

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FIFTY-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 13, 1991

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Mark Bengtson, Amo, Red Rock and Jeffers Methodist Churches, Jeffers, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

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

A quorum was present.

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

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

REPORTS OF CHIEF CLERK

S. F. No. 811 and H. F. No. 371, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

O'Connor moved that the rules be so far suspended that S. F. No. 811 be substituted for H. F. No. 371 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1064 and H. F. No. 999, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jennings moved that the rules be so far suspended that S. F. No. 1064 be substituted for H. F. No. 999 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1284 and H. F. No. 1305, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Olson, E., moved that the rules be so far suspended that S. F. No. 1284 be substituted for H. F. No. 1305 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1300 and H. F. No. 1391, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Girard moved that the rules be so far suspended that S. F. No. 1300

be substituted for H. F. No. 1391 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 7, 1991

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

Dear Representative Vanasek:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 471, memorializing the International Special Olympics Committee in support of the 1991 International Special Olympics Games.

H. F. No. 41, 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.

H. F. No. 98, relating to civil commitment; establishing requirements for judicial release orders during the emergency hold period.

H. F. No. 894, relating to local government; permitting officers to contract for certain services.

Warmest regards,

ARNE H. CARLSON
Governor

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

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

The Honorable Jerome M. Hughes
President of the Senate

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

| <i>S.F. No.</i> | <i>H.F. No.</i> | <i>Session Laws Chapter No.</i> | <i>Time and Date Approved 1991</i> | <i>Date Filed 1991</i> |
|---------------------|---------------------|-------------------------------------|--|----------------------------|
| | 471 | Resolution No. 7 | 1:40 p.m. May 7 | May 7 |
| | 41 | 62 | 1:44 p.m. May 7 | May 7 |
| 729 | | 63 | 2:58 p.m. May 7 | May 7 |
| | 98 | 64 | 1:45 p.m. May 7 | May 7 |
| | 894 | 65 | 1:50 p.m. May 7 | May 7 |

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 1, 1991

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

Dear Mr. Speaker:

I have vetoed Chapter 41, House File No. 472/Senate File No. 407, a bill that proposes further regulation of high pressure pipefitting.

Chapter 41 would bring chlorine plumbing, used largely in wastewater treatment to control the growth of bacteria in sludge, under strict regulation by the Department of Labor and Industry,

and would exclude performance of this kind of work by independent contractors.

In the interest of small business development and the opportunity to open up this kind of work to more people coming out of approved technical training programs, this bill is inappropriate. Further, there is no evidence that chlorine pipefitting warrants any special control. It appears the bill recommends an improper use of state power in that it favors one group over another under the guise of safety.

Finally, it is important to point out that monitoring of safety compliance will not be at all at risk by this bill not becoming law. The Department of Labor and Industry currently regulates the general area of pipefitting and will continue to do so with all due diligence.

Sincerely,

ARNE H. CARLSON
Governor

Long moved that H. F. No. 472, together with the veto message from the Governor, be laid on the table. The motion prevailed.

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 12, 1991

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

Dear Mr. Speaker:

I have vetoed and am returning to you Chapter 127, House File No. 1086/Senate File No. 1009, the DFL Omnibus Tax Bill. It honors none of the principles I laid out to ensure passage of legislation that protects Minnesota taxpayers and the State's economic health.

The attached letter to the taxpayers of Minnesota explains the rationale for this veto.

I am ready to work with the Legislature, both DFL and IR

caucuses, to draft a tax bill which serves the needs of all of the citizens of Minnesota.

Sincerely,

ARNE H. CARLSON
Governor

Long moved that H. F. No. 1086, together with the veto message from the Governor, be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. Nos. 811, 1064, 1284 and 1300 were read for the second time.

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 Files, herewith returned:

H. F. No. 378, A bill for an act relating to state lands; authorizing exchange of real property.

H. F. No. 1592, A bill for an act relating to health; requiring home care providers to advise persons receiving home care services of certain rights; amending Minnesota Statutes 1990, section 144A.44, subdivision 1.

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. 722, A bill for an act relating to the military; clarifying language about certain money appropriated for land acquisition; amending Minnesota Statutes 1990, section 190.25, subdivision 3.

H. F. No. 882, A bill for an act relating to traffic regulations; increasing criminal and civil penalties for littering; amending

Minnesota Statutes 1990, sections 169.42, subdivision 5; and 169.421, subdivision 4.

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. 825, A bill for an act relating to traffic regulations; amending the implied consent law advisory; simplifying the contents of a petition for judicial review under the implied consent law; amending Minnesota Statutes 1990, section 169.123, subdivisions 2 and 5c.

H. F. No. 1066, A bill for an act relating to health; modifying the definition of and requirements related to review organizations; amending Minnesota Statutes 1990, sections 145.61, subdivisions 4a, 5, and by adding a subdivision; 145.63, subdivision 1; and 145.64.

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. 910, A bill for an act relating to energy; requiring low-income housing to be built according to energy efficiency standards; amending Minnesota Statutes 1990, section 16B.61, by adding a subdivision.

H. F. No. 932, A bill for an act relating to corrections; extending female offender programs to include juveniles adjudicated delinquent; encouraging counties and agencies to develop and implement female offender programs; amending Minnesota Statutes 1990, sections 241.70; 241.71; 241.72; and 241.73.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

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; 290.9727, 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 a subdivision; 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, subdivi-

sions 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 Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 478, A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain facilities for elections; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; authorizing certain experimental procedures for absentee ballots and mail balloting; requiring notarized affidavits of candidacy; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year of municipal elections; changing certain deadlines; authorizing an experimental school board election; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.02, by adding a subdivision; 203B.04, subdivision 1; 204B.09, subdivision 1; 204B.16, subdivision 6, and by adding a subdivision; 204B.32; 204B.35, by adding a subdivision; 204B.45, by adding a subdivision; 204C.19, subdivision 2; 204C.40, subdivision 2; 205.07, subdivision 1, and by adding a subdivision; 205.16, subdivision 4; 205A.04; 205A.07, subdivision 3; and 447.32, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201.

The Senate has appointed as such committee:

Messrs. Hughes; Luther; Pogemiller; Johnson, D. E., and Ms. Piper.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1042, A bill for an act relating to economic development; changing the organization of the department of trade and economic development; amending Minnesota Statutes 1990, section 116J.01, subdivision 3.

The Senate has appointed as such committee:

Messrs. Frederickson, D. R.; Beckman and Metzen.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1371, A bill for an act relating to agriculture; extending the right of first refusal on foreclosed farm land to ten years; amending Minnesota Statutes 1990, section 500.24, subdivision 6.

The Senate has appointed as such committee:

Messrs. Berg, Vickerman and Bernhagen.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1631, 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; 69.031, subdivision 5; 69.77, subdivision 2b; 79.34, subdivision 1; 103B.311, subdivision 7; 103B.315, subdivision 5; 103E.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; 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; 356.216; 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; 423A.01, 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; 490.124, subdivision 4; 504.34, subdivisions 5 and 6; 590.05; 593.48; 609.101, subdivision 1; 611.14; 611.17; 611.18; 611.20; 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 319, article 19, sections 6; and 7, subdivision 1, and subdivision 4, as amended; 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, subdivi-

sion 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.

The Senate has appointed as such committee:

Messrs. Kroening, Luther, McGowan, Merriam and Cohen.

Said House File is herewith returned to the House.

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. 1201, A bill for an act relating to local government; permitting police and fire civil service commissions to expand certified lists in certain circumstances; amending Minnesota Statutes 1990, sections 419.06; and 420.07.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bishop moved that the House concur in the Senate amendments to H. F. No. 1201 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1201, A bill for an act relating to local government; permitting police and fire civil service commissions to expand certified lists in certain circumstances; amending Minnesota Statutes 1990, sections 419.06; and 420.07.

The bill was read for the third time, 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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-----------------|---------|------------|--------|
| Abrams | Anderson, R. H. | Beard | Bettermann | Bodahl |
| Anderson, I. | Battaglia | Begich | Bishop | Boo |
| Anderson, R. | Bauerly | Bertram | Blatz | Brown |

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

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

The Speaker called Krueger to the Chair.

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. 414, A bill for an act relating to peace officers; requiring reports on the discharge of firearms by peace officers to be sent to the board of peace officer standards and training; requiring law enforcement agencies to adopt written policies governing the use of deadly force; requiring initial and continuing peace officer training on deadly force and the use of firearms; amending Minnesota Statutes 1990, section 626.553, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bishop moved that the House concur in the Senate amendments to H. F. No. 414 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 414, A bill for an act relating to peace officers; requiring reports on the discharge of firearms by peace officers to be sent to the

board of peace officer standards and training; requiring law enforcement agencies to adopt written policies governing the use of deadly force; requiring initial and continuing peace officer training on deadly force and the use of firearms; amending Minnesota Statutes 1990, section 626.553, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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. 808, A bill for an act relating to child care; permitting variances from certain staffing requirements for parent cooperative

programs; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; and 245A.14, subdivision 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Orenstein moved that the House concur in the Senate amendments to H. F. No. 808 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 808, A bill for an act relating to child care; permitting variances from certain staffing requirements for parent cooperative programs; authorizing biennial licensing reviews for family day care; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; 245A.14, subdivision 6; and 245A.16, subdivision 1.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jefferson moved that the House concur in the Senate amendments to H. F. No. 654 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 654, A bill for an act relating to human services; requiring training of child care providers to include training in cultural dynamics; amending Minnesota Statutes 1990, section 245A.14, by adding a subdivision.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

| | | | | |
|----------|----------|----------|---------|--------------|
| Steensma | Tompkins | Valento | Weaver | Wenzel |
| Sviggum | Trimble | Vellenga | Wejzman | Winter |
| Swenson | Tunheim | Wagenius | Welker | Spk. Vanasek |
| Thompson | Uphus | Waltman | Welle | |

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. 726, A bill for an act relating to real property; providing for cause of action on an interest in real property of a married person when the property was conveyed by the person's spouse before March 1, 1977; amending Minnesota Statutes 1990, section 519.101.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Swenson moved that the House concur in the Senate amendments to H. F. No. 726 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 726, A bill for an act relating to real property; providing for the statute of limitations for a cause of action on an interest in real property of a married person when the property was conveyed by the person's spouse; clarifying provisions for recording a satisfaction or release of a mortgage; amending Minnesota Statutes 1990, section 519.101; and Laws 1991, chapter 4, section 1; repealing Minnesota Statutes 1990, section 519.09.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|-----------------|------------|-----------|------------|-------------|
| Abrams | Bishop | Dauids | Girard | Heir |
| Anderson, I. | Blatz | Dawkins | Goodno | Henry |
| Anderson, R. | Bodahl | Dempsey | Greenfield | Hufnagle |
| Anderson, R. H. | Boo | Dille | Gruenes | Hugoson |
| Battaglia | Brown | Dorn | Gutknecht | Jacobs |
| Bauerly | Carlson | Erhardt | Hanson | Janezich |
| Beard | Carruthers | Farrell | Hartle | Jaros |
| Begich | Clark | Frederick | Hasskamp | Jefferson |
| Bertram | Cooper | Frerichs | Haukoos | Jennings |
| Bettermann | Dauner | Garcia | Hausman | Johnson, A. |

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

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. 1405, A bill for an act relating to charitable organizations; changing distribution requirements for charitable organizations; amending Minnesota Statutes 1990, section 309.501, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jefferson moved that the House concur in the Senate amendments to H. F. No. 1405 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1405, A bill for an act relating to charitable organizations; changing distribution requirements for charitable organizations; amending Minnesota Statutes 1990, section 309.501, subdivision 1.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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. 200, A bill for an act relating to courts; allowing counties with chambered judges to retain the judicial position; recognizing adequate access to the courts as a factor in determining whether a judicial position should remain or be abolished or transferred; amending Minnesota Statutes 1990, section 2.722, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Peterson moved that the House concur in the Senate amendments to H. F. No. 200 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 200, A bill for an act relating to courts; recognizing adequate access to the courts as a factor in determining whether a judicial position should remain or be abolished or transferred; amending Minnesota Statutes 1990, section 2.722, subdivision 4.

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 127 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

| | | | | |
|--------|--------|---------|---------|---------|
| Abrams | Limmer | Osthoff | Runbeck | Swenson |
|--------|--------|---------|---------|---------|

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. 282, A bill for an act relating to public utilities; exempting from prior rate regulation gas utilities that have 650 or fewer customers in any one municipality and a total of 2,000 or fewer customers; amending Minnesota Statutes 1990, section 216B.16, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Cooper moved that the House concur in the Senate amendments to H. F. No. 282 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 282, A bill for an act relating to public utilities; exempting from prior rate regulation gas utilities that have 650 or fewer customers in any one municipality and a total of 2,000 or fewer customers; amending Minnesota Statutes 1990, section 216B.16, by adding a subdivision.

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 128 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Osthoff

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 187.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 187

A bill for an act relating to mental health; authorizing competent persons to make advance declarations regarding mental health treatment; requiring certain notices to be given to the designated agency; amending Minnesota Statutes 1990, sections 253B.03; 253B.18, subdivisions 4b and 5; and 253B.19, subdivision 2.

May 7, 1991

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 187, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 187 be further amended as follows:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1990, section 145B.01, is amended to read:

145B.01 [CITATION.]

This chapter may be cited as the “adult health care decisions act Minnesota living will act.” ”

Page 6, line 20, delete “and is notarized”

Page 6, line 22, delete everything after “the”

Page 6, line 23, delete everything before the period and insert “nature and significance of the declaration”

Page 11, after line 4, insert:

"Sec. 6. [INSTRUCTION TO REVISOR.]

In Minnesota Statutes 1992 and subsequent editions of the statutes, the revisor of statutes shall change the term "declaration" to "living will" wherever that term appears in Minnesota Statutes, chapter 145B."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "mental"

Page 1, line 5, after the semicolon, insert "changing the citation of the adult health care decisions act and using the term "living will";"

Page 1, line 6, after "sections" insert "145B.01;"

We request adoption of this report and repassage of the bill.

Senate Conferees: ALLAN H. SPEAR, LINDA BERGLIN AND WILLIAM V. BELANGER, JR

House Conferees: LEE GREENFIELD, GLORIA M. SEGAL AND DAVE BISHOP.

Greenfield moved that the report of the Conference Committee on S. F. No. 187 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 187, A bill for an act relating to mental health; authorizing competent persons to make advance declarations regarding mental health treatment; requiring certain notices to be given to the designated agency; amending Minnesota Statutes 1990, sections 253B.03; 253B.18, subdivisions 4b and 5; and 253B.19, subdivision 2.

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

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 2 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-----------------|---------|------------|--------|
| Abrams | Anderson, R. H. | Beard | Bettermann | Bodahl |
| Anderson, I. | Battaglia | Begich | Bishop | Boo |
| Anderson, R. | Bauerly | Bertram | Blatz | Brown |

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

Those who voted in the negative were:

Newinski Onnen

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

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 687, A bill for an act relating to the environment; requiring recycled CFCs used in refrigerant applications to comply with certain standards; proposing coding for new law in Minnesota Statutes, chapter 239.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Dahl and Stumpf; and Ms. Olson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Trimble moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate

on the disagreeing votes of the two houses on S. F. No. 687. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 880, A bill for an act relating to checks; increasing bank verification requirements for opening checking accounts; prohibiting service charges for dishonored checks on persons other than the issuer; regulating check numbering procedures; requiring the commissioner of commerce to adopt rules regarding verification procedure requirements; modifying procedures and liability for civil restitution for holders of worthless checks; authorizing service charges for use of law enforcement agencies; clarifying criminal penalties; increasing information that banks must provide to holders of worthless checks; imposing penalties; amending Minnesota Statutes 1990, sections 48.512, subdivisions 3, 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a and 7.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Spear, Kroening and McGowan.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sparby moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 880. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1027, A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; proposing coding for new law in Minnesota Statutes, chapter 85.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Price, Merriam and Larson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Johnson, R., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1027. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 255, 282, 502, 858, 535, 735, 928, 1244, 1112, 1127, 783, 856 and 1164.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 74, 208, 510, 351, 526, 760, 1179, 431, 764 and 1289.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 255, A bill for an act relating to horse racing; increasing per diem rate for members of the racing commission; requiring that pari-mutuel clerks at county fairs be licensed; specifying apportionment and uses of the Minnesota breeders' fund; specifying person who may supervise administration of certain medications; reducing state tax withholding on pari-mutuel winnings; amending Minnesota Statutes 1990, sections 240.02, subdivision 3; 240.09, subdivision 2; 240.18; 240.24, subdivision 2; and 290.92, subdivision 27.

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

S. F. No. 282, A bill for an act relating to taxation; excise and sales taxes; establishing an alternative method for determining the annual permit fee for vehicles propelled in part by compressed natural gas or propane; amending Minnesota Statutes 1990, section 296.026, subdivisions 1, 2, and by adding subdivisions.

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

S. F. No. 502, A bill for an act relating to court fees; waiving filing fees for a person or person's spouse or children seeking protection under the Soldiers' and Sailors' Civil Relief Act of 1940; amending Minnesota Statutes 1990, section 357.021, subdivision 1a.

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

S. F. No. 858, A bill for an act relating to restitution; requiring offenders who have been court-ordered to pay restitution to provide affidavits of financial disclosure to investigating correctional agencies; amending Minnesota Statutes 1990, section 611A.04, by adding a subdivision.

The bill was read for the first time.

Limmer moved that S. F. No. 858 and H. F. No. 1238, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 535, A bill for an act relating to insurance; accident and health; regulating assignments of benefits; amending Minnesota Statutes 1990, section 72A.201, subdivision 3, and by adding a subdivision.

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

S. F. No. 735, A bill for an act relating to state government; increasing the amount of vacation time that certain state employees can donate to bargaining representatives; amending Minnesota Statutes 1990, section 43A.04, subdivision 8.

The bill was read for the first time.

O'Connor moved that S. F. No. 735 and H. F. No. 667, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 928, A bill for an act relating to agriculture; providing for enforcement of agricultural laws; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the first time.

Bertram moved that S. F. No. 928 and H. F. No. 1215, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1244, A bill for an act relating to commerce; real estate brokers; clarifying exceptions to licensing requirements; amending Minnesota Statutes 1990, section 82.18.

The bill was read for the first time.

Scheid moved that S. F. No. 1244 and H. F. No. 1415, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1112, A bill for an act relating to energy; providing incentives for renewable energy sources of utility power; amending Minnesota Statutes 1990, sections 216B.164, subdivision 4; and 272.02, subdivision 1.

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

S. F. No. 1127, A bill for an act relating to human services; establishing an advisory council; requiring a plan to simplify rules and regulations governing services to persons with developmental disabilities and related conditions.

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

S. F. No. 783, A bill for an act relating to health; infectious waste control; transferring responsibility for infectious waste from the pollution control agency to the department of health; clarifying that veterinarians are also covered by the act; clarifying requirements for management and generators' plans; allowing certain medical waste to be mixed with other waste under certain conditions; creating a

medical waste task force; appropriating money; amending Minnesota Statutes 1990, sections 116.76, subdivision 5; 116.77; 116.78, subdivision 4; 116.79, subdivisions 1, 3, and 4; 116.80, subdivisions 2 and 3; 116.81, subdivision 1; 116.82, subdivision 3; and 116.83; repealing Minnesota Statutes 1990, sections 116.76, subdivision 2; and 116.81, subdivision 2.

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

S. F. No. 856, A bill for an act relating to taxation; property; not requiring payment of additional taxes when open space qualification is lost due to acquisition of property by the state of Minnesota or a political subdivision; amending Minnesota Statutes 1990, section 273.112, subdivision 7.

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

S. F. No. 1164, A bill for an act relating to local government; permitting the city of Biwabik and the town of White to establish a joint east range economic development authority.

The bill was read for the first time.

Janezich moved that S. F. No. 1164 and H. F. No. 1457, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 74, A bill for an act relating to natural resources; establishing Glendalough state park; prescribing the powers and duties of the commissioner of natural resources in relation thereto; amending Minnesota Statutes 1990, section 85.012, by adding a subdivision.

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

S. F. No. 208, A bill for an act relating to motor vehicles; providing for seven-year, in transit license plates for motor vehicle dealers; amending Minnesota Statutes 1990, sections 168.12, subdivision 1; 168.27, subdivisions 16 and 17; and 297B.035, subdivision 2.

The bill was read for the first time.

Lasley moved that S. F. No. 208 and H. F. No. 463, now on General

Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 510, A bill for an act relating to agriculture; changing the egg law; imposing a penalty; amending Minnesota Statutes 1990, sections 29.21, by adding subdivisions; 29.23; 29.235; 29.26; and 29.27; proposing coding for new law in Minnesota Statutes, chapter 29.

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

S. F. No. 351, A bill for an act relating to peace officers; guaranteeing peace officers certain rights when a formal statement is taken for disciplinary purposes; proposing coding for new law in Minnesota Statutes, chapter 626.

The bill was read for the first time.

Carruthers moved that S. F. No. 351 and H. F. No. 67, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 526, A bill for an act relating to crime; sentencing; clarifying and revising the intensive community supervision program; amending Minnesota Statutes 1990, sections 244.05, subdivision 6; 244.12; 244.13; 244.14; and 244.15.

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

S. F. No. 760, A bill for an act relating to taxation; providing for distribution of fire state aid to cities; amending Minnesota Statutes 1990, sections 69.011, subdivision 1; and 69.021, subdivisions 4, 6, 7, 8, and 9.

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

S. F. No. 1179, A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt and for the financial obligations of authorities; amending Minnesota Statutes 1990, sections 400.101; 429.061, subdivision 3; 447.49; 469.155, subdivision 12; 473.811, subdivision 2; 475.58, subdivision 2; 475.60, subdivision 2; 475.66, subdivision 3; and 475.67, subdivi-

sion 3; proposing coding for new law in Minnesota Statutes, chapters 462C and 469.

The bill was read for the first time.

Rest moved that S. F. No. 1179 and H. F. No. 1420, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 431, A bill for an act relating to local government; permitting Pennington county and Thief River Falls to construct, finance, and own student housing.

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

S. F. No. 764, A bill for an act relating to public safety; regulating amusement rides; requiring insurance and inspections; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 184B.

The bill was read for the first time.

Osthoff moved that S. F. No. 764 and H. F. No. 748, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1289, A bill for an act relating to state lands; prohibiting sale of state lands administered by the department of natural resources to any employee of the department; proposing coding for new law in Minnesota Statutes, chapter 92.

The bill was read for the first time.

Blatz moved that S. F. No. 1289 and H. F. No. 1417, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Anderson, R., was excused while in conference.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

May 8, 1991

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 132, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 132 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [16B.126] [FUNDS FOR ENERGY EFFICIENT BULBS.]

State agencies in the executive, legislative, and judicial branches that purchase replacement bulbs in accordance with section 16B.61, subdivision 3, paragraph (k), must use money allocated for utility expenditures for the purchase.

Sec. 2. Minnesota Statutes 1990, section 16B.61, subdivision 3, is amended to read:

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

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

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

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

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

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

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

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

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

(h) [DOUBLE CYLINDER DEAD BOLT LOCKS.] No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential

dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

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

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

(k) [EXIT SIGN ILLUMINATION.] The code must prohibit the use of incandescent bulbs, except for battery-powered back-up bulbs, in internally illuminated exit signs.

Sec. 3. Minnesota Statutes 1990, section 299F.011, is amended by adding a subdivision to read:

Subd. 4c. [EXIT SIGN ILLUMINATION.] The uniform fire code must prohibit the use of incandescent bulbs, except for battery-powered back-up bulbs, in internally illuminated exit signs.

Sec. 4. [ENERGY EFFICIENCY IN BUILDING CODES.]

Subdivision 1. [ENERGY EFFICIENCY.] By August 1, 1991, the commissioner of public service, in consultation with the commissioner of administration, shall solicit outside information under Minnesota Statutes, section 14.10, on proposed amendments to the Minnesota building code. The commissioner shall begin rulemaking to adopt the amendments by February 1, 1993. So far as is compatible with interests of public health and safety, the amendments must be designed to equal or exceed the most energy-conserving codes adopted by any other state. To the extent practicable, the codes must equal or exceed the model conservation standards proposed by the Pacific Northwest Power Planning Council for climate zones having 8,000 to 10,000 heating degree days.

Subd. 2. [ENERGY EFFICIENCY; COMMERCIAL HEATING, VENTILATION, AND AIR CONDITIONING.] By August 1, 1991, the commissioner of public service shall solicit outside information under Minnesota Statutes, section 14.10, on proposed codes or standards for commercial heating, ventilation, and air conditioning systems and installations to assure that new and remodeled commercial development in Minnesota is as energy efficient as practicable and compatible with public health and safety. The

commissioner shall begin rulemaking to adopt the codes by February 1, 1993.

Sec. 5. [EFFECTIVE DATE.]

Sections 2 and 3 are effective January 1, 1994, and apply to all internally illuminated exit signs in use on or after that date."

Delete the title and insert:

"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 certain replacement 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."

We request adoption of this report and repassage of the bill.

House Conferees: ANDY DAWKINS, MARY MURPHY AND DEAN HARTLE.

Senate Conferees: JOHN MARTY, HAROLD R. "SKIP" FINN AND JOANNE E. BENSON.

Dawkins moved that the report of the Conference Committee on H. F. No. 132 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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.

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

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

Those who voted in the affirmative were:

Abrams
Anderson, I.

Anderson, R. H.
Battaglia

Bauerly
Beard

Begich
Bertram

Bettermann
Bishop

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

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

CONFERENCE COMMITTEE REPORT ON HOUSE CONCURRENT
RESOLUTION NO. 1

A house concurrent resolution relating to congressional redistricting; establishing standards for redistricting plans.

May 9, 1991

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for House Concurrent Resolution No. 1, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that House Concurrent Resolution No. 1 be further amended as follows:

Page 1, line 14, after the period insert "To the extent consistent with the other standards in this resolution, districts should be compact."

We request adoption of this report and readoption of the resolution.

House Conferees: PETER RODOSOVICH, JERRY KNICKERBOCKER AND RICHARD H. JEFFERSON.

Senate Conferees: LAWRENCE J. POGEMILLER, WILLIAM P. LUTHER AND DONALD A. STORM.

Rodosovich moved that the report of the Conference Committee on House Concurrent Resolution No. 1 be adopted. The motion prevailed.

Rodosovich moved that House Concurrent Resolution No. 1, as amended by Conference, be now readopted. The motion prevailed and House Concurrent Resolution No. 1, as amended by Conference, was readopted.

CONFERENCE COMMITTEE REPORT ON HOUSE CONCURRENT
RESOLUTION NO. 2

A house concurrent resolution relating to legislative redistricting; establishing standards for redistricting plans.

May 9, 1991

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for House Concurrent Resolution No. 2, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that House Concurrent Resolution No. 2 be further amended as follows:

Page 1, line 18, after the period insert "To the extent consistent with the other standards in this resolution, districts should be compact."

We request adoption of this report and readoption of the resolution.

House Conferees: PETER RODOSOVICH, JERRY KNICKERBOCKER AND RICHARD H. JEFFERSON.

Senate Conferees: LAWRENCE J. POGEMILLER, WILLIAM P. LUTHER AND DONALD A. STORM.

Rodosovich moved that the report of the Conference Committee on House Concurrent Resolution No. 2 be adopted. The motion prevailed.

Rodosovich moved that House Concurrent Resolution No. 2, as amended by Conference, be now readopted. The motion prevailed and House Concurrent Resolution No. 2, as amended by Conference, was readopted.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. Nos. 783, 1687 and 1.

H. F. No. 783 was reported to the House.

Bishop moved to amend H. F. No. 783, the first engrossment, as follows:

Page 4, after line 17, insert:

"Sec. 8. Minnesota Statutes 1990, section 103I.105, is amended to read:

103I.105 [ADVISORY COUNCIL ON WELLS AND BORINGS.]

(a) The advisory council on wells and borings is established as an advisory council to the commissioner. The advisory council shall consist of ~~45~~ 16 voting members. Of the ~~45~~ 16 voting members:

(1) one member must be from the department of health, appointed by the commissioner of health;

(2) one member must be from the department of natural resources, appointed by the commissioner of natural resources;

(3) one member must be a member of the Minnesota geological survey of the University of Minnesota, appointed by the director;

(4) one member must be a licensed exploratory borer;

(5) one member must be a licensed elevator shaft contractor;

(6) two members must be members of the public who are not connected with the business of exploratory boring or the well drilling industry;

(7) one member must be from the pollution control agency, appointed by the commissioner of the pollution control agency;

(8) one member must be from the department of transportation, appointed by the commissioner of transportation;

(9) one member must be a monitoring well contractor; and

~~(9)~~ (10) six members must be residents of this state appointed by the commissioner, who are actively engaged in the well drilling industry, with not more than two from the seven-county metropolitan area and at least four from other areas of the state who represent different geographical regions.

(b) An appointee of the well drilling industry may not serve more than two consecutive terms.

(c) The appointees to the advisory council from the well drilling industry must:

(1) have been residents of this state for at least three years before appointment; and

(2) have at least five years' experience in the well drilling business.

(d) The terms of the appointed members and the compensation and removal of all members are governed by section 15.059, except section 15.059, subdivision 5, relating to expiration of the advisory council does not apply."

Page 11, delete lines 23 to 26 and insert: "well disclosure certificate is not required if the following statement appears on the deed followed by the signature of the grantee or, if there is more than one grantee, the signature of at least one of the grantees: "The Grantee certifies that the Grantee does not know of any wells on the described real property." The statement and signature of the grantee may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement by the grantee is not required for the deed to be recordable."

Page 12, line 2, after the period insert "(e) For real property sold by the state under section 92.67, the lessee at the time of the sale is responsible for compliance with this subdivision."

Reletter subsequent paragraphs

Page 12, line 31, after the period insert "By the tenth day after the end of each calendar quarter, the county recorder or registrar of titles shall transmit to the commissioner of health the fee for each well disclosure certificate received during the quarter.

(g) No new well disclosure certificate is required on property unless the status or numbers of wells on the property has changed from the last previously filed well disclosure certificate."

Reletter subsequent paragraphs

Page 14, after line 24, insert:

"Sec. 24. Minnesota Statutes 1990, section 103I.331, subdivision 2, is amended to read:

Subd. 2. [CRITERIA FOR SELECTING COUNTIES FOR WELL SEALING.] (a) The board of water and soil resources, in selecting counties for participation, shall consult with the commissioners of natural resources, the pollution control agency, and health, and the director of the Minnesota geological survey, and must consider appropriate criteria including the following:

- (1) diversity of well construction;
- (2) diversity of geologic conditions;
- (3) current use of affected aquifers;
- (4) diversity of land use; and
- (5) aquifer susceptibility to contamination by unsealed wells.

(b) After July 1, 1991, only well sealings that are a part of, or responsive to, the following are eligible for assistance:

(1) the priority actions identified in an approved comprehensive local water plan, as defined in section 103B.3363, subdivision 3; are eligible for assistance; or

(2) a plan that is undergoing local review and comment as described in section 103B.255, subdivision 8."

Page 16, after line 5, insert:

"Sec. 29. Minnesota Statutes 1990, section 103I.531, subdivision 5, is amended to read:

Subd. 5. [BOND.] (a) As a condition of being issued a limited well contractor's license for constructing, repairing, and sealing drive point wells or dug wells, sealing wells, or constructing, repairing, and sealing dewatering wells, the applicant must submit a corporate surety bond for \$10,000 approved by the commissioner. As a condition of being issued a limited well contractor's license for installing or repairing well screens or pitless units or pitless adaptors and well casings from the pitless adaptor or pitless unit to the upper termination of the well casing, or installing well pumps or pumping equipment, the applicant must submit a corporate surety bond for \$2,000 approved by the commissioner. The bond bonds required in this paragraph must be conditioned to pay the state on unlawful performance of work regulated by this chapter in this state. The bond is bonds in lieu of other license bonds required by a political subdivision of the state.

(b) From proceeds of ~~the bond~~ a bond required in paragraph (a), the commissioner may compensate persons injured or suffering financial loss because of a failure of the applicant to properly perform work or duties."

Page 22, after line 7, insert:

"Sec. 43. [WATER WELL COMPLIANCE IN CERTAIN CASES.]

(a) When substantial alterations or improvements are made to an existing agricultural chemical facility in Steele county, a variance for a water well may not be denied if:

(1) the well existed and was in use by the operators of the agricultural chemical facility prior to the alterations or improvements;

(2) the well is a minimum of 50 feet from facilities where agricultural chemicals are stored or handled; and

(3) the alterations or improvements are installed with safeguards as defined in section 18B.01, subdivision 26.

(b) Water from the existing well shall be tested semi-annually for nitrates and other volatile organic compounds. The testing must be paid for by the owner of the well.

Sec. 44. [EFFECTIVE DATE.]

Section 43 is effective the day following final enactment, and shall expire on June 1, 1994."

Renumber the remaining sections

Correct internal references

The motion prevailed and the amendment was adopted.

Speaker pro tempore Krueger called Bauerly to the Chair.

Valento moved to amend H. F. No. 783, the first engrossment, as amended, as follows:

Page 4, delete section 8

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sparby moved to amend H. F. No. 783, the first engrossment, as amended, as follows:

In the Bishop amendment, page 1, lines 8 and 9, delete "16" and insert "17"

In the Bishop amendment, page 1, line 27, after "(9)" insert "one member from the board of water and soil resources appointed by its chair;"

Renumber the paragraphs in sequence

The motion prevailed and the amendment was adopted.

Bishop moved that H. F. No. 783, as amended, be temporarily laid over on Rule 1.10. The motion prevailed.

H. F. No. 1687 was reported to the House.

Carlson moved to amend H. F. No. 1687, as follows:

Page 2, line 8, before the period insert "and extension services"

Page 4, line 30, after the period insert:

"Before a program can be offered at a site other than that for which it was approved originally, the program must be resubmitted for approval."

The motion prevailed and the amendment was adopted.

H. F. No. 1687, A bill for an act relating to education; establishing missions for public post-secondary systems; requiring joint administrative appointments; clarifying the powers and duties of the higher education coordinating board; creating a commission to develop a master plan and a new funding formula; providing incentives for quality; requiring policies for credit transfer; establishing an intersystem council; creating technical college districts; requiring a study of uses of Waseca campus; appropriating money; amending Minnesota Statutes 1990, section 136A.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 135A and 136C.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Speaker pro tempore Bauerly called Krueger to the Chair.

H. F. No. 1 was reported to the House.

Bertram; Dille; Steensma; Nelson, S.; Sparby; Dauner; Anderson, R. H.; Wenzel; Tunheim and Frederick moved to amend H. F. No. 1, the fourth engrossment, as follows:

Page 9, line 3, after "wetland" delete the language to the comma and insert "located on nonagricultural land"

Page 9, line 6, after "wetland" delete the language to the comma and insert "located on agricultural land"

The motion prevailed and the amendment was adopted.

Gruenes; Krueger; Osthoff; Bertram; Steensma; Omann; Koppen-draye; Johnson, V.; Kahn; Wenzel and Bishop moved to amend H. F. No. 1, the fourth engrossment, as amended, as follows:

Page 4, line 31, before "Payment" insert "(a)"

Page 4, after line 36, insert:

"(b) No payment for a wetland may be made to a person unless the person farms or is the lessor of at least 80 acres of land and derives at least 25 percent of their annual gross income from farm-related activities."

The motion prevailed and the amendment was adopted.

Vellenga and Bertram moved to amend H. F. No. 1, the fourth engrossment, as amended, as follows:

Page 4, line 36, before the period insert "for wetlands located outside of the metropolitan area."

Payment for wetlands located within the seven-county metropolitan area must be made at 20 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time of easement application."

The motion prevailed and the amendment was adopted.

H. F. No. 1, A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 103A.201; 103B.311, subdivision 6; 103E.701, by adding a subdivision; 103G.005, subdivisions 15 and 18, and by adding subdivisions; 103G.221, subdivision 1; 103G.231, by adding subdivisions; and 446A.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; and 103G; repealing Minnesota Statutes 1990, section 103G.221, subdivisions 2 and 3.

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 116 yeas and 13 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

| | | | | |
|--------------|---------|-----------|---------|--------|
| Anderson, I. | Dauner | Lasley | Spاربey | Welker |
| Brown | Haukoos | Olson, E. | Tunheim | |
| Cooper | Kalis | Peterson | Uphus | |

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

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. 2, A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 62J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

BUREAU OF HEALTH CARE ACCESS

Section 1. [16B.065] [STATE CONTRACTORS AND VENDORS; HEALTH COVERAGE FOR EMPLOYEES.]

To participate in a state contract or otherwise provide goods or services to a state agency, the contractor, vendor, or service provider must offer health coverage to its employees that meets the terms and conditions for employer eligibility in the Minnesotans' health care plan in article 2, section 6. The contractor, vendor, or service provider may obtain health coverage through the Minnesotans' health care plan or an alternative source.

Sec. 2. [62J.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this chapter, the following terms have the meanings given them.

Subd. 2. [GROUPS; DEFINITIONS.] The definitions of small group, medium-sized group, large group, and group sponsor in this section are subject to United States Code, title 26, sections 414(b), 414(c), and 414(m), and federal regulations related to those sections, when a group sponsor or sponsors alter, reform, or redefine a group or groups to avoid or to take advantage of community rating. The commissioners of commerce and health may adopt rules to supplement those federal statutes and regulations to prevent qualification as a large, medium-sized, or small group through the use of separate

organizations, multiple organizations, employee leasing, or other arrangements.

Subd. 3. [ADULT.] "Adult" means a person 18 years of age or older.

Subd. 4. [CHILD.] "Child" means a person under 18 years of age.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 6. [DEPARTMENT.] "Department" means the department of health.

Subd. 7. [FAMILY.] For purposes of a state premium subsidy for participants in the state plan, "family" means two legally married adults, two legally married adults with one or more dependent children, or one adult with one or more dependent children. "Dependent child" means an unmarried child residing in Minnesota who is under the age of 19 years, a student under the age of 25 years and financially dependent upon one or both adult policyholders, or an unmarried child of any age who is disabled; and the biological or adopted child of one or both of the adult policyholders, or a legally designated stepchild or foster child for whom one or both of the adult policyholders is the primary source of support.

Subd. 8. [GROUP SPONSOR.] "Group sponsor" means an employer or other entity described in section 62A.10, subdivision 1, as an eligible purchaser of health coverage.

Subd. 9. [HEALTH COVERAGE.] "Health coverage" means a policy or contract providing health and accident benefit under chapter 62A, 62C, 62D, 62E, 62H, or 64B; under section 471.617, subdivision 2; or through the state plan. Health coverage does not include a policy or contract designed primarily to provide coverage on a per diem, fixed annuity, or nonexpense-incurred basis, or that provides only accident coverage.

Subd. 10. [HEALTH PLAN COMPANY.] "Health plan company" means any entity governed by chapter 62A, 62C, 62D, 62E, 62H, or 64B, or section 471.617, subdivision 2, that offers, sells, issues, or renews health coverage in this state. Health plan company does not include an entity that sells only policies designed primarily to provide coverage on a per diem, fixed annuity, or nonexpense-incurred basis, or policies that provide only accident coverage.

Subd. 11. [HEALTH PROFESSIONAL.] In benefit set descriptions, references to services performed by "health professionals" include services performed by any qualified health professionals acting within their licensed, certified, or registered scope of practice.

Subd. 12. [INDIVIDUAL.] "Individual" means a person or family that applies to a health plan company or the state plan for health coverage on a one person basis, as a two-person family or as a family of three or more persons.

Subd. 13. [INTERMEDIATE BENEFIT SET.] "Intermediate benefit set" means the health care benefits specified in article 3, sections 2 to 11.

Subd. 14. [INTERMEDIATE BENEFIT SET, PART A.] "Intermediate benefit set, part A" means the health care benefits specified in article 3, sections 2 to 7 and section 11.

Subd. 15. [INTERMEDIATE BENEFIT SET, PART B.] "Intermediate benefit set, part B" means the health care benefits specified in article 3, sections 8 to 11.

Subd. 16. [LARGE GROUP.] "Large group" means a group of 100 or more employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.

Subd. 17. [MEDIUM-SIZED GROUP.] "Medium-sized group" means a group of not fewer than 30 nor more than 99 employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.

Subd. 18. [MINIMUM INSURANCE BENEFIT SET.] "Minimum insurance benefit set" means the health care benefits that must be included in health coverage offered, sold, issued, or renewed by health plan companies, as specified in article 3, section 14.

Subd. 19. [MINNESOTA RESIDENT.] "Minnesota resident" means a person whose principal place of residence is Minnesota and who (1) is employed in Minnesota; or (2) has resided in Minnesota for at least 90 consecutive days.

Subd. 20. [SMALL GROUP.] "Small group" means a group of not fewer than two nor more than 29 employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.

Subd. 21. [STATE PLAN.] "State plan" means the Minnesotans' health care plan administered by the commissioner of health.

Subd. 22. [SUPPLEMENTAL BENEFIT SET.] "Supplemental benefit set" means the health care benefits available through the state plan that exceed the intermediate benefit set, as specified in article 3, section 15.

Subd. 23. [UNIVERSAL BASIC BENEFIT SET.] "Universal basic benefit set" means the health care benefits specified in article 3, section 12.

Sec. 3. [62J.04] [BUREAU OF HEALTH CARE ACCESS.]

Subdivision 1. [POWERS AND DUTIES.] The bureau of health care access is under the supervision of a deputy commissioner appointed by the commissioner of health. The bureau of health care access in the department of health shall:

(1) design, implement and administer the Minnesotans' health care plan;

(2) contract with providers, insurers, and health plans to provide coverage or health care to participants in state health programs administered by the bureau and specify or negotiate the terms of the contracts;

(3) administer the reinsurance pool in article 7, sections 12 to 15, and the biased selection adjustment in article 7, section 9;

(4) coordinate the health care programs administered by the bureau with the medical assistance program;

(5) have the authority to clarify and refine the terms of the intermediate benefit set, the supplemental benefit set, the minimum insurance benefit set, and the universal basic benefit set, including the authority to waive copayments, or establish a sliding scale copayment schedule that will result in reduced copayments, for enrollees with federal adjusted gross incomes below 185 percent of the federal poverty guideline;

(6) coordinate the mental health benefits of the health care programs administered by the bureau with county-based mental health programs provided under the adult and children's community mental health services acts and community social services act, and recommend changes to the state plan and to adult and children's community mental health services act and community social services act programs that will improve the state plan's mental health benefits and minimize duplication with county-based programs;

(7) provide assistance to the commissioner of human services in order to secure waivers of federal requirements for federally subsidized health care programs as necessary to further the state's health care access goals and improve coordination between governmental health care programs; and

(8) coordinate the health care programs administered by the commissioner with other state and local health care programs in order to make the most effective use of the state's market leverage and expertise in contracting and working with health plans and health care providers, and recommend to the legislature any changes needed to: (i) improve the effectiveness of public health care purchasing; and (ii) streamline and consolidate government health care programs.

Subd. 2. [CONTRACTS.] When entering into contracts with health plans and health care providers, the bureau is not subject to the competitive bidding requirements in section 16B.07. The commissioner shall, whenever practical and cost effective, contract with the commissioner of human services for services necessary to administer the Minnesotans' health care plan, including services related to eligibility determination, claims processing, and health care utilization review.

Subd. 3. [EMPLOYEES.] The commissioner of health shall hire employees to carry out the duties of the bureau.

Subd. 4. [RULES.] The commissioner of health may adopt permanent and emergency rules as necessary to carry out the duties assigned in this chapter.

Subd. 5. [MONITORING OF EMPLOYERS.] The commissioner shall conduct surveys and other activities to monitor changes over time, if any, in employers' behavior in providing subsidized health coverage. Detailed surveys of employer behavior must be conducted at least annually. After each survey is completed, the findings and an analysis of the positive or negative impact, if any, on the costs of the Minnesotans' health care plan resulting from changes in employers' behavior, and recommendations regarding actions necessary to address changes, must be reported to the commissioners of finance and revenue and to the chairs of the senate finance and house of representatives appropriations committees and the senate and house of representatives tax committees.

Sec. 4. [62J.05] [TECHNOLOGY AND BENEFITS ADVISORY COMMITTEE.]

Subdivision 1. [MEMBERSHIP] The commissioner shall convene a technology and benefits advisory committee consisting of consumers, health care providers and payors, a representative of the medical products industry, and experts in medical ethics. Advisory

committee members are appointed by the governor. The governor shall ensure that appointments result in a balance of interests on the committee, including geographic balance. The commissioner shall present recommendations for appointments to the governor. The advisory committee is governed by section 15.059 except that it does not expire.

Subd. 2. [DUTIES.] The technology and benefits advisory committee is responsible for periodically reviewing, analyzing, and evaluating health care technology, benefits, and coverage and making recommendations to the commissioner and the legislature. The committee's recommendations must be based on the following principles: (1) universal and equitable access to health care procedures and technologies; (2) maintenance of an appropriate balance between expenditures for primary and preventive care, and expenditures for high-cost cases; (3) promotion of high quality and cost-effective health care; and (4) adherence to budget targets. The committee shall solicit comments and recommendations from interested persons during its deliberations. The committee is responsible for reviewing, analyzing, and making recommendations concerning at least the following:

- (i) the universal basic benefit set;
- (ii) the intermediate benefit set;
- (iii) the supplemental benefit set;
- (iv) the minimum insurance benefit set;
- (v) coverage for new procedures and technologies;
- (vi) state mandated benefits applicable to insurers and other health plan companies;
- (vii) benefit levels in other state health coverage programs; and
- (viii) coverage and health care standards for cases subject to the reinsurance pool in article 7, sections 12 to 15, which would be binding on the reinsurance pool.

Subd. 3. [REPORT.] The technology and benefits advisory committee shall study issues related to the rising cost of new medical technology. The committee shall evaluate different methods of controlling health care costs associated with the adoption of new medical technology, and shall present recommendations to the commissioner, and to the health care analysis unit, by January 1, 1993.

Sec. 5. [62J.06] [IMPLEMENTATION.]

Subdivision 1. [NEW PROGRAM PLANNING AND DEVELOPMENT.] The commissioner, through the bureau of health care access, shall begin planning and development for the state plan July 1, 1991. The commissioner shall use an implementation schedule that will lead to enrollment of eligible individuals, families, and employee groups statewide beginning July 1, 1992. Planning and development activities include:

(1) development of outreach, enrollment, and eligibility determination procedures;

(2) commencement of outreach activities;

(3) planning, development, and acquisition of necessary computer systems, including forms, software, and training;

(4) development of health plan contractor specifications and issuance of requests for proposals;

(5) negotiating and executing health plan contracts;

(6) planning, development, and preparation of systems for direct health care delivery management by the state or contracting for the use of existing administrative systems in the department of human services, as necessary;

(7) preparations, requests for proposals, contract negotiations, and other activities relating to the reinsurance pool; and

(8) other appropriate planning and development activities.

Subd. 2. [SUBMISSION AND APPROVAL REQUIRED.] (a) The commissioner, through the bureau of health care access, shall coordinate the provision and management of health care by other state agencies, in order to improve health care efficiency and quality. State agencies that administer the health care programs listed in this subdivision shall submit, to the commissioner of health, the information requested by the commissioner on the methods and procedures used to provide and manage health care. The commissioner shall review the information presented and approve or disapprove the methods and procedures used by each agency. If the commissioner does not approve the methods used by an agency, the commissioner shall recommend appropriate changes in these methods and procedures, and shall require the agency to make these changes in order to obtain approval. Each agency shall submit information on methods and procedures to the commissioner of health by the date specified in this subdivision. The commissioner of health shall approve or disapprove the methods and procedures submitted within 45 days of the date specified for submission.

(b) By July 1, 1993, or one year after the state plan begins enrollment, whichever is later, the commissioner of human services shall provide the commissioner of health with requested information on the methods and procedures used to provide and manage health care through the general assistance medical care, children's health plan, and consolidated chemical dependency fund programs.

(c) By July 1, 1992, or when the state plan begins enrollment, whichever is later, the commissioner of commerce shall provide the commissioner of health with requested information on the methods and procedures used to provide and manage health care through the Minnesota comprehensive health association.

(d) By July 1, 1995, the commissioner of human services shall provide the commissioner of health with requested information on the methods and procedures used to provide and manage health care through the medical assistance programs.

(e) By July 1, 1995, the commissioners of employee relations, corrections, and other affected agencies shall provide the commissioner of health with requested information on the methods and procedures used to provide and manage health care through state and local government employee health benefits programs, corrections system health programs, and the health care component of the Minnesota crime victims reparations board program, and other health care and health coverage programs sponsored by state or local government.

(f) By July 1, 1995, the commissioners of labor and industry, commerce, and other affected agencies shall provide the commissioner of health with requested information on the methods and procedures used to provide and manage health care through the health care component of workers' compensation coverage and the health care component of motor vehicle and motorcycle coverage.

Subd. 3. [HEALTH DEPARTMENT PROGRAMS.] By July 1, 1993, the commissioner of health shall review the methods and procedures used to provide and manage health care through the services for children with handicaps program and the maternal and child health program, and shall implement any changes needed to improve health care efficiency and quality.

Subd. 4. [LEGISLATION.] If the commissioner determines that additional legislation is necessary to fully implement the Minnesotans' health care plan and other activities and requirements established in this chapter, or to more effectively provide and manage health care throughout the state, the commissioner shall submit proposed legislation to the legislature.

Subd. 5. [ASSISTANCE FROM OTHER AGENCIES.] At the request of the commissioner, the commissioners of human services,

commerce, state planning, employee relations, labor and industry, corrections, finance, and other affected agencies shall provide assistance in planning, development, and implementation.

Sec. 6. [STUDIES AND REPORTS.]

Subdivision 1. [HEALTH CARE DELIVERY SYSTEM REFORM.] The commissioner shall study and make recommendations regarding further reforms to the health care delivery system in Minnesota. The commissioner shall solicit the comments, advice, and participation from communities with an interest in accessible, affordable health care. The commissioner shall submit a report to the legislature by January 1, 1994.

Subd. 2. [HEALTH PLAN REGULATION.] The commissioner of health and the commissioner of commerce shall develop a plan for the functional division of regulatory authority over health plans. This plan must be presented to the legislature by January 1, 1992. The plan must allow each commissioner to exercise independent authority to the greatest extent possible and must minimize jurisdictional overlaps. The plan must provide the commissioner of commerce with primary authority for regulating the financial integrity and corporate structure of health plans and must provide the commissioner of health with primary authority for regulating health care delivery and health care quality.

Subd. 3. [STANDARD CLAIM FORMS AND UTILIZATION REVIEW PROCEDURES.] The commissioner shall recommend to the legislature a standard claim form for ambulatory care by January 1, 1994, and standards for certain types of utilization review procedures by January 1, 1994. These recommendations must not have the effect of limiting innovation and improvement in health care delivery management, or compromising the purposes for which information is collected.

Sec. 7. [REPEALER.]

Minnesota Statutes, sections 62E.51, 62E.52, 62E.53, 62E.531, 62E.54, and 62E.55, relating to the catastrophic health expense protection program, are repealed.

Sec. 8. [EFFECTIVE DATES.]

Section 1 is effective July 1, 1996, and applies to contracts entered into or renewed, or goods or services provided, after that date. Section 3, creating the bureau of health care access, is effective July 1, 1991. Section 4 is effective January 1, 1992.

ARTICLE 2

MINNESOTANS' HEALTH CARE PLAN

Section 1. [62J.07] [CREATION.]

The Minnesotans' health care plan is created to provide health coverage to individuals, families, and employers who do not have access to other affordable health coverage.

Sec. 2. [62J.08] [COVERAGE REQUIRED FOR MINNESOTA RESIDENTS.]

All Minnesota residents must obtain health coverage equal to or greater than the universal basic benefit set or the minimum insurance benefit set. Coverage may be obtained through the state plan, an employer, an individual policy with a private health plan company, or any other source of coverage. Minnesota residents must provide proof of coverage in the manner required by the commissioner of health care access.

Sec. 3. [62J.09] [ELIGIBILITY OF INDIVIDUALS AND FAMILIES.]

To be eligible to obtain coverage through the state plan, individuals and families must be Minnesota residents and have no other health coverage or must have coverage that primarily supplements, rather than duplicates, the intermediate benefit set. A Minnesota resident individual or family may switch from private health coverage to the state plan provided the transfer does not result in simultaneous coverage under both the state plan and another health care plan. The individual or family must contribute to the cost of health coverage as provided in section 4.

Sec. 4. [62J.10] [INDIVIDUAL AND FAMILY PREMIUMS.]

Subdivision 1. [SLIDING SCALE AND ENROLLEE PREMIUMS.] Each individual and family enrolled in the state plan shall pay a premium set in relation to income and family size. The commissioner shall establish a sliding scale to determine the amount of the premium each individual or family must pay to obtain health coverage through the state plan. The sliding scale must use the federal poverty guidelines as the primary unit of measurement, and must be based on an individual's or family's income, as defined in section 290A.03, subdivision 3, clauses (1) and (2). The commissioner shall determine income on the basis of a period of time, such as the prior three months, which takes into account an applicant's current financial status. The sliding scale must be designed so that individuals and families with incomes less than 25 percent of the federal poverty level pay 0.75 percent of their income, and those with incomes between 250 percent and 275 percent of the federal

poverty level pay 4.5 percent of their income. Individuals and families with incomes over 275 percent of the federal poverty guideline or \$40,000, whichever is less, are not eligible for a subsidized premium and must pay 100 percent of the cost of coverage through the state plan. In addition to payments under the sliding scale, enrollees may be required to make greater payments depending on the health plan chosen. The commissioner shall pass on differences in premiums between health plans to enrollees, except that the commissioner may limit differences in charges to enrollees if necessary to prevent enrollment that exceeds the capacity of certain plans.

Subd. 2. [ADJUSTMENTS TO THE INCOME LIMIT AND SLIDING SCALE.] The commissioner shall adjust the sliding scale and the maximum income limit for subsidized coverage to reflect changes in prevailing income levels, health coverage costs, and benefit levels.

Subd. 3. [MUST NOT HAVE ACCESS TO EMPLOYER-SUBSIDIZED COVERAGE.] To be eligible for subsidized coverage, an individual or family must not have access to subsidized health coverage through an employer, unless the amount of employer subsidy toward the cost of coverage is less than an amount determined by the commissioner of health. Children are eligible for employer-subsidized coverage through either parent, including the noncustodial parent. The commissioner must treat employer contributions to Internal Revenue Code Section 125 plans as qualified employer subsidies toward the cost of health coverage for employees for purposes of this section.

Subd. 4. [NO SUBSIDY AVAILABLE FOR MEDICARE SUPPLEMENT COVERAGE.] An individual eligible for Medicare benefits must pay 100 percent of the cost of obtaining Medicare supplement coverage through the state plan, regardless of income.

Subd. 5. [COVERAGE MUST NOT DISPLACE FEDERALLY SUBSIDIZED HEALTH COVERAGE.] Subsidized state plan coverage must not displace subsidized health coverage through a federally supported health program, such as medical assistance, for which an individual, child, or family is eligible. The commissioner shall establish procedures and requirements to allow coordinated, limited, or supplemental participation in the Minnesotans' health care plan, including limited subsidies, of participants in federally supported health programs to the extent necessary to provide coverage comparable to coverage provided to other state plan enrollees without displacing federal benefits.

Subd. 6. [MUST BE A PERMANENT MINNESOTA RESIDENT.] To be eligible for a subsidy, individuals and families must be permanent residents of Minnesota, and must have resided in Minnesota for at least 12 months prior to application. This 12-month

requirement for residency does not apply to a person who is employed within the state, provided the person satisfies the other criteria for permanent residence. A permanent Minnesota resident is a Minnesota resident who considers Minnesota to be the person's principal place of residence and intends to remain in the state permanently or for a long period of time and not as a temporary or short-term resident. An individual or family that moved to Minnesota primarily to obtain medical treatment or health coverage for a preexisting condition is not a permanent resident and is not entitled to subsidized coverage through the state plan.

Subd. 7. [PERIOD UNINSURED.] To be eligible for a subsidy, individuals must have had no health coverage for at least three months prior to application. The commissioner may change this eligibility criterion for subsidized coverage to remain within the limits of available appropriations.

Sec. 5. [62J.11] [SUBSIDIZED COVERAGE.]

From July 1, 1992 through June 30, 1996, the intermediate benefit set, part A, shall be provided on a subsidized basis through the state plan to qualified individuals and families. Effective July 1, 1996, the universal basic benefit set shall be provided on a subsidized basis through the state plan. The provision of, and terms of eligibility for, subsidized health coverage are subject to the limits of available appropriations. The commissioner has the authority to adopt permanent rules and emergency rules related to modifying the terms of provision of, and terms of eligibility for, the receipt of subsidized coverage.

Sec. 6. [62J.12] [ELIGIBILITY OF EMPLOYERS.]

Subdivision 1. [GROUP COVERAGE.] An employer is eligible to enroll its employees in the state plan as a group in order to offer its employees health coverage under the Minnesotans' health care plan. To be eligible to participate, an employer must pay Minnesota unemployment insurance premiums and have two or more covered employees, including the owner, or, if a sole proprietor, must have at least one employee covered by unemployment insurance and be included in the group for purposes of health coverage. A self-employed person with no employees may not participate as an employer but may participate as an individual or family. The employer must collect employees' share of premiums and remit them to the commissioner along with the employer's contribution. Sliding scale premium subsidies as described in section 5 do not apply to group coverage. The commissioner shall establish conditions for enrollment of employer groups. Conditions may include, but are not limited to, minimum employer contributions toward coverage for employees and their families, minimum standards for employee eligibility, and eligibility waiting periods for new employees. The commissioner shall use administrative systems for group

coverage for employers that will identify and enroll enrollees in a manner comparable to individual, nongroup enrollment in order to enhance the portability of coverage to an individual policy or to another employer covered through the state plan, and to minimize administrative costs associated with frequent reissuing of policies.

Subd. 2. [COVERAGE OF PART-TIME AND SEASONAL EMPLOYEES.] The commissioner shall establish conditions, procedures, and a special accounting mechanism to allow employers to defray the cost of coverage for part-time and seasonal employees through the state plan without including these employees in the employer's health benefits program. This is the only circumstance under which an employer subsidy toward the cost of employee health coverage and a state subsidy for health coverage through the state plan may be combined. Employers that have terminated health benefits for part-time or seasonal employees within the three years before application are not eligible to participate in the part-time or seasonal employee enrollment system. Part-time or seasonal employees on whose behalf employer contributions have been submitted must obtain coverage through the state plan as individuals or families rather than as an employee group. The employer contributions must be used to reduce the premium that the employee would otherwise have owed, and will be in addition to any individual premium subsidy to which the employee would otherwise be entitled. The commissioner shall establish definitions and standards for part-time and seasonal employees as necessary to implement this subdivision.

PROGRAM ADMINISTRATION

Sec. 7. [62J.13] [PROVISION OF HEALTH CARE SERVICES; MANAGED CARE.]

In areas of the state where managed care health plans operate, the commissioner must deliver health care through contracts with managed care health plans. The commissioner may require contractors to provide all services under the intermediate benefit set, or may contract separately for certain services if the commissioner determines this to be in the best interests of the state plan. In order to qualify for participation in the state plan, a managed care health plan must meet the specifications in this section.

(a) The health plan must demonstrate to the satisfaction of the commissioner that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees.

(b) The health plan must have sufficient provider network capacity to adequately serve enrollees and prospective enrollees.

(c) The health plan must have established procedures adequate to manage the delivery of health care. The procedures must incorporate clear standards of practice or protocols where they exist. The procedures must also require enrollees to register with a specific primary care clinic which will coordinate referrals, hospitalizations, and other health care delivery. A plan that has not established these procedures may participate in the program if the plan demonstrates to the satisfaction of the commissioner that an alternative, comparably effective system of case management has been established. A managed care health plan that has not established procedures satisfactory to the commissioner may participate in the program if the plan agrees to implement satisfactory procedures within three years from the date it is accepted for participation by the commissioner.

(d) The health plan must demonstrate a long-term commitment to improving the quality and efficiency of health care.

(e) The health plan must have established programs to educate enrollees about appropriate use of the health care system. The programs may include self-care education, telephone nurse access, encouragement of healthy lifestyles, and encouragement of conformance to prescribed courses of treatment.

(f) Health plans must notify enrollees by mail when coverage limits under the intermediate benefit set have been reached and explain that payment for future services in excess of the coverage limits are the responsibility of the patient.

(g) The health plan must include appropriate use of nonphysician providers within its overall framework of managed care.

(h) The health plan must have arrangements for sign and spoken language interpreters necessary in connection with receipt of services covered under the plan.

Sec. 8. [62J.14] [AREAS WITHOUT SATISFACTORY MANAGED CARE HEALTH PLANS.]

In areas of the state where the commissioner determines satisfactory managed care health plans are not available, the commissioner shall make health care available using one or more of the options specified in this section.

(a) The commissioner may recruit or encourage managed care health plans to serve the area.

(b) The commissioner may establish managed care health plans through direct contracts with existing clinics or other health care

providers in the area consistent with the specifications and objectives of the state plan.

(c) The commissioner may pay providers on a fee-for-service basis, using managed care procedures, and may contract with the department of human services for claims processing and health care utilization review. When developing the payment system, the commissioner shall investigate the proposed Medicare resource-based relative value scale as the basis for a new fee schedule and the possibility of collective bargaining with health care providers. Participating providers must be required to operate under the department's managed care standards and procedures. Payment will be based on a fee schedule to be established by the commissioner with payments established at a level to ensure that program costs in the area are lower than under a managed care system. Providers must be required to accept program enrollees as a condition of serving patients covered by any health coverage program financed by state or local government, including public employee health benefit programs. Providers must be prohibited from billing enrollees for any portion of health care charges not reimbursed by the commissioner, except to collect copayments and deductibles or to charge for services that exceed coverage limits, to the extent these are specified in the state plan.

Sec. 9. [62J.15] [ENCOURAGEMENT OF PARTICIPATION OF PROVIDERS SERVING LOW-INCOME PERSONS.]

The commissioner shall encourage expansion or development of health plans that include providers currently serving low-income, uninsured state residents, including nonprofit community clinics, public health departments, and public hospitals. The commissioner's managed care specifications must apply to these providers when serving program enrollees.

Sec. 10. [62J.16] [HEALTH PLAN COMPENSATION; RESERVE FUND; PREMIUM DETERMINATION.]

Subdivision 1. [HEALTH PLAN COMPENSATION.] The commissioner shall establish health plan payment arrangements in order to create financial incentives to improve the effectiveness and efficiency of health care delivery. Health plan companies under contract with the state plan may not vary the benefits included in the intermediate benefit set in order to reduce the cost of premiums. Participating health plan companies must assume responsibility for health care delivery and must assume financial risk, subject to the limits established through the reinsurance pool. To prevent uncertainty regarding the mix and cost of enrollees from resulting in higher charges in the state plan during the plan's first three years of operation, the commissioner may share risk above or below the health plan company's expected costs for state plan enrollees, to the extent that such risk sharing would reduce charges in the state

plan. The risk sharing must not alter the community-rated basis, or limited rate variations, for premiums as specified in article 7, section 6. The commissioner is responsible for collecting premium payments from individuals, families, and employers, and health plan reimbursement may not be linked to collection of premium payments.

Subd. 2. [RESERVE FUND.] The commissioner shall establish a reserve fund to ensure that state funding will be available to fully satisfy the state's payment and risk-sharing obligations in the event the costs of coverage through the state plan are higher than expected. The reserve fund shall be established as an account within the general fund, and shall not exceed 8.33 percent of estimated total premiums for state plan coverage in the current fiscal year. The reserve fund shall include funds appropriated for this purpose, and any excess of state plan revenues more than expenses. The reserve fund shall remain available from year to year and does not cancel, except for funds in excess of the designated limit at the end of each fiscal year.

Subd. 3. [PREMIUM DETERMINATION.] The commissioner shall establish the premium rates charged in the state plan. In establishing premium rates the commissioner shall take into account differences in administrative costs for different classes of enrollment, and the need to maintain rates in the state plan that are competitive with the private market. The premium rates shall include: (1) an amount for health care delivery and health plan administration determined for each health plan company through bids or negotiations; (2) an amount for state plan administrative services provided by the department or other state agencies, not to exceed five percent of total premium; and (3) any additional amount determined to be necessary by the commissioner to ensure that funds will be available to fully satisfy the state's payment and risk-sharing obligations.

Sec. 11. [62J.17] [OUTREACH ACTIVITIES.]

Subdivision 1. [OUTREACH TO INDIVIDUALS.] The commissioner shall establish outreach activities to inform state residents about public and private sources of health coverage and to assist them in obtaining coverage. Outreach activities must include the following:

(1) health coverage information and counseling services provided throughout the state and through a toll-free telephone number; and

(2) ongoing publicity and advertising activities.

Subd. 2. [OUTREACH TO EMPLOYERS.] The commissioner shall establish outreach activities to inform employers about the Minnesotans' health care plan and other sources of health care

coverage and to assist them to obtain or expand coverage for their employees. Outreach activities must be directed at the types of employers determined by the commissioner to be most interested in joining the state plan.

Sec. 12. [62J.18] [ENROLLMENT EDUCATION AND ASSISTANCE.]

The commissioner shall provide enrollment education and assistance to state residents. The assistance may include written materials, workshops, and individual assistance. Educational programs and assistance must be designed to serve persons who are not proficient in English or who have special communication needs. The program must provide information on the following topics in addition to information provided at the discretion of the commissioner:

- (1) basic and supplemental coverage offered by the state plan;
- (2) features of specific health plans offered by the state plan, including information on obtaining health care within health plans and descriptions of provider networks;
- (3) differences between individual and group coverage;
- (4) premiums associated with each plan and premium payment procedures and obligations; and
- (5) actions enrollees must take if eligibility status changes.

Sec. 13. [62J.19] [APPLICATION FORMS AND PROCEDURES.]

Subdivision 1. [PROCEDURES.] The commissioner shall accept application forms submitted by mail or in person. Applicants must include payment equal to one month of premium costs with the completed application. Applicants who are employed full-time by an employer who participates in the state plan must apply through the employer. Part-time and seasonal employees of an employer who participates in the state plan may participate on an individual basis as provided in section 6, subdivision 2.

Subd. 2. [FORMS.] Application must be made on forms supplied by the commissioner. The commissioner shall design the form in order to collect the minimum amount of information necessary to administer the program. A more detailed form may be designed for use by applicants potentially eligible for federally subsidized health care programs and other state programs.

Subd. 3. [AVAILABILITY OF FORMS.] The commissioner shall make application forms available throughout Minnesota at state government offices; at hospitals, clinics, and other health care

provider offices, especially where large numbers of low-income persons are served; with individual income tax forms; with applications for a driver's license, state identification card, or motor vehicle registration; with school and college registration materials; at food shelves; at the offices of insurers, health maintenance organizations, and other health plan companies; at school district offices; at public and private elementary schools; at community health offices; and at women, infants, and children (WIC) program sites.

Sec. 14. [62J.20] [ELIGIBILITY DETERMINATION.]

Subdivision 1. [ELIGIBILITY VERIFICATION.] The emphasis of eligibility verification procedures must be on achieving enrollment and coverage as soon after application as possible. To this end, confirmation of income and other information provided by the applicant shall be on a random-check or special-case basis, and shall occur primarily through use of personal data that the state gathers, such as income tax and property tax refund records, for other purposes. The commissioner may use individuals' social security numbers as identifiers for purposes of administering the plan.

Subd. 2. [APPLICANT INFORMATION.] Applicants shall submit evidence of family income, earned and unearned, for use in determining the amount of the premium and eligibility for a subsidy. Enrollees shall report changes in eligibility status as they occur.

Subd. 3. [FRAUD.] (a) Prior to July 1, 1996, if subsequent to enrollment an enrollee in the state plan is found to have provided fraudulent information, the commissioner may disenroll the enrollee, and may recover premiums not paid due to fraud.

(b) Beginning July 1, 1996, if subsequent to enrollment an enrollee in the state plan is found to have provided fraudulent information, the commissioner may disenroll the enrollee if the enrollee has sufficient, alternate coverage, but must maintain enrollment for those without alternate coverage. In all cases, the commissioner may recover premiums not paid due to fraud through the means listed in section 20, subdivision 3.

Subd. 4. [REVERIFICATION.] Eligibility for the state plan must be redetermined annually. The commissioner must use mail and other, simple means of obtaining information from enrollees, then engage in random checkups of the accuracy of information provided.

Sec. 15. [62J.21] [ENROLLMENT.]

Subdivision 1. [COVERAGE EFFECTIVE DATE.] Coverage becomes effective on the next first or 15th of a month, whichever comes first, after the commissioner transfers enrollment information to the health plan selected by the applicant. The transfer to the health

plan must occur no later than two weeks after the commissioner receives a completed application and payment of one month of premium costs.

Subd. 2. [ENROLLMENT CONFIRMATION.] No more than two weeks shall elapse between the time the commissioner receives a completed application and the applicant is notified of acceptance, rejection, or unusual delay and the reasons why. Refusal to provide a health history will not disqualify an applicant from the state plan. The commissioner shall operate a toll-free telephone service to confirm individual enrollment in the state plan. The service must be available to assist enrollees, health plans, and providers.

Sec. 16. [62J.22] [OPEN ENROLLMENT.]

The commissioner shall establish an annual open enrollment period during which enrollees must be allowed to transfer between health plans. Enrollees may not transfer between plans during other periods unless their place of residence changes and their current plan does not provide coverage in the new location.

Sec. 17. [62J.23] [PREMIUM PAYMENTS; APPLICATION.]

The premium payment procedures established in sections 18 and 19 apply to coverage purchased through the Minnesotans' health care plan by an individual or an employer. Until universal health coverage is required, failure by individuals to pay premiums shall result in cancellation of state plan coverage.

Sec. 18. [62J.24] [PAYMENTS FROM INDIVIDUALS.]

Subdivision 1. [AUTOMATIC PAYMENTS.] The commissioner shall establish an automatic premium payment system and shall require enrollees not receiving group coverage through an employer to make payments through the automatic system whenever practical. The system may include automatic payment through:

- (1) automatic bank account debiting;
- (2) automatic income withholding for employees, modeled after the system used for child support enforcement;
- (3) automatic collections through the state income tax system, including automatic deductions for employees and estimated payments for self-employed enrollees;
- (4) automatic deductions from unemployment compensation benefits; or
- (5) other methods developed by the commissioner.

Subd. 2. [MANUAL PAYMENTS.] The commissioner may allow manual payments directly from enrollees to the commissioner for enrollees:

(1) making their initial premium payment with their application form;

(2) expected to remain on the program for a short period of time;
or

(3) for whom automatic payments are impractical.

Subd. 3. [PAYMENT PERIODS.] Premiums shall be paid on a monthly basis. The commissioner shall encourage enrollees to make premium payments covering longer periods of time whenever practical.

Sec. 19. [62J.25] [EMPLOYER ENROLLMENT.]

Subdivision 1. [ENROLLMENT OF EMPLOYEES.] Employers seeking to participate in the state plan must apply to the commissioner to enroll their employees. A person enrolled under this method ceases to be covered as a member of the employer's group when employment with the employer is discontinued. The commissioner shall establish procedures to convert enrollees from group coverage to individual coverage when they cease employment with an employer who participates in the program unless the enrollee can provide evidence of coverage through a new employer or through some other plan.

Subd. 2. [COLLECTION OF PREMIUMS.] The commissioner shall require employers participating in the state plan to collect the employees' share of premiums and pay the employees' share and the employers' share directly to the commissioner.

Subd. 3. [TECHNICAL ASSISTANCE TO EMPLOYERS.] The commissioner must provide technical assistance to employers participating in the state plan. Technical assistance must be targeted to employers who do not currently offer employee health benefits or for whom technical assistance services are not readily available. The assistance must be provided at cost and may include assistance on the following:

(1) designing and establishing a health benefit program;

(2) administering state and federal continuation coverage requirements; and

(3) establishing tax-sheltered premium accounts for employees.

Sec. 20. [62J.26] [ENFORCEMENT PROCEDURES.]

Subdivision 1. [EVIDENCE OF COVERAGE REQUIRED.] The commissioner shall enforce the requirement that all state residents must maintain and show evidence of health insurance coverage.

Subd. 2. [RESTRICTION ON TERMINATING COVERAGE.] The commissioner shall prohibit an enrollee from terminating coverage in the Minnesotans' health care plan except when the enrollee provides evidence of alternative coverage.

Subd. 3. [NONPAYMENT OF PREMIUM.] (a) Prior to July 1, 1996, the commissioner may cancel an enrollee's participation in the state plan for failure to pay premiums.

(b) Beginning July 1, 1996, the commissioner may not cancel an enrollee's participation in the state plan for failure to pay premiums. The commissioner shall attempt to collect unpaid premiums through the following methods:

(1) automatic income withholding, modeled after the child support enforcement system;

(2) automatic payroll deductions; or

(3) other methods identified or developed by the commissioner.

Subd. 4. [IDENTIFICATION OF UNINSURED PERSONS.] The commissioner shall develop and implement a system to identify state residents who have not obtained health care coverage. The system may include a survey question added to driver's license applications, income tax forms, school registration forms, and other similar forms. The system may include additional methods developed by the commissioner.

Subd. 5. [PROVISION OF COVERAGE.] The commissioner shall enroll state residents identified under subdivision 4 in the state plan and collect the appropriate premium from them.

Subd. 6. [IMPLEMENTATION.] In developing procedures to implement this section, the commissioner shall consult with the attorney general.

Sec. 21. [EFFECTIVE DATES.]

Sections 2 and 20, relating to mandatory universal coverage, are effective July 1, 1996. All other sections are effective July 1, 1992.

ARTICLE 3

COVERED SERVICES
THE INTERMEDIATE BENEFIT SET

Section 1. [62J.27] [AUTHORITY TO OFFER COVERAGE.]

Health plan companies participating in the state plan are authorized to offer, sell, issue, and renew the intermediate benefit set, the intermediate benefit set parts A and B, and the supplemental benefit set subject to the terms established by the commissioner of health care access, notwithstanding any contrary provisions of this chapter, chapter 62A, 62C, 62D, or 62E, or other laws governing health coverage.

Sec. 2. [62J.28] [COVERED SERVICES: PREVENTIVE CARE.]

(a) The intermediate benefit set covers expenses for the following preventive care services for all intermediate benefit set enrollees:

(1) prenatal and postnatal care;

(2) well baby exams for children under one year of age;

(3) immunizations; and

(4) selected tests, screenings, and examinations that are demonstrated to be cost-effective components of a preventive care program, including but not limited to: Pap tests for women age 18 and older at intervals recommended by the American Cancer Society; and mammograms for women age 50 and older at intervals recommended by the American Cancer Society.

(b) The intermediate benefit set covers the following services for children, if the services are provided as part of an early and periodic screening, diagnosis, and treatment (EPSDT) regimen:

(1) routine physical exams and well child exams, including the cost of laboratory and X-ray services associated with the exam;

(2) eye exams conducted by a licensed ophthalmologist or optometrist;

(3) hearing exams; and

(4) speech exams.

Sec. 3. [62J.29] [COVERED SERVICES: PRIMARY CARE; PRESCRIPTION DRUGS; INJECTIONS; SUPPLIES.]

Subdivision 1. [PRIMARY CARE.] The intermediate benefit set covers a total of up to eight visits per year provided by primary care physicians, nurse practitioners, and physician assistants. "Visits" include office visits, home visits, and visits in a custodial facility. For the purpose of this benefit, "primary care physicians" include only general and family practitioners, internists, pediatricians, obstetricians, and gynecologists, when serving in a primary care, rather than a consultative, capacity. Additional visits are covered when they are an alternative to inpatient care. The limit on visits does not apply to children.

Subd. 2. [PRESCRIPTION DRUGS.] The intermediate benefit set covers outpatient prescription drugs ordered by an authorized prescriber, including the dispensing fee, from a formulary specified by the commissioner. Adult prescriptions are subject to a \$5 copayment. The commissioner shall establish a broader formulary for children. There is no copayment for prescriptions for children.

Subd. 3. [THERAPEUTIC INJECTIONS.] The intermediate benefit set covers therapeutic injections administered by a qualified health professional from a formulary specified by the commissioner. Therapeutic injections administered to adults are subject to a \$5 copayment. The commissioner shall establish a broader formulary for children. There is no copayment for therapeutic injections administered to children.

Subd. 4. [MEDICAL EQUIPMENT AND SUPPLIES FOR CHILDREN.] The intermediate benefit set covers the following medical equipment and supplies for children:

(1) appliances and equipment, including but not limited to orthotics, canes, crutches, glucosan, glucometers, intermittent positive pressure machines, rib belts for the treatment of an accident or illness, walkers, and wheelchairs;

(2) prosthetics and artificial parts that replace missing body parts or improve body function;

(3) one pair of eyeglasses every two years, unless more often if recommended by a qualified health professional. Contact lenses are not covered; and

(4) hearing aids.

Sec. 4. [62J.30] [COVERED SERVICES: ADDITIONAL OUTPATIENT SERVICES.]

Subdivision 1. [OUTPATIENT SPECIALIST AND THERAPY SERVICES.] The intermediate benefit set covers a total of up to eight visits and consultations per year, excluding visits as defined in section 3, subdivision 1, provided by qualified health professionals. Additional visits are covered when they are an alternative to inpatient care. The limit on visits and consultations does not apply to children.

Subd. 2. [OUTPATIENT SURGICAL SERVICES.] The intermediate benefit set covers health professional and institutional outpatient surgical services, including surgery performed in a hospital outpatient department, the office of a qualified health professional, or freestanding surgical facility. This benefit includes services by an anesthesiologist or anesthesiologist for outpatient surgeries.

Subd. 3. [RADIOLOGY AND PATHOLOGY SERVICES.] The intermediate benefit set covers radiology and pathology services performed by a hospital outpatient department or a freestanding surgical facility. This benefit also provides for professional services provided by a qualified health professional when X rays and laboratory procedures are performed in the office of a qualified health professional, a hospital outpatient department, or a freestanding surgical facility.

Subd. 4. [CARDIOVASCULAR TESTS AND PROCEDURES.] The intermediate benefit set covers therapeutic services, cardiography, cardiac catheterization, and other cardiovascular services performed or ordered by a qualified health professional.

Subd. 5. [ALLERGY TESTING AND IMMUNOTHERAPY FOR CHILDREN.] The intermediate benefit set covers professional services and materials associated with allergy testing and immunotherapy provided to children, when administered by a qualified health professional.

Subd. 6. [DIALYSIS PROCEDURES.] The intermediate benefit set covers services by a qualified health professional for dialysis treatment, including hemodialysis, peritoneal dialysis, and miscellaneous dialysis procedures.

Subd. 7. [MISCELLANEOUS TESTS AND PROCEDURES.] The intermediate benefit set covers the following additional professional services: biofeedback services, gastroenterology services, otorhinolaryngology services, vestibular functions tests, noninvasive peripheral vascular diagnostic studies, pulmonary services, neurology services, chemotherapy services, and dermatology services.

Sec. 5. [62J.31] [COVERED SERVICES: MENTAL HEALTH AND ALCOHOL OR DRUG DEPENDENCY CARE; OUTPATIENT.]

Subdivision 1. [OUTPATIENT MENTAL HEALTH.] The intermediate benefit set covers up to ten hours per year of outpatient mental health therapy by a qualified professional. Two hours of group therapy count as one hour of individual therapy. Additional hours are covered when they are an alternative to inpatient care.

Subd. 2. [OUTPATIENT ALCOHOL AND DRUG DEPENDENCY TREATMENT.] The intermediate benefit set covers up to ten hours per year of outpatient treatment of alcohol or drug dependency by a qualified health professional or outpatient treatment program. Two hours of group treatment count as one hour of individual treatment.

Sec. 6. [62J.32] [COVERED SERVICES: MATERNITY.]

Subdivision 1. [INPATIENT MATERNITY; HOSPITAL SERVICES.] The intermediate benefit set covers 80 percent of the cost of maternity inpatient care, consisting of room, board, and ancillary services. After a patient's total copayment for covered hospital services for inpatient maternity care reaches \$500 per pregnancy, the intermediate benefit set covers 100 percent of additional services. This copayment is separate from the copayment for nonmaternity inpatient care. This benefit covers vaginal and caesarean deliveries, complications of pregnancy, miscarriages, and other medically necessary services. This subdivision includes only hospital inpatient services. This subdivision does not cover neonatal care or services associated with premature birth.

Subd. 2. [OUTPATIENT MATERNITY; HOSPITAL SERVICES.] The intermediate benefit set covers outpatient treatment of miscarriages, testing procedures such as amniocentesis and ultrasound, and other medically necessary procedures. This subdivision covers only use of hospital facilities and services by hospital employees.

Subd. 3. [HEALTH PROFESSIONALS; OBSTETRICAL CARE.] The intermediate benefit set covers health professional services for vaginal and caesarean deliveries, complications of pregnancy, miscarriages, and other medically necessary procedures. This benefit includes delivery care, surgical care, and anesthesia. This benefit does not include standard prenatal and postnatal visits, which the intermediate benefit set covers as preventive care in section 2.

Subd. 4. [ABORTION SERVICES.] The intermediate benefit set covers abortion and abortion-related services only if one of the conditions in section 256B.0625, subdivision 16, is met.

Sec. 7. [62J.33] [COVERED SERVICES: CHILDREN'S DENTAL CARE.]

This benefit provides for preventive and nonpreventive services for children.

(a) The intermediate benefit set covers preventive services which include oral examinations, X rays, fluoride applications, teeth cleaning, and other laboratory and diagnostic tests.

(b) The intermediate benefit set covers 80 percent of the cost of basic nonpreventive services which include emergency treatment, space maintainers, simple extractions, surgical extractions, oral surgery, anesthesia services, restorations, periodontics, and endodontics.

(c) The intermediate benefit set covers 50 percent of the cost of major nonpreventive services which include inlays and crowns, dentures and other removable prosthetics, bridges and other fixed prosthetics, denture and bridge repair, and other prosthetics.

Sec. 8. [62J.34] [COVERED SERVICES: MENTAL HEALTH AND ALCOHOL OR DRUG DEPENDENCY CARE; INPATIENT.]

Subdivision 1. [INPATIENT MENTAL HEALTH.] The intermediate benefit set covers 80 percent of the cost of inpatient hospitalization for treatment of mental disorders. After a family's total copayment for all covered inpatient benefits, including mental health and all other categories of covered inpatient care, except maternity, exceeds \$2,500 in one calendar year, the intermediate benefit set covers 100 percent of additional services. After the intermediate benefit set has paid \$70,000 in inpatient benefits of any kind except maternity for a person within a calendar year, the intermediate benefit set will cover no further inpatient benefits, except maternity, of any kind for that person for that calendar year.

Subd. 2. [INPATIENT HEALTH PROFESSIONAL SERVICES; VISITS AND CONSULTATIONS.] The intermediate benefit set covers, subject to subdivision 1, physician services for visits, consultations, and other care provided for treatment of mental disorders on an inpatient basis at a hospital or approved extended care facility. This benefit also provides for the care of critically ill patients in a variety of settings that require the constant attention of a qualified health professional. Consultations by nonphysicians are covered if provided by appropriate health professionals.

Subd. 3. [INPATIENT ALCOHOL AND DRUG DEPENDENCY TREATMENT NOT COVERED.] The intermediate benefit set does not cover inpatient hospital treatment of alcohol or drug dependency.

Sec. 9. [62J.35] [COVERED SERVICES: EMERGENCY CARE.]

Subdivision 1. [HOSPITAL EMERGENCY ROOM.] After a \$50 copayment paid by the insured, the intermediate benefit set covers hospital or clinic services for outpatient emergency medical care

performed on an emergency basis in the emergency area of a hospital outpatient department or urgent care center, or a free-standing medical clinic that provides 24-hour emergency care. The \$50 copayment is waived if the person is admitted to a hospital within 24 hours for a condition related to the emergency care. This subdivision does not include health professional services, which are covered in subdivision 2.

Subd. 2. [HEALTH PROFESSIONALS; EMERGENCY ROOM CARE.] The intermediate benefit set covers emergency services by qualified health professionals performed in the emergency area of a hospital outpatient department or urgent care center, or a free-standing medical clinic that provides 24-hour emergency care.

Subd. 3. [AMBULANCE.] The intermediate benefit set covers 80 percent of the cost of licensed ambulance service. Ambulance service for maternity care is not covered except when medically necessary.

Sec. 10. [62J.36] [COVERED SERVICES: HOSPITAL INPATIENT AND HOME HEALTH CARE.]

Subdivision 1. [GENERAL COPAYMENT AND BENEFIT LIMIT; HOSPITALIZATION.] The intermediate benefit set covers 80 percent of the cost of general inpatient hospitalization. After a family's total copayment for all covered inpatient benefits, including mental health and all other categories of covered inpatient care, except maternity, exceeds \$2,500 in one calendar year, the intermediate benefit set covers 100 percent of additional services. After the intermediate benefit set has paid \$70,000 in inpatient benefits of any kind except maternity for a person within a calendar year, the intermediate benefit set will cover no further inpatient benefits, except maternity, of any kind for that person for that calendar year.

Subd. 2. [HOSPITAL INPATIENT SERVICES.] The intermediate benefit set covers, subject to subdivision 1, hospital services, including inpatient room, board, and ancillary services. The covered room charges are for a semiprivate room, except as otherwise provided in section 62E.06, subdivision 1, paragraph (c), clause (4). Ancillary services include use of surgical and intensive care facilities, inpatient nursing care, pathology and radiology procedures, drugs, supplies, physical therapy, and other services normally provided by hospitals. Ancillary services do not include care by health professionals, whether or not employed by the hospital. This subdivision does not include maternity and related neonatal care, alcohol and drug abuse treatment, or inpatient confinement for nursing or custodial care.

Subd. 3. [INPATIENT HEALTH PROFESSIONAL SURGERY.] The intermediate benefit set covers, subject to subdivision 1, services by surgeons, assistant surgeons, anesthesiologists, anesthesiologists, and other qualified health professionals for surgery and

related procedures, including normal presurgical and postsurgical examinations, for inpatient nonmaternity surgery.

Subd. 4. [INPATIENT HEALTH PROFESSIONAL RADIOLOGY AND PATHOLOGY.] The intermediate benefit set covers, subject to subdivision 1, services by physicians for radiology and pathology evaluation performed on an inpatient basis.

Subd. 5. [INPATIENT HEALTH PROFESSIONAL SERVICES; VISITS AND CONSULTATIONS.] The intermediate benefit set covers, subject to subdivision 1, physician services for visits, consultations, and other care provided on an inpatient basis at a hospital or approved extended care facility. This benefit also provides for the care of critically ill patients in a variety of settings that require the constant attention of the physician. Consultations by nonphysicians are covered if provided by appropriate health professionals.

Subd. 6. [EXTENDED CARE FACILITIES.] The intermediate benefit set covers, subject to subdivision 1, room, board, and ancillary services at an approved extended care facility that is the extended care unit of a hospital or an independent skilled nursing facility. This benefit covers only noncustodial care.

Subd. 7. [PRIVATE DUTY NURSING; HOME HEALTH CARE.] The intermediate benefit set covers, subject to subdivision 1, private duty nursing and home health visits by a home health professional if prescribed by the attending physician. Custodial care is not covered.

Sec. 11. [62J.37] [EXCLUDED SERVICES.]

Subdivision 1. [MEDICAL NECESSITY.] The intermediate benefit set does not cover services that are not medically necessary.

Subd. 2. [OTHER EXCLUDED SERVICES.] Regardless of medical necessity, the intermediate benefit set does not cover the following services:

(1) expenses listed under section 62E.06, subdivision 1, paragraph (c);

(2) inpatient treatment of alcoholism, chemical dependency, or drug addiction;

(3) treatment of temporomandibular joint disorder;

(4) treatment of craniomandibular disorder;

(5) orthodontia care;

- (6) experimental procedures;
- (7) custodial care;
- (8) personal comfort or beautification;
- (9) treatment for obesity;
- (10) in vitro fertilization;
- (11) artificial insemination;
- (12) reversal of voluntary sterilization; and
- (13) transsexual surgery.

Sec. 12. [62J.38] [UNIVERSAL BASIC BENEFIT SET.]

Subdivision 1. [CONTENT OF THE UNIVERSAL BASIC BENEFIT SET.] The universal basic benefit set is a uniform standard of health coverage that will be available to all Minnesotans. The commissioner shall determine the content of the universal basic benefit set, with the advice of the technology and benefits advisory committee as established in article 1, section 4. The universal basic benefit set must include:

(1) the benefits contained in the intermediate benefit set, including but not limited to full coverage for prenatal care, immunizations, and other preventive care as currently mandated for health maintenance organizations; and

(2) other health care services of demonstrated effectiveness, consistent with the following principles: (i) universal and equitable access to health care procedures and technologies; (ii) maintenance of an appropriate balance between expenditures for primary and preventive care, and expenditures for high cost cases; (iii) promotion of high quality and cost-effective health care; and (iv) adherence to budget targets.

Subd. 2. [CONVERSION TO THE UNIVERSAL BASIC BENEFIT SET.] The following changes will occur on July 1, 1996:

(1) the universal basic benefit set will replace the intermediate benefit set, part A, as the benefit set made available on a subsidized basis through the state plan;

(2) the supplemental benefit set will no longer be available through the state plan;

(3) the state plan may make available optional coverage that exceeds the universal basic benefit set;

(4) the intermediate benefit set will no longer be available in the private market;

(5) the universal basic benefit set will replace the mandated benefits currently required under chapters 60A, 62A, 62C, 62D, and 62E; and

(6) any health coverage programs sponsored by state or local government will be required to provide benefits equal to or better than the universal basic benefit set.

Sec. 13. [62J.39] [AVAILABILITY OF INTERMEDIATE BENEFIT SET.]

The intermediate benefit set is available only to individuals and to small groups containing no more than 15 employees or members. The intermediate benefit set may be offered through the state plan, and through the private market only by health plan companies participating in the state plan. Health plan companies participating in the state plan and providing dental coverage only may offer through the private market the dental care component of the intermediate benefit set or the universal basic benefit set without being required to offer the nondental components of the benefit sets.

The intermediate benefit set, part A, is available only to individuals and families who receive a state premium subsidy for participation in the state plan, under article 2, section 5. Individuals and families covered by the intermediate benefit set, part A, may purchase the intermediate benefit set, part B, at their own expense, under terms established by the commissioner.

Sec. 14. [62J.40] [MINIMUM INSURANCE BENEFIT SET.]

For all health plan companies except those governed by chapter 62D, the minimum insurance benefit set is a number two qualified plan, as defined in section 62E.06, subdivision 2. For the purposes of this requirement, actuarial equivalence must not be used. For health plan companies governed by chapter 62D, the minimum insurance benefit set is the set of benefits required under chapter 62D. Except as provided in section 13, no health coverage may be offered, sold, issued, or renewed to any Minnesota resident or to any group in Minnesota unless the coverage meets or exceeds the requirements of the minimum insurance benefit set.

Sec. 15. [62J.41] [SUPPLEMENTAL BENEFIT SET.]

The supplemental benefit set includes the benefits commonly

included in group health coverage offered by health maintenance organizations operating under chapter 62D that are not included in the intermediate benefit set. The commissioner of health shall establish, by rule, uniform provisions for the supplemental benefit set. The state plan and health plan companies participating in the state plan must make the supplemental benefit set available as an option to any individual or group covered by the intermediate benefit set, parts A and B. For groups too large to qualify for the intermediate benefit set, the intermediate benefit set combined with the supplemental benefit set will be the only benefit set available through the state plan.

Sec. 16. [MEDICARE SUPPLEMENT COVERAGE.]

The commissioner shall make arrangements for medicare supplement coverage to be offered through the state plan, subject to the managed care and other provisions of article 2.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective on July 1, 1992.

ARTICLE 4

RURAL HEALTH INITIATIVES

Section 1. Minnesota Statutes 1990, section 144.147, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] "Eligible rural hospital" means any nonfederal, general acute care hospital that:

(1) is either located in a rural area, as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 405.1041, or located in a community with a population of less than 5,000, according to United States Census Bureau statistics, outside the seven-county metropolitan area;

(2) has 100 or fewer beds;

(3) ~~has experienced net income losses in at least two of the three most recent consecutive hospital fiscal years for which audited financial information is available;~~

(4) is not for profit; and

~~(5)~~ (4) has not been awarded a grant under the federal rural health transition grant program.

Sec. 2. Minnesota Statutes 1990, section 144.147, subdivision 3, is amended to read:

Subd. 3. [CONSIDERATION OF GRANTS.] In determining which hospitals will receive grants under this section, the commissioner shall take into account:

- (1) improving community access to hospital or health services;
- (2) changes in service populations;
- (3) demand for ambulatory and emergency services;
- (4) the extent that the health needs of the community are not currently being met by other providers in the service area;
- (5) the need to recruit and retain health professionals; ~~and~~
- (6) the involvement and extent of support of the community and local health care providers; and
- (7) the financial condition of the hospital.

Sec. 3. Minnesota Statutes 1990, section 144.147, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION OF GRANTS.] (a) Eligible hospitals must apply to the commissioner no later than September 1, 1990, of each year for grants awarded in the 1991 state fiscal year; ~~and no later than September 1, 1990, for grants awarded in the 1992 state for the~~ fiscal year beginning the following July 1.

(b) ~~The commissioner may award at least two grants for each fiscal year.~~ The commissioner must make a final decision on the funding of each application within 60 days of the deadline for receiving applications.

(c) Each relevant community health board has 30 days in which to review and comment to the commissioner on grant applications from hospitals in their community health service area.

(d) In determining which hospitals will receive grants under this section, the commissioner shall consider the following factors:

(1) Description of the problem, description of the project, and the likelihood of successful outcome of the project. The applicant must explain clearly the nature of the health services problems in their service area, how the grant funds will be used, what will be accomplished, and the results expected. The applicant should de-

scribe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organizations.

(2) The extent of community support for the hospital and this proposed project. The applicant should demonstrate support for the hospital and for the proposed project from other local health service providers and from local community and government leaders. Evidence of such support may include past commitments of financial support from local individuals, organizations, or government entities; and commitment of financial support, in-kind services or cash, for this project.

(3) The comments, if any, resulting from a review of the application by the community health board in whose community health service area the hospital is located.

(e) In evaluating applications, the commissioner shall score each application on a 100 point scale, assigning the maximum of 70 points for an applicant's understanding of the problem, description of the project, and likelihood of successful outcome of the project; and a maximum of 30 points for the extent of community support for the hospital and this project. The commissioner may also take into account other relevant factors.

(f) A grant to a hospital, including hospitals that submit applications as consortia, may not exceed \$50,000 a year and may not exceed a term of two years. Prior to the receipt of any grant, the hospital must certify to the commissioner that at least one-half of the amount, which may include in-kind services, is available for the same purposes from nonstate sources. A hospital receiving a grant under this section may use the grant for any expenses incurred in the development of strategic plans or the implementation of transition projects with respect to which the grant is made. Project grants may not be used to retire debt incurred with respect to any capital expenditure made prior to the date on which the project is initiated.

Sec. 4. [144.1481] [RURAL HEALTH ADVISORY COMMITTEE.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] The commissioner of health shall establish a 16-member rural health advisory committee. The committee shall consist of the following individuals, all of whom must reside outside the seven-county metropolitan area:

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

(4) a representative of a hospital located outside the seven-county metropolitan area;

(5) a representative of a nursing home located outside the seven-county metropolitan area;

(6) a medical doctor or doctor of osteopathy licensed under chapter 147;

(7) a midlevel practitioner;

(8) a registered nurse or licensed practical nurse;

(9) a licensed health care professional from an occupation not otherwise represented on the committee;

(10) a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers;

(11) three consumers, at least one of whom must be an advocate for persons who are mentally ill or developmentally disabled; and

(12) a representative of the Minnesota center for rural health.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The terms, compensation, and removal of members are governed by section 15.059. The advisory committee does not expire as provided in section 15.059, subdivision 5.

Subd. 2. [DUTIES.] The advisory committee shall:

(1) advise the commissioner of health, the commissioner of human services, the office of rural health established in section 3, and other state agencies on rural health issues;

(2) provide a systematic and cohesive approach toward rural health issues and rural health care planning, at both a local and statewide level;

(3) develop and evaluate mechanisms to encourage greater cooperation among rural communities and among providers;

(4) recommend and evaluate approaches to rural health issues that are sensitive to the needs of local communities;

(5) develop methods for identifying individuals who are underserved by the rural health care system; and

(6) evaluate the Minnesotans' health care plan and recommend program changes needed to better address problems and needs in rural health care.

Subd. 3. [STAFFING; OFFICE SPACE; EQUIPMENT.] The commissioner shall provide the advisory committee with staff support, office space, and access to office equipment and services.

Sec. 5. [144.1482] [OFFICE OF RURAL HEALTH.]

Subdivision 1. [ESTABLISHMENT; FEDERAL GRANT APPLICATION.] The commissioner of health shall establish an office of rural health within the department. The commissioner shall also apply for a federal grant to establish the office of rural health, as provided under the federal Public Health Service Act, Public Law Number 101-597.

Subd. 2. [DUTIES.] (a) The office of rural health in conjunction with the medical schools at University of Minnesota-Duluth and the University of Minnesota-Minneapolis and other organizations in the state which are addressing rural health care problems shall:

(1) establish and maintain a clearinghouse for collecting and disseminating information on rural health care issues, research findings, and innovative approaches to the delivery of rural health care;

(2) coordinate the activities relating to rural health care that are carried out by the state to avoid duplication of effort;

(3) identify federal and state rural health programs and provide technical assistance to public and nonprofit entities, including community and migrant health centers, to assist them in participating in these programs;

(4) assist rural communities in improving the delivery and quality of health care in rural areas and in recruiting and retaining health professionals;

(5) work with the bureau of health care access in the department of health to provide access to health care in rural Minnesota; and

(6) carry out the duties assigned in section 6.

(b) To carry out these duties, the office may contract with or provide grants to public and private, nonprofit entities. In contracting or providing grants, the office shall give preference to public and private, nonprofit entities that have demonstrated the ability to obtain grants and donations from private foundations and organizations and the federal government.

Sec. 6. [144.1483] [RURAL HEALTH INITIATIVES.]

The commissioner of health, through the office of rural health, and consulting as necessary with the commissioner of human services, the higher education coordinating board, and other state agencies, shall:

(1) develop a detailed plan regarding the feasibility of coordinating rural health care services by organizing individual medical providers and smaller hospitals and clinics into referral networks with larger rural hospitals and clinics that provide a broader array of services. Where possible, this plan will guide the bureau of health care access as established under article 1 in contracting for health care delivery throughout Minnesota;

(2) administer the planning and transition grant program for rural hospitals established under sections 144.1465 and 144.147, and develop and administer planning and transition grant programs for health care providers and communities. Grants may be used for planning regarding the use of facilities, recruitment of health personnel, and coordination of health services;

(3) administer the program of financial assistance established under section 7 for rural hospitals in isolated areas of the state that are in danger of closing without financial assistance, and that have exhausted local sources of support;

(4) develop recommendations regarding health education and training programs in rural areas, including but not limited to a physician assistants' training program, continuing education programs for rural health care providers, and rural outreach programs for nurse practitioners within existing training programs;

(5) develop a statewide, coordinated recruitment strategy for health care personnel;

(6) develop and administer technical assistance programs to assist rural communities in: (i) planning and coordinating the delivery of local health care services; and (ii) hiring physicians, nurse practitioners, public health nurses, physician assistants, and other health personnel;

(7) study and recommend changes in the regulation of health care

personnel, such as nurse practitioners and physician assistants, related to scope of practice, the amount of on-site physician supervision, and dispensing of medication, to address rural health personnel shortages;

(8) support efforts to ensure continued funding for medical and nursing education programs that will increase the number of health professionals serving in rural areas;

(9) support efforts to secure higher reimbursement for rural health care providers from the Medicare and medical assistance programs; and

(10) carry out other activities necessary to address rural health problems.

Sec. 7. [144.1484] [RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall award financial assistance grants to rural hospitals in isolated areas of the state. To qualify for a grant, a hospital must: (1) be eligible to be classified as a sole community hospital according to the criteria in Code of Federal Regulations, title 42, section 412.92; (2) have experienced net income losses in the two most recent consecutive hospital fiscal years for which audited financial information is available; (3) consist of 20 or fewer licensed beds; and (4) have exhausted local sources of support. Before applying for a grant, the hospital must have developed a strategic plan. The commissioner shall award grants in equal amounts.

Sec. 8. [144.1485] [DATA BASE ON HEALTH PERSONNEL.]

The commissioner of health shall develop and maintain a data base on health services personnel. The commissioner shall use this information to assist local communities and units of state government to develop plans for the recruitment and retention of health personnel. Information collected in the data base must include, but is not limited to, data on levels of educational preparation, specialty, and place of employment. The commissioner may collect information through the registration and licensure systems of the state health licensing boards.

Sec. 9. Minnesota Statutes 1990, section 144.698, subdivision 1, is amended to read:

Subdivision 1. [YEARLY REPORTS.] Each hospital and each outpatient surgical center, which has not filed the financial information required by this section with a voluntary, nonprofit reporting

organization pursuant to section 144.702, shall file annually with the commissioner of health after the close of the fiscal year:

(1) a balance sheet detailing the assets, liabilities, and net worth of the hospital;

(2) a detailed statement of income and expenses;

(3) a copy of its most recent cost report, if any, filed pursuant to requirements of Title XVIII of the United States Social Security Act;

(4) a copy of all changes to articles of incorporation or bylaws;

(5) information on services provided to benefit the community, including services provided at no cost or for a reduced fee to patients unable to pay, teaching and research activities, or other community or charitable activities;

(6) information required on the revenue and expense report form set in effect on July 1, 1989, or as amended by the commissioner in rule; and

(7) other information required by the commissioner in rule.

Sec. 10. [SPECIAL STUDIES.]

The commissioner of health, through the office of rural health, shall conduct the following investigations:

(1) investigate, develop recommendations, and prepare a report to the legislature by January 15, 1993, regarding the use of advanced telecommunications technologies to improve rural health education and health care delivery;

(2) investigate the adequacy of access to perinatal services in rural Minnesota and report findings and recommendations to the legislature by February 1, 1993; and

(3) study the impact of current reimbursement provisions for midlevel practitioners on the use of midlevel practitioners in rural practice settings, examining reimbursement provisions in state programs, federal programs, and private sector health plans, and report findings and recommendations to the legislature by February 1, 1992.

Sec. 11. [REPORT ON RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall examine the eligibility criteria for rural hospital financial assistance grants under section 7 and

report to the legislature by February 1, 1992, on any needed modifications.

Sec. 12. [FEASIBILITY STUDY; PHYSICIAN ASSISTANT TRAINING PROGRAM.]

The office of rural health, in cooperation with the higher education coordinating board, shall conduct a feasibility study to assess the need for a physician assistant training program at the University of Minnesota-Duluth. The office of rural health shall present findings and recommendations to the legislature by January 1, 1993.

Sec. 13. [EFFECTIVE DATE.]

Section 4 creating the rural health advisory committee is effective January 15, 1992.

ARTICLE 5

HOSPITALS; EMERGENCY MEDICAL SERVICES

Section 1. Minnesota Statutes 1990, section 16A.124, subdivision 4, is amended to read:

Subd. 4. [INVOICE ERRORS.] If an invoice is incorrect, defective, or otherwise improper, the agency must notify the vendor of all errors, within ten days of discovering discovery of the error errors. Upon receiving a corrected invoice, the agency must pay the bill within the time limitation contained in subdivision 3. For purposes of this subdivision, the term "vendor" includes hospitals receiving reimbursement under the medical assistance and general assistance medical care programs.

Sec. 2. Minnesota Statutes 1990, section 43A.17, subdivision 9, is amended to read:

Subd. 9. [POLITICAL SUBDIVISION SALARY LIMIT.] The salary of a person employed by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, or employed under section 422A.03, may not exceed 95 percent of the salary of the governor as set under section 15A.082, except as provided in this subdivision. Deferred compensation and payroll allocations to purchase an individual annuity contract for an employee are included in determining the employee's salary. The salary of a medical doctor or doctor of osteopathy occupying a position that the governing body of the political subdivision has determined requires an M.D. or D.O. degree is excluded from the limitation in this subdivision. The commissioner may increase the limitation in this subdivision for a

position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state. The commissioner may not increase the limitation until the commissioner has presented the proposed increase to the legislative commission on employee relations and received the commission's recommendation on it. The recommendation is advisory only. If the commission does not give its recommendation on a proposed increase within 30 days from its receipt of the proposal, the commission is deemed to have recommended approval.

Sec. 3. Minnesota Statutes 1990, section 43A.23, is amended by adding a subdivision to read:

Subd. 4. [STATE HEALTH PLAN.] The commissioner of employee relations shall provide flexibility in interpreting policies and procedures for implementing and administering the state health plan, to ensure adequate access throughout the state to the state health plan.

Sec. 4. Minnesota Statutes 1990, section 144.581, subdivision 1, is amended to read:

Subdivision 1. [NONPROFIT CORPORATION POWERS.] A municipality, political subdivision, state agency, or other governmental entity that owns or operates a hospital authorized, organized, or operated under chapters 158, 250, 376, and 397, or under sections 246A.01 to 246A.27, 412.221, 447.05 to 447.13, 447.31, or 471.59, or under any special law authorizing or establishing a hospital or hospital district shall, relative to the delivery of health care services, have, in addition to any authority vested by law, the authority and legal capacity of a nonprofit corporation under chapter 317A, including authority to

- (a) enter shared service and other cooperative ventures,
- (b) join or sponsor membership in organizations intended to benefit the hospital or hospitals in general,
- (c) enter partnerships,
- (d) incorporate other corporations,
- (e) have members of its governing authority or its officers or administrators serve as directors, officers, or employees of the ventures, associations, or corporations,
- (f) own shares of stock in business corporations,

(g) offer, directly or indirectly, products and services of the hospital, organization, association, partnership, or corporation to the general public, and

(h) provide funds for payment of educational expenses of up to \$20,000 per individual, if the hospital or hospital district has at least \$1,000,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district, and

(i) provide funds of up to \$50,000 per year per individual for a maximum of two years to supplement the incomes of family practice physicians, up to a maximum of \$100,000 in annual income, if the hospital or hospital district has at least \$250,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district. expend funds, including public funds in any form, or devote the resources of the hospital or hospital district, to recruit or retain physicians whose services are necessary or desirable for meeting the health care needs of the population, and for successful performance of the hospital or hospital district's public purpose of the promotion of health. Allowable uses of funds and resources include the retirement of medical education debt, payment of one time amounts in consideration of services rendered or to be rendered, payment of recruitment expenses, payment of moving expenses, and the provision of other financial assistance necessary for the recruitment and retention of physicians, provided that the expenditures in whatever form are reasonable under the facts and circumstances of the situation.

Sec. 5. Minnesota Statutes 1990, section 144.8093, is amended to read:

144.8093 [EMERGENCY MEDICAL SERVICES FUND.]

Subdivision 1. [CITATION.] This section is the "Minnesota emergency medical services system support act."

Subd. 2. [ESTABLISHMENT AND PURPOSE.] In order to develop, maintain, and improve regional emergency medical services systems, the department of health shall establish an emergency medical services system fund. The fund shall be used for the general purposes of promoting systematic, cost-effective delivery of emergency medical care throughout the state; identifying common local, regional, and state emergency medical system needs and providing assistance in addressing those needs; undertaking special projects of statewide significance that will enhance the provision of emergency medical care in Minnesota providing discretionary grants for emergency medical service projects with potential regionwide significance; providing for public education about emergency medical care;

promoting the exchange of emergency medical care information; ensuring the ongoing coordination of regional emergency medical services systems; and establishing and maintaining training standards to ensure consistent quality of emergency medical services throughout the state.

Subd. 3. [USE AND RESTRICTIONS.] Designated regional emergency medical services systems may use emergency medical services system funds to support local and regional emergency medical services as determined within the region, with particular emphasis given to supporting and improving emergency trauma and cardiac care and training. No part of a region's share of the fund may be used to directly subsidize any ambulance service operations or rescue service operations or to purchase any vehicles or parts of vehicles for an ambulance service or a rescue service.

Subd. 4. [DISTRIBUTION.] Money from the fund shall be distributed according to this subdivision. Eighty Niney-three and one-third percent of the fund shall be distributed annually on a contract for services basis with each of the eight regional emergency medical services systems designated by the commissioner of health. The systems shall be governed by a body consisting of appointed representatives from each of the counties in that region and shall also include representatives from emergency medical services organizations. The commissioner shall contract with a regional entity only if the contract proposal satisfactorily addresses proposed emergency medical services activities in the following areas: personnel training, transportation coordination, public safety agency cooperation, communications systems maintenance and development, public involvement, health care facilities involvement, and system management. If each of the regional emergency medical services systems submits a satisfactory contract proposal, then this part of the fund shall be distributed evenly among the regions. If one or more of the regions does not contract for the full amount of its even share or if its proposal is unsatisfactory, then the commissioner may reallocate the unused funds to the remaining regions on a pro rata basis. Six and two-thirds percent of the fund shall be used by the commissioner to support regionwide reporting systems and to provide other regional administration and technical assistance. ~~Thirteen and one-third percent shall be distributed by the commissioner as discretionary grants for special emergency medical services projects with potential statewide significance.~~

Sec. 6. Minnesota Statutes 1990, section 176.011, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire including the following:

- (1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, constable, marshal, police officer, firefighter, county highway engineer, and peace officer while engaged in the enforcement of peace or in the pursuit or capture of a person charged with or suspected of crime;

(4) a person requested or commanded to aid an officer in arresting or retaking a person who has escaped from lawful custody, or in executing legal process, in which cases, for purposes of calculating compensation under this chapter, the daily wage of the person shall be the prevailing wage for similar services performed by paid employees;

(5) a county assessor;

(6) an elected or appointed official of the state, or of a county, city, town, school district, or governmental subdivision in the state. An officer of a political subdivision elected or appointed for a regular term of office, or to complete the unexpired portion of a regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(7) an executive officer of a corporation, except those executive officers excluded by section 176.041;

(8) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioners of human services and corrections similar to those of officers and employees of the institutions, and whose services have been accepted or contracted for by the commissioner of human services or corrections as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(9) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision of it. The daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed by paid employees;

(10) a voluntary uncompensated worker participating in a program established by a county welfare board. In the event of injury or death of the worker, the wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid in the county at the time of the injury or death for similar

services performed by paid employees working a normal day and week;

(11) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089. The daily wage of the worker for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(12) a member of the military forces, as defined in section 190.05, while in state active service, as defined in section 190.05, subdivision 5a. The daily wage of the member for the purpose of calculating compensation under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(13) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138. The daily wage of the worker, for the purposes of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(14) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota state academy for the deaf or the Minnesota state academy for the blind, and whose services have been accepted or contracted for by the state board of education, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(15) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(16) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of human services for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose;

(17) students enrolled in and regularly attending the medical

school of the University of Minnesota in the graduate school program or the postgraduate program. The students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation under this chapter, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits under this chapter;

(18) a faculty member of the University of Minnesota employed for an academic year is also an employee for the period between that academic year and the succeeding academic year if:

(a) the member has a contract or reasonable assurance of a contract from the University of Minnesota for the succeeding academic year; and

(b) the personal injury for which compensation is sought arises out of and in the course of activities related to the faculty member's employment by the University of Minnesota;

(19) a worker who performs volunteer ambulance driver or attendant services is an employee of the political subdivision, nonprofit hospital, nonprofit corporation, or other entity for which the worker performs the services. The daily wage of the worker for the purpose of calculating compensation under this chapter shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(20) a voluntary uncompensated worker, accepted by the commissioner of administration, rendering services as a volunteer at the department of administration. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(21) a voluntary uncompensated worker rendering service directly to the pollution control agency. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees; and

(22) a voluntary uncompensated worker while volunteering services as a first responder or as a member of a law enforcement assistance organization while acting under the supervision and authority of a political subdivision. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees; and

(23) a voluntary uncompensated worker while volunteering services as a member of a rescue squad organized under the authority of a political subdivision. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees.

If it is difficult to determine the daily wage as provided in this subdivision, the trier of fact may determine the wage upon which the compensation is payable.

Sec. 7. 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 exist:

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

(2) [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 outlier payment to 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) [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) [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.

(5) [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), except that 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 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 shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3, 4, 5, and 6.

(6) [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 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) [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). 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. 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 shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3, 4, 5, and 6.

(8) [TRANSFERS.] Except as provided in paragraphs (5) and (7), 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 subdivisions 2b and 2c, 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 subdivisions 2b and 2c.

(b) 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) 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. This exemption is not effective for payments under general assistance medical care.

(d) 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. 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 until required by rule. Hospitals affected by this paragraph 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 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 at least 90 days before the start of the hospital's fiscal year.

(e) 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. Payments, including third party liability, established under this paragraph may not exceed the charges on a claim specific basis for inpatient services that are covered by medical assistance.

(f) 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) Medical assistance inpatient payments shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between ~~July~~ April 1, 1988 1991,

and ~~December 31, 1990~~ the implementation date of the upgrade to the Medicaid management information system, 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) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between ~~July April 1, 1988 1991,~~ and ~~December 31, 1990~~ the implementation date of the upgrade to the Medicaid management information system, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(i) 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), 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. 8. Minnesota Statutes 1990, section 447.31, subdivision 1, is amended to read:

Subdivision 1. [RESOLUTIONS.] Any ~~four~~ two or more cities and towns, however organized, except cities of the first class, may create a hospital district. They must do so by resolutions adopted by their respective governing bodies or electors. A hospital district may be reorganized according to sections 447.31 to 447.37. Reorganization must be by resolutions adopted by the district's hospital board and the governing body or voters of each city and town in the district.

Sec. 9. Minnesota Statutes 1990, section 447.31, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF RESOLUTION.] A resolution under subdivision 1 must state that a hospital district is authorized to be created under sections 447.31 to 447.37, or that an existing hospital district is authorized to be reorganized under sections 447.31 to 447.37, in order to acquire, improve, and run hospital and nursing home facilities that the hospital board decides are necessary and expedient in accordance with sections 447.31 to 447.37. The resolution must name the ~~four~~ two or more cities or towns included in the district. The resolution must be adopted by a two-thirds majority of the members-elect of the governing body or board acting on it, or by the voters of the city or town as provided in this section.

Each resolution adopted by the governing body of a city or town must be published in its official newspaper and takes effect 40 days after publication, unless a petition for referendum on the resolution is filed with the governing body within 40 days. A petition for referendum must be signed by at least five percent of the number of voters voting at the last election of officers. If a petition is filed, the resolution does not take effect until approved by a majority of voters voting on it at a regular municipal election or a special election which the governing body may call for that purpose.

The resolution may also be initiated by petition filed with the governing body of the city or town, signed by at least ten percent of the number of voters voting at the last general election. A petition must present the text of the proposed resolution and request an election on it. If the petition is filed, the governing body shall call a special election for the purpose, to be held within 30 days after the filing of the petition, or may submit the resolution to a vote at a regular municipal election that is to be held within the 30-day period. The resolution takes effect if approved by a majority of voters voting on it at the election. Only one election shall be held within any given 12-month period upon resolutions initiated by petition. The notice of the election and the ballot used must contain the text of the resolution, followed by the question: "Shall the above resolution be approved?"

Sec. 10. [STUDY OF BASIC AND ADVANCED LIFE SUPPORT REIMBURSEMENT.]

The commissioner of human services, in consultation with the commissioner of health, shall study the mechanisms and rates of reimbursement for advanced and basic life support ambulance and special transportation service calls under medical assistance and general assistance medical care. The study shall examine methods of simplifying the claims process, interpretation of the "medically necessary" criteria and prior approval in light of the statutory mandate that ambulance service may not be denied, as well as other

issues that create impediments to reasonable and fair reimbursement. The commissioner shall report findings and offer recommendations to the legislature by February 1, 1992, on means of maximizing potential reimbursement levels.

Sec. 11. [STUDY OF AMBULANCE SUBSCRIPTION PLANS.]

The commissioner of commerce and the commissioner of health shall study prepaid ambulance service plans that allow a person to prepay for ambulance services on a yearly basis. The commissioners shall study plans offered in other states and shall study the cost effectiveness and feasibility of offering these plans in Minnesota. The commissioners shall study methods of funding the plans. The commissioners shall also address the issue of whether these plans should be regulated as insurance, health maintenance organizations, or as another type of entity. The commissioners shall conduct the study in conjunction with the attorney general. The commissioners shall report the findings of the study to the legislature by January 1, 1992.

ARTICLE 6

DATA COLLECTION AND RESEARCH INITIATIVES

Section 1. [62J.42] [HEALTH CARE ANALYSIS UNIT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health shall establish a health care analysis unit to conduct data and research initiatives in order to improve the efficiency and effectiveness of health care in Minnesota.

Subd. 2. [GENERAL DUTIES; IMPLEMENTATION DATE.] The health care analysis unit shall:

(1) conduct applied research using existing and newly established health care data bases, and promote applications based on existing research;

(2) establish the condition-specific data base required under section 2;

(3) develop and implement data collection procedures to ensure a high level of cooperation from health care providers and health plans;

(4) provide technical assistance as needed to the department of health;

(5) periodically evaluate the state's existing health care financing and delivery programs;

(6) regularly prepare estimates, specific to Minnesota, of total health service expenditures and sources of payment;

(7) participate as a partner or sponsor of private sector initiatives that promote publicly disseminated applied research on health care delivery, outcomes, costs, quality, and management;

(8) conduct periodic surveys, including those required by section 4; and

(9) provide technical assistance to health plan and health care purchasers, as required by section 5.

Subd. 3. [CRITERIA FOR UNIT INITIATIVES.] Data and research initiatives by the health care analysis unit must:

(1) serve the needs of the general public, public sector health care programs, employers and other purchasers of health care, health care providers, including providers serving large numbers of low-income people, and health plan companies;

(2) promote a significantly accelerated pace of publicly disseminated, applied research on health care delivery, outcomes, costs, quality, and management;

(3) conduct research and promote health care applications based on scientifically sound and statistically valid methods;

(4) be statewide in scope, in order to benefit health care purchasers and providers in all parts of Minnesota and to ensure a broad and representative data base for research, comparisons, and applications;

(5) emphasize data that is useful, relevant, and nonredundant of existing data. The initiatives may duplicate existing private activities, if this is necessary to ensure that the data collected will be in the public domain;

(6) be structured to minimize the administrative burden on health plans, health care providers, and the health care delivery system; and

(7) promote continuous improvement in the efficiency and effectiveness of health care delivery.

Subd. 4. [CRITERIA FOR PUBLIC SECTOR HEALTH CARE PROGRAMS.] Data and research initiatives related to public sector health care programs must:

(1) assist the state's current health care financing and delivery programs to deliver and purchase health care in a manner that promotes improvements in health care efficiency and effectiveness;

(2) assist the state in its public health activities, including the analysis of disease prevalence and trends and the development of public health responses;

(3) assist the state in developing and refining its overall health policy, including policy related to health care costs, quality, access, and outcomes research; and

(4) provide a data source that allows the evaluation of state health care financing and delivery programs.

Subd. 5. [DATA COLLECTION PROCEDURES.] The health care analysis unit shall collect data from health care providers, health plan companies, and individuals in the most cost-effective manner, which does not unduly burden providers. The unit may require health care providers and health plan companies to collect and provide patient health data, provide mailing lists of patients, and cooperate in other ways with the data collection process. The health care analysis unit may assign, or require health care providers and health plan companies to assign, a unique identification number to each patient to safeguard patient identity.

Subd. 6. [DATA CLASSIFICATION.] (a) Data collected through the large-scale data base initiatives of the health care analysis unit required by sections 2 and 3 are classified as private data on individuals and may be disclosed only to: employees of the department of health working on unit initiatives; researchers affiliated with university research centers or departments, who are conducting research on health outcomes and practice parameters; researchers working under contract with the department of health; and individuals purchasing health care services for health plan companies and groups.

(b) Data collected through the survey research initiatives of the health care analysis unit required by section 4 are classified as public data under section 13.03, except that any patient or enrollee identifying information is private data.

(c) Summary data derived from data collected through the large-scale data base and survey research initiatives of the health care analysis unit may be provided under section 13.05, subdivision 7, and may be released in studies produced by the bureau of health care access.

Subd. 7. [DATA COLLECTION ADVISORY COMMITTEE.] The commissioner shall convene a 15 member data collection advisory

committee consisting of health service researchers, health care providers, health plan company representatives, representatives of businesses that purchase health coverage, and consumers. The advisory committee shall evaluate methods of data collection and shall recommend to the commissioner methods of data collection that minimize administrative burdens, address data privacy concerns, and meet the needs of health service researchers. The advisory committee is governed by section 15.059.

Subd. 8. [FEDERAL AND OTHER GRANTS.] The commissioner of health shall seek federal funding, and funding from private and other non-state sources, for the initiatives of the health care analysis unit.

Sec. 2. [62J.43] [LARGE-SCALE DATA BASE.]

Subdivision 1. [ESTABLISHMENT.] The health care analysis unit shall establish a large-scale data base for a limited number of health conditions. This initiative must meet the requirements of this section.

Subd. 2. [SPECIFIC HEALTH CONDITIONS.] (a) The data must be collected for specific health conditions, rather than specific procedures, types of health care providers, or services. The health care analysis unit shall designate up to eight specific health conditions for which data shall be collected during the first year of operation. For subsequent years, data may be collected for up to six additional specific health conditions. The number of specific conditions for which data is collected is subject to the availability of appropriations.

(b) The initiative must emphasize conditions that account for significant total costs, when considering both the frequency of a condition and the unit cost of treatment. The initial emphasis must be on the study of conditions commonly treated in hospitals on an inpatient or outpatient basis, or in freestanding outpatient surgical centers. As improved data collection and evaluation techniques are incorporated, this emphasis shall be expanded to include entire episodes of care for a given condition, whether or not treatment includes use of a hospital or a freestanding outpatient surgical center.

Subd. 3. [INFORMATION TO BE COLLECTED.] The data collected must include information on health outcomes, including information on mortality, morbidity, patient functional status and quality of life, symptoms, and patient satisfaction. The data collected must include information necessary to measure and make adjustments for differences in the severity of patient condition across different health care providers, and may include data obtained directly from the patient or from patient medical records. The data must be collected in a manner that allows comparisons to be

made between providers, health plan companies, public programs, and other entities.

Subd. 4. [DATA COLLECTION AND REVIEW.] Data collection for any one condition must continue for a sufficient time to permit: adequate analysis by researchers and appropriate providers, including providers who will be impacted by the data; feedback to providers; and monitoring for changes in practice patterns. The health care analysis unit shall annually review all specific health conditions for which data is being collected, in order to determine if data collection for that condition should be continued.

Subd. 5. [USE OF EXISTING DATA BASES.] (a) The health care analysis unit shall negotiate with private sector organizations currently collecting data on specific health conditions of interest to the unit, in order to obtain required data in a cost-effective manner and minimize administrative costs. The unit shall attempt to establish linkages between the large scale data base established by the unit and existing private sector data bases and shall consider and implement methods to streamline data collection in order to reduce public and private sector administrative costs.

(b) The health care analysis unit shall use existing public sector data bases, such as those existing for medical assistance and Medicare, to the greatest extent possible. The unit shall establish linkages between existing public sector data bases and consider and implement methods to streamline public sector data collection in order to reduce public and private sector administrative costs.

Sec. 3. [62J.44] [ANALYSIS AND USE OF DATA COLLECTED THROUGH THE LARGE-SCALE DATA BASE.]

Subdivision 1. [DATA ANALYSIS.] The health care analysis unit shall analyze the data collected on specific health conditions using existing practice parameters and newly researched practice parameters, including those established through the medical effectiveness studies of the federal government. The unit may use the data collected to develop new practice parameters, if development and refinement is based upon input from and analysis by practitioners, particularly those practitioners knowledgeable about and impacted by practice parameters. The unit may also refine existing practice parameters, and may encourage or coordinate private sector research efforts designed to develop or refine practice parameters.

Subd. 2. [EDUCATIONAL EFFORTS.] The health care analysis unit shall maintain and improve the quality of health care in Minnesota by providing practitioners in the state with information about practice parameters. The unit shall promote, support, and disseminate parameters for specific, appropriate conditions, and the research findings on which these parameters are based, to all

practitioners in the state who diagnose or treat the medical condition.

Subd. 3. [PEER REVIEWS.] The unit may require peer reviews for specific medical conditions for which medical practice in all or part of the state deviates from practice parameters. The unit may also require peer reviews for specific medical conditions for which there are large variations in treatment method or frequency of treatment in all or part of the state. Peer reviews may be required for all medical practitioners statewide, or limited to medical practitioners in specific areas of the state. The peer reviews shall determine if the procedures conducted by medical practitioners are medically necessary and appropriate, and within acceptable and prevailing practice parameters that have been disseminated by the health care analysis unit in conjunction with the appropriate professional organizations. If a medical practitioner's practice style does not change and the practitioner continues to perform procedures that are medically inappropriate, even after educational efforts by the review panel, the panel may report the practitioner to the appropriate professional licensing board.

Subd. 4. [PEER REVIEW ADVISORY COMMITTEE.] The commissioner shall convene a 15 member peer review advisory committee comprised of representatives of health care professional organizations, health licensing boards, and organizations such as the Foundation for Health Care Evaluation that conduct peer reviews. The advisory committee shall present recommendations for legislation to the health care analysis unit by January 1, 1992. These recommendations must address issues related to the establishment and composition of peer review panels, and the procedures to be followed by peer review panels. The advisory committee is governed by section 15.059.

Sec. 4. [62J.45] [SURVEY RESEARCH.]

The health care analysis unit shall conduct periodic surveys to accomplish the data and research goals listed in section 1. These surveys shall include, but are not limited to:

(1) surveys of enrollee satisfaction with health plans and health care providers;

(2) surveys to monitor changes over time in financial and geographic access and sources of health coverage;

(3) surveys of health service prices, especially for services less commonly covered by health insurance, or for which patients commonly face significant out-of-pocket expenses;

(4) surveys of health plan prices, especially for health plans sold on a community-rated or table-rated basis; and

(5) surveys of new procedures and treatments performed by health care providers, as a basis for considering changes in the benefits provided by state health coverage programs.

Sec. 5. [62J.46] [TECHNICAL ASSISTANCE FOR PURCHASERS.]

The health care analysis unit shall provide technical assistance to health plan and health care purchasers. The unit shall collect information about:

(1) premiums, benefit levels, managed care procedures, health care outcomes, and other features of popular health plans and health plan companies; and

(2) prices, outcomes, provider experience, and other information for services less commonly covered by insurance or for which patients commonly face significant out-of-pocket expenses.

The commissioner shall publicize this information in an easily understandable format.

Sec. 6. Minnesota Statutes 1990, section 145.61, subdivision 5, is amended to read:

Subd. 5. "Review organization" means a nonprofit organization acting according to clause (k) or a committee whose membership is limited to professionals and administrative staff, except where otherwise provided for by state or federal law, and which is established by a hospital, by a clinic, by one or more state or local associations of professionals, by an organization of professionals from a particular area or medical institution, by a health maintenance organization as defined in chapter 62D, by a nonprofit health service plan corporation as defined in chapter 62C, by a professional standards review organization established pursuant to United States Code, title 42, section 1320c-1 et seq., or by a medical review agent established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), or by the department of human services, to gather and review information relating to the care and treatment of patients for the purposes of:

(a) evaluating and improving the quality of health care rendered in the area or medical institution;

(b) reducing morbidity or mortality;

(c) obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;

(d) developing and publishing guidelines showing the norms of health care in the area or medical institution;

(e) developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;

(f) reviewing the quality or cost of health care services provided to enrollees of health maintenance organizations;

(g) acting as a professional standards review organization pursuant to United States Code, title 42, section 1320c-1 et seq.;

(h) determining whether a professional shall be granted staff privileges in a medical institution or whether a professional's staff privileges should be limited, suspended or revoked;

(i) reviewing, ruling on, or advising on controversies, disputes or questions between:

(1) health insurance carriers or health maintenance organizations and their insureds or enrollees;

(2) professional licensing boards acting under their powers including disciplinary, license revocation or suspension procedures and health providers licensed by them when the matter is referred to a review committee by the professional licensing board;

(3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;

(4) professionals and health insurance carriers or health maintenance organizations concerning a charge or fee for health care services provided to an insured or enrollee;

(5) professionals or their patients and the federal, state, or local government, or agencies thereof;

(j) providing underwriting assistance in connection with professional liability insurance coverage applied for or obtained by dentists, or providing assistance to underwriters in evaluating claims against dentists;

(k) acting as a medical review agent under section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b); or

(l) providing recommendations on the medical necessity of a

health service, or the relevant prevailing community standard for a health service; or

(m) reviewing a provider's professional practice as requested by the health care analysis unit under section 3.

Sec. 7. Minnesota Statutes 1990, section 145.64, is amended to read:

145.64 [CONFIDENTIALITY OF RECORDS OF REVIEW ORGANIZATION.]

Subdivision 1. [DATA AND INFORMATION.] All data and information acquired by a review organization, in the exercise of its duties and functions, shall be held in confidence, shall not be disclosed to anyone except to the extent necessary to carry out one or more of the purposes of the review organization, and shall not be subject to subpoena or discovery. No person described in section 145.63 shall disclose what transpired at a meeting of a review organization except to the extent necessary to carry out one or more of the purposes of a review organization. The proceedings and records of a review organization shall not be subject to discovery or introduction into evidence in any civil action against a professional arising out of the matter or matters which are the subject of consideration by the review organization. Information, documents or records otherwise available from original sources shall not be immune from discovery or use in any civil action merely because they were presented during proceedings of a review organization, nor shall any person who testified before a review organization or who is a member of it be prevented from testifying as to matters within the person's knowledge, but a witness cannot be asked about the witness' testimony before a review organization or opinions formed by the witness as a result of its hearings. ~~The provisions of this section shall not apply to a review organization of the type described in section 145.61, subdivision 5, clause (h).~~

Subd. 2. [PROVIDER DATA.] The restrictions in subdivision 1 shall not apply to judicial proceedings in which a health care provider contests the denial, restriction, or termination of clinical privileges by a health care facility. However, any data so disclosed in such proceedings shall not be admissible in any other judicial proceeding.

Sec. 8. [STUDY OF ADMINISTRATIVE COSTS.]

The health care analysis unit shall study costs and requirements incurred by health plan companies and health care providers that are related to the collection and submission of information to the state and federal government, insurers, and other third parties. The unit shall recommend to the commissioner by January 1, 1993, any

reforms that may reduce these costs without compromising the purposes for which the information is collected.

Sec. 9. [STUDY OF OUTCOMES-BASED PILOT PROJECT.]

The health care analysis unit shall examine the feasibility of establishing a pilot project to implement, administer, and evaluate an outcomes-based model of health care management that incorporates practice guidelines. The unit shall present recommendations to the commissioner by January 1, 1992.

ARTICLE 7

HEALTH INSURANCE REFORM

Section 1. [62A.135] [NONCOMPREHENSIVE POLICIES; MINIMUM LOSS RATIOS.]

(a) This section applies to individual or group policies, certificates, or other evidence of coverage designed primarily to provide coverage for hospital or medical expenses on a per diem, fixed indemnity, or nonexpense incurred basis offered, issued, or renewed, to provide coverage after August 1, 1991, to a Minnesota resident.

(b) Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, policies must return to Minnesota policyholders in the form of aggregate benefits under the policy, for each year, on the basis of incurred claims experience and earned premiums in Minnesota and in accordance with accepted actuarial principles and practices:

(1) at least 75 percent of the aggregate amount of premiums collected in the case of group policies; and

(2) at least 65 percent of the aggregate amount of premiums collected in the case of individual policies.

(c) Noncomprehensive policies subject to the provisions of this section are also subject to the requirements, penalties, and remedies applicable to Medicare supplement policies, as set forth in section 62A.36, subdivisions 1a, 1b, and 2.

The first supplement to the annual statement required to be filed pursuant to this paragraph must be for the annual statement required to be submitted on or after January 1, 1992.

Sec. 2. [62J.51] [PROVISION OF COVERAGE.]

No health plan company may deny an application for health coverage submitted to it by an individual, small group, or medium-

sized group, if the health plan company offers, sells, issues, or renews health coverage to entities of the same category as the entity that submitted the application. This section does not apply to Medicare supplemental coverage.

Sec. 3. [62J.52] [CANCELLATION.]

No health plan company may cancel or fail to renew health coverage that it provides to an individual, small group, or medium-sized group, except for nonpayment of a legally permitted premium or copayment, fraud or misrepresentation, noncompliance with plan provisions, or failure to maintain legally permitted participation requirements. This section does not apply to Medicare supplemental coverage.

Sec. 4. [62J.53] [PREEXISTING CONDITIONS.]

Subdivision 1. [BASIC COVERAGE.] No health plan company may limit basic coverage provided to an individual, small group, or medium-sized group on the basis of the past or present health status of any person, except as allowed by this section. For purposes of this requirement, "basic coverage" means the minimum insurance benefit set or the intermediate benefit set, parts A and B. On and after July 1, 1996, a health plan company may not exclude or limit basic coverage for pre-existing conditions. Prior to July 1, 1996, a health plan company may not exclude but may limit basic coverage of pre-existing conditions to a total benefit of \$3,000 per person for the first 12 months of coverage. This total benefit of \$3,000 is based upon coverage providing benefits equivalent to those commonly included in group health coverage offered by health maintenance organizations operating under chapter 62D. The commissioner of commerce shall adopt rules specifying an actuarially equivalent total benefit limitation that may be used with other levels of health coverage. A health plan company may not apply a pre-existing condition limitation if the person enrolled in new health coverage after having other health coverage, including medical assistance under chapter 256B or general assistance medical care under chapter 256D, that would have covered the condition, so long as coverage for the condition was continuous. An unexpired pre-existing condition limitation period under previous coverage may be applied under the person's new health coverage until it would have expired if the person had not switched coverage.

Subd. 2. [OPTIONAL COVERAGE.] If a person covered by basic coverage purchases or otherwise becomes covered by optional coverage, the health plan company providing the optional coverage may exclude or limit coverage under the optional coverage for pre-existing conditions for the first year of the optional coverage. This one-year pre-existing condition exclusion or limitation must not be used if the person purchases the optional coverage when the person initially enrolls in the state plan or if the condition would

have been covered by the person's previous coverage that was continuously in force. For purposes of this section, "optional coverage" means any coverage in excess of the minimum insurance benefit set or the intermediate benefit set.

Subd. 3. [MEDICARE SUPPLEMENTAL COVERAGE; NONAPPLICABILITY.] This section does not apply to Medicare supplemental coverage.

Sec. 5. [62J.54] [LEVEL COMMISSIONS.]

No health plan company may pay commissions or other compensation to an agent or broker, with respect to the sale of health coverage, unless payment of the commissions is spread evenly over a period of at least five years from the date of purchase of the coverage.

Sec. 6. [62J.55] [COMMUNITY RATING REQUIRED.]

Subdivision 1. [COMMUNITY RATING.] No health plan company may offer, sell, issue, or renew health coverage to any individual or small group, unless the premium charged for the coverage is community rated. If the health plan company participates in the state plan, the community rate charged in the private market for a plan with the same set of benefits must equal the rate charged in the state plan. Health plan companies must use the following rate cells only: (1) one person; (2) a two-person family; and (3) a family of three or more persons, and health plan companies may charge a different rate for each cell.

Subd. 2. [LIMITATIONS.] Under community rating, the rate charged may not take into account the age, sex, health status, disability, occupation, geographical location, or any other factor except the following:

(1) actuarially valid differences in benefit levels, assuming average utilization rates;

(2) differences in family size, except that family members in excess of three must be disregarded;

(3) actual differences in acquisition and administration costs between individuals as a whole and small groups as a whole; and

(4) premium reductions of no more than four percent for individuals or small groups that engage in activities or practices intended to promote the health of the covered persons.

Subd. 3. [PHASE-IN PERIOD.] No later than July 1, 1992, each health plan company that offers, sells, issues or renews health

coverage for individuals or small groups in this state must determine and file with the commissioner of commerce a single base community rate. This rate may include adjustments permitted by subdivisions 1 and 2. This rate and the adjustments may be changed by the health plan company at any time except as otherwise limited by the commissioner of commerce. From July 1, 1992 until June 30, 1993, each health plan company may offer premium rates to particular individuals or small groups that are no more than 30 percent above and no more than 30 percent below the base community rate, as adjusted as permitted in subdivisions 1 and 2. Beginning July 1, 1993, the maximum permitted percentage deviation from the base community rate as adjusted is 20 percent. Beginning July 1, 1994, the maximum permitted percentage deviation from the base community rate as adjusted is ten percent. Beginning July 1, 1995, no deviation from the base community rate as adjusted is permitted. Coverage purchased at a premium rate permitted on the date of purchase, but subsequently no longer permitted under this section, may remain in effect at that premium rate for a period not to exceed one year from date of purchase.

Subd. 4. [MEDICARE SUPPLEMENTAL COVERAGE.] This section does not apply to Medicare supplemental coverage, except as provided in section 8.

Sec. 7. [62J.56] [COMPENSATION OF AGENTS.]

Subdivision 1. [COMPENSATION; PRIVATE MARKET.] No health plan company shall, with respect to health coverage provided in the private market:

(1) make the amount of its compensation of an agent, broker, or employee depend in any way, directly or indirectly, upon the loss ratio or any other underwriting performance of health coverage written through the agent, broker, or employee; or

(2) cancel, terminate, or fail to renew an agency, brokerage, or employment contract or arrangement, or reduce or restrict underwriting authority on the basis of the loss ratio, or any other underwriting performance of health coverage written through an agent, broker, or employee.

Subd. 2. [COMPENSATION; STATE PLAN.] No health plan company shall, with respect to health coverage provided through the state plan, pay agent commissions. The commissioner may contract with insurance agents and brokers for outreach and enrollment services to the new state plan for set fees.

Sec. 8. [62J.57] [MEDICARE SUPPLEMENTAL COVERAGE.]

Subdivision 1. [COMMUNITY RATING.] Health plan companies

that sell Medicare supplemental coverage must establish a separate community rate, as described in section 6, for that coverage. The community rate must be the same in the private market as in the state plan, for health plan companies that sell that coverage through the state plan. Beginning July 1, 1992, no Medicare supplemental coverage may be offered, issued, or sold to a Minnesota resident except at the community rate required by this section.

Subd. 2. [OPEN ENROLLMENT.] Health plan companies offering Medicare supplement coverage through either the private market or the state plan, or both, must offer such coverage on an open enrollment basis without requiring health screening or other measures of insurability, to any individual applying for coverage within six months of initial eligibility for Medicare Part B.

Subd. 3. [OTHER REGULATION.] The requirements of this section are in addition to any requirements applicable to Medicare supplemental plans contained in chapter 62A.

Sec. 9. [62J.58] [BIASED SELECTION ADJUSTMENT.]

Subdivision 1. [REPORT.] Each health plan company must annually provide the commissioner of health with a report of the number of males and females that it covered in the individual and small group market for the past calendar year, together with data showing the age distribution of the covered persons, separately for males and females. A person covered by that company for only a portion of the year counts on a pro rata basis, based upon the closest whole number of months during which that person was covered. For each age-sex combination, the total cost incurred must be shown. Data must be shown separately for Medicare supplemental coverage and for coverage provided through the state plan and through the private market.

Subd. 2. [ASSESSMENTS AND PAYMENTS.] Each company must pay an assessment or receive a reimbursement, based upon the extent to which that company's age-sex distribution of covered persons differs from the statewide average for the entire individual and small group market. The commissioner of health shall adopt rules specifying a procedure including the creation of a formula for determining the amount of the reimbursement or assessment with respect to individual companies. The rules for determining the amounts of reimbursements to and assessments on individual health plan companies must take into account differences in coverage levels, reinsurance pool premiums, and managed care activities that affect costs. Health plan companies whose inefficient managed care activities result in higher costs must not be compensated for those higher costs by this biased selection adjustment. The commissioner shall implement the formula by rule before any health plans are liable for payments under this biased selection adjustment provision.

Subd. 3. [IMPACT ON SMALL EMPLOYERS.] The commissioner shall design the formula in such a way that it does not become a cost burden to small employers who purchase coverage in the private market.

Subd. 4. [TRUST FUND.] Payment of assessments must be made to the commissioner of health and maintained in a separate trust fund, out of which the reimbursements required by this section will be paid. Reimbursements will be made only out of this trust fund and only to the extent of assessments received. Any shortfall in assessment payments received results in pro rata adjustments in reimbursements made to health plan companies, to be compensated for in subsequent years from subsequent assessments.

Sec. 10. [62J.59] [MEDIUM-SIZED GROUPS.]

Each health plan company that offers, sells, issues, or renews health coverage for medium-sized groups in this state must determine a single base community rate for medium-sized groups. The base community rate may be adjusted to reflect differences in benefit levels or other product differences. Each health plan company participating in the medium-sized group market may offer premium rates to particular medium-sized groups that are no more than 30 percent above and no more than 30 percent below that base community rate. These premium differences may be based upon any underwriting criteria permitted by law. No health plan company may increase the premium it charges to a medium-sized group for which it provides coverage if the increase would exceed the increase in that health plan company's base community rate plus 15 percent per year. Each health plan company must provide the commissioner of commerce with a detailed description of its rating methodology, including actuarial justifications for its base community rate and for premiums that deviate from it, except that health plan companies operating under chapter 62D must provide the descriptions and justifications to the commissioner of health.

Sec. 11. [62J.60] [MINIMUM LOSS RATIOS.]

All health coverage sold by health plan companies in this state must have loss ratios no lower than those to be specified by rule by the commissioner of health for health plan companies operating under chapter 62D and by the commissioner of commerce for all other health plan companies. The minimum loss ratios may differ between the individual, small group, medium-sized group, and large group market. The commissioners shall adopt rules to establish the minimum loss ratios. This section does not apply to types of coverage for which minimum loss ratios are established by statute.

Sec. 12. [62J.62] [REINSURANCE POOL.]

(a) All health plan companies selling health coverage to individ-

uals, small groups, or medium-sized groups in this state, including coverage provided through the state plan, must participate in the Minnesota health reinsurance pool. The commissioner of health shall administer this reinsurance pool, which must provide reinsurance to participating health plan companies for:

(1) 85 percent of costs incurred for any case, to the extent that the costs of care exceed \$30,000;

(2) 85 percent of costs incurred for any case assigned to the reinsurance pool pursuant to section 13; and

(3) 100 percent of costs in excess of \$100,000 incurred for any case.

(b) For the purposes of paragraph (a), clause (2), a case qualifies for reinsurance coverage if a specific patient receives \$30,000 or more in covered services for a specific cause or spell of illness in a period of 12 or fewer consecutive months. The reinsurance benefit period continues until the end of 12 consecutive months in which the patient receives less than \$10,000 in covered services for that cause or spell of illness.

Sec. 13. [62J.63] [AUTOMATIC ASSIGNMENT TO REINSURANCE POOL.]

With respect to health plan coverage of individuals, small groups, or medium-sized groups in this state, all cases that involve a high probability of incurring costs that exceed \$30,000 for a specific cause or spell of illness during a 12-month period shall be called "presumptive conditions." The commissioner of health shall adopt rules specifying a list of presumptive conditions. Persons having presumptive conditions at the time of initial enrollment must be assigned to the reinsurance pool by the commissioner of health upon receipt of a request from the health plan company insuring that person, together with any documentation reasonably required by the commissioner.

Sec. 14. [62J.64] [CASE MANAGEMENT FOR REINSURANCE POOL.]

The commissioner of health shall contract for case management services designed to provide cost-effective treatment of cases assigned to the reinsurance pool.

Sec. 15. [62J.65] [REINSURANCE POOL PREMIUMS.]

Each health plan company participating in the Minnesota health reinsurance pool must pay premiums for the reinsurance coverage in the amounts and at the times specified by the commissioner of health. The reinsurance premiums must be determined on a com-

munity-rated basis, except that adjustments must be made to reflect differences in managed care systems. Health plan companies providing only dental care or other limited coverage must be charged reinsurance premiums that reflect the expected cost to the reinsurance pool attributable to that category of limited coverage. The premiums must include the cost of administering the reinsurance pool. Premiums charged for the first 12 months of the pool's existence must include all start-up costs.

Sec. 16. [62J.66] [ENFORCEMENT AUTHORITY.]

The commissioner of commerce and commissioner of health have the responsibility and authority to enforce sections 1 to 8, 10, and 11, with respect to the health plan companies that they respectively regulate, and have all of the powers otherwise granted to them by statute for use in carrying out their respective responsibilities under this chapter.

Sec. 17. [DEPARTMENT OF COMMERCE STUDY.]

The department of commerce shall review the adequacy of reserves of companies selling noncomprehensive policies subject to Minnesota Statutes, section 62A.135 and the earnings generated from the investment of the premium dollars paid for these policies. The department shall also review the loss ratios of all accident and health policies sold in Minnesota and the appropriateness of these loss ratios in light of operating expenses, reserves, paid claims, and other relevant factors. The reviews under this section shall be treated as an examination for purposes of applying the requirements of Minnesota Statutes, section 60A.031.

The department shall report the results of its review to the chairs of the house financial institutions and insurance committee and the senate commerce committee by January 1, 1992.

Sec. 18. [REINSURANCE POOL TASK FORCE.]

The commissioner of health shall convene a task force comprised of representatives of health plan companies, selected by the commissioner of health, and staff of the departments of health and commerce, designated by the respective commissioners. The task force shall, no later than January 1, 1992, make written recommendations to the commissioner of health and to the chairs of the house committee on financial institutions and insurance and of the senate commerce committee as to the operation of the mandatory reinsurance pool required by Minnesota Statutes, section 62J.62.

Sec. 19. [MEDICARE SUPPLEMENTAL COMMUNITY RATING STUDY.]

The department of commerce shall study the possible effects of community rating on Medicare supplemental coverage enrollees and shall report its findings and any recommendations, no later than January 1, 1992, to the chairs of the house committee on financial institutions and insurance and of the senate commerce committee. The study and report must consider the effects on premiums charged to different types of enrollees, the effects on enrollment, and the effects on average premium levels.

Sec. 20. [EFFECTIVE DATE.]

Sections 2 to 16 are effective July 1, 1992, except that all rulemaking authority granted in sections 2 to 16 is effective the day following final enactment. Sections 17 to 19 are effective the day following final enactment.

ARTICLE 8

SMALL EMPLOYER HEALTH BENEFITS

Section 1. [62K.01] [CITATION AND PURPOSE.]

Subdivision 1. [CITATION.] This chapter may be cited as the "small employer health benefit act of 1991."

Subd. 2. [FINDINGS.] The legislature finds that a significant number of uninsured residents of the state of Minnesota are employed by small employers. Small employers may be unable to purchase affordable health coverage because of the application of mandated benefits to all health plan products and the historical underwriting and rating practices applied by health carriers to small employer groups. The legislature believes that access to health insurance may improve for small employers if specific rating and underwriting restrictions, in conjunction with the use of a reinsurance pool, are imposed on all health carriers doing business in the small employer market, if health carriers are permitted to offer a limited benefit plan, and if a systematic review of proposed new benefits is required.

Subd. 3. [PURPOSE.] The purpose of this chapter is to promote the availability of health insurance to small employers; to impose certain restrictions on the underwriting and rating of small employer groups; to improve access to health care services to the employees of small employers and their dependents; to establish a reinsurance pool to enable health carriers to more equitably spread the risk of loss associated with small employer business; and to provide for the systematic review of the social and financial impacts of proposed mandated benefits.

Subd. 4. [JURISDICTION.] This chapter applies to any health

carrier that offers, issues, delivers, or renews a health benefit plan to one or more employees of a small employer.

Sec. 2. [62K.02] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of this chapter, the terms defined in this section have the meanings given them unless the language or the context clearly indicates otherwise.

Subd. 2. [ACTUARIAL OPINION.] "Actuarial opinion" means a written statement by a member of the American Academy of Actuaries that a health carrier is in compliance with this chapter, based on the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods utilized by the health carrier in establishing premium rates for health benefit plans.

Subd. 3. [APPROPRIATE COMMITTEE CHAIRS.] "Appropriate committee chairs" means the chairs of the house health and human services committee, the house financial institutions and insurance committee, the senate commerce committee, and the senate health and human services committee.

Subd. 4. [ASSOCIATION.] "Association" means the small employer reinsurance association created by section 62K.10.

Subd. 5. [BASE PREMIUM RATE.] "Base premium rate" means for each class of business as to a rating period, the lowest premium rate charged or which could have been charged under a rating system for that class of business by the health carrier to small employers with similar case characteristics for health benefit plans with the same or similar coverage.

Subd. 6. [BOARD OF DIRECTORS.] "Board of directors" means the board of directors of the small employer reinsurance association created by section 62K.10.

Subd. 7. [CASE CHARACTERISTICS.] "Case characteristics" means the relevant characteristics of a small employer, as determined by a health carrier, which are considered by the carrier in the determination of premium rates for the small employer. Such relevant characteristics include, but are not limited to, geographic area, employer group size, benefit differences, and family composition. Age, sex, claims experience, health status, and industry of the employer and duration of issue are not case characteristics for the purposes of this chapter.

Subd. 8. [CLASS OF BUSINESS.] "Class of business" means all of the small employer business of a health carrier as shown on the

records of the health carrier except that a health carrier may establish a distinct grouping of small employers:

(1) if a class of business was acquired from another health carrier;

(2) if the class of business relies on substantially different managed care requirements, including but not limited to the use of limited provider networks, prior authorization, concurrent review, discharge planning, and case management;

(3) if the class of business is marketed and sold through persons not participating in the sale of health benefit plans to other distinct groupings of small employers; or

(4) if the class of business is provided through an association of not less than 100 employers which has been formed for purposes other than obtaining insurance.

The commissioner may approve the establishment of additional classes of business upon application to the commissioner and a finding by the commissioner that such action would enhance the efficiency and fairness of the small employer market.

Subd. 9. [COINSURANCE.] "Coinsurance" means an established dollar amount or percentage of health care expenses that an eligible employee or dependent is required to pay directly to a provider of medical services or supplies pursuant to the terms of a health benefit plan.

Subd. 10. [COMMISSIONER.] "Commissioner" means the commissioner of commerce for plans governed by chapter 62A or 62C or the commissioner of health for health maintenance organizations governed by chapter 62D, or the relevant commissioner's designated representative.

Subd. 11. [CONTINUOUS COVERAGE.] "Continuous coverage" means the maintenance of continuous and uninterrupted health plan coverage by an eligible employee or dependent. An eligible employee or dependent shall be deemed to have maintained continuous coverage if the individual requests enrollment in a health benefit plan within 30 days of termination of the prior health plan coverage.

Subd. 12. [DEDUCTIBLE.] "Deductible" means the amount of health care expenses an eligible employee or dependent is required to incur before benefits are payable under a health benefit plan.

Subd. 13. [DEMOGRAPHIC COMPOSITION.] "Demographic composition" means the age and sex characteristics of eligible employees, the family composition of eligible employees, and the

standard age categories used by a health carrier to establish premiums.

Subd. 14. [DEPARTMENT.] "Department" means the department of commerce or the department of health, as applicable.

Subd. 15. [DEPENDENT.] "Dependent" means an eligible employee's spouse, unmarried child who is under the age of 19 years, dependent child who is a student under the age of 25 years and financially dependent upon the eligible employee, or dependent child of any age who is disabled, subject to the applicable terms of the health benefit plan issued by the health carrier.

Subd. 16. [DURATION OF ISSUE.] "Duration of issue" means a rate factor used to justify higher rates which incorporated the length of time a group is covered by a health carrier, but which does not incorporate claims experience or health status.

Subd. 17. [ELIGIBLE CHARGES.] "Eligible charges" means the actual charges submitted to a health carrier by or on behalf of a provider, eligible employee, or dependent for health services covered by the carrier's health benefit plan. Eligible charges do not include charges for health services excluded by the health benefit plan or charges for which an alternate carrier is liable pursuant to the coordination of benefit provisions of the health benefit plan.

Subd. 18. [ELIGIBLE EMPLOYEE.] "Eligible employee" means an individual employed by a small employer for at least 20 hours per week on a regular basis and who has satisfied all employer participation and eligibility requirements, including but not limited to the satisfactory completion of a probationary period of not less than 30 days. A late entrant is not an eligible employee.

Subd. 19. [FINANCIALLY IMPAIRED CONDITION.] "Financially impaired condition" means a health carrier which is not insolvent and (1) is deemed by the commissioner to be potentially unable to fulfill its contractual obligations, or (2) is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

Subd. 20. [HEALTH BENEFIT PLAN.] "Health benefit plan" means any policy, contract, or certificate issued by a health carrier to a small employer for the coverage of medical and hospital benefits. Health benefit plan includes a small employer plan as defined in subdivision 33. The term does not include coverage that is:

- (1) limited to disability or income protection coverage;
- (2) automobile medical payment coverage;

- (3) supplemental to liability insurance;
- (4) designed solely to provide payments on a per diem, fixed indemnity or nonexpense-incurred basis;
- (5) credit accident and health insurance issued pursuant to chapter 62B;
- (6) designed solely to provide dental or vision care;
- (7) blanket accident and sickness insurance as defined in section 62A.11;
- (8) accident only coverage issued by a licensed and tested insurance agent or solicitors that provides reasonable benefits in relation to the cost of covered services;
- (9) long-term care insurance as defined in section 62A.46; or
- (10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44.

For the purpose of this act, a health benefit plan issued to employees of a small employer who meets the participation requirements of section 62K.03 shall be deemed to have been issued to a small employer. A health benefit plan issued on behalf of a health carrier shall be deemed to be issued by the health carrier.

Subd. 21. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; and a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended.

For the purpose of this act companies that are affiliated companies or that are eligible to file a consolidated tax return shall be treated as one carrier except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation may treat the health maintenance organization as a separate health carrier.

Subd. 22. [HEALTH PLAN.] "Health plan" means a health benefit plan issued by a health carrier:

(1) to a small employer;

(2) to any employer who does not satisfy the definition of a small employer as set forth in subdivision 31; or

(3) to any individual purchasing an individual or conversion policy of health care coverage issued by a health carrier.

Subd. 23. [INDEX RATE.] "Index rate" means for each class of business as to a rating period for small employers with similar case characteristics, the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

Subd. 24. [LATE ENTRANT.] "Late entrant" means an eligible employee or dependent who is not enrolled in a small employer's health benefit plan. Late entrants may be subject to a preexisting condition limitation or exclusion from coverage for up to 18 months from the effective date of coverage of the late entrant. An otherwise eligible employee or dependent shall not be a late entrant if:

(1) the individual was covered by another group health plan at the time the individual was eligible to enroll in a health benefit plan, declined enrollment on that basis, and presents to a health carrier a certificate of termination of such coverage, provided that the individual maintains continuous coverage;

(2) the individual has lost coverage under another group health plan due to the expiration of benefits available under the Consolidated Omnibus Budget Reconciliation Act of 1981 (COBRA), Public Law Number 99-272, as amended, and any state continuation laws applicable to the employer or health carrier, provided that the individual maintains continuous coverage;

(3) the individual is a new spouse of an eligible employee, provided that enrollment is requested within 30 days of the date of marriage; or

(4) the individual is a new dependent child of an eligible employee, provided that enrollment is requested within 30 days of the date of birth or adoption.

Subd. 25. [MANDATED BENEFIT OR ELIGIBILITY.] "Mandated benefit or eligibility" means a health plan benefit or eligibility required by state law to be included in a health plan offered or issued by a health carrier that requires the coverage of or the offer of coverage of specific diseases, conditions, treatments, services, or persons, or the direct reimbursement of services rendered by specific types of health care providers.

Subd. 26. [MCHA.] "MCHA" means the Minnesota comprehensive health association established pursuant to section 62E.10.

Subd. 27. [MEDICAL NECESSITY.] "Medical necessity" means the appropriate and necessary medical and hospital services eligible for payment under a health benefit plan as determined by a health carrier.

Subd. 28. [MEMBERS.] "Members" means the health carriers operating in the small employer market who are members of the association.

Subd. 29. [PREEXISTING CONDITION.] "Preexisting condition" means any condition manifesting in such a manner as would cause an ordinarily prudent person to seek medical advice, diagnosis, care, or treatment or for which medical advice, diagnosis, care, or treatment was recommended or received during the six months immediately preceding the effective date of coverage, or as to a pregnancy existing as of the effective date of coverage of a health benefit plan.

Subd. 30. [RATING PERIOD.] "Rating period" means the 12 month or prorated calendar period for which premium rates established by a health carrier are assumed to be in effect, as determined by the health carrier.

Subd. 31. [SMALL EMPLOYER.] "Small employer" means any person, firm, corporation, partnership, association, or other entity actively engaged in business who, on at least 50 percent of its working days during the preceding calendar year, employed no less than two nor more than 15 eligible employees. If a small employer has only two eligible employees, the employees must not be the spouse, child, sibling, parent, or grandparent of the other. Entities which are eligible to file a combined tax return for purposes of state tax laws shall be considered a single employer for purposes of determining the number of eligible employees. Small employer status shall be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this act shall continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan.

Subd. 32. [SMALL EMPLOYER MARKET.] "Small employer market" means the market for group health benefit plans for small employers. A health carrier shall be considered to be participating in the small employer market if the health carrier offers, sells, issues, or renews a health plan to any small employer or the eligible employees of a small employer offering a group health benefit plan.

Subd. 33. [SMALL EMPLOYER PLAN.] "Small employer plan" means a health benefit plan issued by a health carrier to a small

employer for coverage of the medical and hospital benefits described in section 62K.05.

Subd. 34. [TRANSITION PERIOD.] "Transition period" means July 1, 1992, through June 30, 1993.

Sec. 3. [62K.03] [PARTICIPATION REQUIREMENTS.]

Subdivision 1. [CARRIER PARTICIPATION.] Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, offer, sell, issue, and renew any health benefit plan to small employers in accordance with this chapter. Beginning during the transition period, as defined in section 62K.02, subdivision 34, every health carrier participating in the small employer market shall make available a health benefit plan to small employers and shall fully comply with the underwriting and rate restrictions set forth in this chapter. A health carrier may cease to transact business in the small employer market pursuant to section 62K.09.

Subd. 2. [EXCEPTION TO CARRIER PARTICIPATION.] A health carrier transacting business in the small employer market shall not be required to offer a health benefit plan to small employers pursuant to this chapter if the commissioner finds that such offer would place the health carrier in a financially impaired condition. A health carrier which does not offer a health benefit plan to small employers pursuant to this subdivision shall not offer a health benefit plan to small employers for 180 days following a determination by the commissioner that the health carrier has ceased to be in a financially impaired condition.

Subd. 3. [EMPLOYER PARTICIPATION.] Health carriers shall require that:

(1) 75 percent of a small employer's eligible employees who have not waived coverage participate in any health benefit plan offered, sold, issued, or renewed by the health carrier; and

(2) small employers contribute a minimum of 50 percent of the premium charged by the health carrier for coverage of an eligible employee.

Subd. 4. [UNDERWRITING RESTRICTIONS.] Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted by this chapter. Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees of small employers. Except as hereinafter permitted with respect to late

entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective date of coverage of an eligible employee's or dependent's health benefit plan. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by another health benefit plan, provided that the individual maintains continuous coverage. Late entrants may be subject to a preexisting condition limitation not to exceed 18 months from the effective date of coverage of the late entrant. Late entrants may also be excluded from coverage for a period not to exceed 18 months, provided that if a health carrier imposes an exclusion from coverage and a preexisting condition limitation, the combined time period for both the coverage exclusion and preexisting condition limitation shall not exceed 18 months.

Subd. 5. [CANCELLATIONS.] No health carrier shall cancel, decline to issue, or fail to renew a health benefit plan as a result of the claim experience or health status of the small employer group; provided, however, that a health carrier may cancel, decline to issue, or fail to renew a health benefit plan:

(1) for nonpayment of the required premium or contributions toward premiums by the small employer or eligible employee;

(2) for fraud or misrepresentation by the small employer, eligible employee, or dependent with respect to their eligibility for coverage or any other material fact;

(3) if eligible employee participation during the preceding calendar year declines to less than 75 percent;

(4) for failure of an employer to comply with the health carrier's premium contribution requirements;

(5) if a health carrier ceases to do business in the small employer market pursuant to section 62K.09;

(6) for any other reasons or grounds expressly permitted by the respective licensing laws and regulations governing a health carrier, including but not limited to any service area restrictions imposed on health maintenance organizations pursuant to section 62D.03, subdivision 4, paragraph (m), and insufficient provider network capacity, as determined by the commissioner, to the extent that these grounds are not expressly inconsistent with this chapter.

Subd. 6. [MCHA ENROLLEES.] Health carriers shall offer coverage to any eligible employee or dependent enrolled in MCHA at the time of the health carrier's issuance of a health benefit plan to a small employer. MCHA enrollees shall be offered the option: (a) to be enrolled in the small employer's health benefit plan as of the first

date of renewal of a health benefit plan occurring on or after July 1, 1992, or, in the case of a new group, as of the initial effective date of the health benefit plan; or (b) to continue to be enrolled in MCHA. If the MCHA enrollee chooses to remain in MCHA, the employer must (a) pay the difference between the deductible paid by other employees for the group coverage and the deductible paid by the MCHA enrollee for the comprehensive health insurance plan; (b) pay the difference between the coinsurance paid by other employees under the group health plan and the MCHA enrollee under the comprehensive insurance plan; and (c) ensure that the MCHA enrollee does not pay more in premium contribution and out-of-pocket maximums for coverage under the MCHA coverage than the largest contribution toward premium and out-of-pocket maximums paid by any other employee receiving health care coverage through the same employer. Unless otherwise permitted by this act, health carriers shall not impose any underwriting restrictions, including any preexisting condition limitations on any eligible employee or dependent previously enrolled in MCHA and transferred to a health benefit plan so long as continuous coverage is maintained.

Sec. 4. [62K.04] [TRANSITION PERIOD.]

Subdivision 1. [APPLICABILITY OF CHAPTER REQUIREMENTS.] During the transition period, as defined in section 62K.02, subdivision 34, health carriers participating in the small employer market shall offer and make available a health benefit plan to small employers who satisfy the small employer participation requirements specified in section 62K.03, subdivision 3, and shall comply with the underwriting, rating, and other requirements set forth in sections 62K.03 to 62K.09. Compliance with these requirements is required as of the first renewal date of any small employer group occurring during the transition period. For new small employer business, compliance is required as of the first date of offering occurring during the transition period.

Subd. 2. [NEW CARRIERS.] A health carrier entering the small employer market after the transition period, as defined in section 62K.02, subdivision 34, shall begin complying with this chapter during the 365-day period beginning with the health carrier's initial offer, issue, or delivery of a health benefit plan to a small employer or an eligible employee of a small employer. Compliance with this chapter's requirements is required as of the first date of offering of a health benefit plan to a small employer. A health carrier entering the small employer market after the transition period shall be deemed to be a member of the small employer reinsurance association established by section 62K.10 as of the date of the health carrier's initial offer of a health benefit plan to a small employer.

Sec. 5. [62K.05] [SMALL EMPLOYER PLAN BENEFITS.]

Subdivision 1. [BENEFIT DESIGN.] The minimum benefits of a

small employer plan offered by a health carrier shall be equal to 80 percent of the cost of health care services covered under the small employer plan, in excess of an annual deductible which shall not exceed \$500 per individual and \$1,000 per family. Each small employer offered a small employer plan must be offered a plan that has an annual deductible of \$100 per individual and a plan that has an annual deductible of \$250 per individual. Coinsurance and deductibles shall not apply to child health supervision services and prenatal services, as defined by section 62A.047.

Out-of-pocket costs for covered services shall not exceed \$3,000 per individual and \$6,000 per family per year. The maximum lifetime benefit shall not be less than \$500,000.

Subd. 2. [MINIMUM BENEFITS.] The medical services and supplies listed in this subdivision are the minimum benefits that must be covered by a small employer plan:

(1) inpatient and outpatient hospital services, excluding services provided for the diagnosis, care or treatment of chemical dependency or a mental illness or condition, other than those conditions specified in clauses (10), (11), and (12);

(2) physician services for the diagnosis or treatment of illnesses, injuries, or conditions;

(3) diagnostic X rays and laboratory tests;

(4) ground transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition, or as otherwise required by the health carrier;

(5) services of a home health agency if the services qualify as reimbursable services under Medicare and are directed by a physician or qualify as reimbursable under the health carrier's most commonly sold health plan for insured group coverage;

(6) services of a private duty registered nurse if medically necessary, as determined by the health carrier;

(7) the rental or purchase, as appropriate, of durable medical equipment, other than eyeglasses and hearing aids;

(8) child health supervision services up to age 18, as defined in section 62A.047;

(9) maternity and prenatal care services as defined in section 62A.047;

(10) inpatient hospital and outpatient services for the diagnosis and treatment of certain mental illnesses or conditions, as defined by the International Classification of Diseases-Clinical Modification (ICD-9-CM), seventh edition (1990) and as classified as ICD-9 codes 295 to 299;

(11) up to ten hours per year of outpatient mental health diagnosis or treatment for illnesses or conditions not described in clause (10);

(12) up to 60 hours per year of outpatient treatment of chemical dependency;

(13) 50 percent of the cost of prescription drugs, up to a separate annual maximum out-of-pocket expense of \$1,000 per individual for prescription drugs, and 100 percent of the cost thereafter; and

(14) chiropractic services for the diagnosis or treatment of illnesses, injuries, or conditions within the chiropractic scope of practice as defined in section 148.01. Examination by, or referral from, a medical physician shall not be a condition of receipt of chiropractic care under this subdivision.

Subd. 3. [ADDITIONAL BENEFITS.] Health carriers may offer small employers additional benefits not listed in this section, so long as all requirements of this chapter are met.

Subd. 4. [BENEFIT EXCLUSIONS.] No medical, hospital, or other health care benefits, services, supplies, or articles not expressly set forth in subdivision 2 are required to be included in a health benefit plan. Nothing in subdivision 2 shall restrict the right of a health carrier to restrict coverage to those services which are medically necessary. Health carriers may exclude any benefit, service, supply, or article not expressly set forth in subdivision 2 from a health benefit plan.

Subd. 5. [CONTINUATION COVERAGE.] Health benefit plans must include only the continuation of coverage provisions required by the Consolidated Omnibus Reconciliation Act of 1981 (COBRA), Public Law Number 99-272, as amended.

Subd. 6. [DEPENDENT COVERAGE.] Other state law and rules applicable to health plan coverage of newborn infants, dependent children who do not reside with the eligible employee, handicapped children, and dependents and adopted children shall apply to a health benefit plan, provided, however, that section 62A.151 shall not apply to a health benefit plan issued to small employers.

Subd. 7. [MEDICAL EXPENSE REIMBURSEMENT.] Health carriers may reimburse or pay for medical services provided pursuant to a health benefit plan in accordance with the health carrier's

provided contract requirements including but not limited to salaried arrangements, capitation, the payment of usual and customary charges, fee schedules, discounts from fee-for-service, per diems, diagnostic-related groups (DRGs), and other payment arrangements. Nothing in this chapter requires a health carrier to develop, implement, or change its provider contract requirements for a health benefit plan. Coinsurance, deductibles, out-of-pocket maximums, and maximum lifetime benefits must be calculated and determined in accordance with each health carrier's standard business practices.

Subd. 8. [PLAN DESIGN.] Notwithstanding any other law, regulation, or administrative interpretation to the contrary, health carriers may offer a health benefit plan through any provider arrangement, including but not limited to the use of open, closed, or limited provider networks. The provider networks offered by any health carrier may be specifically designed for the small employer market and may be modified at the carrier's election so long as any necessary regulatory requirements are met. Health carriers shall use professionally recognized provider standards of practice when they are available, and may use any utilization management practices otherwise permitted by law, including but not limited to second surgical opinions, prior authorization, concurrent and retrospective review, referral authorizations, case management and discharge planning. A health carrier may contract with groups of providers with respect to health care services or benefits, and may negotiate with providers regarding the level or method of reimbursement provided for services rendered under a health benefit plan.

Subd. 9. [ACTUARIALLY EQUIVALENT HMO PLAN PERMITTED.] Health maintenance organizations regulated under chapter 62D may offer and make available a small employer plan that differs from the plan set forth in subdivisions 1 and 2. This alternative small employer plan must be actuarially equivalent to the minimum benefits set forth in subdivisions 1 and 2, but must be more similar to the structure of benefits customarily provided by health maintenance organizations. The commissioner of health shall adopt rules specifying the minimum set of benefits required by this subdivision.

Sec. 6. [62K.06] [DISCLOSURE OF UNDERWRITING RATING PRACTICES.]

When offering or renewing a health benefit plan, health carriers shall disclose in all solicitation and sales materials:

(1) the case characteristic factors used to determine initial and renewal rates;

(2) the extent to which premium rates for a small employer are

established or adjusted based upon actual or expected variation in claim experience;

(3) provisions concerning the health carrier's right to change premium rates and the factors other than claim experience that affect changes in premium rates;

(4) a description of the class of business in which a small employer is or will be included, including the applicable grouping of plan;

(5) provisions relating to renewability of coverage;

(6) the use and effect of any preexisting condition provisions, if permitted; and

(7) the use of any provider network arrangements and effect on eligibility for benefits.

Sec. 7. [62K.07] [SMALL EMPLOYER REQUIREMENTS.]

Subdivision 1. [VERIFICATION OF ELIGIBILITY.] A small employer purchasing a health benefit plan shall maintain information verifying the continuing eligibility of the employer, its employees, and their dependents and shall provide such information to its health carrier on a quarterly basis or as reasonably requested by the health carrier.

Subd. 2. [WAIVERS.] A small employer participating in a health benefit plan shall maintain written documentation of a waiver of coverage by an eligible employee or dependent and shall provide such documentation to the health carrier upon reasonable request.

Sec. 8. [62K.08] [RESTRICTIONS RELATING TO PREMIUM RATES.]

Subdivision 1. [RATE RESTRICTIONS.] Premium rates for all health benefit plans sold or issued to small employers shall be subject to the following restrictions:

(a) [INDEX RATE.] Between classes of business, the index rate for a rating period for any class of business must not exceed the index rate for any other class of business by more than 20 percent, adjusted pro rata for periods less than one year. In the case of health benefit plans issued prior to the effective date of this act, which meet the definition of section 62K.02, subdivision 20, a premium rate for a rating period, adjusted pro rata for rating periods of less than a year, may exceed the ranges set forth in section 8 for a period of five years following the effective date of this act.

(b) [PREMIUM VARIATIONS.] Within a class of business, the premium rates charged during a rating period to small employers with similar case characteristics for the same or similar coverage, or the rates which could be charged to such employers under the rating system for that class of business, shall be limited to the index rate, plus or minus 30 percent of the index rate, adjusted pro rata for rating periods of less than one year.

(c) [ANNUAL PREMIUM INCREASE.] The percentage increases in the premium rate charged to a small employer for a new rating period may not exceed the sum of the following:

(1) the percentage change in the index rate measured from the first day of the prior rating period to the first day of the new rating period;

(2) an adjustment, not to exceed 15 percent annually and adjusted pro rata for rating periods of less than one year, due to the claims experience, health status, or duration of issue of the eligible employees or dependents of the small employer as determined from the health carrier's rate manual for the class of business; and

(3) any adjustment due to change in coverage, demographic composition, or change in the case characteristics of the small employer as determined from the health carrier's rate manual for the class of business.

Subd. 2. [INVOLUNTARY TRANSFERS PROHIBITED.] A health carrier shall not involuntarily transfer a small employer into or out of a class of business. A health carrier shall not offer to transfer a small employer into or out of a class of business unless such offer is made to transfer all small employers in the class of business without regard to case characteristics, age, sex, claim experience, health status, industry of the employer, or duration of issue.

Sec. 9. [62K.09] [CESSATION OF SMALL EMPLOYER BUSINESS.]

Subdivision 1. [NOTICE TO COMMISSIONER.] A health carrier electing to cease doing business in the small employer market shall notify the commissioner 180 days prior to the effective date of the cessation. The cessation of business does not include the following activities:

(1) the elimination of a class of business by a health carrier so long as other classes of business are maintained;

(2) the failure of a health carrier to offer or issue new business in the small employer market or continue an existing product line,

provided that a health carrier does not terminate, cancel, or fail to renew its current small employer business or other product lines; and

(3) the inability of any health carrier to offer or renew a health benefit plan because it has given notice to the commissioner that it will not have the capacity within a specific provider site under contract to or owned by the health carrier to adequately deliver services to the enrollees, insureds or subscribers of health benefit plans. Any health carrier which ceases to offer a particular provider site to the small employer market must also cease to offer that provider site to new groups other than small employers for any of its products.

Subd. 2. [NOTICE TO EMPLOYERS.] A health carrier electing to cease doing business in the small employer market shall provide 120 days' written notice to each small employer covered by a health benefit plan issued by the health carrier. Any health carrier that ceases to write new business in the small employer market shall continue to be governed by this act with respect to continuing small employer business conducted by the carrier.

Subd. 3. [REENTRY PROHIBITION.] A health carrier that ceases to do business in the small employer market after the effective date of this act shall be prohibited from writing new business in the small employer market in this state for a period of five years from the date of notice to the commissioner. This subdivision shall apply to any health maintenance organization that ceases to do business in the small employer market in one service area with respect to that service area only.

Sec. 10. [62K.10] [REINSURANCE ASSOCIATION.]

Subdivision 1. [NONPROFIT CORPORATION.] The small employer reinsurance association is a nonprofit corporation.

Subd. 2. [PURPOSE.] The association is established to provide for the fair and equitable transfer of risk associated with participation by a health carrier in the small employer market to a private reinsurance pool created and maintained by the association. The participation by a health carrier in the reinsurance pool is voluntary.

Subd. 3. [TASK FORCE.] The commissioner shall establish an 11 member task force to develop the rules of participation in, and operating guidelines for, the reinsurance pool. Nine members shall represent health carriers. The commissioner shall appoint these nine members as follows: three members must be representatives of insurance companies licensed under chapter 60A to offer, sell or issue a policy of accident and sickness insurance; three members must be representatives of nonprofit health service plan corpora-

tions regulated under chapter 62C; and three members must be representatives of health maintenance organizations regulated under chapter 62D. In selecting task force members who represent insurance companies licensed under chapter 60A, the commissioner shall give preference to carriers with larger shares of the small employer market and to carriers domiciled in Minnesota. The commissioners of commerce and health shall serve as ex officio members of the task force.

Subd. 4. [APPOINTMENT.] The commissioner shall appoint the members of the task force no later than June 15, 1991.

Subd. 5. [REPORT.] The task force shall report to the legislature on its recommendations for operation of the reinsurance association no later than January 15, 1992. The report must include recommendations regarding the transfer of risk to the association, assessments, board composition, and operation of the association. The report must include recommendations regarding statutory changes necessary for implementation of the reinsurance association by July 1, 1992.

Sec. 11. [62K.11] [SUPERVISION BY COMMISSIONER.]

Subdivision 1. [REPORTS.] Health carriers doing business in the small employer market shall file by April 1 of each year an annual actuarial opinion with the commissioner certifying that the health carrier is in compliance with the underwriting and rating requirements of this chapter and that the rating methods used by the carrier are actuarially sound. Health carriers shall retain a copy of such opinion at their principal place of business.

Subd. 2. [RECORDS.] Health carriers doing business in the small employer market shall maintain at their principal place of business a complete and detailed description of their rating practices, including information and documentation which demonstrate that a health carrier's rating methods and practices are based upon commonly accepted actuarial assumptions and are in accordance with sound actuarial principles.

Subd. 3. [SUBMISSIONS TO COMMISSIONER.] The commissioner may request information and documentation from a health carrier describing its rating practices and renewal underwriting practices, including information and documentation that demonstrates that a health carrier's rating methods and practices are in accordance with sound actuarial principles. Any information received by the commissioner pursuant to this subdivision is nonpublic data pursuant to section 13.37.

Sec. 12. [62K.12] [PENALTIES AND ENFORCEMENT.]

The commissioner may suspend or revoke a health carrier's license or certificate of authority or impose a monetary penalty not to exceed \$25,000 for each violation of this chapter. Such action shall be by order and subject to the notice, hearing, and appeal procedures set forth in section 60A.051. The action of the commissioner shall be subject to judicial review pursuant to chapter 14.

Sec. 13. [62K.13] [PROHIBITED PRACTICES.]

Subdivision 1. [PROHIBITION ON ISSUANCE OF INDIVIDUAL POLICIES.] Health carriers operating in the small employer market shall not offer, issue, or renew an individual policy, subscriber contract, or certificate to any eligible employee or dependent of a small employer who satisfies the employer participation requirements set forth in section 62K.03, subdivision 3, except as permitted in subdivision 2.

Subd. 2. [EXCEPTIONS.] (a) Health carriers may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage pursuant to section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) Health carriers may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) Health carriers may voluntarily offer conversion policies under section 62E.17 to eligible employees.

(d) Health carriers may sell, issue or renew individual continuation policies to eligible employees as required under section 62K.05.

Subd. 3. [SALE OF OTHER PRODUCTS.] A health carrier shall not condition the offer, sale, issuance, or renewal of a health benefit plan on the purchase by a small employer of other insurance products offered by the health carrier or a subsidiary or affiliate of the health carrier, including but not limited to life, disability, property, and general liability insurance. This prohibition shall not apply to indemnity benefits offered as a supplement to a health maintenance organization plan to provide coverage to enrollees for health care services and supplies received from providers who are not employed by, under contract with, or otherwise affiliated with the health maintenance organization.

Sec. 14. [DEPARTMENT OF COMMERCE STUDY.]

The commissioner of commerce shall study the effects of Minne-

sota Statutes, chapter 62K, and shall report its findings and recommendations to the legislature no later than January 15, 1994. The commissioner of health shall cooperate and assist as needed in this study, with respect to the effects on the market for health maintenance organization coverage. The study shall determine whether the findings set forth in Minnesota Statutes, section 62K.01, subdivision 2 are correct and whether chapter 62K has achieved the purpose set forth in Minnesota Statutes, section 62K.01, subdivision 3. The study shall assist the legislature in determining whether chapter 62K should continue after June 30, 1994, and if so, what changes, if any, should be made in chapter 62K or other related statutes.

Sec. 15. [REPEALER.]

Sections 1 to 13 are repealed effective June 30, 1994.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 14 are effective July 1, 1992, except that subdivisions 3, 4, and 5 of section 10 are effective the day following final enactment. All rulemaking authority granted by this article is effective the day following final enactment.

ARTICLE 9

HEALTH PROFESSIONAL EDUCATION

Section 1. Minnesota Statutes 1990, section 136A.1355, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician must submit a letter of interest to the higher education coordinating board ~~while attending medical school. Before completing the first year of residency,~~ A student or resident who is accepted must sign a contract to agree to serve at least three of the first five years following residency in a designated rural area.

Sec. 2. Minnesota Statutes 1990, section 136A.1355, subdivision 3, is amended to read:

Subd. 3. [LOAN FORGIVENESS.] Prior to June 30, 1991, the higher education coordinating board may accept up to eight applicants who are fourth year medical students, up to eight applicants who are first year residents, and up to eight applicants who are second year residents for participation in the loan forgiveness program. For the period July 1, 1991 through June 30, 1995, the higher education coordinating board may accept up to eight applicants who are fourth year medical students per fiscal year for

participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans and the interest accrued on these loans. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Sec. 3. [136A.1356] [MIDLEVEL PRACTITIONER EDUCATION ACCOUNT.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Designated rural area" means a Minnesota community that:

(1) is outside a ten-mile radius of a ranally area;

(2) has more than 2,000 persons per physician, including seasonal variation; and

(3) has notified the higher education coordinating board of its need for a physician or nurse for the community.

For purposes of this definition, "ranally area" means a central city or cities and any adjacent built-up areas, plus other communities not connected by continuously built-up areas if population density exceeds 60 persons per square mile and the work force of the other communities significantly depends on the central city or cities.

(b) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

(c) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse-midwives.

(d) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse practitioners.

(e) "Physician assistant" means a person meeting the definition in Minnesota Rules, part 5600.2600, subpart 11.

Subd. 2. [CREATION OF ACCOUNT.] A midlevel practitioner education account is established. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for midlevel practitioners agreeing to practice in designated rural areas.

Subd. 3. [ELIGIBILITY.] To be eligible to participate in the program, a prospective midlevel practitioner must submit a letter of interest to the higher education coordinating board prior to or while attending a program of study designed to prepare the individual for service as a midlevel practitioner. Before completing the first year of this program, a midlevel practitioner must sign a contract to agree to serve at least two of the first four years following graduation from the program in a designated rural area.

Subd. 4. [LOAN FORGIVENESS.] The higher education coordinating board may accept up to eight applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of midlevel practitioner study, up to a maximum of two years, an agreed amount, not to exceed \$7,000, as a qualified loan. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually repay an amount equal to one-half a qualified loan and the interest accrued on one-half a qualified loan. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Subd. 5. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 4 for full repayment of all qualified loans, the higher education coordinating board shall collect from the participant 100 percent of any payments made for qualified loans and interest, plus a penalty of 50 percent of the amount paid. The higher education coordinating board shall deposit the money collected in the midlevel practitioner education account. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the required service commitment.

Sec. 4. [144A.70] [EDUCATION ACCOUNT FOR NURSES WHO AGREE TO PRACTICE IN A NURSING HOME OR INTERMEDIATE CARE FACILITY FOR PERSONS WITH MENTAL RETARDATION AND RELATED CONDITIONS.]

Subdivision 1. [CREATION OF THE ACCOUNT.] An education account in the general fund is established for a loan forgiveness program for nurses who agree to practice nursing in a nursing home or intermediate facility for persons with mental retardation and related conditions. The account consists of money appropriated by

the legislature and repayments and penalties collected under subdivision 4. Money from the account must be used for a loan forgiveness program.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the loan forgiveness program, a person planning to enroll in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the commissioner before enrolling in the nursing education program. Before completing the first year of study, the applicant must sign a contract in which the applicant agrees to practice nursing for at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home or intermediate care facility for persons with mental retardation and related conditions.

Subd. 3. [LOAN FORGIVENESS.] The commissioner may accept up to ten applicants a year. Applicants are responsible for securing their own loans. For each year of nursing education, for up to two years, applicants accepted into the loan forgiveness program may designate an agreed amount, not to exceed \$3,000, as a qualified loan. For each year that a participant practices nursing in a nursing home or intermediate care facility for persons with mental retardation and related conditions, up to a maximum of two years, the commissioner shall annually repay an amount equal to one year of qualified loans and the interest accrued on the loans. Participants who move from one nursing home or intermediate care facility for persons with mental retardation and related conditions to another remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 3 for full repayment of all qualified loans, the commissioner shall collect from the participant 100 percent of any payments made for qualified loans and interest, plus a penalty of 50 percent of the amount paid. The commissioner shall deposit the collections in the general fund to be credited to the account established in subdivision 1. The commissioner may grant a waiver of all or part of the money owed as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the required service commitment.

Subd. 5. [RULES.] The commissioner shall adopt rules to implement this section.

Sec. 5. [STUDY OF OBSTETRICAL ACCESS.]

The commissioner of health shall study access to obstetrical services in Minnesota and report to the legislature by February 1, 1992. The study must examine the number of physicians discontinuing obstetrical care in recent years and the effects of high malpractice costs and low government program reimbursement for

obstetrical services, and must identify areas of the state where access to obstetrical services is most greatly affected. The commissioner shall recommend ways to reduce liability costs and to encourage physicians to continue to provide obstetrical services.

Sec. 6. [GRANT PROGRAM FOR MIDDLELEVEL PRACTITIONER TRAINING.]

The higher education coordinating board shall award grants to Minnesota schools or colleges that educate, or plan to educate midlevel practitioners, in order to establish and administer midlevel practitioner training programs in areas of rural Minnesota with the greatest need for midlevel practitioners. The program must address rural health care needs, and incorporate innovative methods of bringing together faculty and students, such as the use of telecommunications, and must provide both clinical and lecture components. The board shall award two grants for the fiscal year ending June 30, 1992.

Sec. 7. [GRANTS FOR CONTINUING EDUCATION.]

The higher education coordinating board shall establish a competitive grant program for schools of nursing and other providers of continuing nurse education, in order to develop continuing education programs for nurses working in rural areas of the state. The programs must complement, and not duplicate, existing continuing education activities, and must specifically address the needs of nurses working in rural practice settings. The board shall award two grants for the fiscal year ending June 30, 1992.

Sec. 8. [FEASIBILITY STUDIES.]

The higher education coordinating board shall conduct feasibility studies to assess: (1) the need for outreach baccalaureate nurse education programs that would offer classes and clinical experiences in sites convenient to students living in rural areas of the state with the greatest need for registered nurses; and (2) the need for a four-year, generic, baccalaureate degree program for registered nurses in northern Minnesota. The board shall present findings and recommendations to the legislature by February 15, 1992.

Sec. 9. [APPROPRIATION.]

(a) \$9,000,000 is appropriated from the general fund to the commissioner of health for the fiscal year ending June 30, 1992, and \$37,240,000 is appropriated from the general fund to the commissioner of health for the fiscal year ending June 30, 1993, for purposes of articles 1, 2, 3, and 6. The unencumbered balance remaining in the first year does not cancel but is available for the second year.

(b) \$310,000 is appropriated from the general fund to the commissioner of commerce for the biennium ending June 30, 1993, for purposes of articles 7 and 8.

(c) \$110,000 is appropriated from the general fund to the commissioner of human services for the fiscal year ending June 30, 1992, and \$1,040,000 is appropriated from the general fund to the commissioner of human services for the fiscal year ending June 30, 1993, for costs associated with implementation of the Minnesotans' health care plan.

(d) \$553,000 is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1993, for article 5.

(e) \$252,000 is appropriated from the general fund to the higher education coordinating board for the biennium ending June 30, 1993, for article 9.

(f) \$1,495,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1993, for articles 4, 5, and 9."

Delete the title and insert:

"A bill for an act relating to health care; creating a bureau of health care access; establishing the Minnesotans' health care plan; establishing an office of rural health; requiring rural health initiatives; requiring data and research initiatives; restricting underwriting and premium rating practices; providing a health insurance plan for small employees; requiring initiatives related to health professional education; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivision 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1 and 4; 144.581, subdivision 1; 144.698, subdivision 1; 144.8093; 145.61, subdivision 5; 145.64; 176.011, subdivision 9; 256.969, subdivision 6a; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 62A; 62J; 144; and 144A; proposing coding for new law as Minnesota Statutes, chapter 62K; repealing Minnesota Statutes 1990, sections 62E.51; 62E.52; 62E.53; 62E.531; 62E.54; and 62E.55."

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. 222, A bill for an act relating to international trade; establishing regional international trade service centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 1, line 7, delete "[116J.969]"

Page 1, line 8, delete "CENTERS" and insert "CENTER; PILOT PROJECT"

Page 1, line 10, after "center" insert "pilot project" and delete everything after "established"

Page 1, delete line 11

Page 1, line 12, delete "subdivision 2,"

Page 1, line 13, delete "area" and delete everything after the first "businesses" and insert "in the state."

Page 1, delete line 14

Page 1, line 15, delete "2." and insert "The pilot project shall terminate June 30, 1993."

Page 1, lines 15 and 21, delete "centers" and insert "center"

Page 3, lines 17 and 21, delete "Each" and insert "The"

Page 3, line 29, delete "\$....." and insert "\$100,000"

Amend the title as follows:

Page 1, line 2, after "establishing" insert "a"

Page 1, line 3, delete "centers" and insert "center pilot project"

Page 1, line 4, delete everything after "money"

Page 1, line 5, delete everything before the period

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. 303, A bill for an act relating to waste management; making changes to state and local government responsibility and authority for waste management; placing emphasis on waste reduction and recycling; adjusting waste facility siting processes; amending Minnesota Statutes 1990, sections 16B.122, subdivision 2; 16B.61, subdivision 3a; 115A.02; 115A.03, subdivision 17a; 115A.06, subdivision 2; 115A.14, subdivision 4; 115A.15, subdivisions 7 and 9; 115A.151; 115A.411, subdivision 1; 115A.46, subdivision 1, and by adding a subdivision; 115A.49; 115A.53; 115A.551, subdivisions 1 and 4; 115A.552, subdivisions 1, 2, and by adding a subdivision; 115A.554; 115A.557, subdivision 4; 115A.64, subdivision 2; 115A.67; 115A.83; 115A.84, subdivision 2; 115A.86, subdivision 5, and by adding a subdivision; 115A.882; 115A.9162, subdivision 2; 115A.919; 115A.923, subdivisions 1 and 1a; 115A.931; 115A.94, subdivision 4; 115A.9561; 115A.96, subdivision 6; 115B.04, subdivision 4; 115B.22, subdivision 8; 116.07, subdivision 4j; 325E.042, subdivision 2; 325E.115, subdivision 1; 325E.1151, subdivision 3; 400.08, subdivision 1; 473.803, subdivision 2; 473.811, subdivisions 1, 3, and 5; 473.823, subdivision 5; 473.845, subdivision 4; 473.848, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; 325E; and 473; repealing Minnesota Statutes 1990, sections 325E.045; and 473.844, subdivision 3; Laws 1989, chapter 325, section 72, subdivision 2.

Reported the same back with the following amendments:

Page 10, line 10, after the period insert "To the extent practicable, the costs incurred by a county for collection, storage, transportation, and recycling of major appliances must be incorporated into the collection, storage, transportation, and recycling system."

Page 16, line 17, after "county" insert "must be payable to the county and"

Page 19, after line 5, insert:

"Subd. 2. [ADDITIONAL FEE.] A county may impose a fee, by cubic yard or the equivalent of waste collected outside the county, in addition to a fee imposed under subdivision 1, on operators of mixed municipal solid waste disposal facilities located within the county. Revenue generated from the additional fee must be credited to the

county general fund and may be used only for the purposes listed in subdivision 1."

Page 19, line 6, before "Waste" insert "Subd. 3. [EXEMPTION.]"

Page 19, line 11, strike "the" and insert "any"

Page 19, delete lines 17 to 23

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. 322, A bill for an act relating to waste management expenditures; requiring the state resource recovery program to establish a central materials recovery facility and centralized collection and transportation of recyclable materials from state offices and operations; appropriating money; amending Minnesota Statutes 1990, section 115A.15, subdivision 6, and by adding subdivisions.

Reported the same back with the following amendments:

Page 1, lines 24 to 27, delete the new language

Page 2, delete line 1

Page 2, line 22, delete everything after the period

Page 2, delete lines 23 to 26

Pages 2 to 3, delete section 3

Page 3, delete section 4

Page 3, delete lines 28 to 36

Page 4, delete lines 1 to 5

Page 4, after line 5, insert:

"Sec. 3. [COMPLEMENT.]"

Page 4, line 8, delete "∴" and insert "8"

Amend the title as follows:

Page 1, line 6, delete "appropriating"

Page 1, line 7, delete "money;"

Page 1, line 8, delete "subdivisions" and insert "a subdivision"

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

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 658, A bill for an act relating to economic development; establishing a small business innovation research marketing and technical assistance program; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION.]

(a) \$200,000 in fiscal year 1992 and \$200,000 in fiscal year 1993 are appropriated from the general fund to the commissioner of trade and economic development for a grant through the bureau of small business assistance to Minnesota Project Innovation. The money must be used to set up a federal technical procurement project for small business in the state.

(b) \$500,000 in fiscal year 1993 is appropriated from the general fund to the commissioner of trade and economic development for a grant to Minnesota Project Outreach Corporation."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "appropriating money for a federal technical procurement project and for Minnesota Project Outreach Corporation."

Page 1, delete lines 3 and 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. 909, A bill for an act relating to energy; creating an advisory task force on low-income energy assistance to establish an energy assistance foundation; authorizing the department of human services to adopt rules; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Reported the same back with the following amendments:

Page 1, line 12, delete everything after "to" and insert "study the establishment of"

Page 2, delete lines 27 to 36

Page 3, delete lines 1 and 2

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5

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. 1009, A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks; authorizing nonpark use of a portion of Interstate park; authorizing the sale of certain deleted lands.

Reported the same back with the following amendments:

Pages 4 and 5, delete section 3 and insert:

"Sec. 3. [NONPARK USE OF LAND IN FORT SNELLING STATE PARK; STUDY OF CERTAIN LANDS WITHIN THE PARK.]

(a) Notwithstanding Minnesota Statutes, chapters 85 and 86A, the commissioner of natural resources may authorize the United States army to use, occupy, and maintain without charge by the state, but at no expense to the commissioner, the portion of Fort Snelling state park that is designated in the official records and drawings of the former Veteran's Administration Hospital Reserve as area "J," and being that part of the property conveyed to the state of Minnesota by the United States of America on August 17, 1971, lying east of Taylor avenue, which contains 35.38 acres, more or less. The use, occupancy, and maintenance may be conditioned upon terms prescribed by the commissioner.

(b) The commissioner of natural resources shall examine whether the continued inclusion in Fort Snelling state park of the property described in paragraph (a), together with that portion of land conveyed in the same deed that lies west of Taylor avenue and is commonly referred to as officers row, which contains 10.5 acres, more or less, is appropriate. The examination must include recommendations on the appropriate use of the area and an analysis of the options available to the state for use of the area under the 1971 conveyance agreement. The commissioner shall report the findings to the legislature by January 15, 1992.

Sec. 4. [LAKE MARIA STATE PARK; LIMITED TERM LEASE.]

Notwithstanding the provisions of Minnesota Statutes, chapters 85 and 86A, or any other law to the contrary, the commissioner of natural resources may temporarily lease not more than five acres of land in Lake Maria state park under the following conditions:

(1) the lease will be entered into only with a person who has donated land valued at not less than \$14,000 to the state for inclusion in Lake Maria state park;

(2) the commissioner determines that the lease will not impair public usage of the park and that use of the area by the lessee will have minimal impact on the park; and

(3) the lease term must not exceed ten years, with no renewal, and will be entered into upon such additional conditions and rental rate as the parties agree."

Page 5, line 19, delete "4" and insert "5"

Amend the title as follows:

Page 1, line 4, delete "Interstate park" and insert "certain parks"

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. 1129, A bill for an act relating to agriculture; regulating genetically engineered plants, pesticides, fertilizers, soil amendments, and plant amendments; imposing a penalty; amending Minnesota Statutes 1990, sections 18B.01, by adding subdivisions; 18C.005, by adding subdivisions; 18C.425, by adding a subdivision; 18D.01, subdivisions 1 and 9; 18D.301, subdivisions 1 and 2; 18D.325, subdivisions 1 and 2; 18D.331, subdivisions 1, 2, and 3; proposing coding for new law in Minnesota Statutes, chapters 18B and 18C; proposing coding for new law as Minnesota Statutes, chapter 18F.

Reported the same back with the following amendments:

Page 2, line 16, delete "MATERIAL" and insert "UNREASONABLE"

Page 2, lines 17, 18, and 35, delete "material" and insert "unreasonable"

Page 3, line 11, delete "material" and insert "unreasonable adverse"

Page 3, line 15, delete "material" and insert "unreasonable"

Page 5, lines 15 and 32, delete "material" and insert "unreasonable"

Page 5, line 28, delete "material" and insert "unreasonable adverse"

Page 8, line 16, delete "material" and insert "unreasonable"

Page 8, line 32, delete "material" and insert "unreasonable adverse"

Page 9, line 3, delete "material" and insert "unreasonable"

Page 11, after line 28, insert:

"Sec. 28. Minnesota Statutes 1990, section 116C.91, is amended by adding a subdivision to read:

Subd. 7. [SIGNIFICANT ENVIRONMENTAL PERMIT.] "Significant environmental permit" means a permit issued by a state agency with the authority to deny, modify, revoke, or place conditions on the permit in compliance with the requirements of sections 116C.91 to 116C.96, chapter 116D, and the rules adopted under them.

Sec. 29. Minnesota Statutes 1990, section 116C.94, is amended to read:

116C.94 [RULES.]

(a) The board shall adopt rules consistent with sections 116C.91 to ~~116C.95~~ 116C.96 that require an environmental assessment worksheet and otherwise comply with chapter 116D and rules adopted under it for a proposed release and a permit for a release. The board may place conditions on a permit and may deny, modify, suspend, or revoke a permit.

(b) The rules shall provide that a permit from the board is not required if the proposer can demonstrate to the board that a significant environmental permit is required for the proposal by another state agency.

(c) A person proposing a release for which a federal permit is required may apply to the board for an exemption from the board's permit or to an agency with a significant environmental permit for the proposed release for an exemption from the agency's permit. The proposer must file with the board or agency, within 14 days of filing a federal application, a written request for exemption with a copy of the federal application and the information necessary to determine if there is a potential for significant environmental effects under chapter 116D and rules adopted under it. The board or agency shall give public notice of the request in the first available issue of the EQB Monitor and shall provide an opportunity for public comment

on the environmental review process consistent with chapter 116D and rules adopted under it. The board or agency may grant the exemption if the board or agency finds that the federal permit issued is in compliance with the requirements of chapter 116D and rules adopted under it and any other requirement of the board's or agency's authority regarding the release of genetically engineered organisms. The board or agency must grant or deny the exemption within 45 days after the receipt of the federal permit.

(d) The board shall consult with local units of government and with private citizens before adopting any rules.

Sec. 30. [116C.96] [COST REIMBURSEMENT.]

The board shall assess the proposer of a release for the necessary and reasonable costs of processing exemptions from a release permit or applications for a release permit. An estimated budget shall be prepared for each exemption or application by the chair of the board. The proposer must remit 25 percent of the estimated budget within 14 days of the receipt of the estimated budget from the chair. The unpaid balance shall be billed in periodic installments, due upon receipt of an invoice from the chair. Costs in excess of the estimated budget must be certified by the board and upon certification constitute prima facie evidence that the expenses are reasonable and necessary and shall be charged to the proposer. The proposer may review all actual costs and present objections to the board, which may modify the cost or determine that the cost assessed is reasonable. The assessment paid by the proposer shall not exceed the sum of the costs incurred. All money received under this section shall be deposited in the special account established under section 116D.045, subdivision 3, for the purpose of paying costs incurred in processing exemptions and applications."

Renumber the remaining section

Amend the title as follows:

Page 1, line 4, after the first semicolon insert "rules of the environmental quality board governing release of genetically engineered organisms; reimbursement of release permit costs;"

Page 1, line 10, after the semicolon insert "116C.91, by adding a subdivision; and 116C.94;"

Page 1, line 11, delete "and 18C" and insert "; 18C; and 116C"

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. 1246, A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring a report to the legislature; authorizing conservation improvement financial incentive plans; making conforming amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.16, subdivision 6b, and by adding a subdivision; 216B.241; 216B.243, subdivision 3, and by adding a subdivision; 216C.02, subdivision 1; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B and 216C.

Reported the same back with the following amendments:

Page 4, line 16, delete "revenue" and insert "public service"

Page 6, line 4, delete "revenue" and insert "public service"

Page 12, after line 17, insert:

"Sec. 6. [APPROPRIATION.]

\$40,000 in fiscal year 1992 and \$40,000 in fiscal year 1993 are appropriated from the general fund to the commissioner of public service for administration and analysis of conservation improvement programs. The complement of the department of public service is increased by one position. The cost of this position shall be reimbursed through fees paid by public utilities."

Page 17, line 10, after "ENERGY CONSERVATION GOALS" insert "; EFFICIENCY PROGRAM"

Page 17, delete lines 11 to 22 and insert "of administration in consultation with the department of public service, in cooperation with one or more public utilities or comprehensive energy services providers, may conduct a shared-savings program involving energy conservation expenditures of up to \$15,000,000 by July 1, 1996, on state-owned buildings. The public utility or energy services provider shall contract with appropriate state agencies to implement energy efficiency improvements in the selected buildings. A contract must require the public utility or energy services provider to include all energy efficiency improvements in selected buildings that are

calculated to achieve a cost payback within ten years. The contract must require that the public utility or energy services provider be repaid solely from energy cost savings and only to the extent of energy cost savings. The goal of the program in this paragraph is to demonstrate that through effective energy conservation the total energy consumption per square foot of state-owned and wholly state-leased buildings could be reduced by at least 25 percent, and climate control energy consumption per square foot could be reduced by at least 15 percent from consumption in the base year of 1990."

Page 17, line 23, delete "requirements" and insert "program"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 132, A bill for an act relating to public safety; providing for wheelchair securement devices in transit vehicles for transporting disabled people; amending Minnesota Statutes 1990, sections 299A.11; 299A.12, subdivision 1, and by adding a subdivision; and 299A.14, subdivision 3.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 350, A bill for an act relating to the environment; adding a purpose for expenditure from the metropolitan landfill contingency action trust fund; authorizing the city of Hopkins to issue bonds to pay for environmental response costs at a landfill; authorizing the city to impose a solid waste collection surcharge; authorizing a landfill cleanup assessment against property; authorizing a service charge; appropriating money; amending Minnesota Statutes 1990, section 473.845, subdivision 3.

Reported the same back with the following amendments:

Page 3, delete lines 9 to 12, and insert "powers, or the revenues from the landfill cleanup assessment and the service charge authorized by this act."

Page 4, delete lines 8 to 36

Page 5, delete lines 1 to 36

Page 6, delete lines 1 to 11 and insert:

"Sec. 4. [REVENUE MECHANISMS.]

Subdivision 1. [AUTHORITY.] (a) The city may, by ordinance, impose the landfill cleanup assessment as provided in subdivision 2 to pay the costs specified in this subdivision. If revenue from the landfill cleanup assessment is insufficient for payment of those costs, the city may levy a service charge as provided in subdivision 3 for the remaining amount necessary.

The costs which can be paid from the assessment authorized in subdivision 2 and the service charge authorized in subdivision 3 include:

(1) the costs of principal and interest on bonds or other obligations issued under section 3 until the bonds or other obligations are repaid; and

(2) the costs incurred or to be incurred to respond to releases, closure, and postclosure care of the landfill until June 30, 1996.

(b) The city shall not budget more than \$400,000 per year from the combination of assessments and service charges. Any amount received in excess of \$400,000 in one year shall be subtracted from the total of the assessments and service charges allowed to be imposed for the next year.

(c) After June 30, 1996, the city shall not budget from the total of the assessments and service charges more than the annual amount needed to pay principal and interest on the bonds issued under section 3. The city's authority to impose assessments and service charges under this act expires on final payment of the principal and interest on the bonds, except that any funds remaining may be placed in the general fund of the city.

Subd. 2. [LANDFILL CLEANUP ASSESSMENT.] (a) The city may impose an assessment against the property classes established by the city under paragraph (b). The landfill cleanup assessment must be determined by the city and certified to the county auditor by January 1 of each year. The assessment must be extended on the assessment rolls of the county for the year in which the assessment is filed, and shall be enforced and collected in the same manner provided for real estate taxes. The assessments, if not paid, become delinquent in January of the following year and are subject to the same penalties and at the same rate of interest as delinquent real

estate taxes. Assessments imposed under this subdivision are exempt from the determination of the city's levy limitation under Minnesota Statutes, chapter 275.

(b) For the purposes of this subdivision, the city shall classify, by ordinance, real property within the corporate limits of the city according to the type of solid waste generation on or from the property. Property exempt from taxation by the state and political subdivisions and other governmental units must also be included in the classification. Classifications must include, but are not limited to, commercial, industrial, single family residential, and multi-family residential property. Rates and charges for the assessment may take into account the character, kind, and quality of the service and of the solid waste, the method of disposition, the number of people served at each place of collection, and all other factors that enter into the cost of solid waste generation.

Subd. 3. [SERVICE CHARGE.] The city may levy a service charge computed upon the net tax capacity of all the taxable property in the city, not to exceed the remaining amount necessary as provided in subdivision 1. Service charges based on the net tax capacity may be payable and collected at the same time and in the same manner as provided for payment and collection of ad valorem taxes. Service charges imposed under this act are not included in computations under Minnesota Statutes, section 469.177, chapter 473F, or any other law that applies to general ad valorem levies.

Page 6, line 32, delete " , divided between the two in proportion to the amount"

Page 6, line 33, delete "paid by each"

Page 7, delete line 13, and insert:

"This act is effective the day following final enactment, except that if the service charges are imposed in section 4, subdivision 3, they cannot be levied on property before the 1991 levy, payable in 1992."

Amend the title as follows:

Page 1, line 6, delete "solid"

Page 1, line 7, delete everything before "landfill"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2, 222, 303, 322, 628, 658, 909, 1009, 1129 and 1246 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 132 and 350 were read for the second time.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. Nos. 783 and 218.

H. F. No. 783, as amended, which was temporarily laid over earlier today was again reported to the House.

Bishop moved to amend H. F. No. 783, the first engrossment, as amended, as follows:

Page 1, line 23, strike "includes" and insert "is limited to"

Page 1, line 24, after the stricken "and" insert "as defined in section 103I.005, subdivision 9" and after "holes" insert "as defined in section 103I.005, subdivision 8" and after "exchangers" insert "as defined in section 103I.005, subdivision 20"

Page 1, line 25, before the period insert "as defined in section 103I.005, subdivision 6"

The motion prevailed and the amendment was adopted.

Valento; Omann; Johnson, R.; Dauner and Nelson, S., moved to amend H. F. No. 783, the first engrossment, as amended, as follows:

Page 5, line 3, after the period insert:

"This subdivision shall be applicable to the following counties: Blue Earth; Dakota; Goodhue; LeSueur; Mower; Olmsted; Rice; Wabasha; Waseca; Washington; and Winona.

The commissioner may not enter into delegation agreements with other counties or political subdivisions until July 1, 1993."

The motion prevailed and the amendment was adopted.

H. F. No. 783, A bill for an act relating to health; modifying requirements for drilling, sealing, and construction of wells, borings, and elevator shafts; amending Minnesota Statutes 1990, sections 103I.005, subdivisions 2, 22, and by adding a subdivision; 103I.101, subdivisions 2, 4, 5, and 6; 103I.105; 103I.111, subdivisions 2b, 3, and by adding a subdivision; 103I.205, subdivisions 1, 3, 4, 7, 8, and 9; 103I.208, subdivision 2; 103I.231; 103I.235; 103I.301, subdivision 1, and by adding a subdivision; 103I.311, subdivision 3; 103I.331, subdivision 2; 103I.525, subdivisions 1, 4, 8, and 9; 103I.531, subdivisions 5, 8, and 9; 103I.535, subdivisions 8 and 9; 103I.541, subdivisions 4 and 5; 103I.545, subdivision 2; 103I.621, subdivision 3; 103I.701, subdivisions 1 and 4; 103I.705, subdivisions 2, 3, 4, and 5; and 103I.711, subdivision 1; repealing Minnesota Statutes 1990, section 103I.005, subdivision 18.

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 104 yeas and 29 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|-----------------|-------------|---------------|------------|--------------|
| Abrams | Farrell | Kelso | Murphy | Scheid |
| Anderson, I. | Frederick | Kinkel | Nelson, K. | Seaberg |
| Anderson, R. H. | Frerichs | Knickerbocker | Newinski | Segal |
| Battaglia | Garcia | Krinkie | O'Connor | Simoneau |
| Bauerly | Goodno | Krueger | Ogren | Skoglund |
| Beard | Greenfield | Lasley | Olsen, S. | Smith |
| Begich | Gutknecht | Leppik | Orenstein | Solberg |
| Bettermann | Hanson | Lieder | Orfield | Stanius |
| Bishop | Hartle | Limmer | Osthoft | Sviggum |
| Blatz | Haukoos | Long | Ostrom | Swenson |
| Boo | Hausman | Lourey | Ozment | Thompson |
| Brown | Heir | Lynch | Pauly | Tompkins |
| Carlson | Henry | Macklin | Pellow | Trimble |
| Carruthers | Hufnagle | Mariani | Pugh | Uphus |
| Clark | Jacobs | Marsh | Reding | Valento |
| Davids | Janezich | McEachern | Rest | Vellenga |
| Dawkins | Jaros | McGuire | Rice | Wagenius |
| Dempsey | Jefferson | McPherson | Rodovovich | Waltman |
| Dille | Johnson, A. | Milbert | Rukavina | Wejman |
| Dorn | Kahn | Morrison | Runbeck | Spk. Vanasek |
| Erhardt | Kalis | Munger | Sarna | |

Those who voted in the negative were:

| | | | | |
|---------|---------------|------------|-----------|--------|
| Bertram | Hasskamp | Nelson, S. | Peterson | Weaver |
| Bodahl | Hugoson | Olson, E. | Schafer | Welker |
| Cooper | Jennings | Olson, K. | Schreiber | Welle |
| Dauner | Johnson, R. | Omman | Sparby | Wenzel |
| Girard | Johnson, V. | Onnen | Steensma | Winter |
| Gruenes | Koppendrayner | Pelowski | Tunheim | |

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

H. F. No. 218 was reported to the House.

Bauerly and Goodno moved to amend H. F. No. 218, the third engrossment, as follows:

Page 6, line 11, after "contractors" insert "and report to the legislature by January 31, 1992 with the recommended types of specialty groups and the licensing procedures"

Page 7, line 13, delete "1,500" and insert "2,500" and before the semicolon, insert "The \$2,500 limit may be exceeded by the unlicensed person if the person's total gross annual receipts from projects regulated under this section do not exceed \$15,000"

The motion prevailed and the amendment was adopted.

Bauerly moved to amend H. F. No. 218, the third engrossment, as amended, as follows:

Page 11, after line 5, insert:

"Subd. 5. [EXEMPTION.] A general retailer whose primary business is not being a residential building contractor, remodeler, or specialty contractor and who has completed a comparable license examination in another state is exempt from sections 11, 12, and 13, subdivisions 3 and 4."

The motion prevailed and the amendment was adopted.

Krinkie, Goodno and Jennings moved to amend H. F. No. 218, the third engrossment, as amended, as follows:

Page 7, delete lines 14 to 23

Renumber the clauses in sequence

Page 9, line 34, after "licensed" insert "in a local governmental unit or"

Page 11, delete line 7

A roll call was requested and properly seconded.

The question was taken on the Krinkie et al amendment and the roll was called. There were 39 yeas and 94 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|-----------------|-------------|---------------|-----------|----------|
| Abrams | Frerichs | Knickerbocker | Omann | Smith |
| Anderson, R. H. | Girard | Krinkie | Onnen | Stanius |
| Bettermann | Goodno | Limmer | Ozment | Sviggrum |
| Boo | Gruenes | Lynch | Pellow | Tompkins |
| Davids | Haukoos | Macklin | Runbeck | Valento |
| Dempsey | Heir | Marsh | Schafer | Waltman |
| Erhardt | Hugoson | McPherson | Schreiber | Welker |
| Frederick | Johnson, V. | Olsen, S. | Seaberg | |

Those who voted in the negative were:

| | | | | |
|--------------|-------------|--------------|------------|--------------|
| Anderson, I. | Garcia | Kinkel | Ogren | Simoneau |
| Anderson, R. | Greenfield | Koppendrayer | Olson, E. | Skoglund |
| Battaglia | Gutknecht | Krueger | Olson, K. | Solberg |
| Bauerly | Hanson | Lasley | Orenstein | Sparby |
| Beard | Hartle | Leppik | Orfield | Steensma |
| Begich | Hasskamp | Lieder | Osthoff | Swenson |
| Bertram | Hausman | Long | Ostrom | Thompson |
| Blatz | Henry | Lourey | Pauly | Trimble |
| Bodahl | Hufnagle | Mariani | Pelowski | Tunheim |
| Brown | Jacobs | McEachern | Peterson | Uphus |
| Carlson | Janezich | McGuire | Pugh | Vellenga |
| Carruthers | Jaros | Milbert | Reding | Wagenius |
| Clark | Jefferson | Morrison | Rest | Weaver |
| Cooper | Jennings | Munger | Rice | Wejzman |
| Dauner | Johnson, A. | Murphy | Rodosovich | Welle |
| Dawkins | Johnson, R. | Nelson, K. | Rukavina | Wenzel |
| Dille | Kahn | Nelson, S. | Sarna | Winter |
| Dorn | Kalis | Newinski | Scheid | Spk. Vanasek |
| Farrell | Kelso | O'Connor | Segal | |

The motion did not prevail and the amendment was not adopted.

H. F. No. 218, A bill for an act relating to occupations and professions; requiring residential building contractors, remodelers, and specialty contractors to be licensed by the state; establishing a builders state advisory council; providing penalties; appropriating money; amending Minnesota Statutes 1990, section 45.027, subdivisions 1, 2, 5, 6, 7, and 8; proposing coding for new law in Minnesota Statutes, chapter 326.

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 110 yeas and 20 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|--------------|---------|---------|------------|
| Abrams | Anderson, R. | Bauerly | Begich | Bettermann |
| Anderson, I. | Battaglia | Beard | Bertram | Bishop |

| | | | | |
|------------|---------------|------------|------------|--------------|
| Blatz | Hasskamp | Limmer | Olson, E. | Simoneau |
| Bodahl | Hausman | Long | Olson, K. | Skoglund |
| Boo | Heir | Lourey | Omann | Smith |
| Brown | Henry | Lynch | Orenstein | Solberg |
| Carlson | Hufnagle | Macklin | Orfield | Sparby |
| Carruthers | Jacobs | Mariani | Osthoff | Stanisus |
| Clark | Jaros | Marsh | Ozment | Steensma |
| Dauner | Jefferson | McEachern | Pellow | Swenson |
| Dille | Jennings | McGuire | Pelowski | Thompson |
| Dorn | Johnson, A. | McPherson | Pugh | Tompkins |
| Erhardt | Johnson, R. | Milbert | Rest | Trimble |
| Farrell | Kahn | Morrison | Rice | Tunheim |
| Frederick | Kelso | Munger | Rodosovich | Uphus |
| Garcia | Kinkel | Murphy | Rukavina | Vellenga |
| Goodno | Knickerbocker | Nelson, K. | Runbeck | Wagenius |
| Greenfield | Koppendrayner | Nelson, S. | Sarna | Waltman |
| Gruenes | Krinkie | Newinski | Scheid | Weaver |
| Gutknecht | Krueger | O'Connor | Schreiber | Wejcmann |
| Hanson | Leppik | Ogren | Seaberg | Winter |
| Hartle | Lieder | Olsen, S. | Segal | Spk. Vanasek |

Those who voted in the negative were:

| | | | | |
|-----------------|----------|-------------|----------|---------|
| Anderson, R. H. | Frerichs | Johnson, V. | Pauly | Valento |
| Cooper | Girard | Kalis | Peterson | Welker |
| Davids | Haukoos | Onnen | Schafer | Welle |
| Dempsey | Hugoson | Ostrom | Svigum | Wenzel |

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

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. 695, A bill for an act relating to domestic violence; battered women; providing that no filing fee shall be charged for issuing a domestic abuse order for protection except under certain circumstances; increasing the penalty for violating an order for protection; authorizing warrantless arrests for violations at a place of employment; permitting the issuance of a new order based on violation of a prior order; increasing the probationary period for misdemeanor domestic assaults; clarifying and expanding the role of the battered women's advisory council; establishing a sexual assault advisory council; updating and correcting certain statutory provisions; appropriating money; amending Minnesota Statutes 1990, sections 518B.01, subdivision 14, and by adding a subdivision; 609.135, subdivision 2; 611A.31, subdivision 2; 611A.32, subdivisions 1 and 2; 611A.33; 611A.34; 611A.35; and 611A.36, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter

611A; repealing Minnesota Statutes 1990, section 611A.32, subdivision 4.

Reported the same back with the following amendments:

Page 4, line 33, after the period insert "The membership of the council shall be fairly representative of both genders."

Page 13, delete section 16

Page 13, line 12, delete "17" and insert "16"

Amend the title as follows:

Page 1, line 14, delete "appropriating money;"

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. 930, A bill for an act relating to economic development; changing the focus of the Greater Minnesota Corporation; requiring the chair of the board of directors to act as science advisor to the governor; changing the duties of the agricultural research utilization institute; providing for an audit; changing the name of the Greater Minnesota Corporation; amending Minnesota Statutes 1990, sections 116O.05, subdivision 2; and 116O.09, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116O.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [NAME CHANGE.]

The Greater Minnesota Corporation is renamed Minnesota Technology, Inc.

Sec. 2. Minnesota Statutes 1990, section 116O.03, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of ~~11~~ 14 directors. ~~The term of a director is six years. Vacancies on the board are filled by appointment of the board, subject to the advice and consent of the senate. Board members may receive reasonable compensation and be reimbursed for reasonable expenses, which must be reviewed each year by the commissioner of finance. The membership terms, compensation, removal, and filling of vacancies of public members of the board are as provided in section 15.0575. Membership of the board consists of the following:~~

(1) a person from the private sector, appointed by the governor, who shall act as chair and serve as chief science advisor to the governor and the legislature;

(2) the dean of the graduate school of the University of Minnesota;

(3) the dean of the institute of technology of the University of Minnesota;

(4) the commissioner of the department of trade and economic development;

(5) six members appointed by the governor; and

(6) one member who is not a member of the legislature appointed by each of the following: the speaker of the house of representatives, the house of representatives minority leader, the senate majority leader, and the senate minority leader.

At least fifty percent of the members described in clauses (5) and (6) must live outside the metropolitan area as defined in section 473.121, subdivision 2, and must have experience in manufacturing, the technology industry, or research and development.

Sec. 3. Minnesota Statutes 1990, section 116O.04, subdivision 2, is amended to read:

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation and programs governed by this chapter are not state employees, but are covered by section 3.736 and, at the option of the board, may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service and an insurance plan administered by the commissioner of employee relations.

Sec. 4. Minnesota Statutes 1990, section 116O.05, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] (a) The primary duties of the corporation shall include:

(1) applied research; and

(2) technology transfer and early stage funding to small manufacturers.

(b) The corporation shall also:

(1) establish programs, activities, and policies that provide technology transfer and applied research and development assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, and nonprofit organizations in the state that are primarily new and existing small and medium-sized businesses in greater Minnesota;

(2) provide or provide for technology-related assistance to individuals, sole proprietorships, partnerships, corporations, other business entities, and nonprofit organizations;

(3) provide financial assistance under section 116O.06 to assist the development of new products, services, or production processes or to assist in bringing new products or services to the marketplace;

(4) provide or provide for research services including on-site research and testing of production techniques and product quality;

(5) establish and operate regional research institutes as provided for in section 116O.08;

(6) make matching research grants for applied research and development to public and private post-secondary education institutes as provided for in section 116O.11;

(7) enter into contracts for establishing formal relationships with public or private research institutes or facilities;

(8) establish the agricultural utilization research institute under section 116O.09; and

(9) not duplicate existing services or activities provided by other public and private organizations but shall build on the existing educational, business, and economic development infrastructure.

Sec. 5. [116O.071] [SCIENCE AND TECHNOLOGY.]

Subdivision 1. [DUTIES.] The corporation shall:

(1) prepare and deliver to the legislature every January 15 a science and technology annual report that must contain:

(i) a list of the scientifically and technologically related research and development projects and development activities funded by a grant or loan of state money that provides significant promise for the development of job-creating businesses; and

(ii) an analysis of the efficacy and completeness of a decentralized research peer review process, with special emphasis on whether or not scientifically and technologically related research and development projects in Minnesota have resulted or will result in creating scientifically and technologically related jobs;

(2) keep a current roster of technology intensive businesses in the state;

(3) collect and disseminate information on financial, technical, marketing, management, and other services available to technology intensive small and emerging businesses, including potential sources of debt and equity capital;

(4) review the technological development potential of various regions of the state and cooperate with and make recommendations to the legislature, state agencies, local governments, local technology development agencies, the federal government, private businesses, and individuals for the realization of the development potential; and

(5) sponsor and conduct conferences and studies, collect and disseminate information, and issue periodic reports relating to scientifically and technologically related research and development and education in the state, and represent the state at appropriate interstate and national conferences.

Subd. 2. [PEER REVIEW PLANS.] A state agency, board, commission, authority, institution, or other entity that allocates state money by a grant, loan, or contract for scientifically and technologically related research shall establish a peer review system to evaluate the research. The corporation shall recommend guidelines for establishing effective peer review. An agency, board, commission, authority, or institution that funds scientifically and technologically related research shall, at least biennially, present to the corporation or to ad hoc committees a review and evaluation of the peer review process used in that organization.

Subd. 3. [AUTHORITY TO PERFORM REQUESTED EVALUATIONS.] The governor, speaker of the house of representatives, house of representatives minority leader, senate majority leader, senate minority leader, chair of the house of representatives appropriations committee, chair of the senate finance committee, director, or a member of the legislature considering the introduction or approval of legislation containing funding for scientifically and technologically related research and development may request the

corporation to evaluate a loan or grant made or to be made or the proposed legislation for funding scientifically and technologically related research and development to determine (1) whether it complies with the guidelines required by subdivision 1, clause (1), item (ii); (2) whether it is technically feasible; and (3) for development proposals, whether the proposal appears to have the potential for economic development. Ad hoc committees may be appointed by the corporation.

Sec. 6. Minnesota Statutes 1990, section 116O.09, subdivision 3, is amended to read:

Subd. 3. [STAFF.] The corporation board of directors shall provide hire staff to for the agricultural utilization research institute and assist in carrying out the duties of the agricultural utilization research institute. Persons employed by the agricultural utilization research institute are not state employees and may participate in state retirement, deferred compensation, insurance, or other plans that apply to state employees generally and are subject to regulation by the state ethical practices board.

Sec. 7. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 6. [BYLAWS.] The board of directors shall adopt bylaws necessary for the conduct of the business of the institute consistent with this section. The corporation must publish bylaws and amendments to the bylaws in the State Register.

Sec. 8. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 7. [PLACE OF BUSINESS.] The board of directors shall locate and maintain the institute's place of business within the state.

Sec. 9. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 8. [CHAIR.] The board of directors shall annually elect from among its members a chair and other officers necessary for the performance of its duties.

Sec. 10. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 9. [MEETINGS.] The board of directors shall meet at least twice each year and may hold additional meetings upon giving notice in accordance with the bylaws of the institute. Board meetings are subject to section 471.705.

Sec. 11. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 10. [CONFLICT OF INTEREST.] A director, employee, or officer of the institute may not participate in or vote on a decision of the board relating to an organization in which the director has either a direct or indirect financial interest.

Sec. 12. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 11. [NO BENEFIT TO PRIVATE INDIVIDUALS OR CORPORATIONS.] This institute shall not afford pecuniary gain, incidental or otherwise, to any private individual, firm, or corporation, except the payment of reasonable fees for goods and services provided and approved in accordance with the bylaws of the corporation. No part of the net income or net earnings of the institute shall, directly or indirectly, be distributable to or otherwise inure to the benefit of any individual.

Sec. 13. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 12. [FUNDS.] The institute may accept and use gifts, grants, or contributions from any source. Unless otherwise restricted by the terms of a gift or bequest, the board may sell, exchange, or otherwise dispose of and invest or reinvest the money, securities, or other property given or bequested to it. The principal of these funds, the income from them, and all other revenues received by it from any nonstate source must be placed in the depositories the board determines and is subject to expenditure for the board's purposes. Expenditures of more than \$25,000 must be approved by the full board.

Sec. 14. Minnesota Statutes 1990, section 116O.09, is amended by adding a subdivision to read:

Subd. 13. [ACCOUNTS; AUDITS.] The institute may establish funds and accounts that it finds convenient. The board shall provide for and pay the cost of an independent annual audit of its official books and records by the legislative auditor subject to sections 3.971 and 3.972. A copy of this audit shall be filed with the secretary of state.

For purposes of this section, "institute" means the agricultural utilization research institute established under section 116O.09 and "board of directors" means the board of directors of the agricultural utilization research institute.

Sec. 15. [REPORT TO GOVERNOR AND THE LEGISLATURE.]

Minnesota Technology, Inc., shall report to the governor and the appropriate committees of the legislature its recommendations for a state science and technology policy by January 1, 1992.

Sec. 16. [DISSOLUTION OF GREATER MINNESOTA CORPORATION BOARD OF DIRECTORS; REAPPOINTMENT OF DIRECTORS.]

The board of directors of the Greater Minnesota Corporation is dissolved. It is succeeded by the board of directors established in section 2. The successor board must have at least four members who currently serve as directors of the Greater Minnesota Corporation.

Sec. 17. [TECHNOLOGY RESOURCE CENTERS.]

The corporation must provide funding for technology resource centers so as to maintain a geographic balance of services throughout Minnesota.

Sec. 18. [TRANSFER.]

The following programs are transferred from the department of economic development to Minnesota Technology, Inc.: Minnesota Project Outreach Corporation, Minnesota Project Innovation, Inc., Minnesota Quality Council, Minnesota Inventors' Congress, Minnesota High Technology Corridor Corporation, and the office of science and technology. The provisions of Minnesota Statutes, section 15.039, apply to this transfer.

Sec. 19. [REVISOR INSTRUCTION.]

In the next edition of Minnesota Statutes and Minnesota Rules, the revisor of statutes shall change the words "Greater Minnesota Corporation" or similar words to "Minnesota Technology, Inc." or similar words. The revisor shall make other necessary changes to Minnesota Statutes and Minnesota Rules to effectuate section 18.

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, sections 116J.970, 116J.971, and 116O.03, subdivision 2a, are repealed.

Sec. 21. [EFFECTIVE DATE.]

Section 18 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to economic development; changing the name of the Greater Minnesota Corporation; adding duties; providing for a new structure for the board of directors; amending Minnesota Statutes 1990, sections 116O.03, subdivision 2; 116O.04, subdivision 2; 116O.05, subdivision 2; and 116O.09, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116O; repealing Minnesota Statutes 1990, sections 116J.970; 116J.971; and 116O.03, subdivision 2a."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 397, A bill for an act relating to capital improvements; altering the terms of a grant to the Red Lake watershed district; amending Laws 1990, chapter 610, article 1, section 20, subdivision 5.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 621, A bill for an act relating to the environment; clarifying and correcting provisions relating to the legislative commission on Minnesota resources and the Minnesota environmental and natural resources trust fund; amending Minnesota Statutes 1990, sections 116P.04, subdivision 5; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, and 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. 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.

~~(c)~~ (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.

(c) It is a condition of acceptance of the appropriations made from the Minnesota future resources fund, Minnesota environment and natural resources trust fund, and oil overcharge money under Minnesota Statutes, section 4.071, subdivision 2, 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 may be spent unless the commission has approved the pertinent work program.

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

Sec. 2. 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. 3. 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. 4. 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. 5. 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. 6. 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. 7. 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. 8. 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. 9. 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~~ 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. 10. [NATIVE PLANT CENTER GRANT TRANSFER.]

Any remaining balance of the grant made in Laws 1989, chapter 335, article 1, section 8, for the establishment and operation of a midwest native plant center and any property acquired through that grant shall be transferred by June 1, 1991, to the commissioner of natural resources to be administered consistent with the purposes of the original grant.

Sec. 11. [REPEALER.]

Minnesota Statutes 1990, section 116P.04, subdivision 5, is repealed."

Delete the title and insert:

"A bill for an act relating to the environment; clarifying and correcting provisions relating to the legislative commission on Minnesota resources and the Minnesota environmental and natural resources trust fund; providing for transfer of funds relating to the midwest native plant center; amending Minnesota Statutes 1990, sections 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, 5, and 7; repealing Minnesota Statutes 1990, section 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. Nos. 695 and 930 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 397 and 621 were read for the second time.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. Nos. 11, 321, 678 and 655.

H. F. No. 11 was reported to the House.

Welle moved to amend H. F. No. 11, the second engrossment, as follows:

Page 1, line 4, delete "21" and insert "18"

The motion prevailed and the amendment was adopted.

H. F. No. 11, A bill for an act relating to human services; modifying reimbursement for outpatient services provided by pediatric specialty hospitals to children under age 18 under the medical assistance and general assistance medical care programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

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

H. F. No. 321, A bill for an act relating to marriage dissolution; requiring a summons to contain certain information; providing for court approval of certain items without a hearing; providing for payment of investigation costs; limiting joint custody; creating a summary dissolution pilot project; appropriating money for marriage dissolution education and orientation; amending Minnesota Statutes 1990, sections 518.13, by adding a subdivision; 518.167, by adding a subdivision; and 518.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 115 yeas and 17 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

| | | | | |
|-----------------|-----------|-------------|----------|--------|
| Anderson, R. H. | Frerichs | Henry | Smith | Welker |
| Bettermann | Girard | Johnson, V. | Stanis | |
| Davids | Gutknecht | Schafer | Tompkins | |
| Dempsey | Heir | Seaberg | Waltman | |

The bill was passed and its title agreed to.

H. F. No. 678 was reported to the House.

Runbeck, Vellenga, Pellow, Dempsey and Newinski moved to amend H. F. No. 678, the second engrossment, as follows:

Page 1, lines 7 and 8, delete "state court administrator" and insert "chief justice of the supreme court"

Page 2, line 4, delete "and"

Page 2, line 5, after "system" insert "and four public members"

The motion prevailed and the amendment was adopted.

H. F. No. 678, A bill for an act relating to juveniles; requiring a study of the juvenile certification process; appropriating money.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|-----------------|------------|---------------|------------|------------|
| Abrams | Dawkins | Henry | Leppik | Ogren |
| Anderson, I. | Dempsey | Hufnagle | Lieder | Olsen, S. |
| Anderson, R. H. | Dille | Hugoson | Limmer | Olson, E. |
| Battaglia | Dorn | Jacobs | Long | Olson, K. |
| Bauerly | Erhardt | Janezich | Lourey | Omann |
| Beard | Farrell | Jaros | Lynch | Onnen |
| Begich | Frederick | Jefferson | Macklin | Orenstein |
| Bertram | Frerichs | Jennings | Mariani | Orfield |
| Bettermann | Garcia | Johnson, A. | Marsh | Osthoff |
| Bishop | Girard | Johnson, R. | McEachern | Ostrom |
| Blatz | Goodno | Johnson, V. | McGuire | Ozment |
| Bodahl | Greenfield | Kahn | McPherson | Pauly |
| Boo | Gruenes | Kalis | Milbert | Pellow |
| Brown | Gutknecht | Kelso | Morrison | Pelowski |
| Carlson | Hanson | Kinkel | Munger | Peterson |
| Carruthers | Hartle | Knickerbocker | Murphy | Pugh |
| Clark | Hasskamp | Koppendrayer | Nelson, K. | Reding |
| Cooper | Haukoos | Krinkie | Nelson, S. | Rest |
| Dauner | Hausman | Krueger | Newinski | Rice |
| Davids | Heir | Lasley | O'Connor | Rodosovich |

| | | | | |
|-----------|----------|----------|----------|--------------|
| Rukavina | Segal | Steensma | Uphus | Welker |
| Runbeck | Simoneau | Sviggum | Valento | Welle |
| Sarna | Skoglund | Swenson | Vellenga | Wenzel |
| Schafer | Smith | Thompson | Wagenius | Winter |
| Scheid | Solberg | Tompkins | Waltman | Spk. Vanasek |
| Schreiber | Sparby | Trimble | Weaver | |
| Seaberg | Stanis | Tunheim | Wejcmán | |

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

H. F. No. 655 was reported to the House.

Dempsey and Olson, E., moved to amend H. F. No. 655, the first engrossment, as follows:

Page 14, after line 14, insert:

"Sec. 7. Minnesota Statutes 1990, section 174A.06, is amended to read:

174A.06 [CONTINUATION OF RULES.]

Orders and directives heretofore in force, issued or promulgated by the public service commission, public utilities commission, or the department of transportation under authority of chapters 216A, 218, 219, and 221 remain and continue in force and effect until repealed, modified, or superseded by duly authorized orders or directives of the transportation regulation board. Rules adopted by the public service commission, public utilities commission or the department of transportation under authority of the following sections are transferred to the transportation regulation board and continue in force and effect until repealed, modified, or superseded by duly authorized rules of the transportation regulation board:

(1) section 218.041 except rules related to the form and manner of filing railroad rates, railroad accounting rules, and safety rules;

(2) section 219.40;

(3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits or certificates of convenience and necessity under section 221.031, subdivision 1;

(4) rules relating to the sale, assignment, pledge, or other transfer of a stock interest in a corporation holding authority to operate as a permit carrier as prescribed in section 221.151, subdivision 1, ~~or a local cartage carrier under section 221.296, subdivision 8;~~

(5) rules relating to rates, charges, and practices under section 221.161, subdivision 4; and

(6) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under sections 221.121, and 221.151, and

~~221.296~~ or certificates of convenience and necessity under section 221.071.

~~The board shall review the transferred rules, orders, and directives and, when appropriate, develop and adopt new rules, orders, or directives within 18 months of July 1, 1986. rules and orders of the commissioner and the board."~~

Page 17, after line 14, insert:

"Sec. 11. Minnesota Statutes 1990, section 221.141, subdivision 4, is amended to read:

Subd. 4. [IRREGULAR ROUTE CARRIERS OF HOUSEHOLD GOODS.] An irregular route common carrier of A household goods carrier shall maintain in effect cargo insurance or cargo bond in the amount of \$50,000 and shall file with the commissioner a cargo certificate of insurance or cargo bond. A cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform to Form J, described in Code of Federal Regulations, title 49, part 1023. Both Form H and Form J are incorporated by reference. The cargo certificate of insurance or cargo bond must be issued in the full and correct name of the person, corporation, or partnership to whom the irregular route common carrier of household goods permit was issued and household goods carrier whose operations are being insured. A carrier that was issued a permit as an irregular route common carrier of household goods before August 1, 1989, shall obtain and file a cargo certificate of insurance or bond within 90 days of August 1, 1989.

Sec. 12. [221.297] [MOTOR CARRIERS OF PROPERTY; INAPPLICABILITY.]

On any after July 1, 1992, the provisions of sections 221.021; 221.0315; 221.041; 221.051; 221.061; 221.071; 221.081; 221.111; 221.121; 221.122; 221.123; 221.131; 221.132; 221.151; 221.161; 221.165; 221.171; 221.185; 221.251; and 221.291. Subdivisions 4 and 5 do not apply to motor carriers of property or to the transportation of property by motor vehicle.

Sec. 13. [REPEALER.]

Minnesota Statutes 1990, sections 221.011, subdivisions 10, 12, 18, 25, and 28; 221.101; and 221.296 are repealed."

Page 17, line 16, delete "Section 1 is" and insert "Sections 1, 7, 11, 12, and 13 are"

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 Dempsey and Olson, E., amendment and the roll was called. There were 77 yeas and 51 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|-----------------|-------------|---------------|-----------|----------|
| Abrams | Dorn | Johnson, V. | Olsen, S. | Skoglund |
| Anderson, I. | Erhardt | Kinkel | Olson, E. | Smith |
| Anderson, R. | Frederick | Knickerbocker | Olson, K. | Sparby |
| Anderson, R. H. | Frerichs | Koppendraye | Omann | Stanis |
| Battaglia | Girard | Krinkie | Onnen | Svigum |
| Begich | Goodno | Krueger | Ostrom | Swenson |
| Bettermann | Gruenes | Leppik | Ozment | Thompson |
| Bishop | Gutknecht | Limmer | Pauly | Tompkins |
| Blatz | Hartle | Lynch | Pellow | Uphus |
| Boo | Haukoos | Macklin | Pelowski | Waltman |
| Carruthers | Heir | Marsh | Peterson | Weaver |
| Cooper | Henry | McPherson | Pugh | Welker |
| Dauner | Hufnagle | Morrison | Rice | Welle |
| Davids | Hugoson | Murphy | Schafer | |
| Dempsey | Jennings | Newinski | Schreiber | |
| Dille | Johnson, R. | O'Connor | Seaberg | |

Those who voted in the negative were:

| | | | | |
|------------|-------------|------------|------------|--------------|
| Bauerly | Hanson | Lourey | Reding | Valento |
| Beard | Hausman | Mariani | Rest | Vellenga |
| Bertram | Jacobs | McEachern | Rodosovich | Wagenius |
| Bodahl | Janezich | McGuire | Rukavina | Wejman |
| Brown | Jaros | Milbert | Runbeck | Wenzel |
| Carlson | Jefferson | Munger | Sarna | Winter |
| Clark | Johnson, A. | Nelson, K. | Segal | Spk. Vanasek |
| Dawkins | Kahn | Nelson, S. | Simoneau | |
| Farrell | Kalis | Ogren | Steensma | |
| Garcia | Lasley | Orfield | Trimble | |
| Greenfield | Long | Osthoff | Tunheim | |

The motion prevailed and the amendment was adopted.

H. F. No. 655, A bill for an act relating to traffic regulations; establishing maximum height for rear bumpers of certain semitrailers; allowing certain equipment to be excluded from computing the maximum allowable length of a semitrailer or trailer used in a three-vehicle combination; providing an exception to the length limitation on certain vehicle combinations; limiting maximum weight allowed on certain vehicle tires; conforming state highway weight limitations to federal requirements; imposing a cost-per-mile fee on certain overweight vehicles; adding an exemption to the motor

carrier act; authorizing a variance for small cargo tanks; establishing the initial motor carrier contact program; amending Minnesota Statutes 1990, sections 169.73, subdivision 4a; 169.81, subdivisions 2 and 3; 169.825, subdivisions 8 and 10; 169.86, subdivision 5; 174A.06; 221.025; 221.141, subdivision 4; and 221.033, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, sections 221.011, subdivisions 10, 12, 18, 25, and 28; 221.101; and 221.296.

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 128 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

| | | | | |
|--------|--------|---------|--------|---------|
| Garcia | Lasley | Osthoff | Scheid | Trimble |
|--------|--------|---------|--------|---------|

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

The Speaker resumed the Chair.

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

McPherson moved that H. F. No. 1047 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 687:

Trimble, Lynch and McGuire.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 880:

Sparby, Hasskamp and Frerichs.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1027:

Johnson, R.; Johnson, V., and Rukavina.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Tuesday, May 14, 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., Tuesday, May 14, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives