20, 1991, with more than 30 years of service.

Subd. 2. [OTHER PUBLIC EMPLOYEES.] The University of Minnesota or the governing body of a city, county, school district, or other political subdivision of the state may provide employer-paid hospital, medical, and dental benefits to a person who:

(1) is eligible for employer-paid insurance under collective bargaining agreements or personnel plans in effect on the day before the effective date of this section;

(2) has at least 25 years of service with the employer who will pay for the benefits after retirement;

(3) upon retirement is immediately eligible for a retirement annuity;

(4) is at least 55 and not yet 65 years of age; and

(5) in the case of a school district employee, retires on or after May 20, 1991, and before July 21, 1991; and in the case of an employee of another employer in this subdivision, retires on or after July 1, 1991, and before October 1, 1991.

An employer that pays for insurance under this section may not exclude any eligible employees.

Subd. 3. [CONDITIONS; COVERAGE.] A state employee who is eligible both for the health insurance benefit under this section and for an employer-paid health insurance benefit provided as an early retirement incentive under a collective bargaining agreement or personnel plan established by the employer must choose between that early retirement incentive and the benefit provided under this section and may not have both. An employer under subdivision 2 may impose a similar restriction. No provision of a public pension plan is an early retirement incentive for purposes of this section. For purposes of this section, a person retires when the person terminates active employment and applies for retirement benefits. The retired employee is eligible for single and dependent coverages and employer payments to which the person was entitled at the time of retirement, subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans, for employees in positions equivalent to the position from which the employee retired. The retired employee is not eligible for employer-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the employee chooses not to receive the retirement benefits for which the employee has applied, or when the employee is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program.

Subd. 4. [RULE OF 90.] An employee who retires under this section using the rule of 90 must not be included in the calculations required by Minnesota Statutes, section 356.85.

Subd. 5. [APPLICATION OF OTHER LAWS.] Unilateral implementation of this section by a public employer is not an unfair labor practice for purposes of chapter 179A. The authority provided in this section for an employer to pay health insurance costs for certain retired employees is not subject to the limits in section 179A.20, subdivision 2a.

Sec. 115. [DISTRICT PUBLIC DEFENDER BUDGETS.]

The board of public defense may only fund those items and services in district public defender budgets which were included in the original budgets of district public defender offices as of January

1, 1990. All other public defense related costs remain the responsibility of the counties unless the state specifically appropriates for these. The cost of additional state funding of these items and services must be offset by reductions in local aids in the same manner as the original state takeover.

Sec. 116. [DISTRICT PUBLIC DEFENDERS; REPORTING CASES.]

The state board of public defense shall adopt and implement a uniform system for reporting of hours and cases by district public defenders. District public defenders shall provide whatever assistance the board requires in order to implement this reporting system.

Sec. 117. [PUBLIC DEFENDER SERVICES; RESPONSIBILITY.]

Notwithstanding Minnesota Statutes, section 611.27, subdivision 4, the state's obligation for the costs of the public defender services is limited to the appropriations made to the board of public defense. Services and expenses beyond those appropriated for shall be the responsibility of the counties within a judicial district. Expenses shall be distributed on a pro rata basis. The providing of space and the associated costs in single county judicial districts shall be the responsibility of the individual county. The county shall continue to provide space in the same manner as for other county agencies.

Sec. 118. [PUBLIC DEFENSE COSTS; HENNEPIN COUNTY.]

Hennepin county has total and exclusive authority over the public defender system in the fourth judicial district. In exercising this authority, the county board shall:

- (1) pay the total compensation and expenses of the system;
- (2) regulate the appointment of, and the terms and conditions of employment of, the district public defender and other employees; and
- (3) establish any other policies affecting the system or its employees the board considers appropriate.

This section supersedes any inconsistent provision of law.

The revisor of statutes shall, in consultation with the board of public defense, make the necessary changes to Minnesota Statutes to effectuate this section.

Sec. 119. [INTERNATIONAL PURCHASES; SALES AND USE TAX.]

The commissioner of revenue shall review federal customs declarations and make an effort to collect the amounts owed for sales and use tax on international purchases by travelers entering the state from international destinations. The commissioner shall report to the legislature no later than January 31, 1992, on the cost-effectiveness of this activity.

Sec. 120. [ENVIRONMENTAL ORGANIZATIONAL STUDY.]

Subdivision 1. [STUDY.] (a) The environmental quality board shall inventory and prepare a study, in conjunction with the SLAM-DUNK commission, of the state's environmental and natural resources agencies and programs and shall recommend an organizational structure to achieve the following goals:

- (1) more efficient delivery of services;
- (2) avoidance of duplication of functions;
- (3) more effective use of human and fiscal resources; and
- (4) better environmental management.

(b) The study should include, but not be limited to, consideration of an organization structure that:

(1) makes clear to the public and to regulated persons or entities which state agency is responsible for performance of a specified function;

(2) minimizes the number of different state agencies that a person or entity must deal with to satisfy state regulatory requirements;

(3) creates clear lines of accountability to the governor and the legislature;

(4) minimizes friction and undesirable competition among state agencies for authority and resources;

(5) permits overall goals of environmental management programs to be implemented effectively;

(6) simplifies administrative procedures and requirements; and

(7) encourages good working relationships with units of local government, regulated entities, environmental groups, and the general public.

Subd. 2. [REPORT.] The final report and recommendation is due February 1, 1992. The board must make progress reports to the chairs of the house and senate governmental operations and environment and natural resources committees each month from September 1991 to January 1992.

Sec. 121. [REPEALER.]

Subdivision 1. [PUBLIC DEFENSE.] Minnesota Statutes 1990, sections 611.215, subdivision 4; 611.261; 611.28; and 611.29, are repealed.

Subd. 2. [COURT ADMINISTRATION.] Laws 1989, chapter 335, article 3, section 54, as amended by Laws 1989, First Special Session chapter 1, article 5, section 47, and Laws 1990, chapter 604, article 9, section 14, is repealed.

Subd. 3. [BILLBACK.] Minnesota Statutes 1990, sections 3C.035, subdivision 2; 3C.056; 8.15; and 14.32, subdivision 2, are repealed.

Subd. 4. [FAMILY FARM LEGAL ASSISTANCE.] Minnesota Statutes 1990, sections 480.250; 480.252; 480.254; and 480.256, are repealed.

Sec. 122. [EFFECTIVE DATES.]

Subdivision 1. [MILITARY PAY DIFFERENTIAL.] Sections 63 and 89 are effective the day following final enactment and authorize back pay to the date the employee was called to active duty after August 1, 1990.

Subd. 2. [CAPITAL ACCESS ACCOUNT.] Section 66 is effective the day following final enactment.

Subd. 3. [RETIREMENT.] Section 87 applies to all benefit payments made after the effective date, including payments to persons who became surviving spouses or surviving children before that date. Section 83 is effective the day following final enactment and applies to all claims pending on that date or filed on or after that date. Sections 78, 79, 80, 83, 84, 85, 86, 87, and 88 are effective on approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021.

Subd. 4. [EARLY RETIREMENT INCENTIVES.] Sections 113 and 114 are effective the day following final enactment.

Subd. 5. [PUBLIC DEFENSE.] Sections 96, 99, 100, 101, 102, 103, 104, and 121, subdivision 1, are effective the day following final enactment.

Subd. 6. [COURT ADMINISTRATION.] Section 97 is effective July 1, 1992. Section 121, subdivision 2, is effective for taxes levied in 1991, payable in 1992, and thereafter.

Subd. 7. [STATE FINANCE.] Sections 44, 47, 48, 49, 50, 51, and 53 are effective the day following final enactment and apply to bonds and certificates issued before or after they take effect.

Subd. 8. [TAX CREDIT CARDS.] Section 75 is effective the day following final enactment.

Subd. 9. [STATE FUND MUTUAL INSURANCE COMPANY; APPROPRIATIONS REPAYMENT.] Section 73 is effective the day following final enactment.

ARTICLE 2

CAPITAL IMPROVEMENTS

Section 1. [APPROPRIATIONS.]

The sums in the column marked "APPROPRIATIONS" are appropriated from the bond proceeds fund, or other named fund, to the state agencies indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this article.

APPROPRIATIONS

Sec. 2. ADMINISTRATION

To the commissioner of administration
for the purposes specified in this section

\$8,361,000

(a) Provide and improve the lighting
and electronic surveillance for all cap-
itol complex parking facilities and
grounds to meet updated regulations

961,000

(b) Acquire certain nonstate owned
properties in or near the capitol com-
plex

2,000,000

(c) Continue the Capitol Asset Preser-
vation and Replacement Account
(CAPRA)

5,000,000

(d) Do a comprehensive study and prepare plans through the schematic phase to locate most education agencies in a new facility, replacing the Capitol Square Building 400,000

Sec. 3. VETERANS HOMES BOARD

To the commissioner of administration for renovation of building 6 of Minnesota Veterans Home-Minneapolis 895,000

Minnesota Veterans Home-Minneapolis

(a) Seal off building 6 to meet safety codes 130,000

(b) Air condition building 15 170,000

Minnesota Veterans Home -- Hastings

Complete renovation to domiciliary standards 595,000

Sec. 4. [BOND SALE.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this article from the state bond proceeds fund the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$9,256,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

ARTICLE 3

STATE PLANNING AGENCY

Section 1. Minnesota Statutes 1990, section 3.885, subdivision 3, is amended to read:

Subd. 3. [STAFF.] (a) The commission may:

(1) employ and fix the salaries of professional, technical, clerical, and other staff of the commission;

(2) employ and discharge staff solely on the basis of their fitness to perform their duties and without regard to political affiliation;

(3) buy necessary furniture, equipment, and supplies;

(4) enter into contracts for necessary services, equipment, office, and supplies;

(5) provide its staff with computer capability necessary to carry out assigned duties. The computer should be capable of receiving data and transmitting data to computers maintained by the executive and judicial departments of state government that are used for budgetary and revenue purposes; and

(6) use other legislative staff.

(b) The commission may hire an executive director and delegate any of its authority under paragraph (a) to that person. The executive director shall be appointed by the chair and vice-chair to a four-year term, shall serve in the unclassified service, and is subject to removal by a majority vote of the members of either the senate or the house of representatives.

(c) The legislative coordinating commission shall provide office space and administrative support to the committee. ~~The state planning agency shall report to the committee, and the committee may make recommendations to the state planning agency.~~

Sec. 2. Minnesota Statutes 1990, section 3.885, subdivision 6, is amended to read:

Subd. 6. [MANDATE, STATE AID, AND STATE PROGRAM REVIEWS.] (a) The commission shall, after consultation with the governor and with the chairs of the standing committees of the legislature, select mandates and state programs for review. When selecting mandates, state aids, or state programs to be reviewed, the commission shall give priority to those that involve state payments to local units of government.

(b) The governor is responsible for the performance of the reviews. Staff from affected agencies, staff from the department of finance ~~and the state planning agency~~, and legislative staff shall participate in the reviews.

(c) At the direction of the commission, reviews of state programs shall include:

(1) a precise and complete description of the program;

(2) the need the program is intended to address;

(3) the recommended goals and measurable objectives of the program to meet those needs;

(4) program outcomes and measures which identify:

(i) results in meeting stated needs, goals, and objectives;

(ii) administrative efficiency, which, when appropriate, shall include number of program staff and clients served, timeliness in processing clients and rates and administrative cost as a percent of total program expenditures;

(iii) unanticipated program outcomes;

(iv) program expenditures compared with program appropriations;

(v) historical cost trends and projected program growth, including reasons for fiscal and program growth, for all levels of government involved in the program;

(vi) if rules or guidelines or instructions have been promulgated for a program, a review of their efficacy in helping to meet program goals and objectives and in administering the program in a cost-effective way; and

(vii) quality control monitoring and sanctions including a review of the level of training, experience, skill, and standards of staff;

(5) recommended changes in the program that would lead to its policy objectives being achieved more efficiently or effectively, or at lower cost; and

(6) additional issues requested by the commission.

(d) The following state aids and associated state mandates shall be reviewed:

(1) local aids and credits including local government aid, homestead and agricultural credit aid, disparity reduction aid, taconite homestead credit and aids, tax increment financing, and fiscal disparities;

(2) human services aids including community health services aids, correctional program aids, and social service program and administrative aids;

(3) elementary and secondary education aids including school district general fund aids and levies, school district capital expenditure fund aids and levies, school district debt service fund aids and levies, and school district community service fund aids and levies; and

(4) general government aids including natural resource aids, environmental protection aids, transportation aids, economic development aids, and general infrastructure aids.

(e) At the direction of the commission, the reviews of state aids and state mandates involving state financing of local government activities listed in paragraph (d) shall include:

(1) the employment status, wages, and benefits of persons employed in administering the programs;

(2) the desirable applicability of state procedural laws and rules;

(3) methods for increasing political subdivision options in providing their share, if any, of program costs;

(4) desirable redistributions of funding responsibilities for the program and the time period during which any recommended funding distribution should occur;

(5) opportunities for reducing program mandates and giving political subdivisions more flexibility in meeting program needs;

(6) comparability of treatment of similar units of government;

(7) the effect of the state aid or mandate on the distribution of tax burdens among individuals, based upon ability to pay;

(8) coordination of the payment or allocation formula with other state aid programs;

(9) incentives that have been created for local spending decisions, and whether the incentives should be changed;

(10) ways in which political subdivisions have changed their revenue-raising behavior since receiving these grants; and

(11) consideration of the program's consistency with the policies set forth in section 3.882.

(f) Each review shall also include an assessment of the accountability of all government agencies that participate in administration of the program.

(g) Each review that is intended to be considered in the development of the governor's budget recommendations for the following year shall be completed and submitted to the commission no later than November 15.

Sec. 3. [4.46] [WASHINGTON OFFICE.]

The governor may appoint employees for the Washington, D.C., office of the state of Minnesota and may prescribe their duties. In the operation of the office, the governor may expend money appropriated by the legislature for promotional purposes in the same manner as private persons, firms, corporations, and associations expend money for promotional purposes. Promotional expenditures for food, lodging, or travel are not governed by the travel rules of the commissioner of employee relations.

Sec. 4. Minnesota Statutes 1990, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

\$57,500-\$78,500

- Commissioner of finance;
- Commissioner of education;
- Commissioner of transportation;
- Commissioner of human services;
- Commissioner of revenue;
- Commissioner of public safety;
- Executive director, state board of investment;
- Commissioner of gaming;
- Director of the state lottery;

\$50,000-\$67,500

- Commissioner of administration;
- Commissioner of agriculture;
- Commissioner of commerce;
- Commissioner of corrections;
- Commissioner of jobs and training;
- Commissioner of employee relations;
- Commissioner of health;
- Commissioner of labor and industry;
- Commissioner of natural resources;
- Commissioner of trade and economic development;
- Chief administrative law judge; office of administrative hearings;

Commissioner, pollution control agency;
~~Commissioner, state planning agency;~~
Director, office of waste management;
Commissioner, housing finance agency;
Executive director, public employees retirement association;
Executive director, teacher's retirement association;
Executive director, state retirement system;
Chair, metropolitan council;
Chair, regional transit board;

\$42,500-\$60,000

Commissioner of human rights;
Commissioner, department of public service;
Commissioner of veterans' affairs;
Commissioner, bureau of mediation services;
Commissioner, public utilities commission;
Member, transportation regulation board;
Ombudsman for corrections;
Ombudsman for mental health and retardation.

Sec. 5. [16B.90] [STATE DEMOGRAPHER.]

The commissioner shall appoint a state demographer to serve in the unclassified service. The demographer must be professionally competent in demography and must possess demonstrated ability based upon past performance. The demographer shall:

(1) continuously gather and develop demographic data relevant to the state;

(2) design and test methods of research and data collection;

(3) periodically prepare population projections for the state and designated regions and periodically prepare projections for each county or other political subdivision of the state as necessary to carry out the purposes of this section;

(4) review, comment on, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies, or nongovernmental persons, institutions, or commissions;

(5) serve as the state liaison with the federal bureau of census, coordinate state and federal demographic activities to the fullest extent possible, and aid the legislature in preparing a census data plan and form for each decennial census;

(6) compile an annual study of population estimates on the basis of county, regional, or other political or geographical subdivisions as necessary to carry out the purposes of this section and section 6;

(7) by January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(8) prepare maps for all counties in the state, all municipalities with a population of 10,000 or more, and other municipalities as needed for census purposes, according to scale and detail recommended by the federal bureau of the census, with the maps of cities showing precinct boundaries;

(9) prepare an estimate of population and of the number of households for each governmental subdivision for which the metropolitan council does not prepare an annual estimate, and convey the estimates to the governing body of each political subdivision by May 1 of each year; and

(10) prepare an estimate of population and number of households for an area annexed by a governmental subdivision subject to levy limits under sections 275.50 to 275.56 if a municipal board order under section 414.01, subdivision 14, exists for the annexation and if the population of the annexed area is equal to at least 50 people or at least ten percent of the population of a governmental subdivision or unorganized territory that is losing area by the annexation.

An estimate under clause (10) must be an estimate of the population as of the date, within 12 months after the annexation occurs, for which a population estimate for the governmental subdivision is made either by the state demographer under clause (9) or by the metropolitan council.

Sec. 6. [16B.91] [POPULATION ESTIMATES AND PROJECTIONS; SUBMISSION BY STATE AGENCIES.]

Each state agency shall submit to the commissioner for comment all population estimates and projections prepared by it before:

(1) submitting the estimates and projections to the legislature or the federal government to obtain approval of grants;

(2) the issuance of bonds based upon those estimates and projections; or

(3) releasing a plan based upon the estimates and projections.

Sec. 7. [16B.92] [LAND MANAGEMENT INFORMATION CENTER.]

(a) The purpose of the land management information center in the department of administration is to foster integration of environmental information and provide services in computer mapping and

graphics, environmental analysis, and small systems development. The commissioner, through the center, shall periodically study land use and natural resources on the basis of county, regional, and other political subdivisions.

(b) The commissioner shall set fees under section 16A.128, subdivision 2, reflecting the actual costs of providing the center's information products and services to clients. Fees collected must be deposited in the state treasury and credited to the land management information center revolving account. Money in the account is appropriated to the commissioner for operation of the land management information system, including the cost of services, supplies, materials, labor, and equipment, as well as the portion of the general support costs and statewide indirect costs of the department that is attributable to the land management information system. The commissioner may require a state agency to make an advance payment to the revolving fund sufficient to cover the agency's estimated obligation for a period of 60 days or more. If the revolving fund is abolished or liquidated, the total net profit from operations must be distributed to the funds from which purchases were made. The amount to be distributed to each fund must bear to the net profit the same ratio as the total purchases from each fund bear to the total purchases from all the funds during a period of time that fairly reflects the amount of net profit each fund is entitled to receive under this distribution.

Sec. 8. Minnesota Statutes 1990, section 17.49, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish and promote a program for the commercial raising of fish in fish farms in consultation with an advisory committee consisting of the University of Minnesota, the commissioner of natural resources, the commissioner of agriculture, the commissioner of trade and economic development, ~~the commissioner of the state planning agency~~, representatives of private fish raising industry, and the chairs of the environment and natural resources committees of the house of representatives and senate.

Sec. 9. Minnesota Statutes 1990, section 62D.122, is amended to read:

62D.122 [MEDIATION.]

When current parties to a health maintenance organization contract between providers of health care services and the health maintenance organization believe they will be unable to reach agreement on the terms of renewal or maintenance of the agreement, either party may request the commissioner of health to order that the dispute be submitted to mediation. The parties to the dispute shall enter mediation upon the order of the commissioner of

health. Whether or not a request for mediation from one of the parties has been received, the commissioner shall order mediation if failure to reach agreement would significantly impair access to health care services on the part of current enrollees of that health maintenance organization. The commissioner shall be a participant in the mediation. In determining whether access to health care services for current enrollees will be significantly impaired, the commissioner shall consider:

- (1) the number of enrollees affected,
- (2) the ability of the plan to make alternate arrangements with other participating providers for the provision of health care services to the affected enrollees,
- (3) the availability of nonparticipating providers who may become participating providers for those with whom the health maintenance organization is in dispute,
- (4) the time remaining until termination of the provider contract, and
- (5) whether failure to resolve the dispute may establish a precedent for similar disputes in other parts of the state or might impede competition among health plans.

During the period in which the dispute is in mediation, no action to terminate provider or enrollee contracts may be taken by either party. Participation in mediation shall be required of all parties for a period of not more than 30 days. Notice of termination of provider agreements, as required under section 62D.08, subdivision 5, shall take effect no earlier than 31 days after the first day of mediation under this section.

When mediation is ordered by the commissioner, arrangements for mediation shall be made through either the office of dispute resolution in the state planning agency, or the office of administrative hearings.

Costs of the mediation shall be borne equally by the health maintenance organization and the health care providers unless otherwise agreed to by the parties. The office of administrative hearings shall establish rates for mediation services comparable to those charged by mediators listed with the office of dispute resolution.

The mediator shall not have authority to impose a settlement or otherwise bind a participant to a nonvoluntary resolution of the dispute; however, any agreement reached as a result of the mediation shall be enforceable.

Except as otherwise provided under chapter 13 and sections 62D.03 and 62D.14, the commissioner shall make public the results of any mediation agreement.

Sec. 10. Minnesota Statutes 1990, section 62J.02, subdivision 2, is amended to read:

Subd. 2. [STAFF; OFFICE SPACE; EQUIPMENT.] The commission shall select a director to serve at its pleasure as the chief administrative officer of the commission. The director may hire advisors, consultants, and employees, as authorized by the commission, and prescribe their duties. Employees are not state employees, but are covered by section 3.736. At the option of the commission, the employees may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans. The commissioner of ~~state planning~~ health shall provide to the commission, at a reasonable cost, administrative assistance, office space, and access to office equipment and services.

Sec. 11. Minnesota Statutes 1990, section 62J.02, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The health care access commission, with the assistance of the commissioner of ~~state planning~~ health, shall develop and recommend to the legislature a plan to provide access to health care for all state residents. In developing the plan, the commission shall:

- (1) develop a system to estimate the total number of uninsured Minnesotans by age, sex, employment status, income level, geography, and other relevant characteristics;

- (2) explore all potential insurance options including size and makeup of risk groups;

- (3) prepare a legal analysis of restrictions and other potential legal issues of the Employee Retirement Income Security Act, United States Code, title 29, sections 1001 to 1461;

- (4) study and make recommendations on insurance and health care law changes that will improve access to health care;

- (5) study and make recommendations on incentives and disincentives to ensure that employers continue to provide health insurance coverage;

- (6) study and make recommendations regarding benefits to be covered by health plans that would be available through the health

care access program, including preventive, well-child, and prenatal care;

(7) identify cost savings to public programs that would result from implementation of the health care access program;

(8) develop a cost containment policy after reviewing cost containment methods such as hospital admission precertification, concurrent review of hospital stays, discharge planning, hospital bill audit prior to discharge, primary gatekeepers, claims data analysis, a drug formulary, pharmacy data analysis, bulk discounts, emergency room use, outpatient surgery oversight, protocols for preventive care and common acute care, practice data compared to peers, practitioner rewards and penalties, and other cost containment methods;

(9) develop a system to administer the health care access program, including recommendations for eligibility criteria, enrollment procedures, and options for contracting with carriers, health plans, and providers, to ensure access to affordable health care in all geographic areas of the state;

(10) define the number, functions, and duties of administrative staff;

(11) study alternatives for financing the state share of the cost of the premiums in an amount sufficient to generate one-half of the total costs of the health care access program, but not more than \$150,000,000 a year, including, but not limited to, an actuarial analysis, a sliding fee scale analysis, and reserve fund requirements;

(12) develop a system for collection of premium payments;

(13) examine and make recommendations on gatekeeping mechanisms for access to health care services, different benefit and service packages for the minimum core coverage plan, and dollar limitations for prescription drug costs;

(14) consider limits on provider reimbursement and covered services and make recommendations;

(15) examine the effect of different copayment levels on access to health care for persons with low incomes and provide recommendations based on this analysis;

(16) examine and make recommendations on maximum lifetime benefits;

(17) develop methods to ensure representation in service delivery by eligible practitioners, without regard to race, color, or sex;

(18) develop methods to coordinate the health care access program with other government-subsidized programs; and

(19) conduct other activities it considers necessary to carry out the intent of the legislature as expressed in section 62J.01 and this section.

Sec. 12. Minnesota Statutes 1990, section 103B.311, subdivision 7, is amended to read:

Subd. 7. [DATA ACQUISITION.] The data collected under this section that has common value as determined by the ~~state planning agency~~ department of administration for natural resources planning must be provided and integrated into the Minnesota land management information systems geographic and summary data bases according to published data compatibility guidelines.

Sec. 13. Minnesota Statutes 1990, section 103B.315, subdivision 5, is amended to read:

Subd. 5. [STATE REVIEW.] (a) After conducting the public hearing but before final adoption, the county board must submit its comprehensive water plan, all written comments received on the plan, a record of the public hearing under subdivision 4, and a summary of changes incorporated as a result of the review process to the board for review. The board shall complete the review within 90 days after receiving a comprehensive water plan and supporting documents. The board shall consult with the departments of agriculture, health, and natural resources; the pollution control agency; ~~the state planning agency~~; the environmental quality board; and other appropriate state agencies during the review.

(b) The board may disapprove a comprehensive water plan if the board determines the plan is not consistent with state law. If a plan is disapproved, the board shall provide a written statement of its reasons for disapproval. A disapproved comprehensive water plan must be revised by the county board and resubmitted for approval by the board within 120 days after receiving notice of disapproval of the comprehensive water plan, unless the board extends the period for good cause. The decision of the board to disapprove the plan may be appealed by the county to district court.

Sec. 14. Minnesota Statutes 1990, section 103F.761, subdivision 1, is amended to read:

Subdivision 1. [PROJECT COORDINATION TEAM; MEMBERSHIP.] The commissioner shall establish and chair a project coordination team made up of representatives of the pollution control agency, department of natural resources, board of water and soil resources, department of agriculture, department of health, state

~~planning agency~~, Minnesota extension service, University of Minnesota agricultural experiment stations, United States Army Corps of Engineers, United States Environmental Protection Agency, United States Department of Agriculture Agricultural Stabilization and Conservation Service, United States Department of Agriculture Soil Conservation Service, metropolitan council, Association of Minnesota Counties, League of Minnesota Cities, Minnesota Association of Townships, and other agencies as the commissioner may determine.

Sec. 15. Minnesota Statutes 1990, section 103H.101, subdivision 4, is amended to read:

Subd. 4. [INFORMATION GATHERING.] The commissioner of natural resources shall coordinate the collection of state and local information to identify sensitive areas. Information must be automated on or accessible to systems developed at the land management information center of the state planning agency department of administration.

Sec. 16. Minnesota Statutes 1990, section 103H.175, subdivision 1, is amended to read:

Subdivision 1. [MONITORING RESULTS TO BE SUBMITTED TO THE STATE PLANNING AGENCY DEPARTMENT OF ADMINISTRATION.] The results of monitoring groundwater quality by state agencies and political subdivisions must be submitted to the state planning agency department of administration.

Sec. 17. Minnesota Statutes 1990, section 103H.175, subdivision 2, is amended to read:

Subd. 2. [COMPUTERIZED DATA BASE.] The state planning agency department of administration shall maintain a computerized data base of the results of groundwater quality monitoring in a manner that is accessible to the pollution control agency, department of agriculture, department of health, and department of natural resources. The state planning agency department shall assess the quality and reliability of the data and organize the data in a usable format.

Sec. 18. Minnesota Statutes 1990, section 115A.072, subdivision 1, is amended to read:

Subdivision 1. [WASTE EDUCATION COALITION.] (a) The office shall provide for the development and implementation of a program of general public education on waste management in cooperation and coordination with the pollution control agency, metropolitan council, department of education, department of agriculture, state planning agency, environmental quality board, environmental ed-

ucation board, educational institutions, other public agencies with responsibility for waste management or public education, and three other persons who represent private industry and who have knowledge of or expertise in recycling and solid waste management issues. The objectives of the program are to: develop increased public awareness of and interest in environmentally sound waste management methods; encourage better informed decisions on waste management issues by business, industry, local governments, and the public; and disseminate practical information about ways in which households and other institutions and organizations can improve the management of waste.

(b) The office shall appoint an advisory task force, to be called the waste education coalition, of up to 18 members to advise the office in carrying out its responsibilities under this section and whose membership represents the agencies and entities listed in this subdivision.

Sec. 19. Minnesota Statutes 1990, section 116C.03, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The members of the board are the commissioner of ~~the state planning agency~~ administration, the commissioner of public service, the commissioner of the pollution control agency, the commissioner of natural resources, the director of the office of waste management, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, the chair of the board of water and soil resources, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. At least two of the five public members must have knowledge of and be conversant in water management issues in the state. Notwithstanding the provisions of section 15.06, subdivision 6, members of the board may not delegate their powers and responsibilities as board members to any other person.

Sec. 20. Minnesota Statutes 1990, section 116C.03, subdivision 4, is amended to read:

Subd. 4. Staff and consultant support for board activities shall be provided by the ~~state planning agency~~ commissioner of administration. This support shall be provided based upon an annual budget and work program developed by the board and certified to the ~~commissioner of the state planning agency~~ by the chair of the board. The board shall have the authority to request and require staff support from all other agencies of state government as needed for the execution of the responsibilities of the board.

Sec. 21. Minnesota Statutes 1990, section 116C.03, subdivision 5, is amended to read:

Subd. 5. The board shall contract with the commissioner of ~~the state planning agency~~ administration for administrative services necessary to the board's activities. The services shall include personnel, budget, payroll and contract administration.

Sec. 22. Minnesota Statutes 1990, section 116C.712, subdivision 3, is amended to read:

Subd. 3. [COUNCIL STAFF] Staff support for council activities must be provided by the ~~state planning agency~~ commissioner of administration. State departments and agencies must cooperate with the council in the performance of its duties. Upon the request of the chair of the council, the governor may, by order, require a state department or agency to furnish assistance necessary to carry out the council's functions under this chapter.

Sec. 23. Minnesota Statutes 1990, section 116C.712, subdivision 5, is amended to read:

Subd. 5. [ASSESSMENT.] (a) A person, firm, corporation, or association in the business of owning or operating a nuclear fission electrical generating plant in this state shall pay an assessment to cover the cost of:

(1) monitoring the federal high-level radioactive waste program under the Nuclear Waste Policy Act, United States Code, title 42, sections 10101 to 10226;

(2) advising the governor and the legislature on policy issues relating to the federal high-level radioactive waste disposal program;

(3) surveying existing literature and activity relating to radioactive waste management, including storage, transportation, and disposal, in the state;

(4) an advisory task force on low-level radioactive waste deregulation, created by a law enacted in 1990 until July 1, 1996; and

(5) other general studies necessary to carry out the purposes of this subdivision.

The assessment must not be more than the appropriation to the state planning agency department of administration for these purposes.

(b) The state planning agency commissioner of administration shall bill the owner or operator of the plant for the assessment at least 30 days before the start of each quarter. The assessment for the second quarter of each fiscal year must be adjusted to compensate for

the amount by which actual expenditures by the ~~state planning agency~~ department of administration for the preceding year were more or less than the estimated expenditures previously assessed. The billing may be made as an addition to the assessments made under section 116C.69. The owner or operator of the plant must pay the assessment within 30 days after receipt of the bill. The assessment must be deposited in the state treasury and credited to the special revenue fund.

(c) The authority for this assessment terminates when the department of energy eliminates Minnesota from further siting consideration for high-level radioactive waste by starting construction of a high-level radioactive waste disposal site in another state. The assessment required for any quarter must be reduced by the amount of federal grant money received by the ~~state planning agency~~ department of administration for the purposes listed in this section.

(d) The ~~state planning agency~~ commissioner of administration must report annually by July 1 to the legislative commission on waste management on activities assessed under paragraph (a).

Sec. 24. Minnesota Statutes 1990, section 124C.03, subdivision 2, is amended to read:

Subd. 2. [MEMBERS; MEETINGS; OFFICERS.] The interagency adult learning advisory council shall have ~~16 to 18~~ 15 to 17 members. Members must have experience in educating adults or in programs addressing welfare recipients and incarcerated, unemployed, and underemployed people.

The members of the interagency adult learning advisory council are appointed as follows:

(1) ~~one member appointed by the commissioner of the state planning agency;~~

~~(2)~~ one member appointed by the commissioner of jobs and training;

~~(3)~~ (2) one member appointed by the commissioner of human services;

(4) ~~(3)~~ one member appointed by the director of the refugee and immigrant assistance division of the department of human services;

~~(5)~~ (4) one member appointed by the commissioner of corrections;

~~(6)~~ (5) one member appointed by the commissioner of education;

~~(7)~~ (6) one member appointed by the chancellor of the state board of technical colleges;

~~(8)~~ (7) one member appointed by the chancellor of community colleges;

~~(9)~~ (8) one member appointed by the Minnesota adult literacy campaign or by another nonprofit literacy organization, as designated by the commissioner of ~~the state planning agency~~ education;

~~(10)~~ (9) one member appointed by the council on Black Minnesotans;

~~(11)~~ (10) one member appointed by the Spanish-speaking affairs council;

~~(12)~~ (11) one member appointed by the council on Asian-Pacific Minnesotans;

~~(13)~~ (12) one member appointed by the Indian affairs council; and

~~(14)~~ (13) one member appointed by the disability council.

Up to four additional members of the council may be nominated by the participating agencies. Based on the council's recommendations, the commissioner of ~~the state planning agency~~ education must appoint at least two, but not more than four, additional members. Nominees shall include, but are not limited to, representatives of local education, government, nonprofit agencies, employers, labor organizations, and libraries.

The council shall elect its officers.

Sec. 25. Minnesota Statutes 1990, section 124C.03, subdivision 3, is amended to read:

Subd. 3. [STAFF.] The commissioner of ~~the state planning agency~~ education shall provide space and administrative services to the council. The commissioner may contract for staff for the council.

Sec. 26. Minnesota Statutes 1990, section 124C.03, subdivision 8, is amended to read:

Subd. 8. [STANDARDS FOR QUALIFIED PROGRAMS.] (a) Except as provided in paragraph (b) and subdivision 9, a program qualifying for a grant must:

(1) be directed to the unemployed, the underemployed, the incarcerated, public assistance recipients, or to non-English speaking immigrants;

(2) integrate learning and support services such as child care, transportation, and counseling;

(3) have intensive learning that maximizes the weekly hours available to learners;

(4) be accessible year-round and during daytime or evening hours as needed, except where otherwise appropriate to learners' needs;

(5) have individualized learning plans and outcome based learning;

(6) provide instruction in transferable basic skills;

(7) have context based learning linked to individual occupational or self-sufficiency goals;

(8) provide for reporting and evaluation;

(9) have appropriate coordination and differentiation of services among adult literacy services and agencies in the local area;

(10) be coordinated with human services and employment and training agencies, as appropriate to the target population; and

(11) maximize use of available local resources.

(b) The commissioner of ~~the state planning agency~~ education may waive a standard because of client need or local conditions. The reason for the waiver must be documented.

Sec. 27. Minnesota Statutes 1990, section 124C.03, subdivision 9, is amended to read:

Subd. 9. [INNOVATION GRANTS.] The commissioner of ~~the state planning agency~~ education may award grants for innovative programs. An innovation grant need not comply with the standards in subdivision 8. The nature and extent of the proposed innovation must be described in the award.

Sec. 28. Minnesota Statutes 1990, section 124C.03, subdivision 10, is amended to read:

Subd. 10. [NO FUNDING REQUIRED.] The commissioner of ~~the state planning agency~~ education need not award a grant for any proposal that, in the determination of the commissioner does not meet the standards in subdivision 8.

Sec. 29. Minnesota Statutes 1990, section 124C.03, subdivision 12, is amended to read:

Subd. 12. [GEOGRAPHIC DISTRIBUTION.] The commissioner of the state ~~planning agency~~ education shall seek to award grants throughout the state, taking into account the incidence of the target population. It shall provide technical assistance to local agencies to enhance fulfillment of this subdivision.

Sec. 30. Minnesota Statutes 1990, section 124C.03, subdivision 14, is amended to read:

Subd. 14. [GRANT SCHEDULE.] ~~The commissioner of the state planning agency must award initial grants by April 1, 1990. Beginning in 1991, Grants must be awarded by July 1 of each year. Grants may be awarded for a period not to exceed 24 months.~~

Sec. 31. Minnesota Statutes 1990, section 124C.03, subdivision 15, is amended to read:

Subd. 15. [LOCAL AND REGIONAL JOINT PLANNING.] The commissioner of the state ~~planning agency~~ education may require grant applicants and existing adult basic education providers in a locality to present a joint services plan as a condition of receiving a grant under this section.

Sec. 32. Minnesota Statutes 1990, section 124C.03, subdivision 16, is amended to read:

Subd. 16. [REPORTING AND EVALUATION.] The commissioner of the state ~~planning agency~~ education shall evaluate the performance of the grantees and report to the legislature by November 15 of each year, except that a preliminary report may be submitted by February 15, 1991.

Sec. 33. Minnesota Statutes 1990, section 126A.02, subdivision 1, is amended to read:

Subdivision 1. [DIRECTOR.] The director of environmental education is appointed by the commissioner of the state ~~planning agency~~ education. The director may initiate, develop, implement, evaluate, and market informal environmental education programs; shall promote state government and private sector policy that is consistent with the environmental education programs established in section 126A.08; and may coordinate informal environmental education with the K-12 and post-secondary environmental education programs developed by the department of education and the state's post-secondary institutions.

Sec. 34. Minnesota Statutes 1990, section 126A.02, subdivision 2, is amended to read:

Subd. 2. [BOARD MEMBERS.] A ~~17-member~~ 16-member board shall advise the director. The board is made up of the commissioners of the state planning agency; department of natural resources; the pollution control agency; the department of agriculture; the department of education; the chair of the board of water and soil resources; the executive director of the higher education coordinating board; the executive secretary of the board of teaching; the director of the extension service; and eight citizen members representing diverse interests appointed by the governor. The governor shall appoint one citizen member from each congressional district. The citizen members are subject to section 15.0575. Two of the citizen members appointed by the governor must be licensed teachers currently teaching in the K-12 system. The governor shall annually designate a member to serve as chair for the next year.

Sec. 35. Minnesota Statutes 1990, section 126A.03, is amended to read:

126A.03 [STAFF]

The state planning agency commissioner of education shall provide staff and consultant support for the office of environmental education. The support must be based on an annual budget and work program developed by the director and certified to the commissioner of the state planning agency education by the chair of the office's advisory board. The director may request staff support from any other agency of the executive branch as needed to execute the responsibilities of the director.

Sec. 36. Minnesota Statutes 1990, section 144.70, subdivision 2, is amended to read:

Subd. 2. [INTERAGENCY COOPERATION.] In completing the report required by subdivision 1, in fulfilling the requirements of sections 144.695 to 144.703, and in undertaking other initiatives concerning health care costs, access, or quality, the commissioner of health shall cooperate with and consider potential benefits to other state agencies that have a role in the market for health services or the market for health plans. Other agencies include the department of employee relations, as administrator of the state employee health benefits program; the department of human services, as administrator of health services entitlement programs; the department of commerce, in its regulation of health plans; and the department of labor and industry, in its regulation of health service costs under workers' compensation; ~~and the state planning agency, in its planning for the state's health service needs.~~

Sec. 37. Minnesota Statutes 1990, section 144A.071, subdivision 5, is amended to read:

Subd. 5. [REPORT.] The commissioner of the state planning ~~agency~~ human services, in consultation with the ~~commissioners~~ commissioner of health and human services, shall report to the ~~senate~~ health and human services committee and the house health and welfare committee by January 15, 1986 and biennially thereafter regarding:

(1) projections on the number of elderly Minnesota residents including medical assistance recipients;

(2) the number of residents most at risk for nursing home placement;

(3) the needs for long-term care and alternative home and noninstitutional services;

(4) availability of and access to alternative services by geographic region; and

(5) the necessity or desirability of continuing, modifying, or repealing the moratorium in relation to the availability and development of the continuum of long-term care services.

Sec. 38. Minnesota Statutes 1990, section 145.926, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATION.] The commissioner of ~~state planning~~ education shall administer the way to grow/school readiness program, in consultation with the ~~commissioners~~ commissioner of human services and education, to promote intellectual, social, emotional, and physical development and school readiness of children prebirth to age five by coordinating and improving access to community-based and neighborhood-based services that support and assist all parents in meeting the health and developmental needs of their children at the earliest possible age.

Sec. 39. Minnesota Statutes 1990, section 145.926, subdivision 4, is amended to read:

Subd. 4. [PILOT PROJECTS.] The commissioner of ~~state planning~~ education shall award grants for one pilot project in each of the following areas of the state:

(1) a first class city located within the metropolitan area as defined in section 473.121, subdivision 2;

(2) a second class city located within the metropolitan area as defined in section 473.121, subdivision 2;

(3) a city with a population of 50,000 or more that is located outside of the metropolitan area as defined in section 473.121, subdivision 2; and

(4) the area of the state located outside of the metropolitan area as defined in section 473.121, subdivision 2.

To the extent possible, the commissioner of ~~state planning~~ shall award grants to applicants with experience or demonstrated ability in providing comprehensive, multidisciplinary, community-based programs with objectives similar to those listed in subdivision 2, or in providing other human services or social services programs using a multidisciplinary, community-based approach.

Sec. 40. Minnesota Statutes 1990, section 145.926, subdivision 5, is amended to read:

Subd. 5. [APPLICATIONS.] Each grant application must propose a five-year program designed to accomplish the purposes of this section. The application must be submitted on forms provided by the commissioner of ~~state planning~~ education. The grant application must include:

(1) a description of the specific neighborhoods that will be served under the program and the name, address, and a description of each community agency or agencies with which the applicant intends to contract to provide services using grant money;

(2) a letter of intent from each community agency identified in clause (1) that indicates the agency's willingness to participate in the program and approval of the proposed program structure and components;

(3) a detailed description of the structure and components of the proposed program and an explanation of how each component will contribute to accomplishing the purposes of this section;

(4) a description of how public and private resources, including schools, health care facilities, government agencies, neighborhood organizations, and other resources, will be coordinated and made accessible to families in target neighborhoods, including letters of intent from public and private agencies indicating their willingness to cooperate with the program;

(5) a detailed, proposed budget that demonstrates the ability of the program to accomplish the purposes of this section using grant

money and other available resources, including funding sources other than a grant; and

(6) a comprehensive evaluation plan for measuring the success of the program in meeting the objectives of the overall grant program and the individual grant project, including an assessment of the impact of the program in terms of at least three of the following criteria:

- (i) utilization rates of community services;
- (ii) availability of support systems for families;
- (iii) birth weights of newborn babies;
- (iv) child accident rates;
- (v) utilization rates of prenatal care;
- (vi) reported rates of child abuse; and
- (vii) rates of health screening and evaluation.

Sec. 41. Minnesota Statutes 1990, section 145.926, subdivision 7, is amended to read:

Subd. 7. [ADVISORY COMMITTEES.] The commissioner of state planning education shall establish a program advisory committee consisting of persons knowledgeable in child development, child and family services, and the needs of people of color and high risk populations; and representatives of the commissioners of state planning human services and education. Each grantee must establish a program advisory board of 12 or more members to advise the grantee on program design, operation, and evaluation. The board must include representatives of local units of government and representatives of the project area who reflect the geographic, cultural, racial, and ethnic diversity of that community.

Sec. 42. Minnesota Statutes 1990, section 145.926, subdivision 8, is amended to read:

Subd. 8. [REPORT.] The commissioner of state planning education shall provide a biennial report to the legislature on the program administration and the activities of projects funded under this section.

Sec. 43. Minnesota Statutes 1990, section 145A.02, subdivision 16, is amended to read:

Subd. 16. [POPULATION.] "Population" means the total number of residents of the state or any city or county as established by the last federal census, by a special census taken by the United States Bureau of the Census, by the state demographer under section ~~116K.04~~, subdivision 4 5, or by an estimate of city population prepared by the metropolitan council, whichever is the most recent as to the stated date of count or estimate.

Sec. 44. Minnesota Statutes 1990, section 145A.09, subdivision 6, is amended to read:

Subd. 6. [BOUNDARIES OF COMMUNITY HEALTH SERVICE AREAS.] The community health service area of a multicounty or multicity community health board must be within a region designated under sections 462.381 to 462.398, unless this condition is waived by the commissioner with the approval of the regional development commission directly involved or the metropolitan council, if appropriate. In a region without a regional development commission, the commissioner of ~~the state planning agency~~ trade and economic development shall act in place of the regional development commission.

Sec. 45. Minnesota Statutes 1990, section 214.141, is amended to read:

214.141 [ADVISORY COUNCIL; MEMBERSHIP.]

There is established a human services occupations advisory council to assist the commissioner of health in formulating policies and rules pursuant to section 214.13. The commissioner shall determine the council's duties and shall establish procedures for its proper functioning, including, but not limited to, methods for selecting temporary members and methods of communicating recommendations and advice to the commissioner for consideration. The council shall consist of no more than 15 members. Thirteen members shall be appointed by the commissioner, one of whom the commissioner shall designate as chair. The members shall be selected as follows: four members shall represent currently licensed or registered human services occupations; two members shall represent human services occupations which are not currently registered; two members shall represent licensed health care facilities, which can include a health maintenance organization as defined in section 62D.02; one member shall represent the higher education coordinating board; ~~one member shall represent the state planning agency~~; one member shall represent a third party payor to health care costs; and ~~two~~ three members shall be public members as defined by section 214.02.

In cases in which the council has been charged by the commissioner to evaluate an application submitted under the provisions of section 214.13, the commissioner may appoint to the council as

temporary voting members, for the purpose of evaluating that application alone, one or two representatives from among the appropriate licensed or registered human services occupations or from among the state agencies that have been identified under section 214.13, subdivision 2. In determining whether a temporary voting member or members should be appointed and which human services occupations or state agencies should be represented by temporary voting members, the commissioner shall attempt to systematically involve those who would be most directly affected by a decision to credential a particular applicant group and who are not already represented on the council. The terms of temporary voting members shall not exceed 12 months. The terms of the other council members, the compensation and removal of all members, and the expiration of the council shall be as provided in section 15.059.

Sec. 46. Minnesota Statutes 1990, section 256H.25, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] By January 1, 1990, the commissioner of ~~the state planning agency~~ health shall convene and chair an interagency advisory committee on child care. In addition to the commissioner, members of the committee are the commissioners of each of the following agencies and departments: ~~health~~, human services, jobs and training, public safety, education, and the higher education coordinating board. The purpose of the committee is to improve the quality and quantity of child care and the coordination of child care related activities among state agencies.

Sec. 47. Minnesota Statutes 1990, section 268.361, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of ~~the state planning agency jobs and training~~.

Sec. 48. Minnesota Statutes 1990, section 275.14, is amended to read:

275.14 [CENSUS.]

For the purposes of sections 275.124 to 275.16, the population of a city shall be that established by the last federal census, by a special census taken by the United States Bureau of the Census, by an estimate made by the metropolitan council, or by the state demographer made according to section ~~116K.04, subdivision 4~~ 5, whichever has the latest stated date of count or estimate, before July 2 of the current levy year. The population of a school district must be as certified by the department of education from the most recent federal census.

In any year in which no federal census is taken pursuant to law in

any school district affected by sections 275.124 to 275.16 a population estimate may be made and submitted to the state demographer for approval as hereinafter provided. The school board of a school district, in case it desires a population estimate, shall pass a resolution by July 1 containing a current estimate of the population of the school district and shall submit the resolution to the state demographer. The resolution shall describe the criteria on which the estimate is based and shall be in a form and accompanied by the data prescribed by the state demographer. The state demographer shall determine whether or not the criteria and process described in the resolution provide a reasonable basis for the population estimate and shall inform the school district of that determination within 30 days of receipt of the resolution. If the state demographer determines that the criteria and process described in the resolution do not provide a reasonable basis for the population estimate, the resolution shall be of no effect. If the state demographer determines that the criteria and process do provide a reasonable basis for the population estimate, the estimate shall be treated as the population of the school district for the purposes of sections 275.124 to 275.16 until the population of the school district has been established by the next federal census or until a more current population estimate is prepared and approved as provided herein, whichever occurs first. The state demographer shall establish guidelines for acceptable population estimation criteria and processes. The state demographer shall issue advisory opinions upon request in writing to cities or school districts as to proposed criteria and processes prior to their implementation in an estimation. The advisory opinion shall be final and binding upon the demographer unless the demographer can show cause why it should not be final and binding.

In the event that a census tract employed in taking a federal or local census overlaps two or more school districts, the county auditor shall, on the basis of the best information available, allocate the population of said census tract to the school districts involved.

The term "council," as used in sections 275.124 to 275.16, means any board or body, whether composed of one or more branches, authorized to make ordinances for the government of a city within this state.

Sec. 49. Minnesota Statutes 1990, section 275.51, subdivision 6, is amended to read:

Subd. 6. [POPULATION AND HOUSEHOLD ESTIMATES.] For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with limitation established by this chapter, the population or the number of households of the governmental subdivision shall be that established by the last federal census, by a census taken pursuant to section 275.14, or by an estimate made by the metropolitan council, or by the state demographer made pursuant to section 116K.04, subdivision 4 5,

whichever is the most recent as to the stated date of count or estimate, for the calendar year preceding the current levy year. If the area included in a governmental subdivision has increased due to annexation in the 12 months prior to the most recent population estimate for the calendar year preceding the current levy year and the adjusted levy limit base is modified under section 275.54, subdivision 3, the percentage increases in population and households determined in subdivision 3h are to be based on the change in population and number of households in the area included in the governmental subdivision before the annexation.

Sec. 50. Minnesota Statutes 1990, section 275.54, subdivision 3, is amended to read:

Subd. 3. [ADJUSTMENTS AFTER ANNEXATION.] If the area included within the governmental subdivision is increased due to annexation in the 12 months prior to the most recent population estimate for the calendar year preceding the current levy year and the state demographer prepares a population estimate for the annexed area under section ~~116K.04, subdivision 4, paragraph (1)~~ 5, the governmental subdivision's adjusted levy limit base under section 275.51, subdivision 3h, must be adjusted in the following manner:

(a) A percentage will be calculated equal to the percentage increase in population in the governmental subdivision due to annexation determined by dividing the population of the annexed area by the population of the governmental subdivision excluding the annexed area, using population estimates for the calendar year preceding the current levy year.

(b) The governmental subdivision's adjusted levy limit base under section 275.51, subdivision 3h, after giving effect to paragraphs (a) and (b) of subdivision 3h, but before any other paragraphs in section 275.51, subdivision 3h, shall be increased by the percentage calculated in paragraph (a) of this subdivision.

For purposes of section 275.51, subdivision 3f, the term "adjusted levy limit base" includes the adjustment made under this subdivision for the preceding year.

Sec. 51. Minnesota Statutes 1990, section 299A.30, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] (a) The assistant commissioner shall gather and make available information on demand reduction and supply reduction throughout the state, foster cooperation among drug program agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of demand reduction and supply reduction.

(b) The assistant commissioner shall coordinate the distribution of funds received by the state of Minnesota through the federal Anti-Drug Abuse Act. ~~The assistant commissioner may obtain technical assistance from the state planning agency to perform this function.~~ The assistant commissioner shall recommend to the commissioner recipients of grants under sections 299A.33 and 299A.34, after consultation with the drug abuse prevention resource council.

(c) The assistant commissioner shall:

(1) after consultation with all drug program agencies operating in the state, develop a state drug strategy encompassing the efforts of those agencies and taking into account all money available for demand reduction and supply reduction, from any source;

(2) submit the strategy to the governor and the legislature by January 15 of each year, along with a summary of demand reduction and supply reduction during the preceding calendar year;

(3) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of demand reduction and supply reduction; and

(4) provide information and assistance to drug program agencies, both directly and by functioning as a clearinghouse for information from other drug program agencies.

Sec. 52. Minnesota Statutes 1990, section 299A.31, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] A drug abuse prevention resource council consisting of ~~18~~ 17 members is established. The commissioners of public safety, education, health, and human services, ~~and the state planning agency~~, and the attorney general shall each appoint one member from among their employees. The speaker of the house of representatives and the subcommittee on committees of the senate shall each appoint a legislative member. The governor shall appoint an additional ten members who shall demonstrate knowledge in the area of drug abuse prevention, shall represent the demographic and geographic composition of the state and, to the extent possible, shall represent the following groups: parents, educators, clergy, local government, racial and ethnic minority communities, professional providers of drug abuse prevention services, volunteers in private, nonprofit drug prevention programs, and the business community. The members shall designate one of the governor's appointees as chair of the council. Compensation and removal of members are governed by section 15.059.

Sec. 53. Minnesota Statutes 1990, section 299A.40, subdivision 4, is amended to read:

Subd. 4. [ASSISTANT COMMISSIONER; ADMINISTRATION OF GRANTS.] The assistant commissioner shall develop a process for administering grants under subdivision 3. The process must be compatible with the community grant program ~~administered by the state planning agency~~ under the Drug Free Schools and Communities Act, Public Law Number 100-690. The process for administering the grants must include establishing criteria the assistant commissioner shall apply in awarding grants. The assistant commissioner shall issue requests for proposals for grants under subdivision 3. The request must be designed to obtain detailed information about the applicant and other information the assistant commissioner considers necessary to evaluate and select a grant recipient. The applicant shall submit a proposal for a grant on a form and in a manner prescribed by the assistant commissioner. The assistant commissioner shall award grants under this section so that 50 percent of the funds appropriated for the grants go to the metropolitan area comprised of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties, and 50 percent of the funds go to the area outside the metropolitan area. The process for administering the grants must also include procedures for monitoring the recipients' use of grant funds and reporting requirements for grant recipients.

Sec. 54. Minnesota Statutes 1990, section 368.01, subdivision 1a, is amended to read:

Subd. 1a. [CERTAIN OTHER TOWNS.] A town with a population of 1,000 or more that does not qualify under subdivision 1, shall have the enumerated powers upon an affirmative vote of its electors at the annual town meeting. The population must be established by the most recent federal decennial census, special census as provided in section 368.015, or population estimate by the state demographer made according to section ~~116K.04, subdivision 4~~ 5, whichever has the latest stated date of count or estimate.

Sec. 55. Minnesota Statutes 1990, section 373.40, subdivision 1, is amended to read:

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

(a) "Bonds" means an obligation as defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, buildings, or other improvements within the county for the purpose of a county courthouse, administrative building, health or social service facility, correctional facility, jail, law enforcement center, hospital, morgue, library, park, and roads and bridges. An improvement must have an expected useful life of five years or more

to qualify. "Capital improvement" does not include light rail transit or any activity related to it or a recreation or sports facility building (such as, but not limited to, a gymnasium, ice arena, racquet sports facility, swimming pool, exercise room or health spa), unless the building is part of an outdoor park facility and is incidental to the primary purpose of outdoor recreation.

(c) "Commissioner" means the commissioner of trade and economic development.

(d) "Metropolitan county" means a county located in the seven-county metropolitan area as defined in section 473.121 or a county with a population of 90,000 or more.

(e) "Population" means the population established by the most recent of the following (determined as of the date the resolution authorizing the bonds was adopted):

(1) the federal decennial census,

(2) a special census conducted under contract by the United States Bureau of the Census, or

(3) a population estimate made either by the metropolitan council or by the state demographer under section ~~116K.04, subdivision 4, clause (10)~~ 5.

(f) "Tax capacity" means total taxable market value, but does not include captured market value.

Sec. 56. Minnesota Statutes 1990, section 402.045, is amended to read:

402.045 [FUNCTION OF COMMISSIONER OF STATE PLANNING AGENCY HUMAN SERVICES.]

The commissioner of ~~state planning agency~~ shall have human services ~~has authority for human services development~~. The commissioner may appoint professional and clerical staff as the commissioner deems necessary. The commissioner of ~~state planning agency~~ shall:

(1) Support the development of human services boards and provide technical assistance to the boards;

(2) Disburse and monitor grants as may be available to assist human services board development;

(3) Receive and coordinate the review of annual human services board plans;

(4) Cooperate with other state agencies in assisting local human services integration projects; and

(5) Maintain a file on reports, policies and documents pertaining to human services boards.

Sec. 57. Minnesota Statutes 1990, section 462.384, subdivision 7, is amended to read:

Subd. 7. "Commissioner" means the commissioner of ~~state planning agency exercising the authority conferred by sections 116K.01 to 116K.13~~ trade and economic development.

Sec. 58. Minnesota Statutes 1990, section 462.396, subdivision 2, is amended to read:

Subd. 2. On or before August 20 each year, the commission shall submit its proposed budget for the ensuing calendar year showing anticipated receipts, disbursements and ad valorem tax levy with a written notice of the time and place of the public hearing on the proposed budget to each county auditor and municipal clerk within the region and those town clerks who in advance have requested a copy of the budget and notice of public hearing. On or before October 1 each year, the commission shall adopt, after a public hearing held not later than September 20, a budget covering its anticipated receipts and disbursements for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. After adoption of the budget and no later than October 1, the secretary of the commission shall certify to the auditor of each county within the region the county share of the tax, which shall be an amount bearing the same proportion to the total levy agreed on by the commission as the net tax capacity of the county bears to the net tax capacity of the region. For taxes levied in 1990 and thereafter, the maximum amounts of levies made for the purposes of sections 462.381 to 462.398 are the following amounts, less the sum of regional planning grants from the ~~state planning agency department of trade and economic development~~ to that region: for Region 1, \$180,337; for Region 2, \$150,000; for Region 3, \$353,110; for Region 5, \$195,865; for Region 6E, \$197,177; for Region 6W, \$150,000; for Region 7E, \$158,653; for Region 8, \$206,107; for Region 9, \$343,572. The auditor of each county in the region shall add the amount of any levy made by the commission within the limits imposed by this subdivision to other tax levies of the county for collection by the county treasurer with other taxes. When collected the county treasurer shall make settlement of the taxes with the commission in the same manner as other taxes are distributed to political subdivisions.

Sec. 59. Minnesota Statutes 1990, section 466A.05, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT OF STATE MONEY.] Upon receiving from a city the certification that a community resources program has been adopted or modified, the commissioner of state planning trade and economic development shall, within 30 days after receiving the certification, pay to the city the amount of state money identified as necessary to implement the community resources program. State money may be paid to the city only to the extent that the appropriation limit for the city specified in subdivision 2 is not exceeded.

Sec. 60. Minnesota Statutes 1990, section 469.203, subdivision 4, is amended to read:

Subd. 4. [CITY APPROVAL OF PROGRAM.] (a) Before adoption of a revitalization program under paragraph (b), the city must submit a preliminary program to the commissioner, the state planning agency department of trade and economic development, and the Minnesota housing finance agency for their comments. The city may not adopt the revitalization program until comments have been received from the state agencies or 30 days have elapsed without response after the program was sent to them. Comments received by the city from the state agencies within the 30-day period must be responded to in writing by the city before adoption of the program by the city.

(b) The city may adopt a revitalization program only after holding a public hearing after the program has been prepared. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the most widely circulated community newspaper in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing.

(c) A certification by the city that a revitalization program has been approved by the city council for the targeted neighborhood must be provided to the commissioner together with a copy of the program. A copy of the program must also be provided to the Minnesota housing finance agency and the state planning agency department of trade and economic development.

(d) A revitalization program for the city may be modified at any time by the city council after a public hearing, notice of which is published in a newspaper of general circulation in the city and in the targeted neighborhood at least ten days nor more than 30 days before the date of the hearing. If the city council determines that the proposed modification is a significant modification to the program originally certified under paragraph (c), the city council shall implement the revitalization program approval and certification process of this subdivision for the proposed modification.

Sec. 61. Minnesota Statutes 1990, section 469.207, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL FINANCIAL AUDIT.] In 1989 and subsequent years, at the end of each calendar year, the legislative auditor shall conduct a financial audit to review the spending of state money under sections 469.201 to 469.207. Before spending state money to implement a revitalization program, the city must consult with the legislative auditor to determine appropriate accounting methods and principles that will assist the legislative auditor in conducting its financial audit. The results of the financial audit must be submitted to the legislative audit commission, the commissioner, ~~the state planning agency,~~ and the Minnesota housing finance agency.

Sec. 62. Minnesota Statutes 1990, section 469.207, subdivision 2, is amended to read:

Subd. 2. [ANNUAL REPORT.] A city that begins to implement a revitalization program in a calendar year must, by March 1 of the succeeding calendar year, provide a detailed report on the revitalization program or programs being implemented in the city. The report must describe the status of the program implementation and analyze whether the intended outcomes identified in section 469.203, subdivision 1, clause (4), are being achieved. The report must include at least the following:

(1) the number of housing units, including lost units, removed, created, lost, replaced, relocated, and assisted as a result of the program. The level of rent of the units and the income of the households affected must be included in the report;

(2) the number and type of commercial establishments removed, created, and assisted as a result of a revitalization program. The report must include information regarding the number of new jobs created by category, whether the jobs are full-time or part-time, and the salary or wage levels of both new and expanded jobs in the affected commercial establishments;

(3) a description of a statement of the cost of the public improvement projects that are part of the program and the number of jobs created for each \$20,000 of money spent on commercial projects and applicable public improvement projects;

(4) the increase in the tax capacity for the city as a result of the assistance to commercial and housing assistance; and

(5) the amount of private investment that is a result of the use of public money in a targeted neighborhood.

The report must be submitted to the commissioner, the Minnesota housing finance agency, ~~the state planning agency,~~ and the legislative audit commission, and must be available to the public.

Sec. 63. Minnesota Statutes 1990, section 473.156, subdivision 1, is amended to read:

Subdivision 1. [PLAN COMPONENTS.] The metropolitan council shall develop a short-term and long-term plan for existing and expected water use and supply in the metropolitan area. The plan shall be submitted to and reviewed by the state planning agency and the commissioner of natural resources for consistency with the statewide drought plan under section 103G.293. At a minimum, the plans must:

(1) update the data and information on water supply and use within the metropolitan area;

(2) identify alternative courses of action, including water conservation initiatives and economic alternatives, in case of drought conditions;

(3) recommend approaches to resolving problems that may develop because of water use and supply with consideration given to problems that occur outside of the metropolitan area, but which have an effect within the area; and

(4) be consistent with the statewide drought plan under section 103G.293.

Sec. 64. Minnesota Statutes 1990, section 477A.011, subdivision 3, is amended to read:

Subd. 3. [POPULATION.] Population means the population established by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the metropolitan council, or by a population estimate of the state demographer made pursuant to section ~~116K.04, subdivision 4, clause (10)~~ 5, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year. The term "per capita" refers to population as defined by this subdivision.

Sec. 65. Minnesota Statutes 1990, section 477A.011, subdivision 3a, is amended to read:

Subd. 3a. [NUMBER OF HOUSEHOLDS.] Number of households means the number of households established by the most recent federal census, by a special census conducted under contract with the United States bureau of the census, by an estimate made by the metropolitan council, or by an estimate of the state demographer made pursuant to section ~~116K.04, subdivision 4~~ 5, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year.

Sec. 66. Minnesota Statutes 1990, section 477A.014, subdivision 4, is amended to read:

Subd. 4. The commissioner of ~~state planning administration~~ shall annually bill the commissioner of revenue for ~~one-half of the costs incurred by the state planning agency department of administration in the preparation of materials required by section 116K.04, subdivision 4, clause (10)~~ 5. The commissioner of revenue shall deduct these amounts from the next payments to be made to appropriate local units of government. Amounts deducted must be credited to the general fund.

Sec. 67. Minnesota Statutes 1990, section 504.34, subdivision 5, is amended to read:

Subd. 5. [NOTICE; REQUEST FOR COMMENTS.] A government unit subject to this section must provide for public input in preparing the annual housing impact report, including a public comment period and a public hearing. The government unit must publish notice of its draft annual housing impact report in a newspaper of general circulation in the city by the deadline for completion of the draft annual housing impact report. The notice must include a request for comments on the draft annual housing impact report within the 30 days following the notice, and the date, time, and location of the public hearing on the draft annual housing impact report, to be held within 15 to 30 days following the date of notice. Copies of the notice must be sent to the neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submitted to ~~the state planning agency and~~ the Minnesota housing finance agency.

Sec. 68. Minnesota Statutes 1990, section 504.34, subdivision 6, is amended to read:

Subd. 6. [FINAL ANNUAL HOUSING IMPACT REPORT.] In preparing and approving a final annual housing impact report, a government unit subject to this section must consider comments received during the comment period and at the public hearing on the draft report. The final report shall be prepared within 30 days following the deadline for receipt of comments on the draft annual housing impact report. The government unit shall publish notice of the final annual housing impact report in a newspaper of general circulation in the city. Copies of the notice must be sent to neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submit-

ted to the state planning agency and the Minnesota housing finance agency.

Sec. 69. [TRANSFERS.]

(a) All powers and duties of the state planning agency relating to developmental disability and the developmental disability council are transferred to the commissioner of administration.

(b) The authority of the state planning agency to conduct a timber harvesting generic environmental impact statement is transferred to the commissioner of administration.

(c) Authority of the state planning agency to administer state and federal grants and other state and federal programs is assigned to the commissioner of administration, to the extent not otherwise assigned by sections 1 to 69 or other law.

Sec. 70. [EFFECT OF TRANSFERS.]

Minnesota Statutes, section 15.039, subdivisions 1 to 6, applies to transfers under sections 1 to 69. Section 15.039, subdivision 7, does not apply. Complement transfers are as follows:

(1) Thirty general fund positions associated with the state demographer, the land management information center, the developmental disability council, telecommunications policy, and the environmental quality board are transferred from the state planning agency to the department of administration. All other general fund complement positions in the state planning agency are abolished.

(2) Positions in the state planning agency funded by a fund other than the general fund are transferred according to Minnesota Statutes, section 15.039, subdivision 7, to the agency to which responsibilities are transferred by sections 1 to 69.

This section does not abrogate or modify any rights enjoyed by affected employees under the managerial or commissioner's plan under Minnesota Statutes, section 43A.18, or the terms of an agreement between an exclusive representative of state employees and the state.

Sec. 71. [REPEALER.]

Minnesota Statutes 1990, sections 40A.02; subdivision 2; 40A.08; 116K.01; 116K.02; 116K.03; 116K.04; 116K.05; 116K.06; 116K.07; 116K.08; 116K.09; 116K.10; 116K.11; 116K.12; 116K.13; 116K.14; 144.861; and 144.874, subdivision 7, are repealed.

Sec. 72. [EFFECTIVE DATE.]

This article is effective July 1, 1992."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1990, sections 2.722, subdivision 1, and by adding a subdivision; 3.885, subdivisions 3 and 6; 8.06; 14.07, subdivisions 1 and 2; 14.08; 14.26; 15.191, subdivision 1; 15.50, subdivision 3; 15A.081, subdivision 1; 16A.27, subdivision 5; 16A.45, subdivision 1; 16A.641, subdivision 3; 16A.662, subdivision 4; 16A.672, subdivision 9; 16A.69, by adding a subdivision; 16A.721, subdivision 1; 16B.24, subdivisions 5 and 6; 16B.36, subdivision 1; 16B.41, subdivision 2, and by adding a subdivision; 16B.465, subdivision 4; 16B.48, subdivision 2; 17.49, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 79.34, subdivision 1; 103B.311, subdivision 7; 103B.315, subdivision 5; 103F.761, subdivision 1; 103H.101, subdivision 4; 103H.175, subdivisions 1 and 2; 115A.072, subdivision 1; 116C.03, subdivisions 2, 4, and 5; 116C.712, subdivisions 3 and 5; 116J.8765, by adding a subdivision; 116L.03, subdivisions 1 and 2; 124C.03, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 126A.02, subdivisions 1 and 2; 126A.03; 128C.12, subdivision 1; 138.17, subdivision 1; 144.70, subdivision 2; 144A.071, subdivision 5; 145.926, subdivisions 1, 4, 5, 7, and 8; 145A.02, subdivision 16; 145A.09, subdivision 6; 160.276, by adding a subdivision; 176A.11; 214.141; 256H.25, subdivision 1; 268.361, subdivision 3; 271.06, subdivision 4; 271.19; 275.14; 275.51, subdivision 6; 275.54, subdivision 3; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 356.215, subdivisions 4d and 4g; 357.24; 363.121; 368.01, subdivision 1a; 373.40, subdivision 1; 402.045; 422A.05, by adding subdivisions; 422A.101; 422A.17; 422A.23, subdivision 2; 462.384, subdivision 7; 462.396, subdivision 2; 466A.05, subdivision 1; 469.203, subdivision 4; 469.207, subdivisions 1 and 2; 473.156, subdivision 1; 474A.03, by adding a subdivision; 477A.011, subdivisions 3 and 3a; 477A.014, subdivision 4; 480.181, by adding a subdivision; 480.24, subdivision 3; 480.242, subdivision 2 and by adding a subdivision; 481.10; 504.34, subdivisions 5 and 6; 590.05; 593.48; 609.101, subdivision 1; 611.14; 611.18; 611.25, subdivision 1;

611.26, subdivision 6, and by adding subdivisions; 611.27, subdivisions 1 and 4; 626.861, by adding a subdivision; 643.29, subdivision 1; Laws 1989, chapter 335, article 1, section 7; article 3, section 44, as amended; and Laws 1990, chapter 610, article 1, section 27; proposing coding for new law in Minnesota Statutes, chapters 4; 7; 16A; 16B; 43A; 116J; 270; 356; and 471; repealing Minnesota Statutes 1990, sections 3C.035, subdivision 2; 3C.056; 8.15; 14.32, subdivision 2; 40A.02, subdivision 2; 40A.08; 116K.01; 116K.02; 116K.03; 116K.04; 116K.05; 116K.06; 116K.07; 116K.08; 116K.09; 116K.10; 116K.11; 116K.12; 116K.13; 116K.14; 144.861; 144.874, subdivision 7; 480.250; 480.252; 480.254; 480.256; 611.215, subdivision 4; 611.261; 611.28; 611.29; Laws 1989, chapter 335, article 3, section 54, as amended; and Laws 1990, chapter 604, article 9, section 14."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 719 and 1631 were read for the second time.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. No. 700.

H. F. No. 700 was reported to the House.

Welle moved to amend H. F. No. 700, the third engrossment, as follows:

Page 201, line 8, after the period insert "If a project has been previously approved by the voters, changes in that project that do not change the total project cost do not require further voter approval."

The motion prevailed and the amendment was adopted.

Kinkel; Johnson, R., and McEachern moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 139, line 31, delete "must" and insert "may"

The motion prevailed and the amendment was adopted.

Kinkel; Bauerly; Hanson; Olson, K.; Schafer; Hasskamp; Pelowski; Johnson, R.; McEachern; Bettermann and Thompson moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 134, after line 6, insert:

"Sec. 8. Minnesota Statutes 1990, section 123.3514, subdivision 4c, is amended to read:

Subd. 4c. [LIMIT ON PARTICIPATION.] A pupil who first enrolls in grade 11 may not enroll in post-secondary courses under this section for secondary credit for more than the equivalent of two academic years. A pupil who first enrolls in grade 12 may not enroll in post-secondary courses under this section for secondary credit for more than the equivalent of one academic year. If a pupil in grade 11 or 12 first enrolls in a post-secondary course for secondary credit during the school year, the time of participation shall be reduced proportionately. A pupil who has graduated from high school cannot participate in a program under this section. A pupil who has completed course requirements for graduation but who has not received a diploma may participate in the program under this section.

Any person who fails to achieve at least a letter grade C or the equivalent in a post-secondary course or program under this section is ineligible to enroll in a course or continue in a program under this section for the next two quarters or equivalent term."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Weaver, Ozment, Swenson, Blatz, Morrison, Henry, Lynch, Pauly, McPherson and Leppik moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 49, after line 20, insert:

"Sec. 4. [124.2716] [PREVENTION AND RISK REDUCTION.]

Subdivision 1. [ELIGIBILITY.] A school board may use the revenue authorized in subdivisions 3 and 4 at each elementary school for which a site-based management council has been established and which adopts a prevention and risk reduction plan according to this subdivision. The council must be composed of parents or families and educators. The educators must include student service professionals, teachers, and administrators. Each council shall develop a prevention and risk reduction plan and submit it to the school board. If the school board approves the plan, the district may receive and use the revenue authorized for fiscal year 1993, and thereafter. Fiscal year 1992 funds may be utilized for the planning process. Plans for fiscal year 1993 must be submitted to the commissioner of education between January 1, 1992, and November 1, 1992.

Subd. 2. [CONTENTS OF THE PLAN.] The plan must include:

(a) Needs assessment of prevention and risk issues including, but not limited to:

- (1) alcohol and other drugs – family or student;
- (2) mental health;
- (3) medically fragile;
- (4) physical, sexual, and psychological abuse;
- (5) economically disadvantaged;
- (6) failing in school;
- (7) violence or delinquency;
- (8) homelessness;
- (9) adjudicated children in need of protection or services;
- (10) health issues; and
- (11) social service issues.

(b) Identification, assessment, and evidence of coordination of available services in school, health agencies, social service agencies, community agencies, and early childhood programs. This item may be addressed at district or multidistrict levels by groups of site council representatives to assure collaboration, avoid duplication of effort, and improve cost effectiveness of coordination.

(c) Identification of gaps in services and programs.

(d) Identification and prioritization of training needs of staff and families.

(e) Process for identification and implementation of prevention curriculum and services.

(f) Process for identification and referral, including case management.

(g) Procedures for evaluating efforts and setting future priorities.

(h) Process for involving families.

(i) Identification of resources to be coordinated and/or allocated.

(j) Recommendations for use of fiscal year 1993 funds to meet building prevention and risk reduction needs.

(k) Provisions for annual review of plans and recommendations by the site-based management council for future years.

Subd. 3. [PREVENTION AND RISK REDUCTION REVENUE.] For fiscal year 1992, prevention and risk reduction revenue equals \$3.70 times the number of actual pupil units in kindergarten through grade 6 in the district. For fiscal year 1993 and thereafter, prevention and risk reduction revenue equals \$11.98 times the number of actual pupil units in kindergarten through grade 6 in the district.

Subd. 4. [PREVENTION AND RISK REDUCTION LEVY.] To obtain prevention and risk reduction revenue, a district may levy the amount raised by a tax rate of .047 percent times the adjusted net tax capacity of the district for taxes payable in 1992 and thereafter. If the amount of the prevention and risk reduction levy would exceed the prevention and risk reduction revenue, the prevention and risk reduction levy shall equal the prevention and risk reduction revenue.

Subd. 5. [PREVENTION AND RISK REDUCTION AID.] For fiscal year 1992, a district's prevention and risk reduction aid is equal to its prevention and risk reduction revenue. Beginning in fiscal year 1993, a district's prevention and risk reduction aid is the difference between its prevention and risk reduction revenue and its prevention and risk reduction levy. If the district does not levy the entire amount permitted, the prevention and risk reduction aid shall be reduced in proportion to the actual amount levied.

Subd. 6. [OTHER FUNDING.] Schools may accept:

(1) resources and services from post-secondary institutions;

(2) resources and services from department of human services and county human services;

(3) resources and services from department of health and public health departments;

(4) resources and services from department of education and regional education entities;

(5) resources and services from department of jobs and training;
and

(6) private resources, foundation grants, gifts, corporate contributions, federal grants, and other grants.

Subd. 7. [USES OF PREVENTION AND RISK REDUCTION REVENUE.] For fiscal year 1992, funds must be used to create the prevention and risk reduction plan. Fiscal year 1992 funds may also be used to implement the plan. For fiscal year 1993, funds shall be utilized to implement the plan. Permitted uses include:

(1) increase the number of student service professionals providing counseling and support services to children and families;

(2) pool resources with other schools and/or districts to increase the number of student service professionals;

(3) facilitate co-location of services for families at or near schools;

(4) pool resources with other agencies to provide services; and

(5) in all instances, funds must be used to supplement or increase existing services and programs, and in no case shall funds be used to supplant existing services and programs.

Subd. 8. [ROLE OF THE DEPARTMENT.] The department shall:

(1) provide technical assistance to districts to implement this program;

(2) review building plans; and

(3) report to the legislature regarding implementation of subdivisions 1 to 7. This report must be part of the biennial budget document. Supplemental information may be provided as appropriate."

"Subd. 19. [PREVENTION AND RISK REDUCTION.] For prevention and risk reduction:

\$1,275,000 1992

\$3,115,000 1993

The 1992 appropriation includes \$1,275,000 for 1992.

The 1993 appropriation includes \$225,000 for 1992 and \$2,890,000 for 1993."

Page 89, after line 31, insert:

"Sec. 22. [FAMILIES PLUS: INNOVATIVE SERVICE DELIVERY.]

Subdivision 1. [FOCUS.] The focus of the Families Plus initiative is to foster the delivery of integrated services at the neighborhood and community level. The services to be integrated are an array of support for all families to intense, comprehensive treatment strategies for families with multiple risk factors. Families Plus focuses on multiple services for families with children from prebirth to 21 years of age. The commissioner of the state planning agency shall award grants to eligible applicants whose programs are in accord with the goals and characteristics of this section and the criteria adopted by the steering committee required by this section.

Subd. 2. [GOALS.] To receive a grant under this section, an applicant's plan must demonstrate the coordination and integration of services that:

(1) encourage families to make better use of existing community services;

(2) help families to build a network of friends, relatives, and community people to support them in raising children;

(3) expand identification of factors which can be deterrents to optimal development;

(4) identify needed services for families and children and find ways to support them;

(5) raise public awareness about the practices and importance of healthy child development;

(6) raise the quality of community services by providing programs with information, technical assistance, and incentives for coordination; and

(7) identify barriers to service.

Subd. 3. [CHARACTERISTICS.] Plans providing for the consolidation and integration of services will be eligible to receive grants under this section if the plan has the general characteristics enumerated in this subdivision:

(1) has a locally determined approach to design and implementation;

(2) is family-focused; and neighborhood and community centered;

(3) is administered by a community council composed of residents, service providers, schools, and business and civic organizations;

(4) has inclusive participation, culturally-appropriate approaches;

(5) provides for co-location of services to the extent possible; and

(6) provides for family mutual support networks, and for parenting education and support at all levels and through all existing programs.

Subd. 4. [POSSIBLE PROGRAM ELEMENTS.] To receive grants under this section, a thorough community assessment of existing services and gaps must be completed and a system designed for integrating and expanding some or all of the following program components:

(1) family resource centers;

(2) way to grow;

(3) early childhood screening;

(4) children's health plan and other primary health care;

(5) early childhood family education expanded to grade three;

(6) headstart wrap-around program;

(7) mentoring programs;

(8) child care;

(9) educational opportunities for children and parents; and

(10) home visits by paraprofessional community residents to link families to services.

Subd. 5. [DESIRABLE PROGRAM COMPONENTS.] Any plan to receive grants under this section is encouraged to have or develop the following components in its delivery system:

(1) community linkages, by providing centralized information, referral, and service coordination for families and service providers, including identifying gaps in existing services;

(2) home visits to families of newborns, and other families as appropriate, by trained paraprofessionals working within communities and neighborhoods;

(3) public education and outreach;

(4) education and training for families by paraprofessional home visitors; and

(5) an evaluation plan for measuring the outcomes of the program.

Subd. 6. [IMPLEMENTATION.] The grant program under this section must be administered by the commissioner of the state planning agency by convening a steering committee made up of representatives from the business community, the department of health, the department of human services, the department of education, the department of corrections, the department of jobs and training, the department of public safety, the council on black Minnesotans, the Spanish-speaking affairs council, the Asian-Pacific council, and the Indian affairs council. The steering committee shall:

(1) form criteria for project selection that include goals, measurable objectives, and evaluation strategy;

(2) review and recommend projects for funding to the commissioner of the state planning agency; and

(3) assess and eliminate, as appropriate, barriers to service as identified by local recipients or providers.

Subd. 7. [GRANT AWARDS.] (a) The commissioner of the state planning agency shall award grants as provided in this section after considering the recommendations of the steering committee. Grants of up to \$10,000 may first be awarded for needs assessment, community organization, or program development.

(b) On successful completion and evaluation of the use of the planning grants, implementation grants may be awarded for up to \$50,000 to implement a service delivery program under this section.

(c) The grants must be awarded on a competitive basis based on criteria contained in the request for proposals.

(d) The grants must reflect the cultural diversity of the grantee's community.

(e) The fiscal agent for the grant recipient must be a public, private, or nonprofit agency to provide an appropriate audit trail.

(f) Grants must also take into account geographical distribution among metropolitan, suburban, and rural areas.

Subd. 8. [REPORT.] The commissioner of the state planning agency after consultation with the steering committee shall report to the governor and the legislature in January of 1992 and 1993 on the progress of the family plus program and recommendations for the next two years."

Page 92, after line 20, insert:

"Subd. 12. [FAMILIES PLUS.] For the families plus program:

\$2,000,000 1992

\$2,000,000 1993

Money for implementation grants must not be disbursed to the grantee until an equal amount is available from other state or nonstate sources.

Subd. 13. [SCHOOL AGE CHILD CARE.] For school age child care:

\$500,000 1993

Up to \$50,000 of this appropriation is for administering and evaluating the activity."

Page 92, line 27, delete "\$950,000" and insert "\$1,000,000"

Page 92, after line 27, insert "\$1,000,000 1993"

Page 95, delete lines 34 to 36

Page 96, delete lines 1 to 13

Page 96, delete lines 32 to 36

Delete pages 97 and 98

Page 99, delete lines 1 to 26

Page 106, delete lines 32 to 34

Renumber subsequent sections

Correct internal cross references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Weaver et al amendment and the roll was called.

Bauerly moved that those not voting be excused from voting. The motion prevailed.

There were 52 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Johnson, V.	Nelson, S.	Stanis
Anderson, R. H.	Goodno	Knickerbocker	Newinski	Sviggum
Bettermann	Gruenes	Krinkie	Olsen, S.	Swenson
Bishop	Gutknecht	Leppik	Ozment	Tompkins
Blatz	Hartle	Limmer	Pauly	Uphus
Boo	Haukoos	Lynch	Pellow	Valento
Davids	Heir	Macklin	Runbeck	Weaver
Dempsey	Henry	Marsh	Schafer	Welker
Dille	Hufnagle	McGuire	Schreiber	
Erhardt	Hugoson	McPherson	Seaberg	
Frederick	Jacobs	Morrison	Smith	

Those who voted in the negative were:

Anderson, I.	Garcia	Lasley	Orfield	Sparby
Battaglia	Greenfield	Lieder	Osthoff	Steensma
Bauerly	Hanson	Long	Ostrom	Thompson
Beard	Hasskamp	Lourey	Pelowski	Trimble
Begich	Hausman	Mariani	Peterson	Tunheim
Bertram	Janezich	McEachern	Pugh	Vellenga
Bodahl	Jaros	Milbert	Reding	Wagenius
Brown	Jefferson	Munger	Rest	Waltman
Carlson	Jennings	Murphy	Rice	Wejcman
Carruthers	Johnson, A.	Nelson, K.	Rodosovich	Welle
Clark	Johnson, R.	O'Connor	Rukavina	Wenzel
Cooper	Kahn	Ogren	Sarna	Winter
Dauner	Kalis	Olson, E.	Scheid	Spk. Vanasek
Dawkins	Kelso	Olson, K.	Segal	
Dorn	Kinkel	Omann	Simoneau	
Farrell	Koppendrayner	Onnen	Skoglund	
Frerichs	Krueger	Orenstein	Solberg	

The motion did not prevail and the amendment was not adopted.

CALL OF THE HOUSE LIFTED

Johnson, R., moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Leppik; Morrison; Olsen, S.; Knickerbocker; Garcia; Segal; Abrams; Kelso; Pauly; Henry and Blatz moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 7, delete lines 33 to 36

Page 8, delete lines 1 to 8

Page 8, line 12, delete "minus the"

Page 8, delete line 13

Page 8, line 14, delete "zero"

Page 8, line 22, delete "minus the district's referendum allowance"

Page 13, line 25, delete everything after the period

Page 13, delete lines 26 and 27

Page 14, line 16, delete ".8" and insert ".9"

Page 14, line 18, delete "\$575" and insert "\$1,200"

Page 15, delete lines 3 to 16

Page 16, line 33, strike "training and experience"

Page 16, line 34, strike the first "revenue"

Page 24, line 25, delete "\$1,751,698,000" and insert "\$1,772,898,000"

Page 24, line 29, delete "\$1,493,850,000" and insert "\$1,515,050,000"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Leppik et al amendment and the roll was called. There were 40 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Knickerbocker	Milbert	Schreiber
Blatz	Goodno	Krinkie	Morrison	Segal
Boo	Gutknecht	Leppik	Newinski	Smith
Carlson	Haukoos	Limmer	Olsen, S.	Tompkins
Carruthers	Heir	Lynch	Pauly	Valento
Davids	Henry	Macklin	Pellow	Wagenius
Erhardt	Hufnagle	McGuire	Pugh	Weaver
Frederick	Kelso	McPherson	Rest	Wejzman

Those who voted in the negative were:

Anderson, I.	Girard	Koppendrayner	Orenstein	Sparby
Anderson, R.	Greenfield	Krueger	Orfield	Stanis
Anderson, R. H.	Gruenes	Lasley	Osthoft	Steenma
Battaglia	Hanson	Lieder	Ostrom	Swiggum
Bauerly	Hartle	Long	Ozment	Swenson
Beard	Hasskamp	Lourey	Pelowski	Thompson
Begich	Hausman	Mariani	Peterson	Trimble
Bertram	Hugoson	Marsh	Reding	Tunheim
Bettermann	Jacobs	McEachern	Rice	Uphus
Bodahl	Janezich	Munger	Rodosovich	Vellenga
Brown	Jaros	Murphy	Rukavina	Waltman
Cooper	Jefferson	Nelson, K.	Runbeck	Welker
Dauner	Jennings	Nelson, S.	Sarna	Welle
Dawkins	Johnson, A.	O'Connor	Schafer	Wenzel
Dempsey	Johnson, R.	Ogren	Scheid	Winter
Dille	Johnson, V.	Olson, E.	Seaberg	Spk. Vanasek
Dorn	Kahn	Olson, K.	Simoneau	
Farrell	Kalis	Omann	Skoglund	
Frerichs	Kinkel	Onnen	Solberg	

The motion did not prevail and the amendment was not adopted.

Leppik; Morrison; Olsen, S.; Garcia; Segal; Kelso; Pauly; Abrams and Henry moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 8, delete lines 18 to 28

Renumber remaining subdivisions

Correct internal references

The motion did not prevail and the amendment was not adopted.

Hartle; Leppik; Schafer; Knickerbocker; Frerichs; Morrison; Anderson, R. H.; Hugoson and Ozment moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 133, after line 7, insert:

"The number of additional instructional days for each year required under this section are required only if basic general education revenue under section 124A.22 is increased by the proportionate amount per actual pupil unit per day based on the formula in effect for each year of implementation. Capital facilities revenue and transportation revenue must be proportionately increased in the same manner."

Page 138, after line 11, insert:

"The number of additional days for each year required under this section are required only if basic general education revenue under section 124A.22 is increased by the proportionate amount per actual pupil unit per day based on the formula in effect for each year of implementation. Capital facilities revenue and transportation revenue must be proportionately increased in the same manner."

A roll call was requested and properly seconded.

The question was taken on the Hartle et al amendment and the roll was called. There were 55 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Johnson, V.	Newinski	Smith
Anderson, R.	Goodno	Knickerbocker	Olsen, S.	Stanius
Anderson, R. H.	Gutknecht	Koppendrayner	Omann	Sviggum
Bettermann	Hartle	Krinkie	Onnen	Swenson
Blatz	Haukoos	Leppik	Ozment	Tompkins
Boo	Heir	Limmer	Pauly	Uphus
Davids	Henry	Lynch	Pellow	Valento
Dempsey	Hufnagle	Macklin	Runbeck	Vellenga
Erhardt	Hugoson	Marsh	Schafer	Waltman
Frederick	Jennings	McPherson	Schreiber	Weaver
Frerichs	Johnson, R.	Morrison	Seaberg	Welker

Those who voted in the negative were:

Anderson, I.	Farrell	Lasley	Orenstein	Skoglund
Battaglia	Garcia	Lieder	Orfield	Solberg
Bauerly	Greenfield	Long	Osthoff	Sparby
Beard	Gruenes	Lourey	Ostrom	Steensma
Begich	Hanson	Mariani	Pelowski	Thompson
Bertram	Hausman	McEachern	Peterson	Trimble
Bodahl	Jacobs	McGuire	Pugh	Tunheim
Brown	Janezich	Milbert	Reding	Wagenius
Carlson	Jaros	Munger	Rest	Wejzman
Carruthers	Jefferson	Murphy	Rice	Welle
Clark	Johnson, A.	Nelson, K.	Rodosovich	Wenzel
Cooper	Kahn	Nelson, S.	Rukavina	Winter
Dauner	Kalis	O'Connor	Sarna	Spk. Vanasek
Dawkins	Kelso	Ogren	Scheid	
Dille	Kinkel	Olson, E.	Segal	
Dorn	Krueger	Olson, K.	Simoneau	

The motion did not prevail and the amendment was not adopted.

Olsen, S., moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 18, lines 18 to 20, delete the new language and reinstate the stricken language

Page 24, line 25, delete “\$1,751,698,000” and insert “\$1,805,000,000”

Page 24, line 29, delete “\$1,493,850,000” and insert “\$1,547,152,000”

Page 24, after line 32, insert:

“Sec. 27. [REPEALER.]

1991 H. F. No. 1086, article 1, section 2, subdivision 1, paragraph (b), if enacted, is repealed. This repealer is effective the day following final enactment of this act. Notwithstanding the provisions of Minnesota Statutes, section 645.26, this repealer is effective notwithstanding the order of the dates of final enactment of this repealer and the repealed laws.”

Page 95, delete lines 34 to 36

Page 96, delete lines 1 to 13

Page 96, delete lines 32 to 36

Delete pages 97 and 98

Page 99, delete lines 1 to 26

Page 106, delete lines 32 to 34

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Waltman, McPherson, Weaver, Bettermann, Ozment, Sviggum and Uphus moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 21, after line 16, insert:

"Sec. 23. [124A.292] [RESERVED REVENUE FOR ELEMENTARY TEACHER PREPARATION TIME.]

If a district has not established preparation time requirements for elementary staff that are the same in the total number of minutes to preparation time requirements for secondary school staff, an amount of revenue, not to exceed \$20 times the number of actual pupil units of the district's basic revenue under section 124A.22, subdivision 2, is reserved and may be used only to provide elementary teacher preparation time. For purposes of this section, expenditures for elementary teacher preparation time under a program established before July 1, 1991 must be included in computing a district's total expenditures for elementary teacher preparation time."

Page 182, after line 8, insert:

"Sec. 20. [125.189] [ELEMENTARY PREPARATION TIME.]

Beginning with the 1991-1992 school year, a school district must establish preparation time requirements for elementary staff that are the same in the total number of minutes to preparation time requirements for secondary school staff."

Page 183, delete lines 31 to 36

Page 184, delete lines 1 to 8

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Waltman et al amendment and the roll was called. There were 58 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Davids	Goodno	Hugoson	Leppik
Anderson, R.	Dempsey	Gruenes	Jennings	Limmer
Bettermann	Dille	Gutknecht	Johnson, R.	Lynch
Bishop	Erhardt	Hartle	Johnson, V.	Macklin
Blatz	Frederick	Heir	Knickerbocker	Marsh
Boo	Frerichs	Henry	Koppendrayar	McPherson
Carruthers	Girard	Hufnagle	Krinkie	Morrison

Newinski	Pauly	Seaberg	Swenson	Weaver
Olsen, S.	Pellow	Smith	Tompkins	Welker
Omann	Runbeck	Sparby	Uphus	Wenzel
Onnen	Schafer	Stanisus	Valento	
Ozment	Schreiber	Sviggum	Waltman	

Those who voted in the negative were:

Anderson, I.	Farrell	Lasley	Orfield	Skoglund
Anderson, R. H.	Greenfield	Lieder	Osthoff	Solberg
Battaglia	Hanson	Long	Ostrom	Steensma
Bauerly	Hasskamp	Mariani	Pelowski	Thompson
Beard	Hausman	McEachern	Peterson	Trimble
Begich	Jacobs	McGuire	Pugh	Tunheim
Bertram	Janezich	Milbert	Reding	Vellenga
Bodahl	Jaros	Munger	Rest	Wagenius
Brown	Jefferson	Murphy	Rice	Wejzman
Carlson	Johnson, A.	Nelson, K.	Rodosovich	Welle
Clark	Kahn	Nelson, S.	Rukavina	Winter
Cooper	Kalis	O'Connor	Sarna	Spk. Vanasek
Dauner	Kelso	Ogren	Scheid	
Dawkins	Kinkel	Olson, K.	Segal	
Dorn	Krueger	Orenstein	Simoneau	

The motion did not prevail and the amendment was not adopted.

Swenson, Stanisus, McPherson, Ozment, Weaver and Jennings offered an amendment to H. F. No. 700, the third engrossment, as amended.

POINT OF ORDER

Nelson, K., raised a point of order pursuant to rule 3.10 that the Swenson et al amendment was not in order. Speaker pro tempore Krueger ruled the point of order well taken and the amendment out of order.

Ozment; Stanisus; Sviggum; Weaver; Johnson, V.; Schafer and Frederick moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 8, line 33, delete "the sum of the three" and insert "18"

Page 8, delete lines 34 and 35

Page 8, line 36, before "percent" insert "18"

Page 9, delete lines 2 to 7

Page 9, delete lines 11 and 12

Page 9, line 14, delete "the sum of the following:"

Page 9, delete lines 15 to 22

Page 9, line 23, delete "tier" and insert "its"

Page 9, line 23, after "referendum" insert "equalization"

Page 9, line 27, delete "for tier two or tier three revenue"

Page 9, line 28, delete "limits" and insert "limit"

Page 24, line 25, delete "\$1,751,698,000" and insert "\$1,760,283,000"

Page 24, line 29, delete "\$1,493,850,000" and insert "\$1,502,435,000"

Page 95, delete lines 34 to 36

Page 96, delete lines 1 to 13

Page 96, delete lines 32 to 36

Delete pages 97 and 98

Page 99, delete lines 1 to 26

Page 106, delete lines 32 to 34

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Ozment et al amendment and the roll was called. There were 45 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Frederick	Haukoos	Macklin	Onnen
Bettermann	Frerichs	Heir	McPherson	Ostrom
Boo	Girard	Hugoson	Morrison	Ozment
Brown	Goodno	Johnson, V.	Nelson, S.	Pellow
Davids	Gruenes	Koppendrayner	Newinski	Runbeck
Dempsey	Gutknecht	Limmer	Olsen, S.	Schafer
Dille	Hartle	Lynch	Olson, K.	Schreiber

Seaberg
StaniusSviggum
SwensonTompkins
UphusValento
WaltmanWeaver
Welker

Those who voted in the negative were:

Abrams	Farrell	Knickerbocker	Olson, E.	Skoglund
Anderson, I.	Garcia	Krinkie	Omann	Smith
Anderson, R.	Greenfield	Krueger	Orenstein	Solberg
Battaglia	Hanson	Lasley	Orfield	Sparby
Bauerly	Hasskamp	Leppik	Osthoff	Steensma
Beard	Hausman	Lieder	Pauly	Thompson
Begich	Henry	Long	Pelowski	Trimble
Bertram	Hufnagle	Lourey	Peterson	Tunheim
Blatz	Jacobs	Mariani	Pugh	Vellenga
Bodahl	Janezich	Marsh	Reding	Wagenius
Carlson	Jaros	McEachern	Rest	Wejcmán
Carruthers	Jefferson	McGuire	Rice	Welle
Clark	Jennings	Milbert	Rodosovich	Wenzel
Cooper	Johnson, A.	Munger	Rukavina	Winter
Dauner	Kahn	Murphy	Sarna	Spk. Vanasek
Dawkins	Kalis	Nelson, K.	Scheid	
Dorn	Kelso	O'Connor	Segal	
Erhardt	Kinkel	Ogren	Simoneau	

The motion did not prevail and the amendment was not adopted.

Johnson, R., moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 148, after line 13, insert:

"Sec. 29. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 6j. [HEALTH INSURANCE LEVY.] A school district may levy the amount necessary to make employer contributions for insurance for retired employees under a law permitting employer-paid health insurance as an early retirement incentive."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Johnson, R., amendment and the roll was called. There were 128 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Boo Dempsey

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Sviggum moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 6, line 13, strike "of the previous school year" and insert "1989"

Page 21, after line 33, insert:

"Sec. 24. [124A.305] [EQUITY AID.]

Equity aid for each eligible district is equal to the greater of zero or the product of the district's pupil units for that school year times the difference that results when the district's general education revenue per pupil unit is subtracted from the statewide average general education revenue per pupil unit. A district is eligible for equity aid if the district's referendum allowance is less than \$1,000."

Page 24, line 24, delete "\$1,627,203,000" and insert "\$1,621,403,000"

Page 24, line 25, delete "\$1,751,698,000" and insert "\$1,767,598,000"

Page 24, line 27, delete "\$1,379,901,000" and insert "\$1,374,971,000"

Page 24, line 28, delete "\$257,848,000" and insert "\$256,978,000"

Page 24, line 29, delete "\$1,493,850,000" and insert "\$1,509,750,000"

Page 24, after line 29, insert "The appropriation for 1993 includes \$23,800,000 for equity aid under section 24. If this amount is insufficient to bring all districts up to the state average revenue per pupil unit, the equity aid for each district shall be prorated."

Page 24, line 36, delete "Section 23 is" and insert "Sections 23 and 24 are"

Page 24, line 36, delete "applies" and insert "apply"

Page 95, delete lines 34 to 36

Page 96, delete lines 1 to 13

Page 96, delete lines 23 to 36

Delete pages 97 and 98

Page 99, delete lines 1 to 26

Page 106, delete lines 32 to 34

Renumber subsequent sections

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 50 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Girard	Jacobs	Newinski	Smith
Bettermann	Goodno	Johnson, V.	Olsen, S.	Svigum
Blatz	Gruenes	Knickerbocker	Olson, K.	Swenson
Boo	Gutknecht	Limmer	Onnen	Tompkins
Carruthers	Hartle	Lynch	Ozment	Uphus
Davids	Haukoos	Macklin	Pellow	Valento
Dempsey	Heir	Marsh	Runbeck	Waltman
Dille	Henry	McPherson	Schafer	Weaver
Frederick	Hufnagle	Morrison	Schreiber	Welker
Frerichs	Hugoson	Nelson, S.	Seaberg	Wenzel

Those who voted in the negative were:

Abrams	Farrell	Krinkie	Omamn	Skoglund
Anderson, I.	Garcia	Krueger	Orenstein	Solberg
Anderson, R.	Greenfield	Lasley	Orfield	Sparby
Battaglia	Hanson	Leppik	Osthoff	Steensma
Bauerly	Hasskamp	Lieder	Ostrom	Thompson
Beard	Hausman	Long	Pelowski	Trimble
Begich	Janezich	Lourey	Peterson	Tunheim
Bertram	Jaros	Mariani	Pugh	Vellenga
Bodahl	Jefferson	McEachern	Reding	Wagenius
Brown	Jennings	McGuire	Rest	Wejzman
Carlson	Johnson, A.	Milbert	Rice	Welle
Clark	Johnson, R.	Munger	Rodosovich	Winter
Cooper	Kahn	Murphy	Rukavina	Spk. Vanasek
Dauner	Kalis	Nelson, K.	Sarna	
Dawkins	Kelso	O'Connor	Scheid	
Dorn	Kinkel	Ogren	Segal	
Erhardt	Koppendrayer	Olson, E.	Simoneau	

The motion did not prevail and the amendment was not adopted.

Krueger and Wenzel moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 126, after line 4, insert:

"The reduction in state education aid to independent school district No. 483 under this section shall not exceed the remaining state aid due the district for fiscal year 1991. It includes any fiscal year 1991 aid paid in fiscal year 1992."

The motion did not prevail and the amendment was not adopted.

Olsen, S.; Abrams and Leppik moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 8, delete lines 18 to 28

Page 12, after line 19, insert:

"Sec. 3. Minnesota Statutes 1990, section 124A.03, is amended by adding a subdivision to read:

Subd. 2a. [SCHOOL REFERENDUM LEVY; MARKET VALUE.] Notwithstanding the provisions of subdivision 2, a school referendum levy approved after the day of final enactment, shall be levied against the market value of all taxable property. Any referendum levy amount subject to the requirements of this subdivision shall be certified separately to the county auditor under section 275.07.

The ballot shall state the maximum amount of the increased levy as a percentage of market value, the amount that will be raised by that new school referendum tax rate in the first year it is to be levied, and that the new school referendum tax rate shall be used to finance school operations.

If approved, the amount provided by the new school referendum tax rate applied to the market value for the year preceding the year the levy is certified, shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

All other provisions of subdivision 2 that do not conflict with this subdivision shall apply to referendum levies under this subdivision."

Renumber remaining subdivisions

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., et al amendment and the roll was called. There were 43 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Kelso	Olsen, S.	Smith
Blatz	Girard	Knickerbocker	Onnen	Swiggum
Boo	Gutknecht	Koppendrayner	Pauly	Swenson
Davids	Haukoos	Krinkie	Pellow	Tompkins
Dempsey	Henry	Leppik	Rest	Valento
Dille	Hufnagle	Limmer	Runbeck	Waltman
Erhardt	Hugoson	Milbert	Schreiber	Welker
Frederick	Jacobs	Morrison	Seaberg	
Frerichs	Johnson, A.	Newinski	Segal	

Those who voted in the negative were:

Anderson, I.	Dorn	Krueger	Olson, K.	Simoneau
Anderson, R.	Farrell	Lieder	Omann	Skoglund
Anderson, R. H.	Goodno	Long	Orenstein	Solberg
Battaglia	Greenfield	Lourey	Orfield	Sparby
Bauerly	Gruenes	Lynch	Osthoff	Stanisus
Beard	Hanson	Macklin	Ostrom	Steensma
Begich	Hartle	Mariani	Ozment	Thompson
Bertram	Hasskamp	Marsh	Pelowski	Trimble
Bettermann	Heir	McEachern	Peterson	Tunheim
Bodahl	Janezich	McGuire	Pugh	Uphus
Brown	Jaros	Munger	Reding	Wagenius
Carlson	Jefferson	Murphy	Rice	Weaver
Carruthers	Johnson, R.	Nelson, K.	Rodosovich	Wejcmán
Clark	Johnson, V.	Nelson, S.	Rukavina	Welle
Cooper	Kahn	O'Connor	Sarna	Wenzel
Dauner	Kalis	Ogren	Schafer	Winter
Dawkins	Kinkel	Olson, E.	Scheid	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Jacobs moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 183, after line 30, insert:

"Sec. 22. [181A.041] [EMPLOYMENT BEFORE INSTRUCTIONAL DAYS.]

Subject to the exception for newspaper carriers provided by section 181A.07, subdivision 3, on a day preceding a school day, a student who is 16 or 17 years old may not work during the eight consecutive hours prior to the beginning of school the next day."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Sviggum raised a point of order pursuant to rule 3.09 that the Jacobs amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

The question recurred on the Jacobs amendment and the roll was called. There were 36 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Greenfield	Mariani	Ozment	Wejzman
Battaglia	Hausman	McGuire	Pugh	Wenzel
Beard	Jacobs	Milbert	Rest	Winter
Begich	Jaros	Murphy	Rukavina	Spk. Vanasek
Bodahl	Kahn	Nelson, K.	Steensma	
Carlson	Kelso	O'Connor	Trimble	
Clark	Krueger	Ogren	Vellenga	
Farrell	Long	Olsen, S.	Wagenius	

Those who voted in the negative were:

Abrams	Frederick	Johnson, V.	Newinski	Seaberg
Anderson, R.	Frerichs	Kalis	Olson, E.	Segal
Anderson, R. H.	Garcia	Kinkel	Olson, K.	Simoneau
Bauerly	Girard	Knickerbocker	Omann	Skoglund
Bertram	Goodno	Koppendrayer	Onnen	Smith
Bettermann	Gruenes	Krinkie	Orenstein	Solberg
Bishop	Gutknecht	Lasley	Orfield	Sparby
Blatz	Hanson	Leppik	Ostrom	Stanius
Boo	Hartle	Lieder	Pauly	Sviggum
Brown	Haukoos	Limmer	Pellow	Swenson
Carruthers	Heir	Lourey	Pelowski	Thompson
Cooper	Henry	Lynch	Peterson	Tompkins
Dauner	Hufnagle	Macklin	Reding	Tunheim
Davids	Hugoson	Marsh	Rodosovich	Uphus
Dawkins	Janezich	McEachern	Runbeck	Valento
Dempsey	Jefferson	McPherson	Sarna	Waltman
Dille	Jennings	Morrison	Schafer	Weaver
Dorn	Johnson, A.	Munger	Scheid	Welker
Erhardt	Johnson, R.	Nelson, S.	Schreiber	Welle

The motion did not prevail and the amendment was not adopted.

Swenson moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 67, after line 31, insert:

“PART A”

Page 89, after line 31, insert:

“PART B

Section 1. Minnesota Statutes 1990, section 121.88, is amended by adding a subdivision to read:

Subd. 11. [PARENT EDUCATION OPPORTUNITIES PROGRAMS.] A school board may offer, as part of a community

education program, parent education opportunities to help parents develop and improve parenting skills. The district shall attempt to encourage participation by parents of diverse backgrounds and of all cultures and racial groups represented in the district. The programs must be for parents of all children in the district who are enrolled in kindergarten through grade 12 in public and nonpublic schools. Children may, but need not participate in the programs. The programs may include:

- (1) helping parents and children to develop healthy self-concepts;
- (2) educating parents about the physical, intellectual, and emotional needs of children;
- (3) enhancing the skills of parents in providing for their children's learning and development;
- (4) providing resource materials that may be borrowed for home use;
- (5) providing information about related community resources;
- (6) conducting outreach activities to assure participation by a representative cross-section of parents in the district; and
- (7) offering other programs or activities.

The programs must be reviewed periodically to assure the instruction, activities, and materials are not racially, culturally, or sexually biased. The programs may, however, reflect the ethnic diversity of the district. The programs must encourage parents to be aware of practices that may affect equitable development of children.

Sec. 2. Minnesota Statutes 1990, section 124.2713, is amended by adding a subdivision to read:

Subd. 5a. [PARENT EDUCATION OPPORTUNITIES REVENUE.] Parent education opportunities revenue for a district equals \$1 times the greater of 1,335 or the population of the district.

Sec. 3. Minnesota Statutes 1990, section 124.2713, is amended by adding a subdivision to read:

Subd. 7a. [PARENT EDUCATION OPPORTUNITIES LEVY.] To obtain parent education opportunities revenue, a district may levy an amount up to the amount designated in section 2.

Sec. 4. Minnesota Statutes 1990, section 124.2713, is amended by adding a subdivision to read:

Subd. 10. [USE OF PARENT EDUCATION OPPORTUNITIES REVENUE.] Parent education opportunities revenue may be used only to implement parent education opportunities according to section 1."

Renumber the sections in sequence

Correct internal references

Merge Parts A and B

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Swenson amendment and the roll was called. There were 60 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, V.	Olsen, S.	Steensma
Anderson, R.	Girard	Knickerbocker	Omann	Sviggum
Anderson, R. H.	Goodno	Koppendraye	Onnen	Swenson
Bettermann	Gruenes	Krinkie	Ozment	Thompson
Bishop	Gutknecht	Leppik	Pauly	Tompkins
Blatz	Hartle	Limmer	Pellow	Uphus
Boo	Haukoos	Lynch	Runbeck	Valento
Davids	Heir	Macklin	Schafer	Waltman
Dempsey	Henry	Marsh	Schreiber	Weaver
Dille	Hufnagle	McPherson	Seaberg	Welker
Erhardt	Hugoson	Morrison	Smith	Wenzel
Frederick	Jennings	Newinski	Stanius	Winter

Those who voted in the negative were:

Anderson, I.	Farrell	Krueger	Olson, K.	Segal
Battaglia	Garcia	Lasley	Orenstein	Simoneau
Bauerly	Greenfield	Lieder	Orfield	Skoglund
Beard	Hanson	Long	Osthoff	Solberg
Begich	Hausman	Lourey	Ostrom	Sparby
Bertram	Jacobs	Mariani	Pelowski	Trimble
Bodahl	Janezich	McGuire	Peterson	Tunheim
Brown	Jaros	Milbert	Pugh	Vellenga
Carlson	Jefferson	Munger	Reding	Wagenius
Carruthers	Johnson, A.	Murphy	Rest	Wejman
Clark	Johnson, R.	Nelson, K.	Rice	Welle
Cooper	Kahn	Nelson, S.	Rodosovich	Spk. Vanasek
Dauner	Kalis	O'Connor	Rukavina	
Dawkins	Kelso	Ogren	Sarna	
Dorn	Kinkel	Olson, E.	Scheid	

The motion did not prevail and the amendment was not adopted.

Swenson, Stanius, McPherson, Weaver and Jennings moved to amend H. F. No. 700, the third engrossment, as amended, as follows:

Page 21, line 15, after "provide" insert "either parent education programs or"

The motion did not prevail and the amendment was not adopted.

H. F. No. 700, A bill for an act relating to education; providing for general education revenue; transportation; special programs; community service programs; facilities and equipment; other aids and levies; miscellaneous education related programs; library programs; education agency services; art education programs; maximum effort school loan programs; authorizing bonding; appropriating money; amending Minnesota Statutes 1990, sections 120.08, subdivision 3; 120.101, subdivisions 5, 9, and by adding a subdivision; 120.17, subdivisions 3b and 7a; 120.181; 121.11, subdivision 12; 121.148, subdivision 1; 121.15, subdivisions 7 and 9; 121.155; 121.585, subdivision 3; 121.611, subdivision 2; 121.88, subdivisions 9 and 10; 121.882, subdivisions 2, 6, and by adding a subdivision; 121.904, subdivisions 4a and 4e; 121.912, by adding a subdivision; 122.22, subdivisions 7a and 9; 122.23, subdivisions 2 and 3; 122.242, subdivision 9; 122.531, by adding subdivisions; 122.535, subdivision 6; 123.33, subdivision 1; 123.34, subdivision 9; 123.35, subdivisions 8, 17, and by adding a subdivision; 123.3514, subdivisions 3, 4, 4c and by adding a subdivision; 123.38, subdivision 2; 123.702; 123.951; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.175; 124.19, subdivisions 1, 7, and by adding a subdivision; 124.195, subdivisions 9, 11, and 12; 124.223, subdivisions 1 and 8; 124.225, subdivisions 1, 3a, 7a, 7b, 7d, 8a, 8k, 10, and by adding a subdivision; 124.26, subdivisions 1c and 2; 124.261; 124.2711, subdivisions 1 and 3; 124.2721, subdivisions 1, 2, and 3; 124.2725, subdivisions 6 and 13; 124.273, subdivision 1b; 124.311, subdivision 4; 124.32, subdivisions 1b and 10; 124.332, subdivisions 1 and 2; 124.431, by adding a subdivision; 124.573, subdivisions 2b and 3a; 124.574, subdivision 2b; 124.575, subdivisions 1, 2, 3, and 4; 124.646; 124.83, subdivision 4; 124.86, subdivision 2; 124A.03; 124A.04; 124A.22, subdivisions 2, 4, 5, 8, 9, and by adding subdivisions; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 124A.30; 124C.03, subdivision 2; 125.12, subdivisions 3, 6b, and by adding subdivisions; 125.17, subdivision 2, and by adding subdivisions; 125.185, subdivisions 4 and 4a; 125.231; 126.22, subdivisions 2 and 4; 126.23; 126.266, subdivision 2; 126.661, subdivision 5, and by adding a subdivision; 126.663, subdivision 2; 126.666, subdivision 2, and by adding subdivisions; 126.67, subdivision 2b; 126.70, subdivisions 1, 2, and 2a; 127.29, by adding a subdivision; 128A.05, subdivision 3; 129C.10; 136D.27, subdivisions 1, 2, and 3; 136D.72, subdivision 1; 136D.74, subdivisions 2, 2a, and 2b; 136D.76, subdivision 2; 136D.87, subdivisions 1, 2, and 3; 141.25, subdivision 8; 141.26, subdivision 5; 145.926;

148.191, subdivision 2; 171.29, subdivision 2; 245A.03, subdivision 2; 260.015, subdivision 19; 268.08, subdivision 6 273.1398, subdivision 6; 275.06; 275.125, subdivisions 4, 5, 5b, 5c, 8b, 8e, and 11d, and by adding a subdivision; 298.28, subdivision 4; Laws 1989, chapter 329, article 6, section 53, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 120; 121; 123; 124; 125; 134; 373; 473; repealing Minnesota Statutes 1990, sections 3.865; 3.866; 120.011; 121.111; 122.531, subdivision 5; 123.351, subdivision 10; 123.706; 123.707; 123.744; 124.225, subdivisions 3, 4b, 7c, 8b, 8i, 8j; 124.252; 124.575; 124C.01, subdivision 2; 124C.41, subdivisions 6 and 7; 126.70, subdivisions 2 and 2a; 275.125, subdivision 8c; and Laws 1988, chapter 703, article 1, section 23, as amended; Laws 1989, chapter 293, section 82; Laws 1989, chapter 329, articles 4, section 40; 9, section 30; and 12, section 8; Laws 1990, chapter 562, article 6, section 36.

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 115 yeas and 19 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Garcia	Krinkie	Pauly	Smith
Blatz	Henry	Leppik	Pellow	Stanis
Boo	Hufnagle	Newinski	Rest	Valento
Erhardt	Knickerbocker	Olsen, S.	Segal	

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

SPECIAL ORDERS

Long moved that the 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

Sparby moved that H. F. No. 702 be recalled from the Committee on Appropriations and be re-referred to the Committee on Taxes. The motion prevailed.

Swenson moved that H. F. No. 134 be returned to its author. The motion prevailed.

Kinkel moved that H. F. No. 380 be returned to its author. The motion prevailed.

Kinkel moved that H. F. No. 446 be returned to its author. The motion prevailed.

O'Connor moved that H. F. No. 886 be returned to its author. The motion prevailed.

Henry moved that H. F. No. 1271 be returned to its author. The motion prevailed.

Henry moved that H. F. No. 1539 be returned to its author. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Thursday, May 2, 1991. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Thursday, May 2, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

